



**Developing a strategic management model for a multi-currency system in
Zimbabwe**

**A thesis submitted in fulfilment of the requirements for the degree of
Doctor of Philosophy (Management)**

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College of Law and Management Studies**

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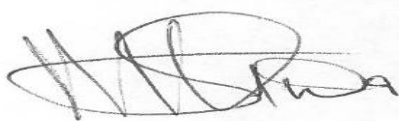
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2019

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Signed:

Dedication

To My Family, friends and fellow researchers.

Acknowledgements

I am greatly indebted to God whose grace has been good enough for me throughout the writing of this thesis. With sincere gratitude, I would like to thank my supervisors Professor William Fox and Professor Henry Wissink, through whose support, guidance and encouragement this work has become possible. Your unfaltering belief, insight and commitment provided the motivation to complete this thesis. Thank you for all your support. I also owe a lot of gratitude to my dear family through whose love and untiring support I have been able to complete this work. I am grateful to all my friends and well-wishers for their prayers and support. In addition, thank you to the authors and researchers who planted the seed for this topic, and provided the material used to compile this research study. Without the hard work in their respective fields, this work could not have been completed. Finally, I would like to thank the research participants during the data collection.

Abstract

Strategy-making has traditionally utilised strategic management, underpinned by rational strategic planning, to craft and implement strategic moves. However, rapidly changing environmental dynamics have created a business environment contrary to the traditional paradigm of predictability, linearity and controllability expected by the rational strategic planning approach to strategy-making. The aim of the study is to explore the strategic management model in running a multi-currency system, for the purposes of developing a conceptual strategic thinking framework for the delivery of strategy in this kind of business environment. In addition, this study aims to identify the extent to which internal and external organisational dynamics impact the development and execution of strategy in order to strengthen the robustness of a strategy-making approach. To achieve this purpose, this study investigated and proved that a strategic thinking approach exists as an alternative to rational strategic planning. The study utilised both quantitative and qualitative approaches. Data was collected through questionnaires and interviews. Using the convenience sampling technique, 340 questionnaires were evenly distributed between the participating departments. SPSS was used to analyse quantitative data, as both thematic and content analysis was used for qualitative part of the research. Findings showed that most organisations try to manage strategically by aligning initiatives with strategy, engaging staff fully in strategy implementation, keeping staff fully informed about corporate strategic direction, monitoring strategy and implementation in order to adapt it where necessary to meet the challenges and realities of the times and structuring the organisation to be effective in its strategy implementation. The study also showed that all the strategic management practices had significant positive effects on organisational effectiveness and efficiency. Furthermore, the study showed that the most ensnaring pitfall of strategic management is the inability of organisations to translate strategy into a corporate purpose. This was followed by short term planning, failure to create accountability for results, inability to foster belief in the strategy, ignoring external trends, overconfidence based on existing success and failure to respond to structural changes in the market. Based on the findings, the study recommended that organisational management weigh in their strategic management decisions, the business environment and the prevailing macro conditions to create a successful strategic plan with a positive impact on corporate efficiency.

Key Terms

Business Strategy, Competitive Strategy, Creative and Adaptive Strategy, First Principles, Rational Strategic Planning, Strategy-making, Strategic Intelligence, Strategic Management, Strategic Thinking, Multi-currency system, Dollarisation.

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CHAPTER ONE:

INTRODUCTION AND BACKGROUND TO THE STUDY

1.1 Introduction

The dynamics of an uncertain internal organisational environment have significantly increased complexity. In addition, the pace of change within the business environment has significantly increased over the past years, increasing in complexity and uncertainty (Simons, 2010). The aim of strategic planning is to increase the efficiency and effectiveness of organisations by enhancing existing and future operations. Strategic planning presents a perspective for management's vision of the future. The processes of strategic planning outline how an organisation will transform so as to take advantage of new prospects that could assist it in meeting stakeholder needs. Ordinarily, management would use this process to determine objectives, establish targets and provide timeframes to meet certain activities, as well as methods of monitoring progress. In operational plans, the process could be used to provide a method of assigning responsibilities in terms of who will perform the task.

To guide strategy-making, organisations have traditionally utilised strategic management, underpinned by rational strategic planning, to craft strategic moves and support the implementation thereof (Grant, 2013). Within literature, rational strategic planning is referred to as a programmatic, analytical thought process. According to Mintzberg, (1994), such planning involves a formal planning procedure following systematic guidelines to enable the development of a corporate strategy. While planning of this type has been successful in developing articulate plans, managers confuse vision with the manipulation of figures, resulting in formalised strategic programming that articulates and elaborates on strategies and visions which already exist

Also, internal organisational and external environmental dynamics have created a business environment in contradiction to the traditional view of the predictability, linearity, and controllability of the rational strategic planning approach to strategy-making (Boulton and Allen, 2007). Maritz (2010) suggests that the assumptions embedded in rational strategy-making approaches are incomplete and outdated, requiring a re-examination of traditional paradigms. Previously, Graetz (2002) posited that if the process of strategy-making is to be truly effective, a rigid set of predetermined routines should not be followed, but instead a dynamic, opportunistic, flexible and adaptive approach must be used to guide strategy-making.

A paradigm-shift is required to enable organisations to compete in the radically changing and complex business environment. In this new setting, organisations should not only be creative, but also be adaptable to changing conditions by being agile and quick to spot and exploit emerging business opportunities inside and outside of their historical boundaries. They should also be able to absorb changes in their external environments and be flexible in their ability to adjust to changing market conditions (Amsteus, 2011; Sull, 2009; Mintzberg, 1994).

Based on the above, strategy must be aligned to creativity so as to enable an innovative base for rethinking strategic outcomes within and beyond the organisation (Bilton and Cummings, 2010). The crafting of strategy must focus on learning, discovering and inventing. The said strategy needs to encompass sources of strategic invention and innovation with a focus on understanding the current situation and assisting in creatively positioning the organisation into an adaptive future (Pugh and Bourgeois, 2011).

As an alternative to rational strategic planning, a strategic thinking approach, involving sense-making, synthesis, intuition, creativity and foresight has been framed for the crafting of a creative and adaptive strategy (Amsteus, 2011; Mintzberg, 1994). Strategic thinking challenges the way in which we currently think about the future of the organisation, moving beyond patterned responses and habitual thinking, to a more creative, divergent thought process (Conway, 2014).

The notion of strategic thinking is important in the strategic reality of the organisation. Cravens, Piercy and Baldauf (2009) ascertains that strategic thinking should connect the past, the present and the future, utilising both organisational memory and historical context, employing data, information, knowledge and insight generated and collected over the course of the organisation's existence. In addition, organisations should include relevant inputs on the current business environment and insight for the forecasting of deeper, more integrated perspectives on future direction (Cravens et al., 2009; Mintzberg, 1994; Mintzberg, Ahlstrand & Lampel, 2009).

While several scholars have outlined their interpretation of a strategic thinking construct with clearly identifiable characteristics to steer the conceptual thought process, these have lacked a well-defined guide to be followed by organisations (Bonn, 2005; Cravens et al., 2009; Liedtka, 2005; Tovstiga, 2010; Waters, 2011). In several instances, tools, elements (essential or characteristic parts of existing frameworks or methods) and mechanisms (an established process, framework or method comprised of several elements working together) must still be identified and detailed for crafting a creative and adaptive strategy (Cravens et al., 2009; Liedtka, 1998; Zand, 2010).

This study seeks to explore the strategic management model in running a multi-currency system, by investigating whether a strategic thinking approach existed on the Zimbabwean multicurrency adoption as an alternative to conventional strategic planning, the extent to which strategic thinking is used by organisations, and identify the most commonly used tools and elements, of both strategic thinking and rational strategic planning in order to develop a conceptual strategic thinking approach for the delivery of a creative and adaptive organisational strategy (Cravens et al., 2009; Liedtka, 1998; Zand, 2010).

1.2 Background of the Study

Zimbabwe is a landlocked country in southern Africa, with a population of approximately thirteen million people, and 80 percent of them live in the rural areas (ZimStat, 2012). It is bordered by South Africa to the south, Mozambique to the east, Botswana to the west, and Zambia to the northwest.



Figure 1.3: Location of Zimbabwe on the African continental map (Hobbes, 2014)

Zimbabwe has a total area of 150,872 square miles (390,757 square kilometers), making it relatively bigger than Germany in area space. As surprising as it may sound, Zimbabwe was one of sub-Saharan's most productive and economically sound countries. The country emerged from independence with a productive private sector and powerful infrastructure (Hobbes, 2014). According to (Charkie 2012), during the 1980 independence, and for the sake of national pride, the Zimbabwean dollar (ZWS) replaced

the Rhodesian dollar at the par rate, which was higher than the American dollar (US\$). At its inception, the ZW\$ had an exchange rate of one ZW\$ to 1.47 US\$. However, by July 2008 its value had dropped to ZW\$10 billion to 0.33 US\$, which was fuelled by the substantial increase in money supply and this led to an upsurge in inflation (Sikwila, 2013).



Figure 1.2: Location of Zimbabwe in Southern Africa (ZimStat, 2012)

Since the attainment of independence in 1980, Zimbabwe has experienced persistent fiscal deficits, considerable money supply growth, rising unemployment, a deteriorating exchange rate against major currencies, declining GDP and increasing balance of payments deficits. However, the situation quickly deteriorated in the late 1990s and saw a series of events leading to the demise of the ZW\$ (Charkie 2012). Hobbes (2014) suggested that the inevitable fall of the Zimbabwean economy started in 1997 when the country faced restless constituents and increasingly popular opposition. War veterans were paid ZW\$ 50 000 each for the war of independence. In the following year, large troops of the army were sent to the Democratic Republic of Congo to help secure diamond mines and peace and in the year 2000, civil servants had a salary increment of 90 percent.

Zimbabwe mainly had an agrarian economy with about 40% of the foreign exchange revenue depending on farm produce. In 2000, following the Government Fast Track Land Reform Programme (FTLRP) which gave land to the majority, of whom most lacked expertise and equipment, revenue from these activities fell by a large percentage. The manner in which the land redistribution programme was done also reduced tourist numbers dramatically which served to fuel the increasing shortage of foreign currency

as tourism was also a big foreign currency earner for the country. The unconcealed disregard of property rights by the government also resulted in reduced financial aid and reduced Foreign Direct Investment due to the lack of confidence in the economy. This contracted the supply side of the economy which further fuelled inflation (Mack, 2017).

At the start of the 21st century, following the incidents described above, inflation was high in Zimbabwe; the Government was operating with a large deficit. This marked the start of a decline in Zimbabwe's economic performance. For the first time, in 2001, the inflation rate was over 100% (Reserve Bank of Zimbabwe, 2009). However, at this point the economy was still salvageable and the Reserve Bank of Zimbabwe (RBZ) could have chosen to pursue policies which would have stopped inflation and brought stability to the country. This could have been achieved by implementing austerity measures; reducing expenditure and using savings to kick start the failing economy. Importantly though, for this to work property rights would have had to be restored and the Government be seen to be committed to this to allow much needed foreign investors to participate in the recovery. To its own peril and more so that of the economy, the RBZ chose quantitative easing. However, this was not controlled and its excessiveness resulted in runaway inflation. This was against a backdrop of ever-dwindling revenue, inflation increasing at alarming levels year on year, and savings which could have been used for recovery being wiped away (Mack, 2017; Meyer, 2015).

The cumulative effect of these moves was escalating inflationary pressures which ended up hyperinflationary in 2008. By late 2008 the Zimbabwe exchange rate stopped to be of any importance as the Zimbabwe dollar was demonetised in favour of a multicurrency regime. The only exchange rates of interest today are cross rates of the currencies being used in the country (Biti, 2009).

Hyperinflation, monetary and exchange rate instability, and political turmoil rapidly eroded the value of the Zimbabwe dollar (the highest bill printed was a \$100 trillion banknote, which did not work). This crippled the economy leading to the suspension of the Zimbabwe dollar and forcing the country to full dollarisation in February 2009. Zimbabwe adopted the multicurrency basket comprising of the US dollar, the South African rand, the British pound, the Botswana pula and the Euro. Although these five currencies have been given official status, the US dollar has become the main currency, followed by the rand.

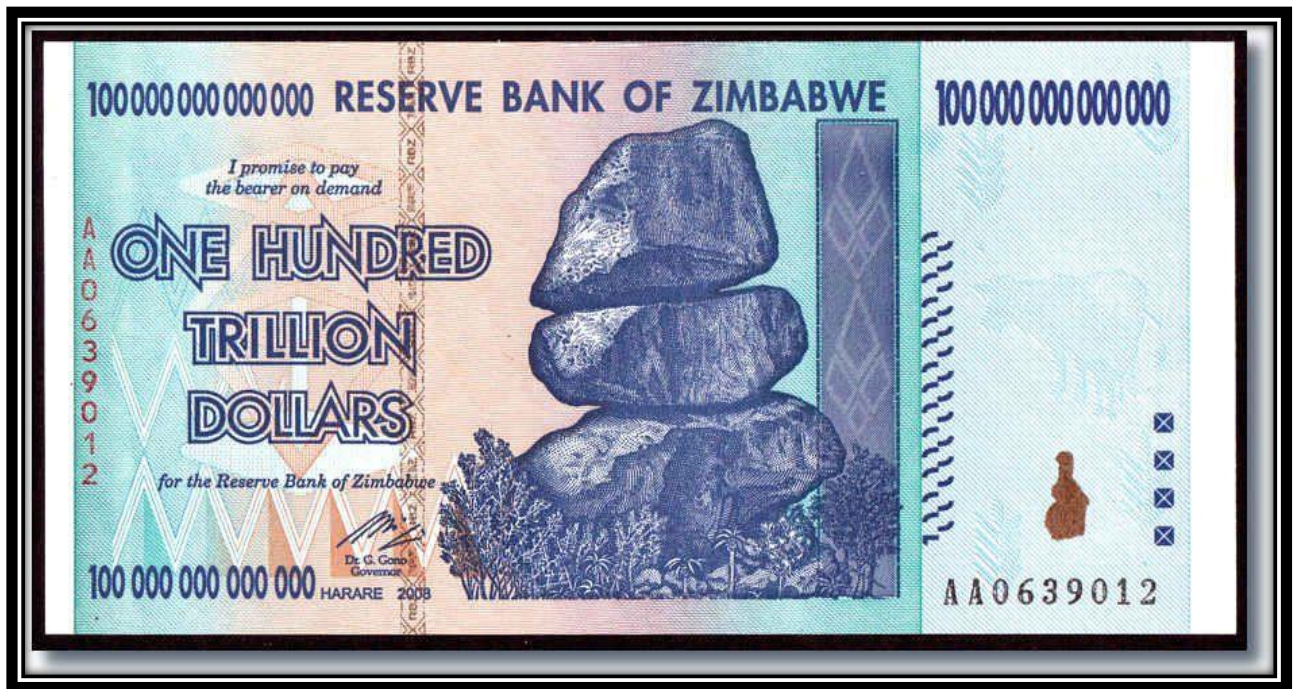


Figure 1.4: Zimbabwe's highest note at the peak of Hyperinflation in 2008 (RBZ, 2010)

Zimbabwean inflation has been on the rise since independence. This on its own shows that there were economic policies that failed to harness inflation or there was no seriousness by authorities to control it. Some policies like ESAP, ZIMPREST, MERP among others have inflation decline objective, but they failed to calm it down.

Table 1.1 Zimbabwean inflation rates since independence

Zimbabwean inflation rates since independence							
Date	Rate	Date	Rate	Date	Rate	Date	Rate
1980	7%	1990	17%	2000	55.22%	2008 Sep	38400000000000000000%
1981	14%	1991	48%	2001	112.10%	2008 Mid-Nov	89700000000000000000000%
1982	15%	1992	40%	2002	198.93%	2008 Mid-Nov	89700000000000000000000%
1983	19%	1993	20%	2003	598.75%	2008 Mid-Nov	89700000000000000000000%
1984	10%	1994	25%	2004	132.75%	2009	-7.7%
1985	10%	1995	28%	2005	585.84%	2010	3.2%
1986	15%	1996	16%	2006	1281.11	2011	4.9%
1987	10%	1997	20%	2007	66212.11%		
1988	7.30%	1998	48%	2008 Jul	231150888.87		
1989	14%	1999	56.90%	2008 Aug	471000000000		

Source: Reserve Bank of Zimbabwe, 2010

The table above shows the values for inflation since 1980 through to 2011. Till 1990 the figures were below 20% which is a bit showing stability in the economy. Thereafter there is fluctuation in inflation rate showing shabby policies prevailing in the economy, with 1997 registering lowest rate at 20%. After year 2000, the

rate started to grow uncontrollably up to the year 2007, thereafter it shoots like no man's business with 2008 registering its figures each day coming. This is the time when controls were being forced to make the Zimbabwean dollar remain formal currency, but it soon failed until the Zimbabwean dollar was completely substituted. A stronger currency is said to appreciate, whereas a weaker currency depreciates. The reasons countries experience or cause a currency depreciation are numerous and, in some instances, depreciation is intentional. In other cases, depreciation is an inevitable consequence of economic policy. The Zimbabwean currency have been found depreciating over other competing currencies due to poor economic policies and bad politics.

As the crisis emanates inflation was no longer controllable and money supply also rise exponentially to levels where accountability was not possible. Policies during that time were merely "management by crisis" based. A lot of currency reforms was done during the period dominated by cancelling zeroes when issuing new denominations.

In Zimbabwe, money supply and prices moved in tandem, as expected from the quantity theory of money (Milton Friedman). In addition, the velocity of money increased as people opted to spend immediately rather than hold on to depreciating cash. This rise in velocity as well as the increase in the stock of money through printing of new currency produced the exponential increase in prices (Enlow, Robert & Lenore, 2006).

According to Noko (2011), by 2003, the Zimbabwe dollar had deteriorated to the point where the cost of issuing it in the form of regular notes and coins was greater than the face value, resulting in the government issuing the Zimbabwe dollar by way of time-limited "bearer checks" on lower quality paper, with very high denominations. In 2003, changes to monetary policy and alleged risky practices by certain banks resulted in a liquidity crunch that affected 40 percent of the banking system and cost the system approximately Z\$2 trillion (US\$350 million) and forced the Reserve Bank to close several locally owned banks (Kwesa, 2009).

1.3 The Era of Multi-Currency Regime

The Zimbabwe hyperinflation ended with the introduction of the multi-currency system. This also spelt the demise of the Zimbabwean dollar. The currency reforms contained in the monetary policy statement of January 2009 (Reserve Bank of Zimbabwe, 2009)

allowed for the circulation of multiple currencies in the economy and sought to close the RBZ's quasi-fiscal operations.

As Zimbabwe struggles with economic restoration, it is appropriate at this point to take stock of the impact this regime has had on the country's economy. By adopting a multi-currency regime, the RZB effectively gave up its monetary policy as a policy tool to influence the economy (Sikwala, 2013). However, an obvious benefit of the multi-currency regime is price stability. Since the introduction of the multiple currency regime, the rampant inflation has been tamed.

Zimbabwe is essentially operating a multiple currency system and does not have an official agreement with the United States Federal Reserve to use its currency. Despite this Zimbabwe is viewed as a dollarised economy given that the Government conducts all its business using the United States (US) dollar and it is the currency that has become predominant among the other currencies used in the country (Biti, 2009). The process which led to the adoption of the US dollar in Zimbabwe started as early as the late 1990s.

Dollarisation can be a path to economic stability and growth if managed properly. Governments which end up dollarising only do so as a last resort (Enlow et al., 2006). The process of dollarisation in Zimbabwe was peculiar in that it was not backed by international reserves as is normally the case with countries that have dollarised. The only foreign currency that the government had was from taxation after full dollarisation. Currency substitution is an important phenomenon in countries with high inflation rates, complicating forecasts of money demand and making monetary policy more difficult to conduct. The most important incentive for currency substitution has been change in the domestic inflation rate, though there have been episodes of currency substitution arising for other reasons. Adequate reforms have been emphasised before de-dollarisation (Enlow et al., 2006).

Dollarisation is classified into three categories; official/full dollarisation, semi-official and unofficial dollarisation (Meyer, 2015). Official/full dollarisation is when the local currency is completely replaced by foreign currency as the only legal tender. This occurs when a government makes the official decision to use a foreign currency for all transactions including government and private debt, and both public and private bank accounts are converted to foreign currency. The country's monetary base is converted into a foreign-denominated currency. Full dollarisation helps to stabilise the economy by controlling inflation and eliminating exchange rate instability. Semi-official dollarisation refers to a situation where both the local currency and the foreign currency are freely used in a domestic economy. This will persist exchange rate instability. Finally, unofficial

dollarisation is when the local currency is the only legal tender with the foreign currency being used in black market transactions. This can lead to an inflationary spiral.

According to Yeyati (2005) the term dollarisation has been used to represent various sets of correlated phenomena. While official (or de jure) dollarisation refers to a situation where the foreign currency is given sole legal tender status, unofficial/partial (de facto) dollarisation refers to the use of the foreign currency alongside the local currency. In turn, there is a difference between the two types of de facto dollarisation: currency substitution and asset substitution. Currency substitution is the use of the foreign currency as a medium of exchange and asset substitution is its use as a store of value (Yeyati, 2005). These types of dollarisation have unique macroeconomic impacts. De jure dollarisation helps to stabilise the economy by controlling inflation and eliminating exchange rate instability. De facto dollarisation can make demand for the local currency unstable. If people suddenly switch into foreign currency, that can cause the local currency to depreciate, persisting exchange rate instability thereby starting an inflationary spiral (Mack, 2017).

As argued by Powell and Sturzenegger (2011), there are two forms of implementing dollarisation; unilateral, via a full monetary union, and through a bilateral agreement. Unilateral refers to adopting the foreign currency without any formal agreement with the issuing country. Its advantage is that it can be implemented immediately without having to spend any time in negotiations with the issuing country and it may encourage economic growth (Curutchet, 2001). However, this implementation strategy leads to liquidity shortages which in turn increase interest rates. A bilateral agreement is adopting the foreign currency after an agreement with the issuing country. The advantage is that there is sharing of seigniorage revenue with the issuing country and it increases the credibility of the system by it having a more permanent nature than unilateral dollarisation. Implementing dollarisation via a monetary union reflects a type of monetary integration where countries agree to use a common currency, for example the Rand Union and the European Monetary Union. Participating countries agree to a fixed or managed exchange rate regime by giving responsibility to a central organisation to coordinate monetary policy. The participating countries also share seigniorage revenue (Backe & Wojcik, 2002).

The main advantage of full dollarisation is the elimination of exchange rate risk. This allows the country to reduce the risk premium on its international borrowings. This results in increased confidence among international investors lower interest rates, more investment (both foreign and domestic investment) and higher GDP/economic growth (Berg & Borensztein, 2000). The combination of macroeconomic stabilisation and

improved credibility reduces risk and hence reduces interest rates, which in turn boosts investment thereby contributing to economic growth. Swiston (2011) also indicates that the advantages of full dollarisation include the elimination of exchange rate risk, leading to the reduction of the country's risk premium and interest rates, as well as the reduction of inflation. Fiscal policy is restrained because it is no longer possible for the authorities to print money to finance fiscal deficits. By imposing fiscal discipline, inflation is constrained.

However, there are also costs of full dollarisation which are loss of seignorage revenue to the government, loss of monetary control of monetary policy, loss of lender of last resort facilities in the central bank, and many others. Seignorage revenue is a profit gained because the cost to produce money is usually less than its value. Under full dollarisation, seignorage is earned by the foreign country. Loss of seignorage revenue eliminates inflation but it can derail economic recovery. Therefore, there is need for the dollarised country to run a balance of payments surplus (Schwidrowski et al., 2005).

Full dollarisation leads to loss of macroeconomic policy autonomy because of the lack of an independent monetary and exchange rate policy and a highly constrained fiscal policy. This constrains inflation by eliminating the power of the central bank to print high powered money (Stryker, 1999). Furthermore, in a fully dollarised economy there is no lender of last resort facility to the financial system. This leads to a liquidity crisis, therefore banks would have to build a higher liquidity position. This affects the expansion of credit negatively and may result in higher interest rates (Schwidrowski et al., 2005). The success of dollarisation is usually during adoption but over time the challenges will resurface. As stated by Fabris et al. (2004), dollarisation is fruitful in its initial stages. This was confirmed by currency boards in Bulgaria and Bosnia, and monetary reform in Argentina.

1.4 Research Problem

The Zimbabwean economy is currently characterised by: Limited access to foreign finance, liquidity challenges, compromised food security as a result of drought, poor infrastructure, institutional weaknesses, an over-valued exchange rate contributing to a deflationary environment in 2016, issues on land security tenure and investment regulations which are yet to be finalised, high input costs which have been a deterrent in attracting domestic and foreign investment, and an increasing fiscal gap in the absence of external financing, which has led to a decline in private sector activity and a reduction in domestic credit (IMF, 2016; Meyer, 2015).

This combination of the current internal and external imbalances and historical challenges need to be addressed for the proper functioning of the multi-currency

exchange system that is currently dominated by the use of “United States dollars”. This situation requires the nation to do things differently to transform the economy by changing the narrative from consumption to production. The ongoing debate within Zimbabwe’s financial markets about the possible return of the now-defunct Zimbabwean dollar serves to further destabilise the country’s still fragile economy in general, and the financial sector in particular. However, the debate seems to be steeped more on political rhetoric than a genuine desire for economic revival, hence this study seeks to explore towards a strategic management model specifically for running a multicurrency regime.

1.5 Aim of the Study

The aim of the study is to explore the strategic management model in running a multi-currency system. In addition, this study aims to identify the extent to which internal and external organisational dynamics impact the development and execution of strategy in order to strengthen the robustness of a strategy-making approach.

1.6 Research Objectives

Based on the above research aim, the following primary objective was identified:

- To develop a conceptual strategic thinking approach for the delivery of a creative and adaptive organisational strategy to ensure a successful and effective strategic management in running a multi-currency system, in a radically changing, uncertain and complex business environment.

This was supported by the following secondary objectives:

- i) To understand the importance of strategic management practices in the operation a multicurrency system in Zimbabwe.
- ii) To determine the organisational dynamics which impact on formulation/development with regards to operating a multicurrency system in Zimbabwe.
- iii) To determine the extent to which strategic management strategies are creative and adaptive rather than developed to fit the changing business environment in the Zimbabwean multicurrency system.
- iv) To identify the pitfalls of organisational strategy implementation/execution in the operations of a multicurrency system in Zimbabwe.
- v) To make recommendations on the best organisational strategy practices in a radically changing, uncertain and complex business environment.

1.7 Research Questions

Guided by the above research objective, the following was the main research question:

- What conceptual strategic thinking approach can be developed for the delivery of a creative and adaptive organisational strategy to ensure a successful and effective strategic management in running a multi-currency system, in a radically changing, uncertain and complex business environment?

In tandem with the above objectives, the following are the sub research questions:

- i) What is the importance of strategic management practices in the operation a multicurrency system in Zimbabwe?
- ii) What are the organisational dynamics which impact on formulation/development with regards to operating a multicurrency system in Zimbabwe?
- iii) To what extent are the strategic management strategies creative and adaptive rather than developed to fit the changing business environment in the Zimbabwean multicurrency system?
- iv) What are the pitfalls of organisational strategy implementation/execution in the operations of a multicurrency system in Zimbabwe?
- v) What recommendations can be made on the best organisational strategy practices in a radically changing, uncertain and complex business environment?

1.8 Significance of the Study

The purpose of this study is three-fold. Firstly, this study is important because it contributes to the body of literature on strategic management model specifically for running a multicurrency regime by exploring how Zimbabwe came about the adoption of a multicurrency system in its currency substitution, what strategic management measures it has in place, as well as what evaluation and control measures put in place for the sustainability of the multicurrency system. While much attention to strategic management has been paid in various business and economic facets, little research has focused on coming up with a model for strategically running of a multi-currency regime, let alone in Africa.

Traditional approaches to strategy where managers, and in general decision-makers, were more concerned for elucidating where to go (strategic planning for short or long period) and how to do (executing the strategy) could be obsolete in most of the industries for achieving a sustained competitive advantage. According to Eisenhardt (1999) “the ability to make fast, widely supported, and high-quality strategic decisions on a frequent

basis is the cornerstone of effective strategy. To use the language of contemporary strategy thinking, strategic decision making is the fundamental dynamic capability in excellent firms". Effective directors, executives and managers are required by governments in order to reach the goals and maintain the rhythm of changing environment and conditions in the global market.

The way directors cope with short-term strategies and long-term strategies is also an important topic for public service managers and directors. One of the concerns in today's decision-makers is the way they create resources and maintain the day to day operation and the way they maintain the long vision, in order to create differentiators that allow the organisation to survive during the time. According to Bogetic (2000) "public sector leadership is fundamentally different from leadership in other contexts and demands additional competencies". With all the context above mentioned it is very clear that decision-making in public sector leadership is important to address the complexity of the environment and assure a sustained competitive advantage of any economy.

Secondly, to contribute to the literature/ board of knowledge on full dollarisation and filling the research gap in general and in the Zimbabwean context. Most of the literature on dollarisation tends to focus on what leads countries to adopt dollarisation rather than on the effects of dollarisation. Only a few studies have focused on the effects of dollarisation on macroeconomic performance. Therefore, the purpose of this study is to contribute to the literature in general on the impact of dollarisation on the macroeconomic performance of a country. In addition, this study also differs from other studies in that it focuses directly on the most important macroeconomic indicators and sustainability of a multi-currency dollarised economy.

Since interest in official dollarisation is fairly new in Zimbabwe, published information on the subject is scarce. The country has just dollarised, so this leads to new evidence in the literature which further contributes to the available literature in Zimbabwe and hence fill the research gap. This evidence is shown by the impact of full dollarisation on inflation, interest rates and real GDP growth. This study makes use of non-parametric tests to investigate whether the macroeconomic performance in Zimbabwe improved or not after dollarisation. In addition, the study will act as a good source of information for researchers as the results could inform debates on this subject. Since this is a new monetary reform some people are still sceptical on its impact on macroeconomic performance. Therefore, this study will help resolve the debate on dollarisation.

Thirdly, to provide clear and concise technical advice and recommendations to the Government based on the research findings. The study will be an invaluable source of information for policy makers. Policy makers need information on the strategic

management and the effects of multi-currency dollarisation on macroeconomic performance so as to know the economic status of the country. Therefore, by explaining the impact of dollarisation on macroeconomic indicators, this study will help policy makers to design sustainable and effective policies that will benefit rather than cripple the economy. The purpose of this study is therefore for the exploration of the strategic management model in running a multi-currency system. This allows a closer look at the economic gains of the multicurrency regime as well as advising the policy makers on the suitability of the monetary regime.

1.9 Limitations and Assumptions of the Study

Firstly, due to time and resource constraints the study is confined to Zimbabwe as a country. However, it is assumed that the research outcomes would be a fair representation of multicurrency economies across the globe.

Also, the sample of the executives/directors from the Ministry of Finance and Economic Planning (MOFEP) within a multi sector economy poses a threat to the generalization of results. Apart from that, the selected directors represent another limitation, as they are prone to representing the interests of the employer (the sitting government) at the expense of objectivity. The participants in the study need to be carefully chosen to be individuals who have all the experienced the phenomenon in question, so the researcher, in the end, can forge a common understanding (Creswell, 2013).

1.10 Research Design Strategy and Methodology

When deciding on the research methodology for this dissertation a number of key issues need to be taken into consideration. Blaxter et al. (2006), describe different research families, research approaches and research techniques. Research families are divided between qualitative versus quantitative research and deskwork versus fieldwork research. Research approaches include action research, case studies, experiments and surveys while research techniques include documents, interviews, observations and questionnaires (Blaxter et al., 2006).

Gray (2013) categorises research into positivist versus phenomenological paradigms. In the positivist paradigm there is a belief that the world is objective and the researcher is merely an independent observer, while in the phenomenological paradigm the world is seen as being subjective and the observer is a part to what is being observed. Furthermore, in the phenomenological paradigm, there is an attempt to try understanding what is happening and to construct models using an inductive approach. This is as opposed to formulating and testing hypotheses using a deductive approach (Gray,

2013). The phenomenological paradigm seems most appropriate for this work as much of the data in the field of organisational strategy, innovation and alignment is largely subjective and influenced by social constructs. This means an inductive approach for developing the models can be applied. With a phenomenological paradigm, multiple research **methods** can be applied in order to create the full picture. Qualitative methods are also appropriate and small samples can be researched in depth or over time (Gray, 2013).

It is decided that a mainly qualitative approach would be more appropriate for this research with some quantitative analysis used to demonstrate specific points. This decision is made as large-scale data sets are not available and this research involved exploring, in as much detail as possible a small number of examples. The aim of the research is to go into as much depth as possible into the focus concepts related to the research questions. The qualitative paradigm is also preferred as it is more discovery orientated, exploratory, descriptive and inductive, all of which are vital in developing and testing a new strategic management model.

From a “research approach” perspective case studies and surveys are appropriate approaches for this type of research. The case study approach draws from people’s experiences and is strongly linked to reality. Case studies enable researchers to demonstrate the complex nature of reality and because they are developed around actual practices, their derived insights can contribute to real change (Gray, 2013). For this research, the case study approach provides the evidence required to address several of the research questions.

The decision to use a case study as the research method over other research methods is based on the decision criteria of the Cosmos Corporation (Bethesda,1983), as referenced by Yin (2009). Three factors are taken into consideration when deciding to apply one of the following research methods: case study, experiment, survey, archival analysis or history. The first factor relates to the form of the research question. The second factor takes the control the researcher has over the behavioural events into consideration. The third factor takes into consideration if the research is focused on a contemporary event or something in the past (Yin, 2009). The “case study” research method was selected for this research for the following reasons:

- i) The researcher did not have control over the behavioural events as the organisation’s management team had to decide their level of involvement and implementation of the case study results.
- ii) The events were contemporary and the analysis was conducted as and when the strategic objectives of the organisation were updated or changed.

Based on the decision criteria of the Cosmos Corporation and these three factors the “case study research method is the most appropriate for this research.

Surveys are useful in this research as they can be used to ask specific questions which the researcher wants answered, of which have the form of “what”. Although traditional surveys utilise a random sample of people, the complex and specialised nature of the research topic requires the survey respondents to be experts in this field (Gray, 2013). Overall, it is decided that a mainly qualitative approach using case studies and surveys would be most appropriate to study this topic in detail.

1.11 Overview of the Thesis

The structure of the thesis maps the flow of each chapter and presents a short summation of the essence of each chapter. The thesis is structured as follows:

Chapter 1: Overview and Background of the Study

Chapter one of the research provides an overview of the study and outlines the need for the research, the objectives of the research as well as the key questions to be answered. It also sketches the background that gave rise to the study. The problem statement and the location of the research site are also established in this chapter.

Chapter 2: Key Concepts and the Strategic management Principles

This chapter clarifies the key concepts used in the thesis so that the performance management paradigm is demystified. An understanding of the key concepts and principles is germane to understanding the full import of the content of the thesis. There exists a list of concepts in respect of strategic management and development systems in the literature reviewed, and each concept conveys a certain meaning when used in a specific context. The significance of the strategic management is also elucidated. Chapter two also provides the conceptual and theoretical perspectives that underpin the research and also reviews relevant literature pertaining to the study. The strategic management theories, and their relationship to the research topic are expounded in detail. Conceptual and theoretical perspectives provide insight and understanding into the research area.

Chapter 4: Research Methodology

Chapter four outlines the methodology that has been embarked upon to conduct the research. Setting the parameters at the outset for the manner in which the research was conducted was important for the integrity and outcome of the research results. The methodology employed was both quantitative and qualitative. Further details are

provided in this chapter with regards to the questionnaire, the processes of collecting data, the tools and techniques used for analysis and the statistical methods.

Chapter 5: Presentation, Analysis and Interpretation of quantitative Data

In chapter five, the primary data that had been gathered via questionnaires are presented, together with analyses and interpretations supported by other research and literature. The interpretation and analysis of the data endeavours to answer the key questions posed in chapter one.

Chapter 6: Presentation, Analysis and Interpretation of qualitative Data

In chapter six, the primary data that had been gathered via interviews are presented, together with analyses and interpretations supported by other research and literature. The interpretation and analysis of the data endeavours to answer the key questions posed in chapter one.

Chapter 7: Conclusions and Recommendations

This chapter concludes the research report. Several recommendations are made for either future research or practical application.

1.12 Definition of Key Terms

This study involved a number of key terms for which the definitions, for use in this study, are set out below:

- **Strategy:**

In one of his original definitions of strategy, Porter (1996) focused on an organisation's unique nature by stating "Competitive strategy is about being different. It means deliberately choosing a different set of activities to deliver a unique mix of value".

More recently, Tovstiga (2010) defined strategy as "a pattern in a stream of decisions", while Olsen and Gray (2011) delineate it as "the art of winning by purposely matching ends, ways, and means", with Johnson, Whittington and Scholes (2010) simply stating that strategy comprises "the long-term direction of an organisation".

Strategy is about winning (Olsen & Gray, 2011). It is also about shaping the future (McKeown, 2013).

- **Strategic management:**

Nag, Hambrick and Chen (2007) define strategic management in the following manner: "The field of strategic management deals with the major intended and emergent initiatives taken by general managers on behalf of owners, involving utilisation of resources, to enhance the performance of firms in their external environments."

- **Strategy-making:**

“Strategy-making includes the creating and operationalising, or putting into practice, of a strategy or strategies using a linear or non-linear, formal or informal process” (Pretorius and Maritz, 2011).

- **Rational strategic planning:**

Gates (2010) describes strategic planning as “the process for defining an organisation’s plans for achieving its mission.”

- **Strategic thinking:**

Liedtka (2005) defines strategic thinking as “a particular way of thinking”, comprising five attributes: a systems perspective; intent-focused; intelligent opportunism; thinking in time and hypothesis-driven.

For Mintzberg (1994) strategic thinking: “...is about synthesis. It involves intuition and creativity. The outcome of strategic thinking is an integrated perspective of the enterprise, a not-too-precisely articulated vision of direction... strategies... must be free to appear at any time and at any place in the organisation, typically through messy processes of informal learning that must necessarily be carried out by people at various levels who are deeply involved with the specific issues at hand.”

Waters (2011) identifies the definition of strategic thinking as “the ability to make a creative and holistic synthesis of key factors affecting an organisation and its environment in order to obtain sustainable competitive advantage and long-term success.”

1.13 Summary

This chapter presented the background to the study as well as the problem statement and the research objectives and questions. This chapter has illustrated an outline of the topic under study and explained the following vital areas: research problem, motivation for the study and objectives. The next chapter informs the reader about the relevant literature reviewed, as well as the theoretical framework utilised in this study. Based on this premise, the study continues to give both theoretical and supporting information to this study.

CHAPTER TWO:

KEY CONCEPTS AND THE STRATEGIC MANAGEMENT PRINCIPLES

2.1 Introduction

The importance of this literature review is in the search for gaining a thorough understanding of the concept strategic management in order to provide guidance and provide the appropriate framing towards process and practice-oriented research. Constantly changing competitive landscapes and internal organisational complexities increase the challenge of articulating a corporate strategy in a simple, compelling way (Tovstiga, 2010). As a result, it is thought that business strategy is unable to remain effective for long periods, as competitors continuously react and render the strategies void (Markides, 2014; Marren, 2010; McGrath, 2013). The pace of change and unremitting uncertainty has not negated the need to define organisational strategy, but instead has explicitly refocused the need for a creative and adaptive strategy articulated in a simple, compelling manner to ensure competitive success and sustainability.

The purpose of this chapter is to review literature on the concept “strategy”. The broader review incorporated seminal works that created the base for research on the topic over the last 60 years, with an extension to more recent works. The chapter begins with an introduction to the concept of strategy, its origins in a political and military context in several areas around the world, followed by its interpretation in modern warfare of the 20th century and ultimately in the realm of business. The said concept has been defined and redefined by numerous authors over the past years; within this chapter a number of the definitions are consolidated to provide a view of the purpose and elements behind the construct.

The chapter then provides an overview of the three strategy constructs through which research strategy has been themed: process research focused on strategy formulation and implementation; content research concerned with the types of strategy; and the relatively new academic field of strategy-as-practice – interested in how strategy is organised: who does it, what they do, how they do it, what they use, and what implications this has for the shaping of strategy as a whole (Jarzabkowski & Spee, 2008).

2.2 Strategic management Overview

2.2.1 Origin of strategy

From its inception, strategy has primarily been concerned with searching for competitive advantage (Liedtka, 2005, Cravens et al., 2009). Archaic military history indicate that the primary focus of strategy has been on winning (Tovstiga, 2010). The concept of strategy

is thought to derive from a socio-political structure coined during the political reforms of Kleisthenes in ancient Athens (508-7 BCE). Several tribal divisions, acting both politically and militarily, were created in the district of Athens, with the head of each tribe elected as a “*strategos*”. “*Strategos*” is compounded from the word “*stratos*”, defined as an encamped army which is spread over an area, and “*agein*”, meaning to lead. Increased military complexity, and the co-ordination of many land and naval units, increased the necessity for co-ordination and synergy, resulting in the practicing of strategy in arguably its purest form (Cummings, 1993).

Heracleous (2003) included several qualities of effective “*stratego*”: employing resources, limiting of risk, staying true to points and principles, but most critically, knowing the business which is to be carried out. During a similar timeframe, in Asia, Sun Tzu (544-496 BCE) authored an extremely influential ancient Chinese book on military strategy, “*Art of War*”. The opus outlined several critical points of consideration for the development of military strategy: meticulous planning, vanquishing of the enemy indirectly without the need to fight, qualities of effective generals and management of troops as well as principles and tactics for engaging the enemy (Heracleous, 2003).

Strategic planning was further demonstrated in the campaigns of Alexander the Great, Hannibal, Julius Caesar, Qin Shi Huang and Machiavelli. However, military strategy only gained significant importance as a subject during the eighteenth century, as articulated by the works of Frederick the Great, Napoleon, and Carl von Clausewitz, all of which focused on superior manoeuvrability to obtain victory (Jackson, 2007).

Several wars in the 20th century strengthened the influence of military strategy, building upon the principles of earlier strategists. Current doctrine is constructed based on previous practice and lessons learned from intensive study of battles, both successful and unsuccessful, leading to future innovations and best practice. British Defence Doctrines, similar to those of NATO and the US Army, outline 10 principles of war (Jackson, 2007): selection and maintenance of a clearly defined overall aim; maintenance of resource morale; offensive action; security in defence of high value assets; surprise involving secrecy, concealment, deception, originality, audacity and speed; concentration of force; economy of effort; flexibility; co-operation and sustainability. Parallels can be drawn between the principles of war and organisations engaged in competitive environments.

While it may be said that strategy originated from military roots, however, since the 1920s it has been embraced by the business environment with Chester Barnard of AT&T (1938) and Alfred Sloan of General Motors (implemented in 1921, but documented in 1963) identifying the need for strategy to guide the business context (Heracleous & Jacobs,

2008). However, the period 1950-1973 is identified as the 'golden years' for the development of strategy (Koch, 2011). Chandler, in *Strategy and Structure* (1962) identified the need for strategy before the organisational structure is defined while Peter Drucker, in *Concepts of the Corporation* (1946), pronounced that the purpose of a business is to create and satisfy customer needs.

Levitt (1960), published '*Marketing Myopia*', identifying a need for a radical and broad perspective on corporate strategy, followed in 1965 by what is arguably the bible of strategic planning, Ansoff's *Corporate Strategy*, a blueprint for the outlining of an organisation's objectives, expansion, product-market position and resource allocation (Koch, 2011). Further increasing the development of strategy was the founding of the Boston Consulting Group (BCG) (1963) by Bruce Henderson with his formulation of the experience curve and the growth/share matrix, two important tools in the historical context of strategy (Koch, 2011).

Later development in the area of strategy saw several authors gain significant attention through their individualised contributions: Henry Mintzberg, Michael Porter, and Kenichi Ohmae, all focusing on the creation of models for the development of business strategy. At this time Porter strongly argued that profitability informed a relative competitive position and structural characteristics of the organisation's industry, after which he focused on the development of his five forces framework, value chain and generic strategies (Koch, 2011). Several further contributions have added to the context of strategy, focusing on the positions of organisations to change the rules of their industry and advancing the use of core competencies as central to the organisational strategy; John Kay elaborated on this with his seminal work on the resource-based view of strategy (Koch, 2011).

Goold, Campbell and Alexander (1994) further argued for the need of a corporate centre acting as a parent to operating companies. Many authors have since debated the form of strategy, with a focus on the competitive advantage achieved through best practice, business process re-engineering, quality, strategic change, information and technology and innovation (Heracleous & Jacobs, 2008).

Owing to the proliferation of publishing on cutting-edge management thinking, the popularity of strategy within the business media and business schools and the overarching importance of it in guiding organisational direction, it is clear that strategy is no longer the exclusive domain of just an enlightened inner circle but should, as a concept, be well-defined and clearly articulated. Hence, the following review of the literature will clearly articulate the on-going discourse and evolving nature of the strategic management (Farjoun, 2007; Tovstiga, 2010).

2.2.2 Defining strategy

Strategic management is defined in different ways by different authors. It is the researcher's view that any organisation has a strategy even if the strategy is undocumented or unplanned. Goold et al. (1994) presents that a strategy is created because a working organisation can neither be totally flexible nor turn around constantly. The concept of strategy is affected by semantic problems as a result of the many variations in the meaning of its use stemming from differences in perspective, focus and context, both in the business world and in academia. Ambiguity and confusion are prevalent due to the lack of a consensual definition. The result is the emergence of a broad term used to mean anything (Ronda-Pupo & Guerras-Martin, 2012; Nag et al., 2007).

Context, provided by the origins of strategy, related the concept to its use within the military establishment. Transition to the business environment was driven, although from an economic perspective, by Von Neumann and Morgenstern (1947), and promptly expanded upon into the field of management by Drucker (1954), leading to the seminal work of Chandler (1962).

Chandler (1962) introduced strategy as "the determination of the long-run goals and objectives of an enterprise and the adoption of courses of action and the allocation of resources necessary for carrying out these goals", while Ansoff (1965) advanced strategy "as the common thread among a firm's activities". New definitions flowed in abundance during the period 1960 to 1980, with the construction of "strategy" leading to greater diversity based on each author's appreciation of the concept.

In one of his original definitions of strategy, Porter (1996) focused on an organisation's unique nature by stating "competitive strategy is about being different. It means deliberately choosing a different set of activities to deliver a unique mix of value". Mintzberg et al. (2009) expands on Porter's view by suggesting that strategy could be a plan followed, or a pattern of consistent behaviour, over time. Strategy could be a position or a perspective or a ploy by acting as a specific manoeuvre intended to outwit a competitor. In summary, strategy should provide consistency in setting direction, focusing effort and defining the organisation (Mintzberg et al., 2009). It requires strategy to be a synergy of these five concepts in order to understand it and most important apply it.

Strategy as a plan, deals with how leaders try to establish direction for organisations, to set predetermined courses of action. Strategy as a plan also raises the fundamental

issue of recognition how intentions are conceived in the human brain in the first place, indeed, what intentions really mean.

As a ploy, strategy takes us into the realm of direct competition, where threats and feints and various manoeuvres are employed to gain advantage. This place the process of strategy formation in its most dynamic setting, with moves provoking countermoves and so on. Yet ironically, strategy itself is a concept rooted not in change but in stability in set plans and established patterns. There is need then to reconcile the dynamic notions of strategy as ploy with the static ones of strategy as pattern and other forms of planning.

As pattern, strategy focuses on action, reminding that the concept is an empty one if it does not take behaviour into account, if it is not executed. Strategy as a pattern also introduces another important phenomenon in organisations, that of convergence, the achievement of consistency in behaviour. This consistency comes from the realisation that strategy is an important means of conceiving and describing the direction actually pursued by organisations, and when considered alongside strategy as plan, encourages strategists to consider the notion that strategies can emerge as well as be deliberately imposed. It means that aligning strategy is crucial for achieving objectives (Goold et al., 1994), and that execution could be always more important than ideas.

As position, strategy encourages to look at organisations in context, specifically in their competitive environments –how they find their position and protect them in order to meet competition, avoid it, or subvert it. This enables the thinking of organisations in ecological terms, as organisms in niches that struggle for survival in a world of hostility and uncertainty as well as symbiosis. It gives the organisations the choices available as well as how much room for manoeuvre. Intra-organisational ecology of strategy approach could be very important in this context, the way all of the employees in the chart align efforts to come up with new strategies or maintaining the current strategy (Broom, 1995).

And finally, as perspective, strategy raises intriguing questions about intention and behaviour in a collective context. It focuses attention on the reflections and actions of the collectivity in order to share norms and values. Ultimately, it is this view of strategy that offers the best hope of coming to grips with the most fascinating issue of all, that of the “organisational mind”. This topic could be related to the concept of distributing decision-making where people at all levels are part of the decision-making process aligned with the organisation's interest (Broom, 1995).

Therefore, strategy is not just about how to deal with an enemy or a set of competitors or a market, as it is treated in so much of the literature and its popular usage. It also draws us into some of the most fundamental issues about organisations as instruments for collective perception and action. Hence, strategy becomes effective by the

assemblage of shared perceptions and actions. Chaffee (1985), after analysing the various strategy definitions in literature, suggested that strategy can be clustered into three groups or models referred to as; (1) the linear strategy, (2) adaptive strategy and (3) interpretive strategy.

Similarly, after their analysis of strategy literature, Mintzberg et al (1998) discovered ten distinct perspectives about strategy and suggested ten schools of thought on the formation of strategy, namely, the “Design, Planning, Positioning, Entrepreneurial, Cognitive, Learning, Power, Cultural, Environmental, and Configuration” schools. The first three of these schools are prescriptive in nature and have the same characteristics as Chaffee’s linear strategy.

Inherent in the linear strategy model, is the assumption that strategy is comprised of decisions, plans or actions that are integrated to attain the goals of an organisation. This view portrays top managers as having considerable capacity to change the organisation (Chaffee, 1985). The linear model is associated with terms such as strategy formulation, strategic planning, and strategy implementation. The linear strategy model is what Stacey (2011) referred to as strategic choice theory which also separates the formulation of a strategy from its implementation. Strategic choice theory like Chaffee’s linear model, assumes that organisations change successfully when top executives form the right intention for the overall future shape of the whole organisation and adequately specify how this is to be achieved.

According to Chaffee (1985), the adaptive strategy model on the other hand considers the environment to be a complex life support system of an organisation as it consists of events, trends, stakeholders and competitors that have an impact on the implementation of an organisation strategy. Because of the highly permeable boundary between an organisation and its environment, it is therefore critical that management considers the environment as a major key when determining the actions of an organisation. This therefore means that organisations are expected to assess both their external and internal environments in order to adjust themselves or their relevant environments to ensure alignments of environmental opportunities and threats on the one hand, and capabilities and resources, on the other.

Correspondingly, according to Stacey (2011) organisations are connected through feedback links to their environments and therefore to reach their goals organisations need to adapt to those environments. According to Chaffee (1985), adaptive strategy rests also on the assumption that the environment within which organisations operate is dynamic and therefore not predictable, and that organisations must change with their environment.

Chaffee (1985) further asserts that strategy in the interpretive model can be defined as orienting metaphors or frames of reference that allow the organisation and its environment to be understood by organisational stakeholders. On this basis stakeholders are motivated to believe and to act in ways that are expected to produce favourable results for the organisation. This model is according to Stacey (2011) a social constructionist perspective in that it assumes that reality is socially constructed.

The above-mentioned models of strategy as suggested by Chaffee (1985) can be summarised briefly as follows: In linear strategy, organisational leaders develop strategies and plans on how to deal with competitors in order for them to achieve organisational goals. In adaptive strategy, organisations and their components change in proactive and reactive ways, in order to be aligned with the dictates of the environment, whereas in interpretive strategy, organisational leaders communicate messages that are directed at motivating relevant stakeholders to behave in a manner that that has a positive impact to the organisation.

According to Vinzant and Vinzant (1996a), the competitive realities for business appear to demand not only efficiency and high quality, but also fast cycle capability, strategic flexibility and attention to social-environmental concerns. Fast cycle capability means the ability of an organisation to do things right the first time and every time. It also means an organisation's ability to take decisions fast, where an organisation does not tolerate bottlenecks and delays. Strategic flexibility is an organisation's ability to identify changes in the environment, adjust the strategic plans quickly and allocate resources to alternative actions where necessary. Vinzant and Vinzant (1996b) further suggested that strategy making is the key to ensuring that organisations meet these demands. They however, suggested that most existing models of strategy making do not reflect the variety and complexity of strategy making, instead strategy making is portrayed in either rational or incremental or separated into formulation and implementation.

Stacey (2011) suggests that many writers of strategic management are aware of the uncertainty, ambiguity and conflicting goals that managers have to deal with and have developed different ways of understanding the nature of strategic choice. Through the notion of logical incrementalism, managers sense the changes in their environment and gradually adapt their strategies to those changes and by so doing, they maintain a continuing dynamic equilibrium with their environment. This view also supports the notion of strategic flexibility.

Vinzant and Vinzant (1996b) suggested that organisations pass through a series of stages as they become more adept at strategic management. They suggested that organisations start with traditional financial and forecast based planning and later adding

strategic analysis skills, before achieving full strategic management capability which requires broad diffusion of strategic thinking throughout the organisation. Similarly, Chaffee (1985) also suggested that organisations develop strategic management skills over a period of time and that the linear form of strategy-making represents the entry level in the strategy-making types hierarchy, and the second level is the adaptive mode which is followed by the interpretive mode.

Vinzant and Vinzant (1996a) after their study to determine the direct link between the strategy making process and organisational performance, concluded that organisations that demonstrated high capability levels in the process of strategy making, exhibited higher levels of performance in diverse environments and settings. They however pointed out that this does not imply that there is one universal way to perform strategic management.

It is the researcher's view that for an organisation strategy to be effective, there is need for an internal consistency or congruency between the strategy, organisational processes and systems, organisational culture, organisational structure, human resources and the organisation's external environment. Mintzberg (2009) suggest that the criteria for evaluating a strategy as suggested by few studies are amongst others the alignment of the strategy with the environment and resources available, the clarity of the strategy, the risk levels, internal consistency, alignment with the values of the organisation's key leaders, time horizon and the level of achievability of the strategy.

Unlike the private sector, the public service has many stakeholders that have an influence on the services and products that a public service organisation must deliver. These stakeholders need to be identified and engaged during and after strategic planning to have their buy-in and therefore increase the possibility of an effective implementation of the strategies. For example, Broom (1995) suggested that strategic management in the New Zealand public sector served to (1) ensure cross-sectoral coordination and alignment in the nation's public administration by providing an overarching framework for departments to develop their strategies, and to (2) serve as an instrument of vertical integration between the political and managerial realms, which was lacking.

It is clear from the above discussion that the environment of the organisation has a crucial influence on the organisation's ability to implement its strategies and thereby meet its goals. Bracker (1980) suggests that to develop an organisation's strategy one need to also consider the following four environmental variables: the uncertainty, dynamism, hostility, and complexity of the organisation's environment. According to Bracker (1980), the uncertainty of an organisation's environment indicates unavailability

of information for predicting environmental events and external changes to the organisation's decision makers. Environmental dynamism on the other hand means the rapidity and amount of change in the environment. Environmental hostility is according to Bracker (1980), the prevalence of factors that pose threats to an organisation, such as price competitions, technological competition, resources availability and the like.

The awareness of the character and levels of the above-mentioned environmental variables in the environment of an organisation will enable an organisation strategy-making team to develop strategic plans that are realistic in terms of the targets. Most importantly this awareness in the researcher's view should be a way to justify taking actions to mitigate the impact of the environment where possible and also marry it with strategic flexibility as suggested by Vinzant and Vinzant (1996b), where, a new course of action is taken where necessary.

As alluded to earlier, the capacity of managers of organisations to implement their strategies is critical for an organisation to achieve its goals. For a strategic plan to be implemented effectively managers need to ensure that internal systems, processes, resources and organisational culture are aligned to the dictates of the strategic plan. According to Thompson and Strickland (2003) the formulation of a strategy and ensuring that the strategy is implemented effectively, require different sets of managerial competencies, in that, strategy implementation is an action oriented activity that tests management's ability to manage organisational capabilities, engender a corporate culture that is supportive to the strategy, achieve continuous improvement in business processes, and achieve or exceed performance targets.

There are multiple variables that constitute the environment in which an organisation operates, and which affect its ability to perform. The complexity of the environment in which businesses operate has increased drastically in recent years with factors such as globalisation and the unprecedented pace of technological advancement and change (Ashkenas, Ulrich, Jick & Kerr, 2015) Such factors or variables most definitely affect performance; however, they have the potential to affect the very survival of an organisation. It is therefore important for organisations to formulate, execute, monitor and evaluate their strategy consistently, and to revisit their strategic management framework regularly to ensure its relevance (Ashkenas et al., 2015).

This notion that organisations need to engage consistently in strategic management is supported by Pop and Borza (2013), who refer to the danger of an unstable business environment as a risk to the survival of any business. Given the difficult global and local economic climate, the need for strategic management processes to develop, execute and evaluate strategies has never been greater.

According to Stukalina (2014), strategic management is intended to enhance the entire set of managerial decisions and actions that determine the long-run performance of an organisation. Further to this, Bradley, Hirt and Smit (2016) describe strategic management as a dynamic process of formulation, implementation, evaluation and control of strategies to realise the organisation's strategic intent. The need for a dynamic process is an important point as rigid strategic management approaches in an uncertain, complex and rapidly changing environment can jeopardise the very existence of an organisation (Ashkenas et al., 2015).

That strategic management is a vital component of an organisation has been demonstrated by many researchers. Strategic planning began to emerge as concept in the mid-1950s and has been utilised mostly by the private sector, as the public sector has focused primarily on constitutional mandates and laws. There has, however, been a shift in recent times as both the private and the public sector are now using strategic management as a developmental tool. In fact, strategic planning is now regarded as a key management component of the public sector. It is, however, noted that the reputation of strategic management in public organisations has been somewhat tainted by its inability to execute the desired results (Stukalina, 2014).

Bradley et al., (2016) explains that strategic management is attracting considerable attention within the public sector as part of efforts to improve service delivery in a constantly changing and complex environment. This complexity arises from the fact that the public sector is politicised and is unable to predict emerging social dynamics accurately whilst at the same time dealing with and satisfying many different stakeholders with divergent expectations. The debate on the positioning of strategic management and the attendant complexities within the public sector is also dealt with by Bradley et al., (2016), who expands on the high levels of bureaucracy, bureaucratic procedures, decreased managerial autonomy and low levels of organisational commitment that prevail in public organisations. In summarising the above discussion, it is clear that strategic management is vital to both the private and public sectors. Strategic management is a process that at the very minimum entails formulation, execution, monitoring and evaluation of a strategic plan (Stukalina, 2014).

Several authors focused their definitions of strategic management on the selection of long-term goals and the plans for achieving them (Learned, Christensen, Andrews, & Guth, 1969; Paine & Naumes, 1975) by articulating the proper allocation of resources (Chandler, 1962; Schendel and Hatten, 1972; Robson, 1997). Substantial attention was allocated to the attainment of objectives through the use of actions, plans, policies,

programmes and orientations (Glueck, 1976; McNichols, 1977; Hofer and Schendel, 1978; Hambrick & Fredrickson, 2013).

Others related strategy to the linking of the environment to the organisation (McCarthy, Minichiello, and Curran, 1975; Hofer and Schendel, 1978; Schendel and Hofer, 1979; Rumelt, Schendel and Teece, 1994). Some conceived strategy as a rational technique for enhanced decision making (Ansoff, 1965; Cannon, 1968; Eisenhardt, 1999) while strongly highlighting a process orientation to meeting organisational objectives (Uyterhoeven, Ackerman, and Rosenblum, 1973; Steiner and Miner, 1977). Further areas identified in strategy definitions include change (Newman and Logan, 1971), competitive advantage and organisational performance (Porter, 1980; Ohmae, 1982), activities undertaken by people (Jarzabkowski, 2004), and shaping the future (McKeown, 2013).

2.2.3 Strategic management process

Reeves, Deimler, Morieux and Nicol (2009) argue that while research has been prone to focus on an either-or stance towards using a deliberate or emergent approach, the levels of adaptability, creativity and influence required by organisations demand alternative strategies or styles for making strategy based on environmental predictability and the organisation's power to change its environment. Mintzberg et al. (2009) concur that flexibility should be established, arguing that strategy is rarely purely deliberate and few are purely emergent: all real-world strategies contain a mix of control and fostered learning.

One of the main reasons where strategy relies its importance is that it not only determines which activities the organisation must focus but also how good executive recognise the best tasks that should be kept and evolve to reflect changes in the competitive landscape (Oliver, 2015). Porter (1996) support that every organisation's strategy describes its intentions to create value for their shareholders, customers and citizens. This way even though strategy is internally formulated its impact or execution will be reflected on the firm's external environment. Then, strategy will be the compass for every organisation's decision (Porter, 1996).

Numerous seminal researches into the concept of strategy during the 1960s and 70s, two research constructs emerged, facilitating research progress in the field. Strategy research was characterised by the formal distinction between the process of creating strategy and the content of strategy (Whittington, 2007).

Seminal works by Chandler (1962), Ansoff (1965) and Andrews (1971) were among the first studies to propose the separation, while several authors subsequently extended reviews on trends across the two distinctions (Fahey & Christensen, 1986; Huff & Reger, 1987; Hutzschenreuter & Kleindienst, 2006).

Process research uncovered the actions leading to and supporting a choice of strategy; focusing on providing prescriptive and descriptive guidance on planning methods, sequence of behaviours and decision making; guiding alternative means for generating and implementing strategy based on individual and group characteristics and structure (Hutzschenreuter & Kleindienst, 2006; Huff and Reger, 1987).

In comparison, content research focused on the domain of the strategic decision –linking specific decisions and broader economic structures to performance outcomes. Content research concentrated on relationships amongst environmental conditions, strategic decisions and performance results as well as on decisions about the goals, scope, diversification, strategic groups, market share, competitive strategy taxonomies and stages of market evolution and competitive strategies of the organisation and its business units (Fahey & Christensen, 1986; Huff & Reger, 1987).

Subsequently, several authors suggested the distinction proved an impediment to furthering research, creating an artificial boundary between the two streams, which if removed, would lead to superior strategy processes articulated for different strategic issues and environments (Hutzschenreuter & Kleindienst, 2006; Huff & Reger, 1987).

In summary, the process stream was focused on strategy formulation and implementation, while the content stream was concerned with the types of strategy. The conclusion was that strategy forms part of the property of an organisation, something an organisation possesses in one form or another (McGrath, 2013).

Recent work proposes a third research construct, “the notion that strategy is a practice”, something that people do, a human activity or a social practice (Whittington, 2006). This view invites us to delve deep into organisations to understand the activities individuals undertake in intimate detail, while aggregating all activities that collectively produce strategies that shape our world.

Strategy-as-practice, developed in the past decade, is a research theme interested in how strategy is carried out: who does it, what they do, how they do it, what they use and what implications this has for the shaping of strategy as a whole (Jarzabkowski & Spee, 2008). From a strategy-as-practice viewpoint, strategy is a situated, socially accomplished activity, while the art of strategising involves the actions, interactions and negotiations of multiple actors at multiple layers, as well as the practices from which they

draw to accomplish these activities (Jarzabkowski, Balogun & Seidl, 2007; Jarzabkowski & Spee, 2008).

Strategy-as-practice has evolved through the development of a conceptual framework, by defining the reciprocal relationships, which span the micro and macro levels of organisations between the three core elements of praxis, practices and practitioners. As such, Whittington (2006), concludes that a practice perspective on strategy must incorporate consideration of how strategy “practitioners” utilise institutionalised strategic “practices” in creative ways within their strategy “praxis” to generate strategy, potentially creating new strategy “practices”.

Strategy practitioners are those individuals who undertake the work of making, shaping and executing strategies (Whittington, 2006). They are the actors who draw upon the different practices to act. Practices identify the actors’ way of behaving, thinking, emoting, knowing and acting in ways prevalent within their society. This allows the actors to combine, coordinate and adapt the practices to their organisations’ needs in order to ensure they act and influence their society (Jarzabkowski et al., 2007). Strategy practitioners are not just senior executives who have strategy as the core of their work, but also those countless others who carry out strategy work, as part of a larger function. These include strategy planners, who still assume a large function in strategy formulation, middle managers who engage in and implement the strategies, and strategy advisors, such as strategy consultants from consulting firms and bankers, lawyers and business school gurus (Fenton & Langley, 2008).

Strategy practitioners engage in strategy praxis – the various and numerous activities involved in the formulation and implementation of strategy. Praxis is the labour of strategy-making outlining the flow of activities through which strategy is accomplished (Whittington, 2007). Strategy praxis includes the intra-organisational work that is required for the development and execution of strategy. While this work is diverse, it often includes formal and ad-hoc meetings, board meetings, management retreats, consulting interventions, team briefings, presentations, projects, simple talk and actions and behaviours that influence the formulation and implementation of the organisation’s strategy (Fenton & Langley, 2008). The domain of strategy praxis is extensive and includes activities which are routine and non-routine, formal and informal, internal to the organisation and found at the organisational periphery.

Strategy practices include those routines, procedures, norms and culture employed by strategy practitioners to carry out strategy work (Fenton & Langley, 2008). They are diverse and variable and are utilised, altered and combined, based on specific uses altering the flow of activity of which they form part (Jarzabkowski et al., 2007). Practices

include stand-alone items such as forming strategy project teams or strategy away-days and implicit items such as bodily actions, forms of mental activities, background knowledge, expertise, states of emotion, motivational knowledge and the various tools of strategy (Jarzabkowski et al., 2007). Tools include analytical techniques such as SWOT analyses (Strengths, Weaknesses, Opportunities and Threats), environmental scanning and other industry recipes or else technologies and equipment such as flipcharts, computers and software, Gantt charts, white boards or even post-it notes (Jarzabkowski et al., 2007). Strategy practices might inform those of whole societies and social practices, which include the strategic scale, scope or structure across nations or the world as well as types of discourse which inform the right ways of doing strategy including strategy techniques, for instance Potterian analysis.

Studies undertaking a strategy-as-practice approach need not combine all three elements at the same time. The elements allow for an interconnectedness, providing a means for understanding how to recommend an approach that is able to associate different subsets of the three core elements, based on the assignment at hand, while acknowledging their relationship to the integrated whole (McGrath, 2013). In addition, a very important aspect in the process of strategic management is the level of employee involvement and their consequences of their actions. Huff and Reger (1987) studies have demonstrated that *Participative Decision Making* (PDM) can be beneficial to worker mental health and job satisfaction affecting job satisfaction in one of two ways. First, as a direct effect upon job satisfaction that reflects an intrinsic biological drive to influence the environment or feelings of mastery and competence associated with exerting influence successfully over the environment. Second, because PDM allows individuals to manipulate the environment to reduce sources of stress.

2.3 The Elements of Strategy

Broadly, strategy can be regarded as a means to achieving objectives (Grant, 2013). It can be perceived as a tool used by organisations to guide them in ensuring successful performance as well as their survival and growth in the long-term (Nienaber, 2010). Management textbooks frequently outline strategy as an integrated process of three interrelated steps: formulation, implementation and control (Nienaber, 2010), focusing narrowly on planning (Grant, 2013).

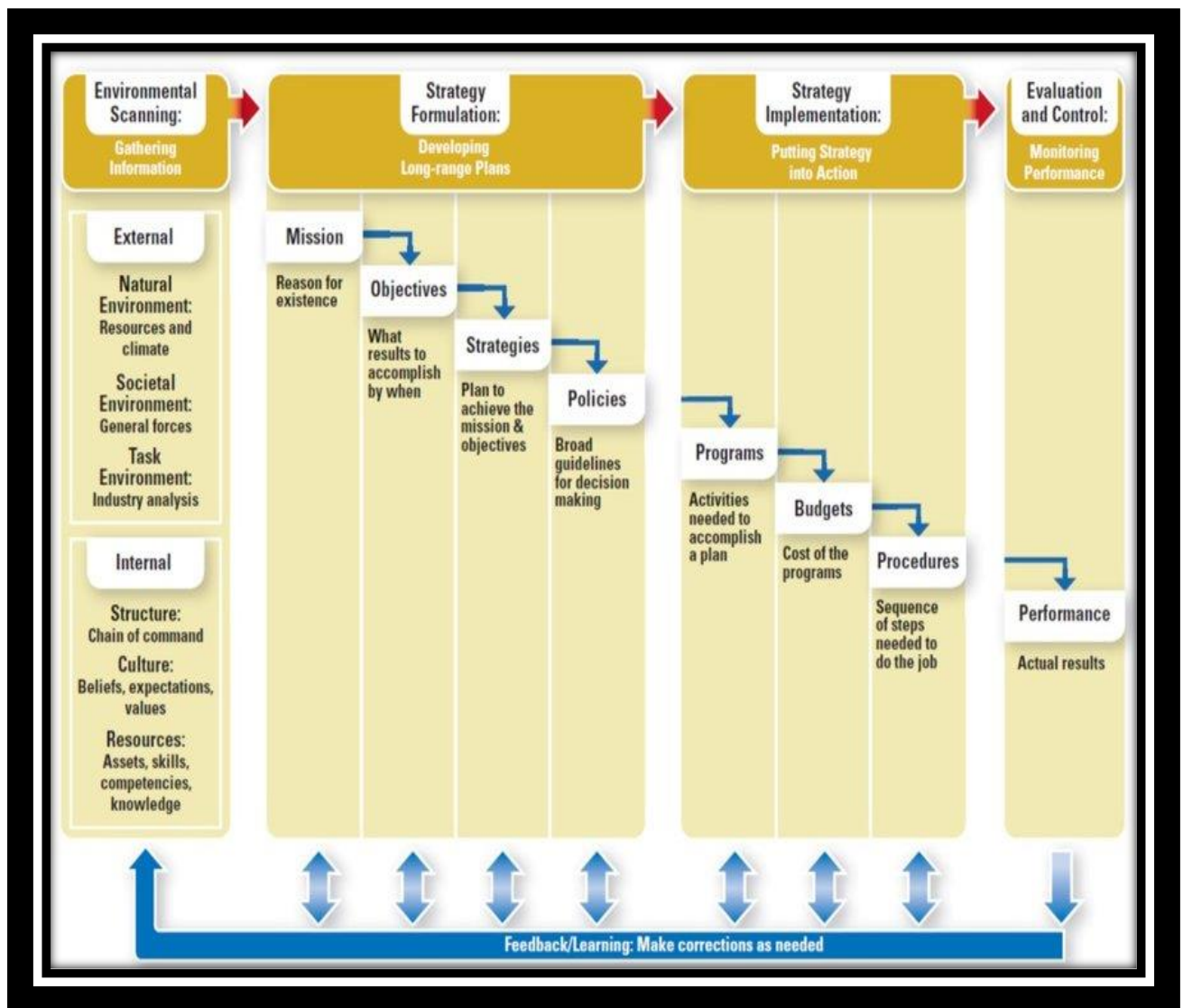


Figure 2.1 Strategic Management model (Wheelen & Hunger, 2012)

2.3.1 Diagnosis/Environmental scanning

Includes: (a) performing a situation analysis (analysis of the internal environment of the organisation), including identification and evaluation of current mission, strategic objectives, strategies, and results, plus major strengths and weaknesses; (b) analysing the organisation's external environment, including major opportunities and threats; and (c) identifying the major critical issues, which are a small set, of major problems, threats, weaknesses, and/or opportunities that require particularly high priority attention by management (Weigl, 2008). In line with the first objective of understanding the diagnostic measures put in place to operate a multicurrency system in Zimbabwe, this construct will help in gathering the information about what the Zimbabwean authorities regarded as both external and internal threats and opportunities in the adoption and implementation of the multicurrency regime.

Strategic analysis serves three purposes: it breaks down the strategic questions and issues into constituent parts and identified triggers; it establishes the basis of these parts

into insight and it provides a framework for generating the bigger picture required for strategy formulation.

Such analysis incorporates a multidisciplinary combination of scientific and informal processes to identify, derive correlations and evaluate trends, patterns and performance gaps. The use of frameworks allows for the understanding of the pieces within the bigger picture and, thereafter, assists the development of trends which tell a story, rather than snapshots as provided by rational techniques such as PESTEL analysis, or value chain analysis. Vitrally, the value of strategic analysis is not correctness, but development of focus and discipline brought about by thinking and debating. Frameworks which could be utilised include: the opportunity-response framework, key success factor analysis, the VRIO (Value, Rarity, Imitability, and Organisation) framework and the unique competing space analysis (McGrath, 2013).

2.3.2 Strategy formulation

The formulation phase of the strategic management framework is also referred to as strategic planning (Alfred, 2016). In order to better understand the concept of strategic planning, a deeper analysis of the term strategy reveals that it emanates from the word *strategos*, a Greek term meaning a general set of manoeuvres taken to defeat an opponent (Ackermann & Eden, 2013). Put simply, strategies are the instruments by which identified goals are realised and as such organisations need to undertake strategic planning to produce the plans or strategies that will map the way forward and enable the achievement of objectives.

In examining the definitions of strategic planning, as opposed to the broader concept of strategic management, a study of the relevant literature indicates that most researchers refer to a systematic process that assists leaders in understanding their micro and macro environments better through proper assessments, hence empowering them to make better decisions to achieve the vision of the organisation. A more comprehensive definition is provided by Alfred (2016), who state that Strategic planning is defined as the process by which organisations determine and establish long-term directions and formulate and implement strategies to accomplish long-term objectives while taking into account relevant internal and external environmental variables.

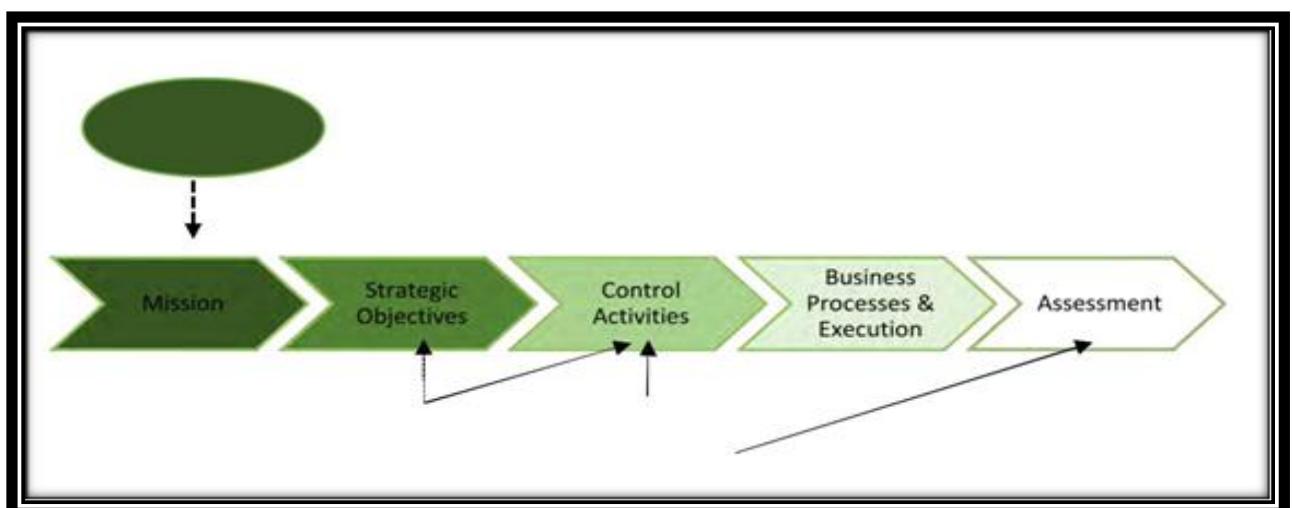
Strategic planning is used both in the private and public sectors to promote strategic development and improved administration. The process involves identifying an ideal future state known as the vision, setting out the underlying principles that the culture is going to be built on in terms of the values, clarifying the mission which spells out what will be done to achieve the vision, addressing strategic issues, structuring programmes

and plans for strategy implementation, and lastly defining the key performance indicators by which programme performance is measured. Again, the significance of understanding the internal and external factors influencing the business has been highlighted to be of vital importance (Ackermann & Eden, 2013).

Atkin and Brooks (2012) describes strategic planning as a transparent, future-focused, collaborative process that utilises many different sets of techniques that can be combined into three phases. In the first phase, an environmental assessment is performed to gain a collective understanding of external forces that may affect the business. The second phase consists of running scenario analyses in an effort to identify those success factors that will facilitate business success irrespective of which scenario plays out. During the third phase, a strategic plan with high-impact strategic actions is mapped and the vision, mission and values are revised.

In contrast to the often-generalised definitions and processes, Kono and Barnes (2010) offer a more specific set of logically constructive approaches to strategic planning. The starting point should be to gain a common understanding of what or where the organisation is, what its aspirations are in terms of its ideal state, and how it intends to achieve its desired state. The authors identify four important steps within the formulation phase that would need to be carried out before the implementation of any strategy starts. The first step in developing a strategy is the crafting of a vision that outlines the core ideologies and aspirations of the entity for which the strategy is being developed. The vision would also be an indicator of the entity's values, purpose and future path. The second step is the development of an effective mission statement that conveys information such as the organisation's target markets, products, services, service locations and philosophies, amongst others.

The third step is analysis, which usually involves the use of models such as SWOT (strengths, weaknesses, opportunities and threats) and value-chain analyses to gain insight into the entity's micro as well as macro environment. The fourth step is the



formulation of a long-term strategy, and models such as Porter’s generic strategies can be very useful. Alfred (2016) **points** out that despite sophisticated planning processes and good plans, many organisations fail to deliver on their strategic objectives due to a lack of proper risk management. Grant (2013) propose that the strategic framework should have a component of risk management within the formulation and execution phases, as detailed in Figure 2.2 below. Whilst this diagram is titled Strategy audit environment, it provides a good basis for a visual representation of the basic strategic framework.

Figure 2.2: Strategy audit environment (Grant et al., 2013)

According to Grant et al. (2013), the framework depicted in Figure 2.2 above enables internal auditors to assess an entity’s exposure to risk in relation to its strategy, more specifically to its strategic objectives. The authors explain that a proper risk-management system is an essential component of the strategic management process. Once strategic risks have been identified, they need to be assessed, and the management controls that are in place need to be evaluated. If the existing controls are deemed insufficient, the level of control would need to be improved. Hence, combining risk identification and assessment of control activities as a risk management component, and combining other aspects of the strategic management process mentioned above, Figure 2.2 can be adapted as follows.

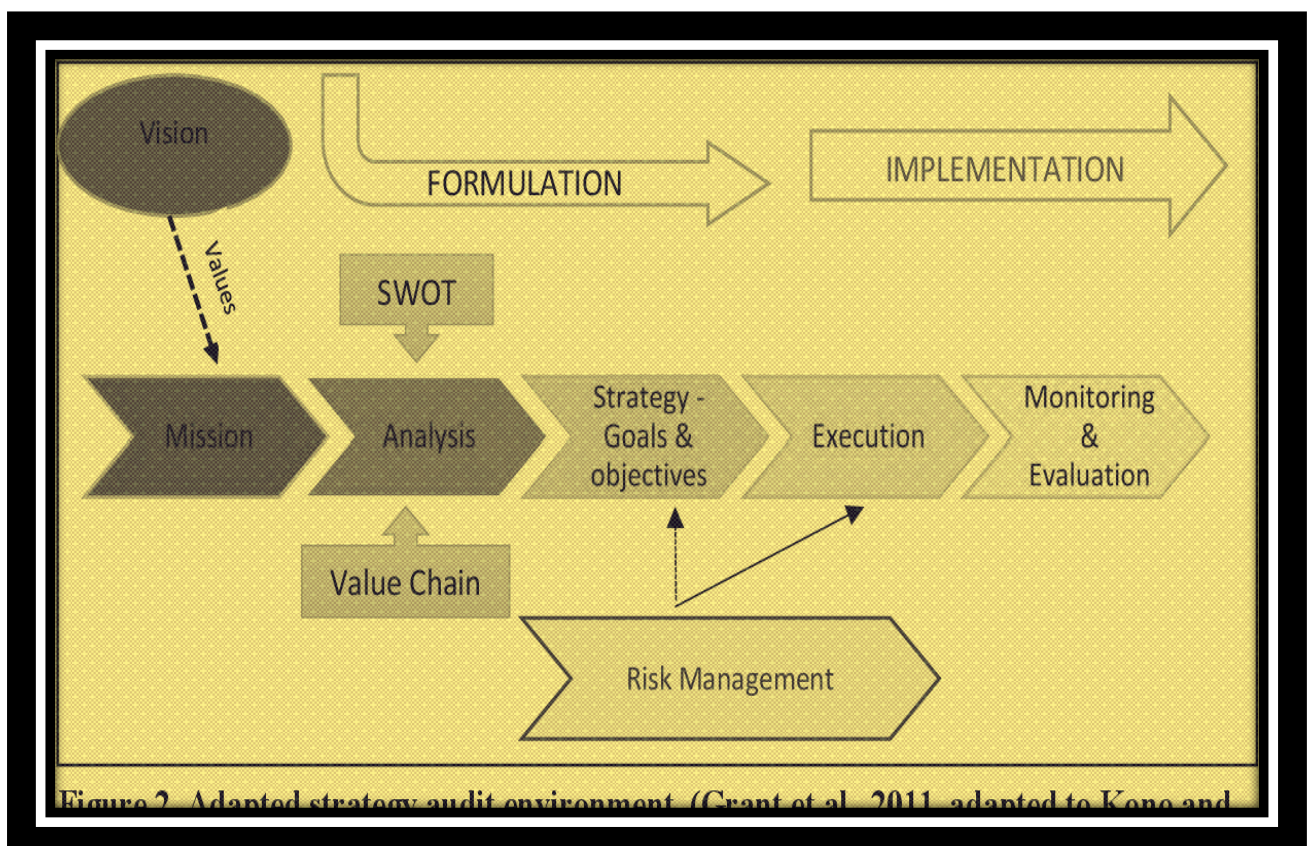


Figure 2.3 Adapted strategy audit environment (Kono & Barnes, 2010)

Figure 2.3 is the framework presented by Grant (2013), adapted to the research performed by Kono and Barnes (2010). It can be seen that the fourth step outlined by these authors contains the development of the strategy, as well as the goals and strategic objectives. Therefore, for the purposes of this study, this will be used as the primary framework and adapted to accommodate new research findings if necessary and where applicable. This adapted framework has been segmented to reflect the formulation and implementation phases, and also has an added analysis component. Risk and control activities have been combined into risk management, and certain other terminology has been modified, such as strategic objectives becoming strategy with goals and objectives.

In relation to the issue of goals and objectives, clear goal and objective setting is key to effective strategic planning. Alfred (2016), state that goals and performance measures in governmental agencies are decided and set while simultaneously considering internal (for example top leadership and senior managers) and external (for constituents, service consumers and regulators) stakeholders.

Whilst some researchers use the terms goals and objectives interchangeably, Atkin and Brooks (2012), explains that goals and objectives are not the same and should be clearly distinguished. Goals tend to be general, high-level, intangible, qualitative, hard-to-validate statements, used to define corporate strategies based on long-term planning as the end result. A goal might require a multitude of objectives or sub-goals. Hence, the starting point in crafting clear goals, the distinction between goals and objectives must be acknowledged and understood. Once a goal statement has been crafted, objectives that enable the achievement of that goal need to be identified. The SMART (specific, measurable, achievable, relevant and time-bound) principle is a popular and widely accepted tool that is commonly used to ensure that objectives are properly formulated; however, Ackermann and Eden (2013) argue that the SMART principle lacks the human touch. This missing human perspective is also noted by Atkin and Brooks (2012).

Whilst Ackermann and Eden (2013) present some alternative models, Atkin and Brooks (2012) presents an improved version called the 'SMARTER' framework, which retains the original components of SMART and adds 'ER' (engage and reward). Engage refers to engaging the relevant stakeholders in order to create a sense of ownership, and reward refers to attaching the right kind of incentives to the achievement of objectives, in order to foster desired behaviour. Setting goals and objectives are the final elements of the formulation phase.

Linking strategic planning to the performance of an organisation is important in order to create an environment that is conducive to executing strategy. Research has shown that

utilising a comprehensive approach, with feasibility studies and in-depth environmental analyses, as well as action plans with targets as part of the strategic plans, has proven to assist with improving the performance of an organisation (Alfred, 2016). Another aspect for consideration is the debate on whether strategic planning should involve a top-down or bottom-up approach. Whilst the debate continues, the general consensus is that having more participation from relevant stakeholders, e.g. middle managers, can be advantageous in promoting and strengthening the link between strategy and organisational performance (Stukalina, 2014).

Oliver (2015) takes a different view of the strategy development process by proposing that leaders affirm the organisational mission, values and vision as the first steps. Whilst the mission describes the purpose of the entity, the vision defines an ambitious measurable target, ideally put forward in a very concise statement. It is often useful for organisations to summarise their strategy statement for easy understanding, communication and buy-in.

Ultimately, every strategy formulation process ends up with the creation of some sort of strategic plan. Bhushan and Rai (2014) point out that strategic plan can cause strategic ambiguity if it is not written properly and too many aspects are left open to interpretation. Whilst this can play an enabling role initially, over time it can lead to internal contradictions and over-extension. It is therefore prudent to ensure that there is little, or no strategic ambiguity caused by the process as well as the plans produced as a result thereof. In general, strategic plans should clearly articulate the link between goals and measurable outcomes and should pay particular attention to how these are communicated to the rest of the organisation. The result of such communication should be buy-in from the relevant stakeholders with simultaneous alignment to operational planning. In all these aspects, customer value should be the central point of reference (Bhushan & Rai, 2014). A clear strategic plan that takes into consideration these factors will definitely assist in the next phase which is strategy implementation.

Summatively, strategy formulation produces a clear set of recommendations, with supporting justification, that revise as necessary the mission and objectives of the organisation and supply the strategies for accomplishing them. Formulation tries to modify the current objectives and strategies in ways which make the organisation more successful. This includes trying to create sustainable competitive advantages, although most competitive advantages are eroded steadily by the efforts of competitors. A good recommendation should be: effective in solving the stated problem(s); practical in the sense that it can be implemented in current situation with the resources available; feasible within a reasonable time frame; cost-effective; not overly disruptive; and

acceptable to key stakeholders in the organisation. It tries to consider fits between resources plus competencies with opportunities, and also fits between risks and expectations.

2.3.3 Implementation

This third stage in the strategic management process involves developing an implementation plan and then doing whatever it takes to make the new strategy operational and effective in achieving the organisation's objectives. Strategy implementation is the sum total of the activities and choices required for the execution of strategic plan by which strategies and policies are put into action through the development of programs, budgets and procedures. Although implementation is usually considered after strategy has been formulated, implementation is a key part of strategic management. Said in other terms, strategy formulation and strategy implementation are the two sides of same coin (Weigl, 2008).

Formulation refers to how an organisation defines its strategy and implementation refers to the process that every leader follows when taking necessary actions to achieve the strategy. Mintzberg (1988) mentions that strategy formulation in every organisation is only possible to achieve as long as it is clear: a) the concept of strategy, b) the very different views of how it can be formed (without necessarily being formulated) in an organisation, and (c) to associate this view especially, but not exclusively, with the configuration we are calling adhocracy.

The concept of adhocracy is an expression first used by Alvin Toffler and later made popular by Robert Waterman (1990) in the book "Adhocracy (The Power to Change)". The term corresponds to the opposite of bureaucracy: while bureaucracy claims for rigidity of routines, adhocracy wants to simplifying processes and allows fast organisational adaptation to particular situations. The essence of adhocracy, in contrast to bureaucracies that seek to control their environments to support standardised systems, is a rapid and continuous responsiveness to the environment, with minimal organisational momentum.

About planning versus execution, Mintzberg (1988) claims that "the crafting image better captures the process by which effective strategies come to be. The planning image, long popular in the literature, distorts these processes and thereby misguides organisations that embrace it unreservedly". Formulation and implementation merge into a fluid process of learning through which creative strategies evolve. Craft evokes traditional skill, dedication, and perfection on action. They should be not separated, planning without execution is meaningless.

Porter tells that in the formulation of a strategy it is important to understand the forces that affect the competitive environment in an industry, and at the same time, it is necessary to identify the factors that affect it, this way, the organisation's strengths and weaknesses over its competitors, customers, etc. can be easily visualised. That is why a strategist can devise a plan of action that may include "(1) positioning the organisation so that its capabilities provide the best defence against the competitive force; and/or (2) influencing the balance of the forces through strategic moves, thereby improving the organisation's position; and/or (3) anticipating shifts in the factors underlying the forces and responding to them, with the hope of exploiting change by choosing a strategy appropriate for the new competitive balance before opponents recognise it " (Porter, 1991).

As already seen, the challenge of strategic management lies not only in the strategy formulation but also in the correct implementation, since both of them determine the success or failure of Strategic Management as such. Oliver (2015) maintain that success in the implementation is concentrated on two words: alignment and focus (strategy-focused organisation). Although the specifics of each organisation can lead to different roads when speaking of alignment and focus, the principles of a strategy-focused organisation are: translate the strategy to operational terms, align the organisation to the strategy, make strategy everyone's everyday job, make strategy a continual process and mobilise leadership for change (Oliver, 2015).

2.3.4 Strategy Evaluation and Control

The final stage in strategic management is strategy evaluation and control. All strategies are subject to future modification because internal and external factors are constantly changing. In the strategy evaluation and control process managers determine whether the chosen strategy is achieving the organisation's objectives. According to Kono and Barnes (2010), the fundamental strategy evaluation and control activities are: reviewing internal and external factors that are the bases for current strategies, measuring performance, and taking corrective actions. This last but not least construct will serve as lenses through which the research seeks to assess the evaluation measures aligned in running a multicurrency system in Zimbabwe as well as to analyse the control measures put in place to ensure the effectiveness of running the same system

Broadly, strategy can be regarded as a means to achieving objectives (Grant, 2013). It can be perceived as a tool used by organisations to guide them in ensuring successful performance as well as their survival and growth in the long-term (Nienaber, 2010). Management textbooks frequently outline strategy as an integrated process of three

interrelated steps: formulation, implementation and control (Nienaber, 2010), focusing narrowly on planning (Grant, 2013).

Mintzberg et al.'s (2009) clarification articulates that no single, simple definition of strategy exists; however, several areas of general agreement, different from the classical definition, have been constructed to outline the nature of strategy (Weigl, 2008):

- Strategy focuses on both the organisation and the environment
- The substance of strategy is often complex
- Strategy affects the overall welfare of an organisation
- It involves both content and process
- It is not solely nor purely deliberate
- It is articulated at different levels
- It involves a variety of thought processes.

The evaluation of a strategy requires several elements to be present: clarity, motivational impact, consistency, environmental compatibility, resource appropriateness, degree of risk, personal values of the organisation, time horizon and workability. Examples from historical business and context, however, infer the following minimum elements should exist: well-defined; decisive objectives; maintaining the initiative; concentration; flexibility; coordinated and committed leadership; as well as surprise and security (Mintzberg, Quinn & Ghoshal, 1998).

However, a transition has taken place, whereby, as noted earlier, the understanding of strategy has shifted from plan to direction. Strategy is perceived as a theme providing coherence to individual and organisational decision making, integrating and guiding the collective of different individual knowledge. It acts as a coordinating device, communicating the identity, goals and positioning of an organisation as its strategic intent and is, crucially, concerned with the future (Grant, 2013; Maritz, 2010).

Strategy can be disruptive, innovative, combine co-operation and competition, introduce value creation and value capture, focus on performance, but importantly, always remains provisional (Koch, 2011).

2.4 Complexity and Uncertainty in the Changing Business Environment

Catastrophic world events have changed the business and social environment, reducing the prevalent hope for stability. Several global revolutions thrust challenge and opportunity upon organisations: population growth (growth, aging, migration, urbanisation), resource management (food, water, energy, climate), technology (robotics, biotechnology, nanotechnology), information (big data, privacy, education),

economics (integration, competition, debt, poverty, inequality), security (new social dynamics, health, cyber) and governance (civil society, social unrest, non-profits, future outlook) (Center for Strategic and International Studies, 2012).

The pace of change within the business environment has speeded up significantly (Ghezzi, 2013; Marren, 2010). The marketplace has increased in complexity and challenge: greater competition, erratic economic cycles, market fragmentation, demanding customers, regulation/deregulation, increasing costs of employment, labour disputes, technological enhancements and consumer attitudes and tastes all require special attention by organisational management (Perrott, 2008). Products will become obsolete, customers' tastes will change and technology will render the latest business model uncompetitive (Simons, 2010).

Finkelstein (2005) argues that strategies are not created equal. He contends that simply knowing who, what and how one will compete and what one will not do, is often not enough to provide value to customers or differentiate one's business to increase the difficulty of replication by competitors. In summary, Finkelstein (2005) posits that disrespect, hatred or arrogance towards one's competitors is not viable to a competitive environment. In addition, wrong ideas, unattainable strategies, incorrect stewardship and immediate inclusion of the latest management fad into organisational structures, without understanding the whole, often lead to desperation management (Finkelstein, 2005).

Moreover, it is suggested that naive planning, misreading markets, developing the incorrect product lines, basing decisions on gut feel, guess work or only on hard facts while ignoring the competitive environment and valuable insight from employees working on the floor and in far flung areas, lead to organisational failure (Cravens et al., 2009; Dwyer, 2009).

Internally, organisations have been found to encounter several internal behavioural problems during the development of strategy; compounded by the pace of a dynamic and ever-changing external environment (Lenz & Lyles, 1981). These problems include:

- Inability to achieve goal consensus during deliberation on broad strategic goals
- Communication breakdowns through the failure to preserve open dialogue
- Ambiguity of sub-unit roles and responsibilities
- Obtaining of commitment to the plan or strategy
- Form versus substance of the strategy
- Lack of strategic thinking
- Individual perception of the reward structure not encouraging the development or execution of strategy

- Line-staff conflicts as a result of conflicting priorities
- Personal fears around uncertainty during planning
- Difficulty in obtaining individual commitment to the strategy development process.

In addition, Roxburgh (2003) suggests that while the theory of strategy is well defined and senior executives well trained in its principles, there are hidden flaws in strategy as a result of managerial human behavioural economics (Roxburgh, 2003):

- Overconfidence in formulating and judging strategy
- Mental accounting or the categorisation and treating of money differently dependent upon its origin and how it is spent (e.g. strategic investments)
- Anchoring to past success or historical perspectives
- The 'sunk cost effect', limiting the ability to exit flawed strategic options
- Herding instinct
- Misestimating future hedonic states
- False consensus.

As a result, the greater demands of an uncertain organisational environment; increased importance of organisational culture; lack of support and consensus from the entire organisation and the threat of internal politics derailing effective strategy, significantly increase complexity (O'Shannassy, 1999; Speculand, 2011).

Dandira (2012) continues to argue that strategy is in crisis as a result of a knowledge vacuum, where, very often, strategy remains the preserve of a single elite group of practitioners. The belief is factored around their misguided assumption of their advanced knowledge of the concept and their need to maintain their powerbase. In practice, for strategy to be successful, all organisational stakeholders must be involved in the strategy development (Dandira, 2012).

As intimated, environmental turbulence has increased and strategic issues clearly challenge the way in which organisations have traditionally planned, requiring a greater focus on monitoring environmental turbulence levels and forming appropriate and dynamic responses (Perrott, 2008).

Camillus (2008) argues that strategy issues are often not just "tough or persistent", but rather "wicked" and crop up when organisations face unprecedented or constant change. Wicked problems can be identified through several attributes: they have innumerable causes, are tough to describe and often unique with no precedent; emerge as a symptom/s of another problem and often do not have a right answer. To stay effective, organisations must proactively monitor their environment for changes, rather than conducting occasional analyses of their business landscape (Camillus, 2008).

Organisations slow at managing change ignore trends that, although peripheral and not obvious, lead to the changing of consumers' attitudes, aspirations and behaviours. Organisations need to be aware of these changes and infuse certain aspects of the trends to augment traditional offerings and to produce radical offerings that transcend the traditional category and counteract any negative effects of the trends by developing products and services that reaffirm the organisation's values (Ofek & Wathieu, 2010).

In competitive markets, there are major unknowns and organisations should have the ability to focus on alternative strategies, depending on how the uncertainties are resolved, thereby focusing on managing uncertainty rather than on achieving results (Raynor, 2007).

2.5 Crafting Strategy Using a Strategy-Making Approach

2.5.1 Deliberate and emergent strategy

In contrast to 30 years ago, the notion that the global business environment is complex, uncertain and fast-changing, is readily acceptable today. This revised worldview stands in contradistinction to the traditional view of predictability, linearity, and controllability, which underpinned the mechanical view of traditional strategy development (Boulton & Allen, 2007).

While the essence of strategy remains in constant flux as conversations mature, allowing the practice to remain relevant and significant, the challenge of strategy-making must be shaped by the environmental realities, already mentioned, of complexity and uncertainty (Maritz, 2010).

Strategy-making, the task of creating and operationalising strategy, has been shrouded in debate over the past two decades, with the literature not making a clear distinction between the views at either end of the strategy-making continuum (Maritz, 2010). The two extreme views include a purely rational, deliberate approach at one end and an emergent, adaptive approach on the other end, positioned as alternative approaches. According to Maritz (2010), the continuum outlines three broad outcomes namely:

- Intended strategies, which are often planned but not always realised
- Deliberate or realised strategies, which are intended and have been realised
- Emergent strategies, where the pattern realised was not necessarily or expressly intended.

The deliberate approach is associated with a formal planning and implementation process, which views the organisational environment as predominantly objective, open to analysis and predictable, prescribing specific strategies available to organisations and

the contexts in which they seem to function best. The emergent approach does not follow a process as definite as the deliberate approach, believing in a more creative adaptation to environmental challenges. Within this view, the lack of environmental certainty and increased pace of change requires a substantial creativity and intuition in order to design an all-inclusive strategy for an organisation, followed by continuous learning through gaining experience (Maritz, 2010).

Mintzberg et al. (2009) argue that intended, or deliberate, strategy inhibits learning, while emergent strategy fosters action which is the driver of strategic thinking. However, the authors add that strategy is rarely purely deliberate and few are purely emergent: all real-world strategies contain a mix of control and fostered learning. Mintzberg et al. (2009) note that the development of an umbrella strategy, containing broad outlines which are deliberate, complemented by details which emerge enroute, will reflect predictable conditions at hand, while allowing the flexibility to react to unexpected events (Mintzberg et al., 2009). Maritz (2010) concludes that many of the assumptions embedded in the traditional strategy models are incomplete and outdated in the new competitive environment, requiring a re-examination of traditional paradigms.

2.5.2 An evolved strategic paradigm

Following the focus on deliberate versus emergent strategy, a revised focus has been placed on the style of strategy which should be crafted. Organisations in industries which act in predictable ways often utilise their unique capabilities and resources to create their market space and defend their position. In these stable environments, the focus is different from organisations in dynamic, innovative markets where competitive advantage is gained from responding to signals faster than competitors (Reeves et al., 2012). Focusing on an industry's predictability, the authors argue that the levels of adaptability, creativity and influence required by organisations demand alternative styles of strategy.

Reeves et al. (2012) created a systematic framework, articulating four divergent strategic styles to guide the selection of an organisation's strategic style, aligned to the conditions found within its industry, business function or geographic market. Their research indicates that while many industry factors guide the strategy that is developed, two critical factors, predictability (accuracy and confidence of future forecasts of performance, competitive dynamics, and market expectations) and malleability (ability of the organisation, or its competitors, to influence market factors), influence the strategic direction and in turn, the style of the organisation.

Following the variables, four styles emerge, each associated with a distinct planning practice suited to a particular environment. Reeves et al. (2012) contend that historically, organisations have focused on two styles: predictability and unpredictability; they postulate that all four styles should be considered, with a fifth style identified for extreme circumstances:

- A *classical strategy* can be employed by organisations in predictable and immutable environments. Most familiar of the four styles, the focus remains on using traditional planning tools to shape an organisational goal, targeting a favourable position and utilising all available capabilities and resources to achieve the position over several years.
- An adaptive strategy requires greater flexibility and experimentation, working well in unpredictable and immutable environments, where a crafted classical strategy may reach obsolescence within months or weeks. In this situation, constant refining of goals, tactics and the ability to shift, acquire or divest resources smoothly and promptly, is critical through a continual process of strategy development.
- A shaping strategy is best when an organisation has the ability and power to change an unpredictable environment. Embracing short or continual planning cycles, with flexibility being paramount, the focus stays on experimentation – allowing the organisation to radically shift the course of an industry in a single innovative move. This ability requires a formidable ecosystem of receptive customers, suppliers or complementors who can define attractive new markets, standards, technological platforms and business practices.
- A visionary strategy is applicable to predictable environments where the organisation has the ability to mould or change the environment to obtain advantage, focusing on creating or building products or services to which markets will positively respond. In these markets, organisations know the future and can predict the path to realising it. This style displays similarities to the classical style; since the goal is clear, deliberate steps can be taken to reach it without requiring several alternatives such as those needed in the adaptive style. Long-term dedication and commitment of resources are required to achieve success.
- A survival strategy, feasible only in circumstances in which the other four will fail (for example, when access to capital and resources are limited), occurs in a harsh environment which threatens the very viability of the organisation. Its focus is clear and is intended to focus on short-term success. Organisations, however, are required to look ahead, beyond the current crises, and assess the future conditions by adopting a growth strategy.

Selection of a strategic style is suggested in order to align an organisation's overall strategy to the economic conditions of its industry. However, if there are several business units, across geographical markets or different industries or business functions, these could require their own ability to select a different style, dependent on their requirements, providing them with the flexibility to manage diverse or fast-changing environments. Crucially, the style must align to the organisation's growth and maturity lifecycle to ensure adaptability and success (Wheelen & Hunger, 2012).

In comparison, the classical strategy style and, arguably, the visionary strategy style to which Reeves et al. (2012) refer, relate to the classic, traditional, mechanistic, or rational approach described by many authors (Feurer & Chaharbaghi, 1997; Gates, 2010; Farjoun, 2002; Farjoun, 2007; Jones and Hill, 2010; Mintzberg, Ahlstrand & Lampel, 2009; Nienaber, 2010; Pearce and Robinson, 2007; Pitt and Koufopoulos, 2012; Schraeder, 2002; Volberda, Morgan, Reinmoeller, Hitt, Ireland and Hoskisson, 2011); while the adaptive and shaping strategy styles correlate with authors who identify the need for a more creative, adaptive and experimental approach to strategy within the current unpredictable and dynamic environment (Amsteus, 2011; Dwyer, 2009; Finkelstein, 2005; Marren, 2010; Mintzberg, 1994; Perrott, 2008; Wilson & Eilertsen, 2010).

It could be argued that, irrespective of the style followed by individual organisations, based on the perceived predictability of their industry, a revised approach to the creation of strategy is required to ensure success in such an environment. A new, integrated picture of organisational, economic, and political infrastructure behaviour characteristics is required to understand the complex systems. Several principles are highlighted to develop an integrated view (Boulton & Allen, 2007):

- Several possible futures exist, thus the necessity of accepting that the future is unknown, leading to an unfixed and emergent future that must be created, not discovered
- Organisations and economies may evolve into new forms with radically different characteristics, some newly created
- Change and creativity can only occur if diversity exists, thereby encouraging interconnectivity to respond to changing environments
- Micro-diversity and local variation are a prerequisite for novelty, eradicating the sole focus on standardisation, efficiency and the search for reliability and control;
- Systems are unfixed, emergent, self-organising and co-evolving

Complexity does not infer the notion of chaos and helplessness; rather, it focuses on creating clear intentions and actions based on the best data available, while still allowing chance ideas and impulses to unintentionally work beyond one's wildest dreams.

A renewed focus on strategy, incorporating complexity theory, should encompass the following elements (Boulton & Allen, 2007):

- A review of the environment to establish its nature, its stability or fast-changing landscape
- A strategy conducive to the environment: adaptive / emergent / agile or poised to change, if required
- Multiple strategic elements, with an experimental culture and the agility to embrace success or cut loss
- Internal scanning for unintended successes, ideas, hidden resources and a disposition to back winners, even if not intended by the organisational strategy
- Environmental scanning to respond and adapt to change
- Foresight to strengthen the ability to anticipate possible futures
- Maintenance of intrinsic capabilities for changing and emergent markets.

Organisations ought to renew and sharpen their quest for sustainable competitive advantage by pursuing an adaptive advantage through the development of a favourable organisational context within which novel approaches to new problems frequently emerge. An adaptive advantage develops unification between reflection and execution and balances deduction with experimentation (Reeves, 2009).

Following an adaptive, creative and dynamic approach to strategy emphasises iterative experimentation to overcome limitations of deductive, deliberate approaches in keeping pace with incessant change. Continuously reshaping an organisation through a process of managed evolution, within an umbrella strategy, could provide superior outcomes in turbulent environments. Reeves et al. (2009) outline three attributes essential for survival in changing environments: readiness, responsiveness and resilience. Through static measures of improved forecasting and decentralised decision-making, supplemented by a recursive approach, organisations could develop better-fitting strategies that continuously evolve to change. Recursion involves achieving variation through targeted innovation and modification of practices that are selected and amplified organisation-wide to ensure alignment with strategic intent.

Reeves and Deimler (2009) outline several characteristics of organisations undertaking a resilient and adaptive approach: foresight, agility, flexibility, entrepreneurship, diversity and the ability to shape the competitive environment. Syrett and Devine (2012)

undertook research into the characteristics required to manage uncertainty. Their research discovered consensus around the need for an organisation to maintain a strategic readiness for sudden and unexpected threats and opportunities. The characteristics identified included a combination of strategic flexibility, strong navigational leadership, resilience, collaborative partnerships, predictive learning and agility.

Developing the said characteristics, aligned to a revised strategy-making process, will favour organisations heavily for future advantage; however, the organisational changes required to achieve this will require fundamental shifts in corporate culture, skill building and leadership.

2.6 Diverse Views Culminating in the Key First Principles of Strategy

Descartes, in his ground-breaking work, [the] *Principles of Philosophy* (1644), posits that philosophy is the study of wisdom in order to obtain the "perfect knowledge of all that man can know" as "deduced from first causes", called first principles. Descartes described the concept of a first principle as possessing two conditions:

- In the first place, they must be so clear and evident that the human mind, when it attentively considers them, cannot doubt of their truth; and
- In the second place, the knowledge of other things must be so dependent on them as that though the principles themselves may indeed be known apart from what depends on them, the latter cannot nevertheless be known apart from the former.

It will accordingly be necessary thereafter to endeavour so to deduce from those principles the knowledge of the things that depend on them, as that there may be nothing in the whole series of deductions which is not perfectly manifest.

Descartes, crucially, describes a first principle as the base on which all other knowledge is built. Following this definition, the concept of a first principle has been defined as "the basic and most important reason for doing or believing something" (Cambridge Dictionaries Online, 2013), "the fundamental concepts or assumptions on which a theory, system, or method is based" (Oxford Dictionaries, 2013), and as "any axiom, law, or abstraction assumed and regarded as representing the highest possible degree of generalization" (Dictionary.com, 2013). First principles, a methodical alternative of understanding the world, found within the study of physics, focuses on breaking down elements into their foundational material components and reasoning from those fundamental truths. First principles are not simply a statement of definition of a concept, but the fundamental and core elements building a concept.

Within the sphere of strategy, the first principles have been well defined historically through the work of Von Neumann and Morgenstern (1947), Drucker (1954), and Chandler (1962), followed by many authors providing their own perspectives. The simple proposition is that strategy is concerned with the search for competitive advantage (Liedtka, 2005, Cravens et al., 2009) and that strategy is about winning (Tovstiga, 2010; Olsen & Gray, 2011).

Physics focuses on the general analysis of nature, conducted in order to understand how the universe behaves with the aim of discovering the universal law of first principles. Although it is one of the oldest academic disciplines, the boundaries of physics have never been rigidly defined. Theoretical breakthroughs continue to make significant contributions to new technologies; one example includes the quantum computer which makes use of quantum-mechanical phenomena, such as superposition and entanglement, to perform operations on data. While classic computers make use of data encoded to binary digits (bits – the basic units of information), each with a definite state of either 0 or 1 (an analogy would be a light switch with the off position representing 0 and the on position representing 1), quantum computation makes use of quantum bits (qubits), that are able to exist in states of 0, 1, or a superposition of both (Gershenfeld & Chuang, 1998).

Quantum superposition is a first (fundamental) principle of quantum mechanics which concludes that a physical system can exist partly in all its particular theoretically possible states simultaneously or in parallel; but when measured or observed, it provides a result corresponding to just one of the possible configurations (Gershenfeld & Chuang, 1998).

Qubit states overrule the traditional view of a linear approach to bit computing (Gershenfeld & Chuang, 1998) and, by inference, may be compared to the view that traditional strategy can focus just on a single linear extrapolation of strategy, concentrating either on a deliberate or an emergent approach (Maritz, 2010), or one of several strategic styles (Reeves et al., 2012). Following the arguments of Mintzberg et al. (2009) who conclude flexibility should be established, a revised view concludes that an organisation could exist in several states simultaneously or in the form of strategic superposition.

From an organisational strategy perspective, the traditional emphasis has been on closing the gaps between external demands and internal capabilities, thereby ensuring alignment between the organisation, the business environment, and its past, present and future intent. Ensuring this alignment proved necessary for increasing stability, efficiency and enabling high performance at the cost of learning and innovation. By reducing

variation, thereby increasing performance in the short-term, an organisation deprives itself of the information required to move forward (Liedtka, 2005; Cravens et al., 2009).

Stereotypically, strategy choice is often rationalised through the use of analogical reasoning (Gavetti & Rivkin, 2005), and in similar fashion humans rationalise their decision-making (Hofstadter and Sander, 2013) resulting in iterations of previous themes and paradigms. Whilst this is a powerful method of developing strategy, since it builds on good ideas and discards bad ones, an alternative, based on revised first principles, applicable to an evolving environment or to the development of parallel strategies, is required for the deep innovation necessary for the resolution of complex problems.

To focus on creating sustainable advantage by developing an adaptive, creative and dynamic strategy-making approach and process, Syrett and Devine (2012) suggest several principles must be articulated as a basis for the development of strategy that will respond to the challenges faced by organisations. By expanding on the work of Syrett and Devine (2012) through the review and inclusion of views articulated by several authors, this study summarises the key characteristics and elements presented as first principles of strategy. These include:

- *Strategic anticipation* which provides the capability to determine and the ability to implement a strategy highly responsive to the future and unpredictable, volatile environments (Syrett & Devine, 2012). Strategy and corresponding plans must be flexible to respond to changes that may occur, both internally and externally. Organisational foresight provides the ability to maintain readiness and follow a provisional strategic stance, constantly ready for action in response to unfolding events (Jackson, 2011).
- *Navigational Leadership* must be provided by the organisation's strategy. It requires the capability to instil a collective sense of where the organisation is and the confidence and optimism to move forward. Coordinated leadership, guided by clear, decisive objectives, focuses effort by setting direction, defining the organisation and providing consistency. The overall aim is to provide not only security, but to increase resource morale too. By supplying this navigation, strategy is able to inspire confidence, ensure transparency, accountability and good governance, encourage speedy decision-making and engage staff at all levels, thereby providing a sense of ownership (Syrett & Devine, 2012; Mintzberg, Quinn & Ghoshal, 1998; Jackson, 2011).
- *Agility* incorporates the dynamic ability to move rapidly and flexibly to shape or adapt to opportunities or threats. It allows organisations to launch new products overnight, transform the market and change the rules of their industry. Agility is

focused on speed of movement, exploitation and leadership (Syrett & Devine, 2012), allowing the organisation to remain unfixed, emergent, self-organising and co-evolving. Adaptability, responsiveness, audacity and speed increase the organisation's ability to be disruptive, while ensuring surprise through concealment and deception. Four types of agility can be identified: financial agility focused on liquidity to buffer against difficulty and provide freedom to pursue opportunities and experimentation; operational agility characterised by the creation of lean and efficient structures; portfolio agility identified by the ability to reshape, reinvent, and reallocate resources with speed as well as organisational agility dealing with empowering structures (Syrett & Devine, 2012; Boulton & Allen, 2007:215; Mintzberg, Quinn & Ghoshal, 1998; Jackson, 2007).

- *Resilience* provides the ability to absorb and build on adversity, shocks and setbacks (Syrett & Devine, 2012). Resilience – a continuous propensity to anticipate and adapt to critical strategic shifts in the marketplace – is an important driver of a creative and adaptive approach in order to ensure competitive advantage. Resilience enables organisations to perceive opportunities and risks more clearly and ensure an effective and rapid response (Reeves & Deimler, 2009). To build resilience, organisations must exude a strong sense of purpose and meaning, have a clear self-knowledge, maintain perspective, focus on realistic optimism and persevere while enabling a culture of internal and external co-operation (Syrett & Devine, 2012).
- *Open collaboration* provides the capability to dissolve boundaries, forge links and reach outside the organisation through collaborative partnerships to allow for the sharing of ideas and information, consequently providing a broader perspective and maximising innovation. Through collaboration and co-operation, organisations are able to move beyond their boundaries, both mental and organisational, to allow for greater anticipation of uncertainty and its potential impact. Externalisation provides opportunity for reducing risk and increasing innovation through relationships (Syrett & Devine, 2012; Boulton and Allen, 2007:215; Johnson et al., 2010; Jackson, 2011).
- *Predictive learning* allows organisations to sense, probe, analyse and reflect on previously hidden patterns and trends, in order to allow for the anticipation of sudden or disruptive change. Organisational capabilities must be focused around the use of strategic intelligence to guide decision-making through the use of analytics and knowledge management, double-loop learning to enable the modification of goals in the light of previously successful or unsuccessful attempts to achieve goals on multiple occasions and abduction, a burst of knowledge

gained from communicative interaction among organisational members (Syrett & Devine, 2012).

- *Creativity and originality.* *Creativity* challenges assumptions, allows for the recognition of patterns and generates the ability to see in new ways, make connections, take risks and seize chances. It is the heart of any strategy and supporting process, not simply focused on the development of new products or services, but equally concerned with new processes and perceptions of opportunity. Creativity determines how an organisation realises value from new ideas and processes by which ideas are developed (Kao, 1997). Amabile (1996) defines creativity as "the production of novel and useful ideas in any domain, while Majaro (1992) augments the definition by defining creativity as "the thinking process which helps us to generate ideas". *Originality* includes departing from the routine and ordinary, allowing for leaps from the obvious to something new or untried. Creativity is essential in order to ensure originality, be it through diversity, micro-diversity, novelty or imitation, to ensure the organisation pursues the goal of being different through its strategy (Boulton & Allen, 2007; Johnson et al., 2010; Porter, 1980; Jackson, 2007).
- *Innovation* is the ability to use knowledge in a unique and different way; to employ new thinking (Pellissier, 2012). It is the application of an idea towards doing things better, cheaper, more aesthetically and/ or more effectively (Majaro, 1992). Creativity provides ideas – be they outlandish, bizarre, wild or useless – as input to innovation, which creates useful, results-oriented, profitable or effective outputs (Majaro, 1992). Innovation transforms creative ideas into successful implementation within an organisation (Amabile, 1996). It enhances the ability to experiment rapidly and frequently, both with products and services, as well as with business models, processes, and, vitally, business strategy. It also guides the development of strategy through organisational learning to create and maintain competitiveness (Pellissier, 2012).
- *Entrepreneurism* involves trying new combinations; the creative destruction of an existing equilibrium within an industry; a method of transforming disembodied ideas into workable and economically viable operations, leading to value creation and value capture, aiding competitiveness (Amabile, 1996). Enabling entrepreneurial activity requires a concentration of force, allowing for a decisive, synchronised application of resources to realise intended effects, when and where required, while supported by an economy of effort and the judicious exploitation of human resources, material and time in relation to the achievement of strategic objectives (Johnson et al., 2010; Jackson, 2007).

The rapidly altering business environment has renewed focus on creating a sustainable advantage by developing creative and adaptive strategy-making approaches concerned with equipping organisations with the capability to deal with the changing environment. Approaches and processes, aligned to the first principles and broken down to their material components enable the creation of a creative and adaptive strategy articulated in a simple, compelling way to ensure competitive success and sustainability (Liedtka, 2005, Cravens et al., 2009).

4.7 Strategic Management in the Public Sector

A study of the literature on strategic management would show that the focus of the process is almost exclusively on application in the private sector environment as organisations seek to obtain a strategic advantage in outperforming their counterparts in the market. Usage of the terms “company”, “business” (Sadler, 1993), and “firm” (Joyce & Woods, 1996) bears testimony to this tendency. Nutt and Backoff (1992) and Green (1998) assert that the unique needs that the public sector attempts to satisfy serve as a limiting factor in applying many of the ideas traditionally applied in the private sector.

Green (1998) mentions that although strategic management has traditionally been the explosive preserve of the private sector, it has more recently found its way into the public sector. The research was done in Ireland, North Ireland, Australia, and New Zealand. Green (1998) attempts to look at the reasons for the introduction of strategic management to the public sector of these countries, to investigate how it was introduced, and how it has been used.

Strategic management is the result of the reform process to which governments have committed themselves. Issues such as privatisation, deregulation, efficiency audits, senior management reviews, and devolved budgeting amongst others have put pressure on governments to give effect to their commitments. The undertaking to reform has led to public institutions to “rethink and restructure” the services they fund and deliver. Two approaches have been adopted to restructuring namely, a fundamental change in governance such as privatisation, and measures which may not lead to a change in government but change the way the public sector operates. This restructuring have three reinforcing aims.

First, to ensure that public services are more receptive to the wishes and preferences of their users. Public sector organisations need to move closer to the private sector notion of “customer is king” to facilitate less indifferent attitudes towards customers. Second, government’s desire to control public expenditure by means of higher efficiency of the public sector, and in the process making more resources available to the private sector. A public sector that is continually expanding leads to higher government expenditure and

lesser resources to be released to the private sector. Third, to develop a public service to implement and contribute more effectively to the government's strategic vision of the development of the economy. The government should refrain from involvement in economic activity that is considered the domain of the private sector.

Green (1998) further asserts that the above create paradoxes for the government and for strategic management in the public sector. The first paradox is that if an enterprise culture is to thrive, adequate infrastructure has to be provided by the state, which has often led to more instead of less government expenditure. The second paradox is that policies for state departments generally determine the competencies for any department in terms of their respective sphere of authority and the nature of their roles and administrative tasks. Departments tend to do their strategic planning on their own instead of in conjunction with others with which their functions overlap, which often leads to unclear relation of mandate to mission.

The third paradox is that it is difficult to strategically manage oneself into oblivion. Governments seem to have decided that the public sector has no distinctive ability relative to the private sector and should therefore only do what the private sector cannot or does not wish to do. Such a belief may lead to a continuance of current activity rather than the creation of a new set of competencies, which may lead to improved performance. Green (1998) asserts that the adoption of the strategic approach indicates a more fundamental reorientation of the public sector compared to the past. He also warns that the adoption of strategic management techniques into the public sector may be only a means of continuing with old practices under a new name, or merely an excuse to reduce resources and pretending that no services are suffering in the process. He argues that the introduction of strategic management in the public sector signifies great importance. Strategic management should be about forecasting the future and looking outwards to develop a view of new activities deep into the future (Ferlie & Ongaro, 2015).

In a report on changes within local government in Britain, Cochrane (1993) states that there has been a shift from financial control to strategic management. Whereas financial control in the 1980s served as the most important management tool, changes in the context of government in the 1990s led to the rise of managerialism with less emphasis on financial control measures. In essence, more emphasis was placed on management, and in particular, strategic management borrowed from the private sector (Cochrane, 1993). A movement away from the concept of local government as self-sufficient provider to one of local government as "enabler" occurred, allowing senior managers greater influence in the running of the administration. In addition, senior managers acquired greater status to narrow the gap in status with their counterparts in the private sector.

Embracing concepts such as “total performance management”, “quality, equality and good management”, and “development of a high trust culture” is an indication of a concerted attempt within local government to borrow from the private sector. The aim of becoming more “business-like” is to establish clear cooperation between the public and private sectors (Sadler, 1993). The increasing spread of “Visions”, “Mission Statements”, and “Strategies” throughout local government is proof of the acceptance of the management function as a replacement for accounting which emphasises the financial control function. Cochrane (1993) cites the use of consultants of the commitment by local government to work more closely with the private sector.

The conclusion that could be drawn from summing up of the abovementioned definitions could be that public administration consists of activities that form part of the executive, as opposed to the legislative and judicial powers of the administrative side of government. Its main objective should be to marshal human and material resources in order to achieve the objective of public policy. That is, the production of certain products and the rendering of services for the benefit of society in order to provide for an acceptable way of life for that society. The success or failure of these activities of the state depends upon how efficient public officials implement policies. Fox, Schwella and Wissink (1991) point out that the environment in which these officials perform their activities has a bearing on their ability to achieve goals and objectives of the government. The Zimbabwean government should consider making the environment conducive by implementing some structural reforms which promotes an interplay between the public and private sectors. The management of economic operations could be achieved with effectiveness if government strategic goals were to be prioritised over political and individualistic interests.

2.8 Summary

For thousands of years’ strategy has been a key construct in the military and, later, the business environment. Intricacy and uncertainty in a fluctuating business environment have provided the opportunity for the construct to mature over the past years. A review of literature reiterates the on-going discourse and evolving nature of the concept, predominantly coordinated through three research themes or constructs over the past three decades. The first, process research, focuses on the formulation and implementation of strategy through prescriptive and descriptive methods, while content research uncovered the types of strategy organisations develop, based on their environmental and organisational conditions. The third stream, a recent one, considers the practice of strategy by asking how strategy is prepared.

While the essence of strategy remains in constant flux as conversations mature, allowing the practice to remain relevant and significant, the challenge of strategy-making must be shaped by environmental realities already mentioned. As indicated, organisations in industries which act in predictable ways often utilise their unique capabilities and resources to create their market space and defend their position. Focusing on an industry's predictability it can be argued that the levels of adaptability, creativity and influence required by organisations, demand alternative styles of strategy.

Realignment to a revised strategy-making process will heavily favour organisations for future advantage; however, the organisational changes required to achieve this would require fundamental shifts in corporate culture, skill building and leadership. So as to focus on creating sustainable advantage by developing an adaptive, creative and dynamic strategy-making approach and process, in this chapter several principles have been articulated as a basis. The next chapter deliberates on the dollarization concept.

CHAPTER THREE: THE CONCEPT OF DOLLARISATION

3.1 Introduction

This chapter discusses theoretical and empirical literature concerning the effects of dollarisation on macroeconomic performance. The chapter focuses on points of divergence and convergence among various authors on dollarisation theory. The purpose of this literature review is to assist the researcher find what other researchers and contemporary authors have recommended on the topic of interest. The related literature also helps in limiting the individual's research problem and defining it better.

3.2 Overview of Dollarisation

Dollarisation has most frequently occurred after a severe economic downturn involving high inflation, which has eroded domestic currency trust. Most citizens of countries that are plagued by high inflation or currency devaluation are starting to look for a more stable currency. Conversion into the new currency takes a long time in the course of complete dollarisation. Generally, a time limit is set where all domestic currency holders have to convert it all into the new currency at a pre- set exchange rate. The local currency will become worthless after the deadline, and the new currency will then become their sole legal tender (Forbes *et al.* 2013).

Over the last few centuries, a lot of countries have experienced monetary and exchange rate instability. For years, analysts and policymakers have been studying different exchange-rate systems and how they can help stabilise economies. They have theorised different monetary policies to help curb inflation and stimulate growth in their economies. The new approach is full dollarisation, under which a country formally gives up its own currency and adopts a more stable currency. The most recent solution is absolute dollarisation, whereby a country officially abandons its own currency and adopts another country's more stable currency as its legal tender (Leavell *et. al.*, 2003). This has been accompanied in a number of countries by the dollarisation of the real sector, whereby purchases of goods and services and payment of salaries take place in foreign currency. The monetary base of the country is converted into a currency denominated in foreign countries (Leavell *et al.*, 2003).

Dollarisation has commonly occurred following a severe economic crisis involving high inflation that has undermined confidence in the domestic currency (Kararach, Kadenge & Guvheya, 2010). Many citizens of countries that are plagued with high inflation or the

devaluation of their currency start to look for a more stable currency to use. In the process of full dollarisation, it takes a long time to convert to the new currency. Usually, a deadline is established where all holders of the domestic currency have to convert all of it into the new currency at a pre-set rate of exchange. After the deadline, the local currency becomes worthless and the new currency then becomes their sole legal tender (Leavell *et. al*, 2003).

Recent literature on dollarisation (Mack, 2017; Kararach *et al.*, 2010; Meyer, 2015) has classified the anticipation of government behaviour towards the foreign currency holdings in developing countries into three categories; official/full dollarisation, semi-official and unofficial dollarisation (Meyer, 2015). Official dollarisation involves the complete replacement of the local currency by foreign currency as the only legal tender. This helps to stabilise the economy by controlling inflation and eliminating exchange rate instability. Semi-official dollarisation refers to a situation where both the local currency and the foreign currency are freely used in a domestic economy. This will cause exchange rate instability. Finally, unofficial dollarisation is when the local currency is the only legal tender with the foreign currency being used in black markets. This can make demand for the local currency unstable. If people suddenly switch to foreign currency, that can cause depreciation of the local currency thereby starting an inflationary spiral (Mack, 2017).

Dollarisation is one of the most important challenges for a country's monetary and financial sphere. Its main drawback is that it reduces the effectiveness of the interest channel since changes in interest rates have almost no influence on the rates of loans and deposits denominated in foreign currencies. This affects the efficiency of monetary policies and limits governments' capability to manage macroeconomic processes. When a country's external foreign exchange liabilities exceed its foreign exchange assets, the balance-sheet effect of changes in the exchange rate is opposite to the effect of changes in relative prices, and the cumulative effect of the weakening exchange rate on economic growth can be negative (Mhute, 2012).

The systemic risk for the financial system increases, at least for two reasons. First, financial dollarisation reduces the central bank's capacity as the ultimate lender since it increases the probability of foreign exchange liquidity deficit in the financial system in stress situations. Second, since banks extend loans in foreign currencies not only to exporters, financial dollarisation causes foreign exchange inconsistencies that increase credit exposure in foreign currencies (Kararach *et al.*, 2010). Therefore, a more effective monetary policy and greater financial stability cannot be imagined without low dollarisation and high trust in the national currency.

3.3 Possible Causes of Dollarisation

Fabris et al. (2004), indicates the main causes of the high level of dollarisation in the economy as:

i. High inflation and fixed exchange rates (exchange rate targeting). State comparisons illustrate the fact that dollarisation benefits, to a large extent, from monetary policies that cannot curb inflation. Tough exchange-rate management only increases the dollarisation incentive. Studies and experience in some countries (for example, Turkey and Poland) show that the main conditions are restoring the floating rate and taking action to reduce and stabilise inflation, without which any further attempts to de-dollarise would most likely be fruitless.

It should be borne in mind that these macroeconomic factors will affect business savings and investment decisions faster than household decisions, which need more time to overcome negative high inflation memories (Mhute, 2012). In this context, central banks should not only send clear signals to the public about their firm intention to ensure monetary stability and exchange rate flexibility and to avoid any retrograde steps in their policies, but should also take support measures to promote a favourable financial market climate and create additional economic stimulus to de-dollarise.

ii. Volatility for the macroeconomics. Inflation volatility—if it exceeds the volatility of nominal exchange-rate depreciation—is one of the triggers of dollarisation. Specifically, the disinflation strategy (which aims to reduce and stabilise inflation) by regulating the exchange rate when it stabilises faster than inflation—appears to encourage dollarisation. Here is an example of Armenia: on the one hand, for a long time it had stably low inflation levels, but the banking sector had one of the highest dollarisation rates for assets and liabilities in the Eurasian Economic Union (EAEU). This is because Armenian monetary policy has many peculiarities that are not typical of targeting net inflation. So, in conjunction with other variables, a stable exchange rate establishes preconditions for high dollarisation (Charkie, 2012).

It is also necessary to see expectations and trust between market participants. If economic actors do not expect that a macroeconomic policy's recent good results would be reversed in the medium term, dollarisation may not go down, even if the policy has been fundamentally changed (Hanke & Kwok, 2009).

iii. Fear of the floating exchange rate caused by the position gap (having significant open positions in foreign exchange). In a highly dollarised economy, the central bank might want to rigidly fix or regulate the exchange rate to protect players in the economy from devaluation effects. Nevertheless, when there are insufficient foreign

reserves and the economy is affected by major adverse external shocks, such exchange policy becomes a hostage to "the fear of the floating exchange rate" (Hobbes, 2014).

iv. When unhedged lenders have undervalued the credit risk. The risk exposure associated with expanding foreign currency loans to unhedged lenders may be undervalued by borrowers and lenders. The inability to predict a sudden and serious impairment of the exchange rate, on the one hand, makes borrowers accept significant foreign exchange risks and, on the other, leads lenders to lend in foreign currencies. Furthermore, the large gap between interest rates, which favours foreign currencies, may result – through adverse selection – in riskier projects focusing on the unhedged borrowers' segment (Kararach et al., 2010).

Hobbes (2014) goes on to say that an effective deep and liquid foreign exchange market (spot and forward markets) equipped with robust trading mechanisms eliminates the need for foreign currency as an "insurance" because it offers unlimited access to financial capital and foreign exchange hedges for its participants. Business will try to attract financing in alternative currencies in the case of non-effective foreign exchange market, exposing itself to foreign exchange risks. The best hedging strategy for importers is to fix prices in foreign currencies in the absence of an established hedging mechanism.

In the light of the above, it seems prudent to divide de-dollarisation steps into three levels: the primary priority measures should be aimed at improving the macroeconomic environment; the second level should be passive measures aimed at creating a favourable financial market environment; and the third level should be active measures intended to influence the transaction expansion stimuli in a certain segment of the market and in the price of some products. As shown by an IMF empirical analysis, central banks are using active measures to promote and facilitate de-dollarisation (Meyer, 2015).

Inflation reduction and stabilisation by transitioning to a floating exchange rate are among **the top priority measures** aimed at changing the macroeconomic reality. This stage is designed to remove the principal obstacle, namely the high inflation and inadequate exchange-rate stability, without which all or most of the other steps and acts would fail.

The second level (passive) measures are intended to create a favourable financial-market environment. The goal is to create conditions that mitigate negative economic consequences if the strategic measures included in the first category are not fully implemented. Such initiatives will, in particular, help banks broaden their balance sheets by supporting national currency denominated instruments expanding domestic financial markets, and removing uncertainties relating to long-term interest rates.

The passive interventions would focus primarily on changing the structure of future transactions, not the existing positions of the dollar. As international experience indicates, if the de-dollarisation of flows is successful, the positions will start to change in about two to four years (depending on the average bank portfolio's duration) (Berger, 2008).

The passive measures include:

- Avoiding acts conducive to the use of foreign currencies rather than the national currency and encouraging government borrowing and investments mainly in the national currency; expanding loan repayment benefits often denominated in the national currency; and using a differentiated taxation system for savings revenue, deposit insurance, etc.;
- Significant amounts of fungible benchmark notes and bonds regularly put in a yield curve that would be trusted by investors and can be used to price long-term lending instruments in the national currency, as well as to hedge transactions;
- Development of secondary bond markets and other instruments denominated in the national currency to create products that would allow pricing of long-term lending instruments denominated in the national currency, which would also help improve forward rate pricing;
- Fostering foreign exchange hedges by better accounting, tax control and hedging mechanisms;
- Reporting derivative instrument transactions and maintaining business risk management;
- Improving foreign-exchange market infrastructure (development of trading systems and expansion of the use of remote trading terminals);
- The incremental liberalisation of capital flows and the expansion of the domestic foreign exchange market with a view to stimulating market growth in the number and incentives of risk-takers ready to take up foreign exchange positions; the establishment of a market in government securities derivatives (options, futures) as they encourage the production of foreign exchange options and futures;
- Develop and improve a framework for tracking foreign exchange risks and educating market participants about foreign exchange risks and the benefits of national currency transactions;
- Giving banks a guaranteed access to national currency liquidity in the event of a liquidity shortfall in the banking system.

Third level (active) measures promote the use of the national currency by controlling the degree to which the standards and specifications for financial transactions are

differentiated in different currencies and financial market segments, as well as pricing rules (Kararach et al., 2010).

The authors argue that the third-level initiatives regarding financial transactions should focus primarily on the lending transactions of the banks and not on deposits, because the dynamics of individual deposits are formed by motivations and circumstances that are often unrelated to interest rates (e.g., devaluation expectations). Moreover, the scarcity of deposits in the national currency can be, to a considerable extent, an endogenous response to the lack of loans in it (Berger, 2008).

Other countries' experience suggests that retail and short-term loans are regarded by commercial banks as the most attractive segments for de-dollarisation and are willing to cooperate in implementing restrictions required for this purpose. It should be noted that de-dollarisation of transactions by small and medium-sized enterprises can begin at a later stage. It is also important to note that large corporate clients and households typically resist more than other market players moving from the foreign currency to the national currency and this should be taken into account when developing and implementing the respective measures (Berger, 2008).

In the light of the above, the measures at third level include:

- Greater specificity of reserve requirements, including differentiated softening approach;
- Greater differentiation of prudential supervisory criteria (e.g., implementation of differentiated collateral ratios and debt service coverage ratios, especially in the most vulnerable segments such as consumer and short-term loans; restriction of foreign currency loans in the most vulnerable segments). International experience (for example, that of Poland, Serbia and Turkey) indicates that extending foreign currency loans to the population is associated with high foreign exchange and repayment risks if repayments grow to exceed borrowers' income;
- Encouraging the movement of monetary lending into the national currency;
- Subsidising interest rates on converted currency loans into national currency;
- Coordinate a large-scale campaign to promote the national currency as a means of payment, including a ban on pricing (tariffs, tax rates and other payments) in a foreign currency.

Third-level interventions are considered to be the least effective in a situation where the measures envisaged at the two previous rates were not achieved. These will at best be ineffective or, at worst, trigger adverse results, for instance when borrowers are coerced into accepting disadvantageous loans in the national currency or banks face additional

credit risks that they cannot internalise. Third-level measures are intended, in the first place, to protect the most vulnerable segments from foreign exchange risks and, in the second place, to make the technical transfer of foreign exchange risks to clients' undesirable to banks. It is also necessary to ensure that such measures in the context of the current phase of a business cycle are not too restrictive (Berger, 2008).

3.4 Dollarisation in the Global Context

The phenomenon of dollarisation has been studied since the 1970s. The literature of financial dollarisation has tended to focus on Latin American countries, where most of the earlier work on currency substitution was motivated because of a history of high inflation, and where dollarisation was more persistent. Many developing countries in Latin America have dollarised their economies in the past three decades. Over the past decade, concerns about the effects of dollarisation have increased (Powell & Sturzenegger, 2011).

Countries have been using dollarisation to stimulate their economies throughout the last century. Most of the countries which dollarised have lived with it up to this day, the oldest being Panama, while a few have de-dollarised, Argentina and Liberia for example. The effects of dollarisation differ from country to country. Most of Latin America made significant gains in macroeconomic stability after dollarisation. Both the rate and volatility of inflation declined significantly since the mid-1990s. Real economic growth has remained steady at 2.5% a year on average. Panama has had a dollarised economy for more than a hundred years, having adopted the dollar at its independence in 1904. Since then, Panama's economy has been one of the most successful in Latin America.

In the year 2000 and 2001, Ecuador and El Salvador respectively, also fully dollarised each under very different state of affairs. For El Salvador dollarisation was for strengthening a reform agenda while for Ecuador it was part of a crisis resolution (Powell & Sturzenegger, 2011). In the late 20th century, Ecuador's economy declined rapidly due to natural disasters and lower global demand for petroleum. Inflation sky-rocketed, the Ecuadorian sucre depreciated significantly, and Ecuador could not repay its foreign debt. In the midst of political chaos, Ecuador dollarised its economy in 2000, and the economy has since slowly improved.

El Salvador dollarised in an environment with sound macroeconomic fundamentals. There was low and stable inflation and the economy was growing. Dollarisation was motivated by the need to tighten links with the US economy and promote foreign investment, trade and economic growth (Hinds, 1999; Hinds, 2000). The success of dollarisation is usually during adoption but over time the challenges will resurface.

According to Kokenyne, Ley and Veyrune (2010), countries de-dollarise due to the potential effects of dollarisation on macroeconomic policies and financial stability.

In the late 20th century, Ecuador's economy declined rapidly due to natural disasters and lower global demand for petroleum. Inflation soared and the Ecuadorian sucre lost much of its value. The real GDP fell by 7.3% in 1999, inflation hit a high of 52%, while the sucre, Ecuador's local currency, depreciated by 274% against the dollar. The country fell into a deep recession. The government decided to implement full dollarisation as the financial solution to restore the economy (Smith, 2018). In the midst of political turmoil, Ecuador dollarised its economy in 2000. Since then, Ecuador's economic indicators have been rising.

The confidence of investors and the public grew, leading to the dropping of interest rates. The main advantage of dollarisation is that raging inflation has been significantly stabilised. This has, in turn, stabilised the overall economy resulting in significant economic growth. Inflation dropped from 91% in 2000 to 22 % in 2001. The economy, which had declined by -7.3% in 1999, grew by 2.3% in 2000, the year dollarisation occurred, and by 5.6% in 2001. Growth continued in subsequent years, with 3.4% growth in 2002 and 2.7% in 2003. In 2004 the economy grew by 6.9% and in 2005 the estimated rate of economic growth was 3.9%. Prices stabilised and confidence throughout the business sector returned. These were positive indicators that the dollarisation plan was working (Harper, et al, 2012). Ecuador's move toward dollarisation has seemed to be the pivotal point in its economic turnaround.

El Salvador dollarised its economy in 2001. All prices, wages, financial accounts, and transactions were converted to US dollars, and all colones (the Salvadoran national currency) were removed from circulation. El Salvador's motive was different from all other countries because unlike all the other dollarising countries, El Salvador was not in the middle of an economic crisis. Its decision to dollarise was made in an environment of sound macroeconomic indicators. Inflation was low and stable, with the economy growing. Arguments for dollarisation were based on how it would tighten links with the US economy and encourage foreign investment, trade and economic growth (Hinds, 1999; Hinds, 2000). Much trade occurs between the United States and El Salvador. Many Salvadorians go to the United States to work and send money home to their families.

Castillo (2016) investigated whether dollarisation has had a positive impact on the macroeconomic stability of twenty-one (21) Latin American countries from 1960-2003. Multivariate econometric analysis indicated that dollarisation resulted in economic stability (low inflation rates) and economic growth in Latin America. Most of Latin America

made significant gains in macroeconomic stability after dollarisation. Both the rate and volatility of inflation declined significantly since the mid-1990s. Real economic growth has remained steady at 2.5% a year on average.

Goldfajn and Olivares (2000) used a VAR analysis on 3 Latin American countries, Argentina (currency board), Costa Rica (floating regime), and Panama (fully dollarised) and evaluated the effect of both real and confidence external shocks on the domestic economies. They concluded that on one hand, a fully dollarised country delivers a remarkable inflation performance and may even reduce the impact of external confidence shocks, although not external real shocks. On the other hand, full dollarisation does not guarantee fiscal discipline.

Full dollarisation also reduces domestic interest rates by eliminating currency risks. However, it is not clear whether the decline in interest rates is due to full dollarisation or the competitive internationalised banking system. Panama has had a dollarised economy for more than a hundred years, having adopted the dollar at its independence in 1904. Since then, Panama's economy has been one of the most successful in Latin America. Full dollarisation is said to reduce interest rates by eliminating currency risks. Interest rates in Panama are probably the lowest in Latin America. However, the low interest rates are at least partially determined by Panama's financial openness. Panama liberalised its banking system and freed interest rates in 1970 allowing the modernisation of this sector and its integration with world financial markets (Castillo, 2016).

Forbes *et al.* (2013) investigated the effects of dollarisation on the macroeconomic performance in Ecuador using a time series approach. They specifically investigated the effects of dollarisation on inflation and GDP and found that inflation is lower after dollarisation and GDP is higher. They then concluded that dollarisation improved the macroeconomic performance of Ecuador. These results also concur with an earlier study by Jameson (2003) who also examined the macroeconomic performance of Ecuador using yearly data from 1997 to 2002. He argued that macroeconomic performance in Ecuador has improved during the 2000-2002 period and dollarisation contributed to this by encouraging private and capital flows. His study only used yearly data because of limitations of data and did not conduct a time series investigation.

Swiston (2011) applied a variety of methods (Taylor Rule, uncovered interest parity framework) to investigate the effects of full dollarisation in El Salvador. The study examined El Salvador's adoption of official dollarisation by comparing this regime to the fixed exchange rate regime which existed in the 1990s. The study used an uncovered interest parity framework to estimate the impact of full dollarisation on commercial bank interest rates and found that the reduction in currency risk lowered interest rates by 4%

to 5%. Taylor rules were also used to examine the stabilisation properties of monetary policy over the business cycle. He found that under dollarisation, there was a strong positive correlation between Salvadoran output and U.S Federal Reserve policy. This reflected increased harmonisation of the two economies. The policy served to stabilise both output and inflation. The study concluded that this policy stabilised economic activity more than it did under a fixed regime. This is likely as a result of the tight integration with the US economy and the high correlation between the two economies' business cycles.

Edwards and Madendzo (2015) investigated whether dollarisation is associated with lower inflation and faster growth by using a matching estimator technique developed in the training evaluation literature. Their study was conducted on fully dollarised countries and independent territories, with non-dollarised countries being the control group. Their findings suggest that inflation has been significantly lower in dollarised economies than in non-dollarised ones. They also found that dollarised economies have had a lower rate of economic growth than non-dollarised ones, although statistically this result was not as strong as their result on inflation differentials.

Finally, they found that macroeconomic volatility is not significantly different across dollarised and non-dollarised economies. They concluded that the lower rate of economic growth is due, in part, to these economies' difficulties in accommodating external shocks, such as terms of trade shocks and capital flows shocks. However, limited data prevented them from investigating this formally. Possible reasons for their findings may be that the control group they used may not be appropriate, therefore the results may be subject to a treatment bias. Another problem is that they did not have data to estimate the outcome in dollarised countries if they had not dollarised. Comparisons of data of before and after dollarisation data may be a better representative of the effects of dollarisation on the macroeconomic performance in a country (Edwards & Madendzo, 2015).

Bailey (2005), used a VAR analysis to investigate the role of financial dollarisation in the dynamics of inflation in Jamaica. Financial dollarisation is a form of unofficial partial dollarisation. The empirical findings confirmed the significance of financial dollarisation in influencing inflation. The results showed that shocks to financial dollarisation lead to a reduction in the monetary base as investors give up domestic currency for foreign currency. Jamaica was experiencing economic instability characterised by high inflation and a depreciating exchange rate. The financial crisis of the mid-1990s and high fiscal deficits were the major macroeconomic factors influencing the growth in foreign currency holdings by domestic residents. Severe foreign demand pressures, and monetary and exchange market instability forced the Jamaican authorities to liberalize foreign

exchange market trading in September 1990. This resulted in rapid growth and development of the Jamaican financial system. However, the exchange rate depreciated which in turn affected imports. This as well as the expansionary monetary and fiscal policies resulted in inflation of as high as 107.9% in 1992.

Bahmani-Oskoee and Domac (2002) investigated the consequence of dollarisation in the inflation dynamics of Turkey. Turkey partially dollarised because of high and unstable inflation, fiscal control in financial markets and the absence of discreet monetary instruments (Basci, 2018). Their results showed that dollarisation reduces the domestic money component of money supply and increases inflation for a particular budget deficit. Despite these findings, dollarisation has not been presented as the cause of inflation.

3.5 Experience of Belarus

The National Bank of Belarus has been launching one strike after another against the Belarusian economy's long-standing problem of extremely high dollarisation. However, there are still no serious results to boast. The experts are convinced that the regulator is moving in the correct direction, but it needs time and, possibly, even greater decisiveness to eliminate the dollar in Belarus (Swiston, 2011).

Belarus is maintaining one of the highest rates of dollarisation among the EAEU member states and European countries. As at 1 October 2016, its economic sectors had foreign currency loans from banks accounting for 57% of their overall borrowings. Among state-owned commercial enterprises, the share of loans in foreign currencies stood at 69% of their total borrowings from banks. Currency deposits accounted for 64% of the broad money. Deposits in foreign currencies made up 72% of all deposits. Among household deposits in banks this figure was 78% and among business deposits 61% (Castillo, 2016).

The extent of dollarisation changed significantly in 2009 after the 20 percent devaluation of the Belarusian rouble with respect to the U.S. dollar in response to the negative impacts of the global financial crisis on the Belarusian economy, and in 2011 after the Belarusian rouble impaired by almost three times vis-a-vis the main world currencies (Basci, 2018). After 2011 and until the beginning of 2016, the share of foreign currencies in deposits and loans continued to go up because of necessary adjustments to the rate of the Belarusian rouble with respect to foreign currencies, including as a result of the depreciation of the Russian rouble in foreign markets due to external shocks.

According to Basci (2018), reducing dollarisation in the financial sector would bring significant economic and political dividends to Belarus. To succeed, however, the root causes of this phenomenon need to be eliminated. The economists believe these causes

lie in the monetary and economic turbulence and the weakness of national institutions because dollarisation is nothing but a manifestation of the economic subject's rational desire to insure against hyperinflation. Some economists insist that dollarisation should be explained not only by inflation but also uncertainties as to the effective yield of the assets denominated in the national currency arising due to volatile inflation. In addition, the suggestion that different forms of dollarisation intensify each other can hardly be disputed. For example, financial dollarisation would be higher in an economy with a higher level of "actual dollarisation" (where commodity prices are formed in the dollars and euros) and/or a higher level of dollarisation in payments. The other important reasons include the public's low trust in the monetary policy, high inflation and devaluation expectations, and the remembrance of recent high inflation and/or devaluation.

Understanding the impacts of high dollarisation on its monetary sphere and financial stability, as well as that it is impossible to eliminate this problem alone, the National Bank and the Government of Belarus launched a range of measures to reduce dollarisation and solve related problems such as the population's low trust in the Belarusian rouble, the use of different currencies for asset and liability denomination, a restricted access to currency liquidity, and the country's significant gross demand for external finance, which require a continuous search for compromises and weighted decisions. In this connection, the de-dollarisation strategy is fundamental and forms the basis not only for the monetary, prudential and financial market development strategies in Belarus, but the entire economic policy (World Bank, 2016).

The fundamental, **first-level measures** that have already been taken include:

- i) the National Bank and Government's work pursued since 2011 to gradually abolish directed lending;
- ii) the National Bank's transition in 2012 to the maintenance of positive real interest rates in order to promote savings in the national currency;
- iii) the use since 2015 of a new monetary policy of monetary targeting, which helped to focus the National Bank's efforts on the achievement of its most important goal of reducing and stabilising inflation;
- iv) the National Bank's transition since the beginning of 2015 to more flexible exchange rate formation principles that envision that the National Bank will gradually reduce its interventions in the foreign exchange market and that the role of market factors in exchange rate formation will be strengthened;

v) the toughening of the tax and fiscal policy, including the salary policy, which helped to alleviate external and internal imbalances in the economy and foreign exchange risks.

As a result of stabilisation of the national currency, the share of currency deposits in the broad money began to decline since March 2016. In this connection the National Bank's use of monetary targeting exclusively as a temporary strategy and its plans to switch to inflation targeting, which is considered more effective as regards the improvement of economic agents' trust in the monetary policy as a whole and the national currency in particular, seem absolutely reasonable. At the same time, the level of dollarisation is still high. The issue of liquidity and the lack of foreign exchange reserves to neutralise significant external shocks, as well as the issue of the economy's overall low efficiency remain acute. All these factors require that further active actions be taken as well as other passive and active supports be involved (World Bank, 2016).

As for the **passive measures** aimed at creating a favourable market environment and conditions, the following is noted.

The National Bank's transition to a more flexible exchange rate, as well as external shocks associated with the significant fluctuations of world oil prices and global currencies in recent years have induced non-financial institutions that make currency payments in export and import transactions and on bank loans to hedge foreign exchange risks (Smith, 2018). At the same time, the volumes of transactions entered into by banks with businesses in order for the latter to insure their foreign exchange exposure were insignificant and the main reasons for this were as follows: the lack of regulations governing and clarifying the procedure for the conduct by non-financial institutions of hedging transactions and accounting for them, as well as for the taxation of income derived from foreign exchange hedges and having the respective expenses accounted for the taxation purposes; the low quality of corporate risk management at businesses; the lack of risk takers in the foreign exchange market, which would be ready to take forward currency positions; the lack of yield benchmarks for long-term debt instruments, and other factors.

However, the National Bank's efforts in 2015-2016 to popularise hedging did not help to reverse this trend. For this reason, the top priority measures in this case should be those aimed at improving regulation of foreign exchange hedges as regards accounting, taxation and execution, as well as creating yield benchmarks for financial instruments denominated in the Belarusian roubles (Castillo, 2016). Whether these issues can be solved as soon as possible will depend on when the Belarusian Ministry of Finance introduces the national accounting and reporting standard for financial instruments. This document should set forth the rules for businesses' accounting for transactions with

financial instruments, including hedges, and the placement of benchmark issues of government bonds with respective maturities to form the yield curve for the Belarusian rouble (World Bank, 2016).

As for improving the foreign currency liquidity, it would be reasonable to ensure a wider use of foreign direct investments (FDI) and not foreign borrowings which tend to increase the risk that high dollarisation will continue to persist. Therefore, the initiated government's institutional and structural reforms aimed at improving the investment attractiveness of the Belarusian economy, reducing macrofinance exposure, and building economic capacity, seem very important and should be fulfilled as soon as possible. In addition, to improve the conditions for FDI attraction, it is extremely important that the National Bank fulfils its plans to liberalise foreign exchange relationships and reduce the amount of foreign exchange proceeds subject to compulsory sale. It should be noted that on the 1st of September 2016 the National Bank did already reduce this rate from 30% to 20% of foreign exchange proceeds (Burdekin, 2018).

As for the indirect regulation of the attractiveness of rouble and currency deposits, in order to stimulate extensions in term deposit periods, Presidential Decree 7 passed on 11 November 2015 resolved that from 1 April 2016 interest on irrevocable individual deposits would be exempt from income tax provided that the period of deposits in the Belarusian roubles and foreign currencies exceeded one and two years respectively (Ortiz, 2018). In view of the current low international reserves of the National Bank and other banks, changing this procedure in the nearest time in order to improve the attractiveness of long-term savings in the national currency compared to currency savings does not seem reasonable. However, as the National Bank and other banks accumulate highly liquid foreign currency assets, the abolishment of preferences for foreign currency deposits should stimulate financial de-dollarisation (Mack, 2017).

In addition, to ensure the attractiveness of the national banking system and to stimulate and protect individual savings, in 2008 Belarus introduced a system of 100% insurance for individual deposits. In this case it would be reasonable, in a manner similar to the one stated above, to switch gradually, in proportion to financial stabilisation, to a system of limited guaranteed repayment of deposits covering deposits in the national currency only.

It should be also said that Belarus makes a limited use of third-level instruments (measures), the effectiveness of which, as it was stated above, depends on:

- the internalisation of dollarisation risks;

- the prevention of negative effects of the exchange rate shocks on the economy; and
- the strengthening of the financial system's capacity and ability to absorb shocks.

The main measure at this level is the prohibition to extend individual loans in foreign currencies, which has been in effect in Belarus since 2009. To reduce potential risks for the financial system, Belarusian banks should be provided with incentives to reduce the share of foreign currency loans in their assets, however without losing possibility to extend foreign currency loans for foreign trade. Since the level of dollarisation in the economy has not declined but increased over 2011-2016, it seems that the current prohibition to provide foreign currency loans to individuals should be preserved (Burdekin, 2018).

Another important measure aimed at de-dollarising the economy, as viewed by the National Bank and Government, is the abandonment of foreign currency payments between Belarusian residents. To this end, the sides approved a joint action plan in mid-2016 envisioning that by 2019 the use of foreign currencies in payments between residents would be reduced significantly and that taxes, customs duties, rents, tariffs and other payments would be untied from the U.S. dollar or set exclusively in the Belarusian roubles.

The third measure was to differentiate reserve requirements. Although in the past the reserve requirements for different currencies and types of depositors differed, in order to ensure financial stability and improve the liquidity of banks, in June 2015 the National Bank set a single reserve requirement of 7.5% for all deposits (Ortiz, 2018). It is believed that setting the same requirements for deposits in the national and foreign currencies instead of a higher rate for foreign currency deposits suggests that the liquidity risks for national and foreign currency deposits are considered to be the same.

At the same time, while access to finance in foreign currencies remains limited, as in Belarus, the liquidity risk for foreign currency deposits is higher. Therefore, it seems advisable to restore the differentiation of the reserve requirements and set higher rates for foreign currency deposits than for rouble ones. The higher rate for foreign currency deposits will be somewhat of a tax on financial intermediation in the foreign currency and will, therefore, help to reduce dollarisation in the financial system. Interest rates will go down for foreign currency deposits and up for foreign currency loans and this will help to reduce their attractiveness compared to deposits and loans in the Belarusian roubles (Mack, 2017).

The third group of measures are macroprudential initiatives aimed at limiting foreign exchange risks and stabilising the financial sector. Research by the World Bank and the International Monetary Fund conducted in 2016 has shown that certain Belarusian banks had significant indirect credit exposure associated with foreign currency loans extended to unhedged borrowers. If to consider positive international experience in using macroprudential measures to reduce dollarisation risks, it seems advisable that capital requirements for such banks be raised by increasing capital risk weights for foreign currency loans, which have a greater credit risk associated with exchange rate fluctuations, in order to induce banks to increase interest rates on foreign currency loans, which will decrease demand for them.

According to Burdekin (2018), Belarus has still a lot to do to achieve sustainably high economic growth and high dollarisation creates a number of systemic risks that may complicate these efforts significantly. At present, economic agents, business partners, investors, lenders and all other players need to have negative expectations as to the future of the Belarusian economy and Belarusian rouble alleviated. Therefore, the problems associated with dollarisation, devaluation and inflation should be solved in a comprehensive and fundamental manner. This means not only aiming to maintain price stability and ensure exchange rate flexibility but fulfilling an entire range of interlinked measures to stimulate a structural shift in financial assets and liabilities towards the national currency. Without due trust to the Belarusian rouble, the country will not be able to restore sustainably positive macro dynamics in the economy (Ortiz, 2018).

The initiated Government's institutional and structural reforms aimed at improving the investment attractiveness of the Belarusian economy, reducing macrofinance exposure, and building economic capacity, seem very important and should be fulfilled as soon as possible. This task is difficult because of the country's limited foreign exchange reserves, as well as the need to repay its liabilities denominated in foreign currencies and increase international reserves (Burdekin, 2018).

Creating a fully functioning hedging mechanism is also extremely important to form a favourable financial market environment and conditions conducive to the reduction of potential foreign exchange risks, and to increase the use of the national currency by foreign investors, exporters and domestic borrowers.

The triggers and important catalysers of de-dollarisation can be specific macroprudential measures aimed at restricting the foreign exchange exposure of unhedged borrowers, prohibiting the most risky types of foreign currency lending, reducing the use of foreign currencies in payments between residents, untying tax rates (customs duties, rents, tariffs and other payments) from the United States dollar and euro, returning to

differentiated reserve requirements, and ensuring indirect regulation of the attractiveness of rouble and foreign currency deposits. These measures should not be ignored because they help to reduce the foreign exchange risk and its impact on the economy. This, in turn, helps to improve financial stability since it creates space for enhancing the flexibility of the exchange rate and economy as a whole and, at the same time, conditions to maintain stabilised prices and inflation expectations and improve trust in the national currency and monetary policy.

In Africa there is little experience of dollarisation because most countries did not fully dollarise (Mozambique and Ghana for example) and some de-dollarised (Liberia) and therefore there is little literature on dollarised African countries. Ghana was partially dollarised and this occurred as a result of persistent inflation and partly because of the removal of most exchange controls and the relaxation of restrictions on the holding of foreign currency. Liberia adopted de jure dollarisation in 1940.

While the number of dollarised economies is growing it is important to note that there is little evidence of de-dollarisation, in fact there are no recent examples of any country de-dollarising once it has fully dollarised. This suggests that countries find dollarisation to be of benefit, or that the process of de-dollarisation is too complex to be highly contemplated.

3.6 Dollarisation in Zimbabwe

After a long period of monetary and economic instability which rendered the domestic currency worthless, Zimbabwe abandoned its local currency in February 2009 and adopted full dollarisation in the form of a multicurrency basket (US Dollar, South African Rand, British Pound, Botswana Pula and the Euro). By the end of 2008 the Zimbabwe dollar had effectively stopped to carry out any of the normal functions of money, that is, as a medium of exchange, unit of account and store of value, hence the decision to dollarise. Unlike in most countries, the decision to dollarise in Zimbabwe was unilateral.

According to Jacome and Lonnberg (2010), there are certain pre-conditions which need to be met for successful dollarisation. These pre-conditions refer to having:

- a) a strong financial system and strong financial management in order to minimise the likelihood of banking crises due to the lack of lender of last resort facilities;
- b) concrete public finances that give adequate assurances to market participants about the sustainability of fiscal policy; and
- c) flexible labour markets to facilitate macroeconomic adjustments in response to external shocks.

However, Zimbabwe did not follow the literature because none of these pre-conditions were in place when it adopted full dollarisation. The major objective of the adoption of the multicurrency regime was to curb hyperinflation and achieve output growth. The multicurrency's rationale was to prevent the growth of money supply which was the major cause of inflation in Zimbabwe. Since the attainment of independence in 1980, Zimbabwe has experienced persistent fiscal deficits, considerable money supply growth, rising unemployment, deteriorating exchange rate against major currencies, declining GDP and increasing balance of payments deficits. The cumulative effect of these was escalating inflationary pressures which ended up hyperinflationary in 2008.

The first decade after independence was marked by steady progress on all sectors. At the beginning of the 1990s imbalances began to exert some challenges in the economy which were characterised by shortages of goods, declining investments and deteriorating current account balances. Inflation rate averaged 32% per annum and budget deficits averaged 8% of GDP (Makina, 2010). The government introduced the Economic Structural Adjustment Program (ESAP) to stabilise the economy and maintain positive economic growth. Some of the effects of ESAP were policy reversals and exchange rate diversion. ESAP was followed by the Zimbabwe Program for Economic and Social Transformation (ZIMPREST). Its objective was the urgent restoration of macroeconomic stability, in terms of low inflation and interest rates, and stable exchange rates. However, this objective was never met as the economy fell into a severe crisis caused by poor balance of payments performance.

The Zimbabwe economy slipped into an economic crisis in 1997 characterised by high and recurring budget deficits, high money supply growth and reduction in economic activity, high unemployment, uneven exchange rates, foreign exchange shortages and dwindling balance of payments (Reserve Bank of Zimbabwe, 2010). The heart of the economic crisis was the government's inability to borrow from domestic and international debt markets leading to excessive money printing to finance deficits. The crisis was also caused by excessive growth in expenditure and exchange rate instability. Inflationary pressures mounted as huge gratuities were paid to war veterans on Friday 14 November 1997 (Kararach et al., 2010). This huge and unbudgeted expenditure created fiscal deficits. The local currency depreciated by more than half and the Zimbabwe Stock Exchange collapsed. This has been popularly known as 'Black Friday' which was also characterised by a nationwide power cut. These events led to civil unrest in the country.

In 1998 Zimbabwe's intervention in the DRC civil war resulted in suspension of international economic aid for Zimbabwe. This suspension and the huge amounts of money spent to intervene in the war further weakened the already troubled economy.

There were also riots and strikes during this period. The economic challenges worsened in 1999 as reflected by the increase in inflation from 20% in 1997 to 57% in 1999, decline in capacity utilisation, shortage of basic commodities and the emergence of parallel market (black market) activities in the goods and foreign exchange markets.

The government reacted to this by putting in place a number of economic measures under the Millennium Economic Recovery Plan (MERP) in 2000. The objectives of MERP were to stabilise prices at lower levels, achieve lower interest rates, stabilise the value of the Zimbabwe dollar and resolve the foreign currency crisis. However, MERP failed to revive the economy due to non-implementation of recommended policies (Reserve Bank of Zimbabwe, 2010). The fast-track land reform program of 2000 also worsened the economy. The effects of the land reform program were political instability, capital flight and the closure of many companies.

By the end of 2003, inflation had reached 600% and GDP had declined by 7.4% (Reserve Bank of Zimbabwe, 2010). The economy was characterised by cash shortages, parallel market activities and decline in capacity utilisation. Worsening food shortages threatened famine in the country. This period was also characterised by exchange rate instability, the continuous depreciation of the Zimbabwe dollar, and a bank crisis which led to a credit crisis and the closure of many banks. In 2006 year-on-year inflation exceeded 1000% and the first currency re-designation took place, which saw the slashing of three zeros from the Zimbabwe dollar at the rate of 1 revalued dollar = 1000 old dollars. In 2007 the government-imposed price controls to curb galloping inflation. This resulted in widespread shortages of basic commodities from the shops and stimulated the growth of black markets.

Hyperinflation heightened in 2008 with annual inflation reaching 231million % in July 2008 and the government stopped publishing inflation figures. The major cause of hyperinflation is a massive and rapid rise in money supply which is not supported by production. The hyperinflation led to a price-wage spiral with prices increasing about 3 times a day. Imports increased because of the recurrent price increases in the country. However, import demand was also lowered by shortage of foreign currency. Exports declined considerably because of the steep decline in domestic production. Political instability also heightened during this period owing to the March and June 2008 presidential and parliamentary elections which were characterised by violence. This further eroded the value of the local currency.

In August 2008 the second currency re-designation took place and ten zeros were slashed from the Zimbabwe dollar at the rate of 1 revalued dollar = 10 trillion old dollars. This period also saw the resumption of barter trade in rural areas because of loss of trust

in the local currency. As of late 2008 the Zimbabwe exchange rate stopped to be of any importance as the Zimbabwe dollar was demonetised in favour of a multicurrency regime. The only exchange rates of interest today are cross rates of the currencies being used in the country.

Table 3.1: Macroeconomic Indicators Pre-dollarisation (crisis period)

	Real GDP (%)	Inflation (%)	Money Supply (%)	Exchange Rate(revalued)
1997	0.2	20.1	34.9	0.02
1998	0.1	46.6		0.4
1999	-3.65	56.9	29.8	0.4
2000	-7.25	58.2	59.9	0.038
2001	-2.67	112.1	102.7	0.055
2002	-4.37	198.9	164.8	0.055
2003	-10.37	598.7	413.5	0.824
2004	-4.74	132.8	222.6	5.70
2005	-2.3	585.8	520	85.10
2006	-3.46	1281.1	1416.6	250
2007	-3.7	66212.3	64113	30000
2008	-10	231million		3641246

Source: Reserve Bank of Zimbabwe, 2010

In September 2008 a power-sharing agreement, the Global Political Agreement (GPA), was signed calling for far-reaching political, media, constitutional and economic reforms to enhance participation and stabilise the economy. Hyperinflation, monetary and exchange rate instability, and political turmoil rapidly eroded the value of the Zimbabwe dollar (the highest bill printed was a \$100 trillion banknote which did not work). This crippled the economy leading to the suspension of the Zimbabwe dollar and forcing the country to full dollarisation in February 2009. Zimbabwe adopted the multicurrency basket comprising of the US dollar, the South African rand, the British pound, the Botswana pula and the Euro. Although these five currencies have been given official status, the US dollar has become the main currency, followed by the rand.

In February 2009 the Government of National Unity was also launched. Following the inclusive government, the government launched the Short-Term Recovery Program

(STERP) to deal with the challenges the country has been facing since 1999. STERP focused on political and governance issues, social protection programs, supply side reforms and macroeconomic reforms. Its chief objective was to stabilise the economy by increasing capacity utilisation in all sectors, ensuring the availability of basic goods and services and rehabilitation of collapsed infrastructure and service delivery. This had significant positive effects such as reduction of month-on-month inflation for the first time since the onset of the crisis, and positive economic growth (Reserve Bank of Zimbabwe, 2010; Kararach et al., 2010).

Complementary to full dollarisation was the introduction of cash budgeting, which meant that the government had to operate within the available resources. This automatically restrained all expenditure overruns and imposed fiscal discipline. Before the adoption of full dollarisation economic performance was very poor as reflected by negative economic growth, a hyperinflationary environment, high interest rates and balance of payments deficits. There was a notable improvement in the economic performance after dollarisation.

Table 3.2: Macroeconomic Indicators Pre- and Post-dollarisation

BEFORE DOLLARISATION			AFTER DOLLARISATION		
	2007	2008	2009	2010	2011
Real GDP Growth (%)	-3.7	-10	5.7	8.1	9.3
Inflation (%)	66212.3	231million	-7.7	4	4.5
Interest Rate (%)*	775	10800	13.12	30.63	21.5
Balance of Payments (\$million)	-175.5	-496.6	-1767	-462.2	-831.4
Current Account Balance (\$billion)	-0.379	-1.026	-1.426	-1.37	-1.596

Source: Reserve Bank of Zimbabwe, 2012, *Lending rates

Before dollarisation the budget deficit was financed by credit creation by the RBZ, setting off the hyperinflation of 2007/08 which worsened the situation. However, soon after the multicurrency regime a decline in inflation into a negative is notable. This is known as a deflation. Generally, after dollarisation, the Zimbabwe economy has improved, with the inflation profile confirming a monthly downward trend since 2009. In 2010, the economy continued to experience low and stable inflation. The downward trend continued with the October 2011 outturn at 4.2% standing out to be the lowest at regional level. Before dollarisation the economy was characterised by negative output growth. However, as shown in table 3.2 above, soon after dollarisation GDP registered a positive upturn,

recording 5.7% for 2009, 8.1% for 2010, 9.3% for 2011 and an estimated 5.4 for 2012. Interest rates were high before dollarisation, reaching a peak in 2008 and started to decline in 2009 after the adoption of multicurrency. The interest rates continued to decline in 2010 and 2011.

On 29 January 2009, the Zimbabwean Ministry of Finance announced in its budget speech that it would become legal for Zimbabweans to use foreign currencies within the country alongside the continued use of the Zimbabwean dollar. This followed in the wake of a de facto dollarisation of the economy as Zimbabweans sought to cope with the hyperinflation that had rendered the local currency worthless. Subsequently, the coalition Government of National Unity (GNU), formed the next month, took the further decision to scrap the Zimbabwean dollar completely. Hence on 12 April 2009, the Zimbabwe dollar was suspended as legal tender, and the government adopted the US dollar as the currency with which it would conduct all its transactions, with a basket of other currencies being allowed to circulate for purposes of exchange.

During the years of the GNU, the economy staged a significant recovery. However, this was to be reversed at the termination of the GNU in 2013. Foreign investment largely dried up, renewed growth slumped and Zimbabweans found themselves facing an acute liquidity crisis. Basically, there was not enough money to grease the economy, notably the informal sector, upon which most Zimbabwean citizenry was largely dependent. This resulted in the Reserve Bank of Zimbabwe (RBZ) imposing severe limits upon how much people could withdraw from their bank accounts and, in turn, led to a crisis of confidence in the banking system while fuelling popular discontent.

It was in this context that the RBZ, announced on 4 May 2016 that the Bank had established a US\$200 million foreign exchange and export incentive facility, supported by the African Export–Import Bank (Afreximbank), to provide a cushion against the high demand for foreign exchange. The facility would be implemented through the medium of “bond notes” in denominations of \$1, \$2, and \$5 and would be introduced within the following couple months. The bond notes would operate alongside the various foreign currencies which were now legal tender and would operate at par with the US dollar (the currency of choice amongst Zimbabweans). They would serve simultaneously to, purportedly, stimulate industry by promoting exports while easing the acute shortage of currency.

To counter public fears that bond notes constituted a back-door route to the re-introduction of the Zimbabwean dollar and hyperinflation, the RBZ offered repeated assurances that their issue would be gradual and would not exceed the amount of \$200 million backed by Afreximbank. The issue of bond notes was delayed until November

2016. However, the RBZ's efforts to establish confidence in bond notes did little to alter negative opinion. Their issue was met with protests, and they were immediately trading at a marked discount to the dollar on the local black market.

While bond notes have marginally increased liquidity, they have remained unwanted, and, as far as ordinary people can manage, unused. Nor, despite the RBZ's promises, have they reined in the government's capacity to increase the money supply, for although it has been faced by the popular rejection of bond notes, it has been able to resort to two other accompanying measures which have proved to have more potential: One has been the massive expansion of electronic currency; the other has been the increasing sale of Treasury bills. The outcome has been a return to inflation (perhaps in excess of 200% per annum) and an increasing level of national debt. Yet with the government having meanwhile extended its controls over the limited supply of foreign currency and continuing to fund its rising expenditure by increased borrowing, its spending goes on. The prospect is that this will again end in grief and a financial meltdown (African Development Bank, 2013).

Economists argue that, at base, the shortage of money is a result of the country's failing to earn the foreign currency that it needs. They maintain that, while formerly the country had a solid productive base, mismanagement by the government has decimated the export capacity of agriculture and manufacturing, while that of mining has been severely run down. Accordingly, whereas the country used to produce most of the consumer goods it uses, it is now importing them. However, while Zimbabweans mostly pay for these goods within the country by using bond notes or electronic currency, these forms of money (bond notes) have no value outside the country. Inevitably, therefore, those who import goods from abroad, necessarily using scarce dollars, sell them on the domestic market at a high premium, ratcheting up inflation (Kachembere & Majola, 2016).

Meanwhile, because Zimbabwe's export capacity has fallen so spectacularly, the government has been forced into increasing its borrowing, fulfilling earlier projections when bond notes were first issued that it was likely to return to the printing of money. From this perspective, the issue of bond notes, which few Zimbabweans can exchange for "real" money at the bank, was just one device enabling the RBZ to mop up US dollars for use by the government and its elites (Nyamunda, 2016).

Economists' arguments are supplemented by research that indicates the reaching of a "wheel binding" stage of the economy, leading to the credit crunch and fiscal crisis of 2016. This set the scene for the issue of bond notes, and the government's return to the

de facto printing of money. According to Southall (2017), the conclusion reflects upon how deepening the Zimbabwe's "persistent crisis" was.

3.7 Dollarisation, stabilization, and bounded growth under the GNU

At attaining independency in 1980, Zimbabwe had severe limits on the extent to which the newly independent government had been able to equitably redirect benefits to the general populace. Against this, the government itself had failed to match transformative rhetoric with revolutionary drive (even though it did fund a considerable expansion of education, health, and other social services). Nonetheless, Zimbabwe's GDP grew on average by about 4.5% per annum between 1980 and 1990 (Bond & Manyana, 2003). However, by the end of the following decade, the foundations of the economy were crumbling. International Monetary Fund (IMF) structural adjustment prescriptions, seeking to curb rising state indebtedness while promoting higher growth, proved in practice to have a highly depressive effect (Southall, 2013a).

In turn, this was magnified by increasing elite corruption. Meanwhile, the mounting costs of the government's dispatch of the military to Matabeleland and Midlands provinces tribalesque crack down in the early 1980s, military intervention in the civil war in the Democratic Republic of Congo (1997), capitulation to inflationary financial demands by "war veterans", and the unmethodical fast track land reforms programme, all contributed to a virtual collapse of the economy (Southall, 2017). This featured, *inter alia*, negative growth, unpayable levels of external debt, breaches in relations with the IMF, massive drops in agricultural and industrial production, successive devaluations of the Zimbabwean dollar, dire shortages of fuel, medicine and food, and, above all, a stratospheric rocketing of the level of inflation as the RBZ sought to cope with crisis by printing ever-increasing amounts of money (Muzondidya, 2009).

By March 2008, the annual inflation rate had reached an official level of 231 million; by September, it had topped 471 million; and by November, it reached 89 billion (Hanke & Kwok, 2009; Noko 2011). For a privileged minority able to access foreign currency and turn it into Zimbabwean dollars at favourable rates, this provided opportunities for accumulation and relative prosperity. For the majority, it represented the decimation of savings, investments, and pensions, forcing them either to leave the country or to juggle varying survival strategies such as involvement in the informal market.

It was against this background that the GNU had taken the decision to dispense with the Zimbabwean dollar and replace it with the US dollar for government transactions. By this time, in any case, the US dollar had become the currency of choice on the black market, which, in practice, had been keeping what was left of the economy going (Chagonda,

2012). Consequently, there was sufficient foreign money in circulation to facilitate the transition, allowing the banking system to stabilise. During the years of the GNU, the economy grew by an average of 8.1% per annum (Central Statistics Office, 2010; 2012). There was immediate relief from inflation, the return of consumer goods to the shops, and an increase in “business confidence”; these and other factors facilitating rapid growth, particularly in the mining, agricultural and financial sectors. In turn, these greatly improved conditions allowed a rapid bounce-back in state revenue, from an estimated \$280 million in 2008 to \$430 million in 2013 (Cross, 2016).

Dollarisation resulted in major improvements, yet at the same time imposed significant restraints. Above all, it meant that the RBZ had ceded control of its monetary policy to the Federal Reserve Board. Given the government’s past fiscal mismanagement, dollarisation was a relief to the majority of citizens, yet by restricting the capacity of the government to devalue its currency as it confronted an on-going increase in the value of the dollar, it meant that the price of the country’s exports increased while those of its imports decreased, resulting in perpetual balance of payments deficits. Meanwhile, there was a lack of American coinage, causing difficulties for small-scale transactions that were only compensated for by reluctant acceptance of South African rand and Botswana pula coins, and other devices such as the issue of credit notes, sweets, and airtime as change in shops (Munsaka, 2014).

Consequently, although dollarisation allowed for a partial restoration of confidence in the banking system, many Zimbabweans continued to keep their money off the formal banking system, contributing to the lack of liquidity in the financial system. In response, the banks sought to compensate by hiking interest rates to attract capital, thereby increasing the cost of borrowing (Sikwala, 2013). Although a high rate of growth occurred, it was from a calamitously low base, so that by 2012, Zimbabwe’s GDP was still only two-thirds of what it had been in 1998 (Richardson, 2013).

The GNU period saw something of a re-engagement with the IMF, World Bank, and other foreign creditors and donors. This was initially embodied in a Short-Term Emergency Recovery Programme (STERP) adopted by all three political parties within the coalition government in 2009 (Zimbabwe Treasury, 2009). While highlighting the need for “policy dialogue” with external actors, these revolved around the desirability of a concerted move towards “market friendly” policies (to encourage private sector foreign investment), increased technical assistance (especially regarding infrastructural development in the water and energy sectors), and the pursuit of balanced budgets, with the IMF, notably, pressing for the payment of debt arrears. Yet despite the veneer of inter-party agreement, there were major tensions (IMF, 2016).

3.8 Credit crunch and fiscal crisis: The spectre of bond notes

“Bond notes” were introduced by the Reserve Bank of Zimbabwe in late 2016 as a local surrogate currency equivalent in value to the US dollar to address the acute currency shortage afflicting the economy. By early 2016, costs were dramatically outpacing revenues and the government was facing an acute liquidity crisis. The MOF’s mid-term budget statement in September made the startling admission that fully 97% of government expenditure was accounted for by paying personnel, while the budget deficit (\$400 million) amounted to 30% of GDP (Zimbabwe Treasury, 2016).

Before dollarisation, the government had overcome such difficulties by literally printing more money. Yet, dollarisation now prevented this, and the finance Ministry had fewer options for increasing the amount of money in circulation. Not least of these was that while total banking deposits had increased under dollarisation, confidence in the integrity of the financial sector had declined again following the 2013 election. Many who could had begun to ship money out of the country, while numerous ordinary Zimbabweans sought value by spending their dollars (either directly or indirectly through “runners”) in neighbouring countries, where prices were cheaper. But now, to the dismay of the elite, the MOF introduced curbs on the export of dollars (Africa Confidential, 2016).

More consequentially, delays in payments of wages to public sector workers in June triggered a widespread strike by teachers, health workers, and civil servants whose protests were joined by those of traders who reacted angrily to the government’s banning of imports of staple consumer items that were critical to the informal sector. Following in the wake of a social media campaign decrying government repression, poor public facilities, and unemployment, the latest actions led to a surge of protests through June, July, and August 2016 (Southall, 2017).

Aware of popular distrust, the RBZ trod carefully. Its argument was that the multicurrency regime had sought to mitigate against instabilities which might be caused by extreme fluctuations in the value of any one of the baskets of currencies adopted. However, the system had never worked as intended. Initially, Zimbabweans had adopted the US dollar and the South African rand and had largely ignored the other currencies. Accordingly, in 2009, these two currencies had accounted for 49% each of all transactions (RBZ, 2012). However, by 2016, presumably because of the slide in the value of the rand, the US dollar had become totally predominant, now accounting for 95% of transactions (African Development Bank, 2013). As a result, the cost of living, priced in US dollars, had become prohibitively expensive while simultaneously severely inhibiting exports and the earning of foreign exchange.

Consequently, the bank now sought to ease the situation by two measures. First, it would henceforth convert 4% of all new US dollar foreign currency receipts from exports into Rands, and 10% into euros. Second, exports would be encouraged by payment in bond notes (backed by the \$200 million loan from Afreximbank) of a 5% incentive payment on all foreign exchange receipts. Bond notes would therefore come to serve in alignment with the multicurrency system (RBZ, 2016).

However much the RBZ and MOF sought to put a gloss on it, the very mention of bond notes caused a financial panic. Although the statement received the official backing of the commercial banks, the latter were in reality deeply divided, while the Confederation of Zimbabwean Industries rejected bond notes outright (Makoshori, 2016). Amongst the population at large, there was simply no faith in assurances that the bank would restrict the issue of bond notes to the value of \$200 million, and no faith that a holder of bond notes would be able to redeem bond notes for US dollars on demand.

The strongly negative reaction to the prospect of bond notes led to widely supported protests in major cities, which led to civil unrest (Research and Advocacy Unit 2016). Yet the most potent form of popular action took the form of a run on the banks, with depositors demanding US dollars while they could. With people queuing up at banks to withdraw money for hours before they opened in the mornings, the RBZ was compelled to impose ever smaller limits on the amount of dollars that individuals could withdraw. By October, this had fallen to just \$50 per day (although the better off who used electronic banking had a somewhat higher limit and easier access to their money) (Zimeye, 2016).

Meanwhile, the housing market, which had enjoyed a resurgence since 2013 went into an immediate decline, this suggesting a further drop in the inflow of foreign investment (already down to little more than a trickle) (Ndlovu, 2016). With the run on the banks, the liquidity crisis only got worse, prompting further rumours that the RBZ was now deliberately withholding dollars with a view to issuing bond notes to depositors instead. It was further suggested that the salaries paid to public servants would be paid, either in part or in full, in bond notes, compelling their recipients to accept (and spend) them. In turn, if people were now able to withdraw only bond notes from the bank, they would have little option but to use them, despite their misgivings. The result, it was said, would be the immediate recreation of a parallel market in currency, with informal traders either refusing to accept bond notes or only accepting them at a heavy discount to the US dollar. Whichever way people looked at the situation, it prompted fears about a return to inflation and a devaluation of their assets (Ndlela, 2016).

As the crisis had worsened, the Treasury had stepped up efforts to re-engage with the IMF and other multilateral funders who had cut lines of credit in the early 2000s (Pigou,

2016). Hitherto, the IMF had been insistent that normal relations would not be restored until it was assured by evidence of reform alongside payment of arrears. Although there were no public statements made by the IMF, it became clear that the major international financial institutions were less than impressed with the idea of bond notes, fearful that the regime would attempt to clear its US dollar loans with a valueless currency. Whether in direct response or not, a German company contracted to print the bond notes suddenly withdrew, prompting a search for an alternative contractor in South Africa (*News24*, 2016a).

3.9 Bond Notes and Borrowing: Lurching Towards a Fiscal Cliff

According to Makoshori (2017b), bond notes remained the prime symbol of the government's overindulgence. The announcement by the RBZ in August 2017 that it was increasing their issue from \$200 million to \$500 million stoked further fears of a return to hyper-inflation and led to an immediate scramble to exchange them for "real" dollars on the black market, ordinary Zimbabweans disregarding the assurances of the RBZ, which was negotiating for a further loan from the Afreximbank to back their issue. Yet although bond notes bore the brunt of popular anger, they were actually playing a relatively minor role in addressing the shortage of foreign currency and fuelling the government's spending spree. Rather more important was the massive expansion that had taken place in the RTGS, which provided a platform for the electronic funds transfer (EFT) system (RBZ, 2017).

By late 2017, RTGS cash was said to account for \$2 billion, or 72% of the total value of transactions taking place within the banking system (Makoshori, 2017a). By this time, the shortage of currency was meaning that virtually all domestic payments were being made electronically. Private employers as well as the government were paying their employees electronically, despite their not being able to withdraw these sums from the bank. Meanwhile, the RBZ had facilitated the expansion of this ultimately illusory currency through increased borrowing via the issue of Treasury bills, whose face value amounted to \$2.5 billion by October 2017, a 28% jump over the previous year (*Daily News* 2017, 4 August 2017). Although the RBZ claimed that the level of inflation was minimal, ordinary citizens knew otherwise, as the price of most consumer goods was rocketing. People went on spending because they had lost faith in the monetary system. They exchanged bond notes as fast as they could (or sold them at a heavy discount on the black market) while hastening to spend their salaries knowing that to leave their money in the bank was to see it dwindle in value. Even major industries and retailers were reported as resorting to the black market to purchase foreign currency (Nyakazeya, 2017).

The banks themselves recognised that the fiscal system was becoming a house of cards, declining to advance loans against electronic money as collateral unless backed by US dollars. Meanwhile, they had little option but to buy Treasury bills because, as inward investment had dried up, there was little else for them to spend their money on, and the interest rates that the government was promising to pay were, at face value, attractively high. In any case, they were also placed under considerable political pressure to lend to the government, even though the banking sector was uncomfortably aware that it might never get its money back if the financial system were to collapse.

3.10 Summary

This chapter has presented a review of relevant literature on the definition of dollarisation and the impact of dollarisation on macroeconomic performance, an analysis that will prove to be a cornerstone in understanding the remainder of this study. There is, however, no clear consensus in the literature about the impact of dollarisation on macroeconomic performance. Theory does not give a clear prediction on the matter. The general finding is that full dollarisation leads to macroeconomic stability in terms of inflation, output growth and interest rates (Africa Confidential, 2016).

In the next chapter the study will explore on the methodology to be used in this study.

CHAPTER FOUR: RESEARCH DESIGN AND METHODOLOGY

4.1 Introduction

This chapter explains the research methodology adopted to empirically explore the strategic management model in running a multi-currency system in Zimbabwe. Careful selection of a research methodology is necessary to avoid selecting inappropriate **research methods** for the study. The choice of research methods in terms of research design, population of the study, sampling techniques, research instruments and statistical tools for data analysis have implications for the results of the study. Accordingly, this chapter serves to outline all aspects and elements of research used in this study. It covers research approaches, research instruments, sampling techniques, data collection, data processing and data analysis techniques. The researcher reviewed the literature on research methodology in order to be conscious of the strengths and weaknesses of different research methods. This assisted the researcher to select appropriate research methods for this study. This required alignment of the research methods with the research objectives and questions. Hence, this chapter presents a restatement of the research objectives and questions:

4.2 Research Objectives

The broad objective of this study was to develop a conceptual strategic thinking approach for the delivery of a creative and adaptive organisational strategy to ensure a successful and effective strategic management in running a multi-currency system, in a radically changing, uncertain and complex business environment. The specific objectives of the study are highlighted below:

- i) To understand the importance of strategic management practices in the operation a multicurrency system in Zimbabwe.
- ii) To determine the organisational dynamics which impact on formulation/development with regards to operating a multicurrency system in Zimbabwe.
- iii) To determine the extent to which Zimbabwean monetary policy strategies are creative and adaptive rather than developed to fit the changing business environment.
- iv) To Identify the pitfalls of organisational strategy implementation/execution in the operations of a multicurrency system in Zimbabwe.

- v) To make recommendations on the best organisational strategy practices in a radically changing, uncertain and complex business environment.

4.3 Research Questions

Following from the objectives of this study, the following questions were raised:

- i) What is the importance of strategic management practices in the operation a multicurrency system in Zimbabwe?
- ii) What are the organisational dynamics which impact on formulation/development with regards to operating a multicurrency system in Zimbabwe?
- iii) To what extent are the Zimbabwean monetary policy strategies creative and adaptive rather than developed to fit the changing business environment.
- iv) What are the pitfalls of organisational strategy implementation/execution in the operations of a multicurrency system in Zimbabwe?
- v) What recommendations can be made on the best organisational strategy practices in a radically changing, uncertain and complex business environment.

According to Farquhar (2013) Research involves the application of different methods and techniques in order to create scientific generated knowledge by utilising objective methods and procedures.

4.4 Research Design

A research design is a plan or proposal to conduct research, involving the intersection of philosophy, strategies of inquiry and specific methods (Creswell, 2009). In this research context, the research design describes the procedures for conducting the research, including when, from whom, under what conditions the data will be obtained (McCulloch, 2004). According to McKinney (2012), a problem or an issue that a researcher is probing determines the research design as well as the research methods and techniques to be used. Figure 4.1 illustrates the interrelationship between the building blocks within this research. Farquhar (2013) note that mixed method research brings together quantitative and qualitative research methods from the different research paradigms of positivism and interpretivism. Combining quantitative and qualitative methods in a mixed method approach provides comprehensiveness and greater knowledge yield (McKinney, 2012).

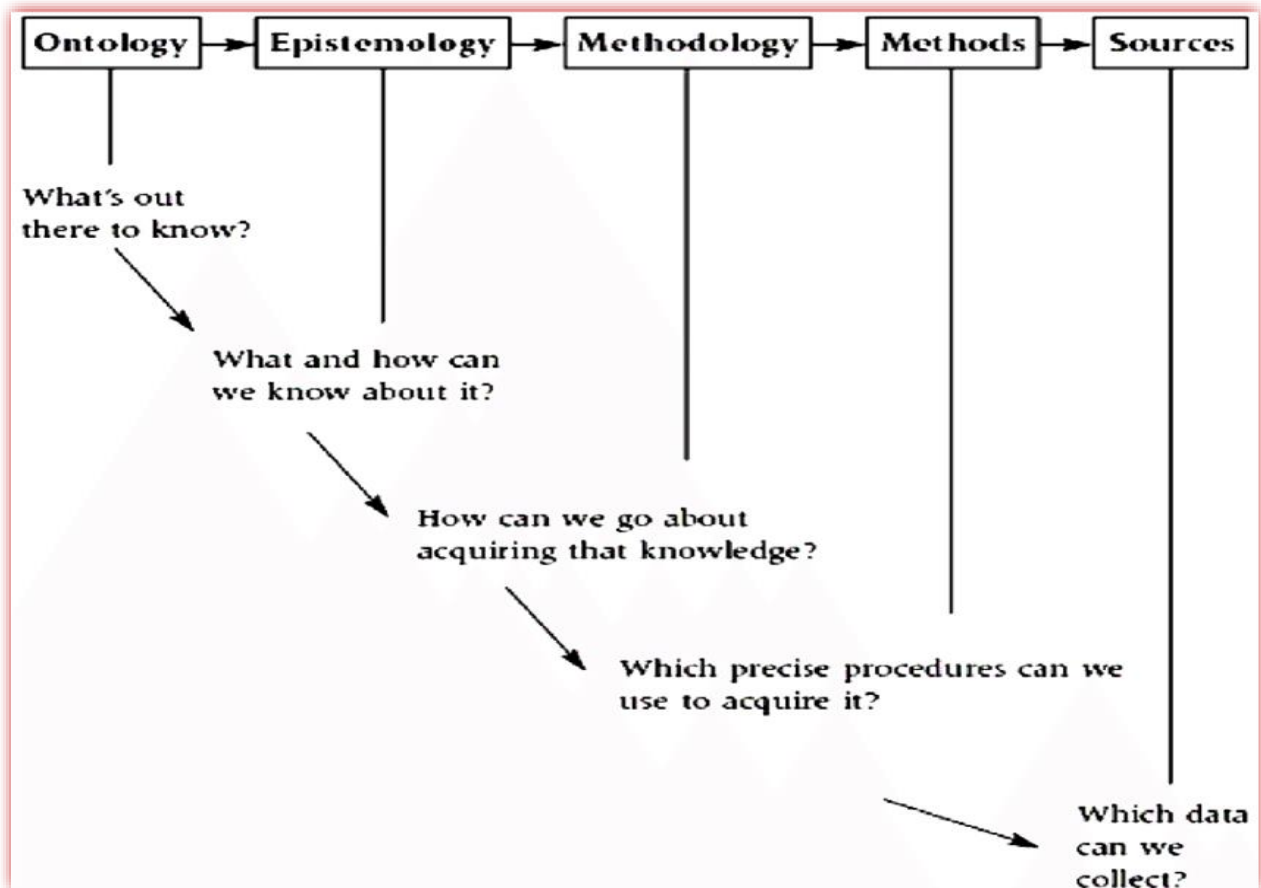


Figure 4.1: Interrelationship between the building blocks within this research
Source: Adapted from Grix (2002:180)

It is noted that although philosophical ideas remain largely hidden in research, philosophy influences the practice of research and should therefore be identified as advocated by McKinney (2012). To describe philosophical ideas, Creswell (2009) uses the term 'worldview' to mean "a basic set of beliefs that guide action" (Farquhar, 2013). Creswell (2014) further discusses four different worldviews: post positivism, constructivism, and advocacy/participatory and pragmatism. From this research perspective, "substantive issues come before methodological and paradigmatic issues" (Punch, 2009). Therefore, the pragmatic worldview offers an important feature of focusing on "what works" in getting research questions answered (McKinney, 2012). Using basic, analytical (strategic) and experimental research classification, this research can be classified as strategic because the purpose is to develop a framework and provide recommendations for developing a strategic management model in operating a multi-currency system in Zimbabwe.

4.5 Research philosophies

This refers to different types of beliefs or worldviews about a chosen enquiry, which determines the design, process, strategies and techniques of investigating or reinvestigating the nature of existing knowledge on the object or construct (Saunders,

2016). The object is used in the case of a natural or scientific enquiry and a construct or phenomenon is used in the case of social/management sciences research (Creswell, 2009). This study discusses research philosophies in line with Saunders et al. (2016) research 'onion'. This is shown in figure 4.2 below:

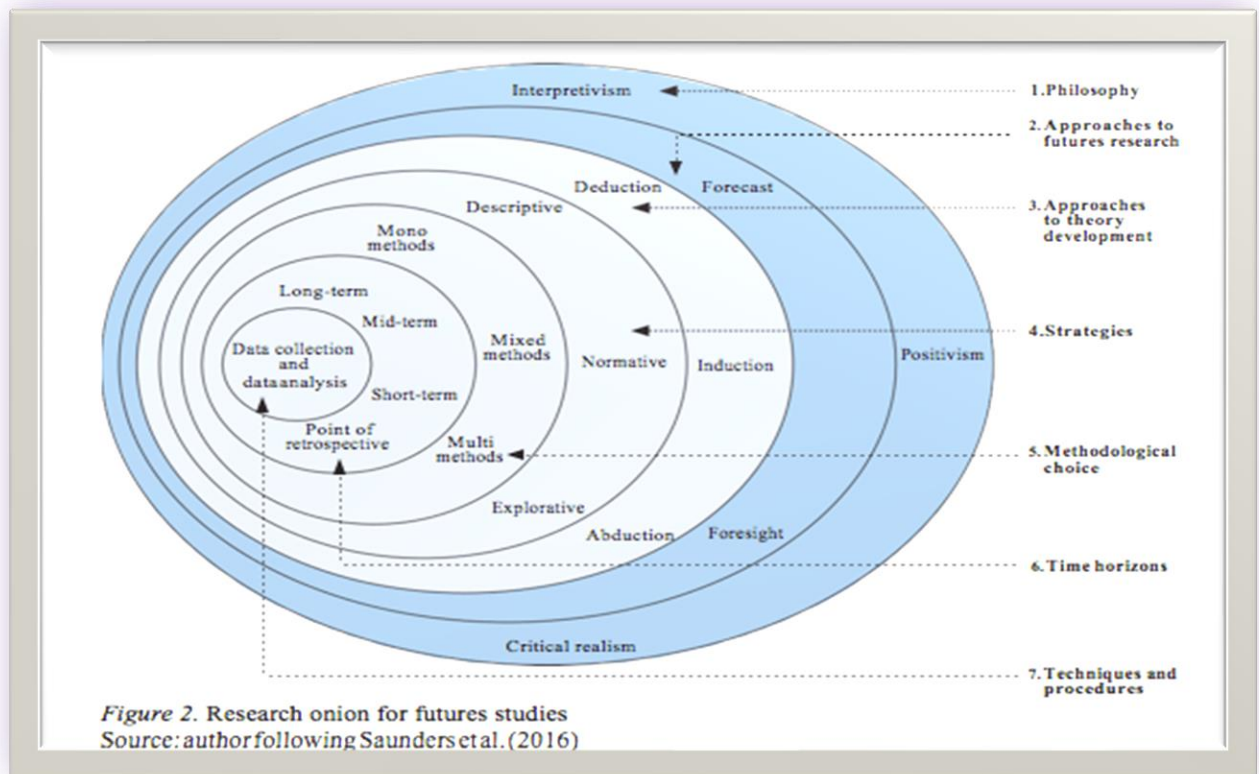


Figure 4.2: Research Onion: Adapted from Saunders et al. (2016).

4.5.1 Positivism

Positivism is a research philosophy that follows the path of natural scientists and is often referred to as an objective research strategy. Researchers that share this belief are referred to as positivists. Positivists from epistemological perspectives affirm that objects which are visible and assessable can be generalised as true knowledge. They conclude that the object under investigation and the meaning attached to such object have a separate existence different from that of the researcher (Bryman & Bell, 2011). This is evident in most natural sciences or pure scientific research where the realities of the objects are external to the actors. Objectivism from the perspective of ontology maintains that social phenomena and their understandings have a reality that is external to that of the researchers or actors (Bryman, 2012). For instance, a business organisation and its culture are a social entity which has an identity and reality that is distinct from that of the social actors. Interestingly, it also has features of an object, beliefs and value system, as well as objectives in reality.

Alternatively, constructivism from the ontological perspective stipulates that social constructs are products of the point of views of social actors and researchers' actions (Bryman, 2012). This suggests that social constructions are built on the basis of a deep understanding of reality and interactions among social actors, as opposed to being perceived as something external to social actors. Maylor and Blackmon (2005) noted that constructivists are interested in a joint effort to build social phenomena. Again, the positivists' axiological beliefs show that the scientific research process is value free, as the investigator is separated from what is being investigated but regard the concept as an object. This is very unlike management research in which the values and perceptions of researchers usually influence the interpretation of the results (phenomenologists). Due to the objectivity of positivism, researchers adopting this philosophy often adopt a quantitative research approach.

4.5.2 Realism

Realism observes two major attributes of positivism: an assumption that scientific and social science research has to use a uniform method of data collection, and an orientation that is completely different from the object under investigation (Bryman & Bell, 2011). This led two different types of realism; empirical and critical realism. Empirical/direct realism emphasises that the adoption of proper techniques will aid knowledge advancement on a particular phenomenon (Bryman & Bell, 2011). Saunders et al. (2016) maintained that direct realism has to do with social actors' perception through their senses in order to provide a true picture of the world. This may not be totally acceptable in business research, although applicable in natural science because of its objectivity.

This argument led to the second realism, critical realism. As its names implies, critical realism questions the extent to which a social actor's perceptions give a true picture of the world. It cites instances where human senses deceive social actors, leading to a wrong account of the world. Social actors see things differently depending on the circumstances or situation at hand. Farquhar (2013) argued that critical realism maintains that human knowledge of reality is based on shared training and cannot be expected if the actors are not involved in the learning process. Direct realism may take the stance that the world is relatively stable based on the orientation of what we see is what we get. Critical realism on the other hand, suggests that the business world is changing dramatically making it impossible to affirm that what we see is what we get. In this context, what you see may not translate to what you will get due to fluctuating and wrong perceptions of what seems to be the correct reality. This explains why some

business researchers are subjective in nature, particularly in areas of marketing (investigating consumers' behaviour) and organisational behaviour.

4.5.3 Interpretivism

Interpretivism was developed from two logical backgrounds: phenomenology and symbolic interactionism (Saunders et al., 2016). Phenomenology explains the way in which social actors conceive the world around them (Goulding, 2005; Saunders et al., 2016). Symbolic interaction on the other hand, explains the continuous interpretations and understanding of the world we live in (Saunders et al., 2016). In other words, it explains the way in which actors interpret and discuss the world through their actions and interactions with others; which often influence/shape their values and activities. Interpretivism is an alternative to positivism as it relates to research in the natural sciences. Interpretivism emphasises the need to reduce the difference between the researcher as one social actor and that which is being researched, which is also part of the social actors (Kelliher, 2011; Saunders et al., 2016). This implies that the researcher and the human behaviour under investigation are inseparable. This is mainly applicable to researchers in the field of social/management sciences. It is necessary to adopt an interpretivist perspective in order to gain full understanding of the social phenomenon under investigation. This is necessity to avoid a situation where the researcher's point of view dominates or influences the interpretation and discussion of the findings emanating from a study. Kelliher (2011), notwithstanding the benefits of interpretivism, identifies reliability, validity and generalisation as challenges.

4.5.4 Pragmatism

Pragmatism, as a branch of research philosophy rests on actions, situations and consequences in contrast with other research philosophies (Creswell, 2009). As opposed to focusing on information about truth and reality, it relies on multiple methods to provide solutions to research problems and questions. It emphasises mixed or multiple approaches to arrive at better outcomes. The researcher is at liberty to select an appropriate method or methods based on the need to produce better results using a pragmatic research problem or questions (Creswell, 204). Pragmatists see the universe as completely diverse in nature which demands different techniques to find better solutions to its challenges (Creswell, 2009; Hanson et al., 2005). This suggests the need for multiples techniques for data collection and analysis in order to overcome the shortcomings of adopting a mono method. It does not necessarily mean that researchers adopting mixed or multiple methods should not provide strong justification for their choices. Above all, the pragmatic worldview offers an opportunity for different

perceptions, approaches, and assumptions, leading to improved data collection, analysis and interpretation of results to produce outstanding research outcomes (Creswell, 2009).

Table 4.1: Comparison of four research philosophies in management research

Research philosophies	Positivism	Realism	Interpretivism	Pragmatism
Epistemology: the investigator's perceptions of what constitutes satisfactory knowledge.	Only observable objects are capable of providing reliable data and facts. Emphasis is on cause, effect, impact and law to make generalisations. It reduces constructs to the simplest elements	Observable objects offer reliable data and facts. Inadequate data implies imprecisions in feelings (direct realism) while objects provide feelings which are vulnerable to misconceptions (critical realism). Emphasis is on discussions within the framework.	Centres on perceptual meanings and social constructs. Emphasis is on the information surrounding the situation, the background of the information, perceptual values and rationale behind the actions.	Any or combinations of observable constructs and perceptual values can lead to acceptable knowledge. This is dependent on the nature of the research questions at hand. Emphasis is on applied research, adopting multiple techniques for data collection and interpretation of results.
Ontology: the investigator's perceptions of what constitutes the nature of reality.	Objects are seen as external and possess a reality that is different from that of the investigator.	Objective in nature, its existence is completely different from the thoughts, and beliefs of social actors (realist); its interpretation comes from social circumstances (critical realist)	Social constructs built into social interactions and actions of others. Subjective and variation is inevitable	Emphasis is on better ways to provide answers (solutions) to the research questions (problem). The decision on the suitable techniques is dependent on the research questions.
Axiology: the investigator's perceptions of the role of values in investigation.	The investigation is carried out in a value-free way; the investigator is alienated and upholds an objective mind set.	Investigation is value loaded; the investigator's point of view is subjective based on their social experiences and background which often impact the outcomes of the study.	Investigation is value assured; the investigator is part of the investigation, not possible to be indifferent; this makes the whole exercise sometimes subjective.	Values play a significant role in interpretation of results; the investigator adopts both objective and subjective perspectives.
Main methods of data collection.	Very organised, big samples, measurement, quantitative and permitted to use qualitative when necessary.	Techniques adopted must be align with the research questions, qualitative or quantitative.	Takes small samples with deeper examination, more qualitative.	Takes mixed or multiple approaches, that is, qualitative and quantitative.

Source: Adapted from Saunders et al. (2016).

Saunders et al. (2016) proposed that the research problem or questions informs the choice of epistemology, ontology and axiology. They added that a specific philosophy may be more suitable than another; or a combination of the three perspectives in the quest to answer or provide an adequate solution to the problem at hand. This resulted in the emergence of mixed method approaches to solving social problems. Table 4.1 presents a summary of the four research philosophies discussed above.

4.5.5 Research philosophy suitable for the study

Having examined the relevant research philosophies, the researcher considered pragmatism the most appropriate research philosophy to guide this study. This suggested the need to effectively explore the strategic management model in running a multi-currency system (Bellot, 2011). The justification is that this study used mixed approaches, that is, qualitative and quantitative, to collect and analyse data.

The research adopts a pragmatic approach because mixed methods designs can provide pragmatic advantages when exploring complex research questions. The pragmatic approach has been selected as it sheds light on how research approaches can be mixed fruitfully to offer the best opportunities for addressing research questions. Pragmatism also provides a philosophical basis for a mixed method research as it is not committed to any one system of philosophy and reality and the philosophy does not see the world as an absolute unity (Morgan, 2007).

In support, Kelliher (2011) posits that pragmatism tends to be less conformist in terms of methods and preconceptions about theory and methods. As a result, pragmatism is more oriented to practical research results and outcomes. Pragmatism, as a worldview, arises out of actions, situations and consequences, rather than antecedent conditions (Creswell, 2009). In the pragmatic paradigm the scientific method, by itself, is insufficient and rather, common sense and practical thinking are used to determine the best approach (for example, quantitative or qualitative), depending on the purpose of the research and contextual factors (McCulloch, 2004). Therefore, pragmatism provides the theoretical basis for conducting this mixed-method research.

Creswell (2009) observed that the pragmatic worldview offers the opportunity to include different perceptions, approaches, and assumptions, leading to improved data collection, analysis and interpretation of the results to produce outstanding research outcomes. Morgan (2007) maintained that the adoption of pragmatic strategies, as a philosophical stance, is one the best ways of justifying the combination of numerical and non-numerical methods of enquiry in a study in the management/social sciences. French (2009) stated that the combination of numerical and non-numerical sources of data collection and

analysis procedures within a study paves the way for paradigm shifts leading to reliable outcomes, which is more realistic through a pragmatic philosophical stance.

Evans, Coon, and Ume (2011) justified the use of a conceptual framework in the process of implementing mixed methods in a study in the social sciences. This implies that the conceptual guidelines must be able to accommodate the choice of mixed methods in a study. Hence, the model in this study supports the integration of numerical and non-numerical information and analysis procedures. The integrated framework of mixed methods impacts the quality of research outcomes of studies investigating culture and well-being (Franz, Worrell & Vögele, 2013).

This study investigates the strategic management model used by the Zimbabwean government in running a multi-currency system. Pragmatism was selected as a philosophical stance in order to ensure reliable and quality research outcomes. As evident in the philosophical argument above, pragmatism is the philosophical justification for mixed methods of data collection and data analysis procedures based on the requirements of the problem statement, research questions and objectives of the study (Creswell, 2009; Evans et al., 2011; French, 2009; Hanson et al., 2005). This study adopts pragmatism as a philosophical stance in its choice of concurrent transformative mixed methods of data collection as illustrated in section 4.8.3.

4.6 Research approaches

Research approaches can be examined from two distinct perspectives; deductive and inductive approaches. It is important to integrate these two approaches in development theories.

4.6.1 Deductive approach

The deductive approach of inquiry is rooted in the positivist philosophy common in the natural sciences. This is based on an objective examination of existing knowledge, law and theoretical considerations in order to formulate hypotheses, and data collection and analysis, as well as interpretation of results in order to accept or reject the hypothesis and re-examine theory (Bryman & Bell, 2011).

The first stage in the deductive approach of scientific inquiry is a critical review of the literature and consideration of the possible relationships between or among the variables embedded in the theoretical framework (Saunders et al., 2016). This is necessary to ensure a proper understanding and consciousness of the nature of the dynamism inherent in the subject matter. This knowledge will facilitate sound formulation of hypotheses, which is a basic requirement in the second stage in the deductive approach to scientific inquiry (Bryman & Bell, 2011).

The third stage is a very important aspect of scientific inquiry, which demands mental alertness on the strengths and weaknesses of possible methods of data collection and analysis in order to avoid mistakes that would make the results invalid (Saunders et al., 2016). This is why most researchers or supervisors are conscious of the need to justify any approach or method used in a scientific inquiry. Although scientific inquiry relies on a quantitative approach, rigorous research questions that demand first-hand information from respondents sometimes leave the researcher with no other option but to take the path of qualitative or mixed methods.

Maylor and Blackmon (2005) noted that moving from data back to the hypotheses and then to the theory in scientific inquiry is called verification. The fourth stage has to do with the findings, as well as the interpretation of the results emanating from the scientific investigation. The interpretation of the statistical significance of the key variables analysed using inferential statistics leads to the fifth stage where the researcher decides whether to accept or reject the hypothesis in question (Bryman & Bell, 2011). The sixth stage is concerned with the re-examination of the theory under consideration in the quest to re-evaluate existing knowledge or to determine the level of variation in the body of knowledge, based on the outcomes of the scientific inquiry (Bryman & Bell, 2011; Saunders et al., 2016). The outcomes of the study may strengthen or weaken the theory under review. This is the final stage of the deductive approach of scientific inquiry where generalisations are made.

The major strength of the deductive approach is that, as positivism implies, it is highly objective (Saunders et al., 2016). The approach uses rigorous scientific methods of data collection and the data is subjected to robust statistical analysis in order to deductively contribute to the body of knowledge on the phenomenon (Bryman & Bell, 2011). However, the main criticism of this approach is that, it is based on complex scientific methodology and rigorous statistical analysis which are sometimes not necessary in social/management sciences research. This does not permit alternative or subjective explanations on the phenomenon in question.

4.6.2 Inductive approach

The inductive approach is rooted in an interpretivist philosophy of inquiry as an alternative to positivist assumptions in scientific research (Thomas, 2006; Kelliher, 2011). Interpretivism became more pronounced in the fields of social/management sciences in the 20th century (Saunders et al., 2016). Researchers in management studies recognised that it could enable in-depth investigation of cause-effect links between two variables in an attempt to inductively develop theories. Studies that adopt this approach are particularly concerned with the methods of data collection to enlist first-

hand information on phenomena. This is the reason why a qualitative approach is more likely in an inductive inquiry, specifically the use of interviews and observation to gain in-depth knowledge about a social phenomenon in order to inductively contribute to the body of knowledge (Grouding, 2005; Kelliher, 2011). Saunders et al. (2016) suggested if a researcher seeks an in-depth understanding of how or why the phenomenon occurred, rather than describing it, it might be logical to adopt an inductive as opposed to a deductive approach.

Thomas (2006) identified the following objectives of the inductive approach in health and social sciences. The first emphasises extensive compression of numerous raw data in a sample and a concise format. Secondly, Thomas (2006) proposed the establishment of the perfect link between the objectives of the study and key outcomes resulting from the data collected. This is to ensure that these associations are presented in a clear manner to others. The final objective is the development of a theory or model for the relationship between the variables as evident in the data collected (Kelliher, 2011). At this stage, generalisations are inductively made based on the outcomes of the raw data collected and analysed using a robust qualitative approach. A comparison of the different approaches to qualitative analysis proposed by Thomas (2006) is presented in Table 4.2 below.

Table 4.2: Comparison of different approaches to qualitative analysis

	General Inductive Approach	Grounded Theory	Discourse Analysis	Phenomenology
Analytic strategies and questions	What are the core meanings evident in the text that are relevant to evaluation or meet the research objectives?	To generate or discover theory using open and axial coding and theoretical sampling	Concerned with talk and texts as social practices and their rhetorical or argumentative organisation	Seeks to uncover the meaning that lives within experience and to convey felt understanding in words
Outcome of analysis	Themes or categories most relevant to research objectives identified.	A theory that includes themes or categories.	Multiple meanings of language and text identified and described	A description of lived experiences
Presentation of Findings	Description of most Important themes	Description of theory that includes core themes	Descriptive account of multiple meanings in text	A coherent story or narrative about the experience

Source: Adapted from Thomas (2006:241).

Hence, the strength of the inductive approach is that it emphasises rigorous and in-depth techniques for data collection using an appropriate qualitative approach, in order to obtain fresh and undiluted information directly from the source (Thomas, 2006). As an alternative to the deductive approach, an inductive approach tends to focus on a small sample with in-depth data collection and analysis procedures. On the other hand, the deductive approach involves a large sample size of quantitative data that is subjected to complex statistical analysis. The major shortcoming of this approach is that it is highly subjective because the investigator's perceptions of the phenomenon play a significant role in data interpretation and discussion of the findings (Saunders et al. 2016). Due to the shortcomings of both approaches, some scholars (Creswell & Clark, 2011; Franz et al., 2013; Morgan, 2007) recommended a combination of the two to develop new theories or re-examine existing theories. This is discussed below.

4.6.3 Combination of deductive and inductive approaches

The need to address the disparity between objective and subjective processes in the development of new knowledge, or re-examination of existing knowledge in order to provide comprehensive explanations of the key variables, gave rise to the combination of the two approaches in social/management research. Saunders et al. (2016) observed that it is not impossible to combine deductive and inductive approaches. They maintained that, in their experience, the advantages of such combinations are significant. The combination of deductive (quantitative) and inductive (qualitative) methods in a single study based on the topic or research questions is referred to as mixed methods (Creswell, 2009). It is logical to integrate deductive and inductive approaches in management sciences research, due to the peculiar nature of business activities which involves objects, and constructs, as well as social actors. Table 4.3 below provides a comparison of these approaches as prescribed by Ali and Birley (1999).

Table 4.3: The integrated approach compared with deductive and inductive approaches

Stage	Inductive	Deductive	Integrated approach
1	Development of theoretical framework	Area of enquiry are identified, but no theoretical framework	Development of theoretical framework based on constructs
2	Variables are identified for relevant constructs	Respondents identify constructs and explain the relationship between them	Some variables are identified for relevant constructs - others can be identified by respondents

3	Development of research instruments	Identification of broad themes for discussion	Researcher converts the a priori theoretical framework into theoretical questions
4	Data are collected from respondents	Respondents discuss general terms of interest	Respondents discuss the seemingly general questions and identify constructs which are meaningful to them and explain the relationships between the constructs.
5	Data are analysed in terms of prior theoretical framework	Researcher develops theory on a purely inductive basis	Data collected from respondents are analysed according to existing theory. Or theory is developed on an inductive basis - without regard to the existing theory.
6	Outcome; theory tested based on decision whether to accept or reject the formulated hypotheses.	Outcome; theory developed.	Outcome; either theory is adapted, or alternative theoretical framework is presented.

4.6.4 The approach adopted for the study

Having considered the strengths and weaknesses of the deductive and inductive approaches (Creswell & Clark, 2011; Franz et al., 2011; Morgan, 2007), the researcher selected an integrated approach as the most suitable approach to investigate and explore the strategic management model in running a multi-currency system in Zimbabwe. This is based on the strengths of this approach in providing an advanced explanatory analysis of cause and effect in the relationships between (among) two or more variables (Edmonds & Kennedy, 2012). This is also in line with the assumptions of pragmatism as the philosophical stance adopted for this study. The framework for this study was best achieved by adopting an integrated approach, which enabled the researcher to provide answers to the gap in the link between strategic management and running a multi-currency system.

This was achieved by means of an explanatory analysis of how and why organisational strategic management influences policy performance (Guest, 2011) using numerical and non-numerical data collection and analysis procedures culminating in reliable research outcomes (Evans et al., 2011; Franz, 2013). Many scholars have supported the use of an integrated framework due to its ability to produce quality outcomes in management/social sciences, specifically on the link between strategic management and other variables (Bellot, 2011; Franz, 2013; Morgan, 2007).

4.7 Research strategies

Research strategies or research methodologies refer to all the methods used by a researcher to collect data with the aim drawing realistic deductions (Creswell, 2009). Research methodology is executed through different types of research designs or strategies. Research design is the strategy employed by the researcher to probe the causes of a particular problem by translating research methodology into methods such as techniques, instruments and tools (Maylor & Blackmon, 2005). The three major types of research studies are subdivided into various forms of research design as discussed below.

4.7. 1 Exploratory study

An exploratory research study is a research plan or enquiry undertaken to expand the frontiers of knowledge on a particular phenomenon (Sekaran & Bougie, 2009). Exploratory research is undertaken when little or no investigation has been conducted to provide a solution to the problem at hand. An exploratory research strategy requires preliminary familiarisation with the subject matter to gain additional knowledge on the cause and effect of the problem before the development of key research questions and hypotheses (Sekaran & Bougie, 2016). This suggests that qualitative studies that focus mainly on interviews and observations as sources of data collection to provide a new knowledge on a phenomenon, assume an exploratory research design. When knowledge about a phenomenon is scarce and adequate understanding is required, the study should adopt an exploratory approach (Sekaran & Bougie, 2016).

Saunders et al. (2016) proposed three important steps in conducting exploratory studies, namely, examining the literature, conducting interviews to obtain first-hand information from key informants in the area of specialisation and conducting focus group interviews. They observed that during the initial stage of exploratory studies, researchers conceive the phenomenon in question from a holistic point of view; and as the study progresses, the phenomenon becomes narrower. This is one of the basic requirements in making a valid contribution to the body of knowledge using exploratory studies (Sekaran & Bougie, 2016).

This study adopted the basic assumptions of an exploratory research design by firstly, reviewing the literature which revealed a huge gap with respect to adequate explanations of the link between strategic management and performance. The study used qualitative open-ended questions in Section 'C' of the questionnaires distributed to elicit vital information in the process of examining the link between strategic management and performance in the Zimbabwean economy.

4.7.2 Descriptive studies

A descriptive study is undertaken to ensure adequate description of the features of variables or groups in the phenomenon of interest (Sekaran & Bougie, 2016). Such studies provide additional information on the features of numerous variables or social groups/phenomena. As the name implies, the essence of a descriptive study is a comprehensive discussion on the phenomenon in question. This enables a consolidated discussion on previous exploratory studies or sometimes both (Saunders et al., 2016). Descriptive studies build on the foundations laid by exploratory studies in order to provide elaborate discussions or arguments.

4.7.3 Explanatory studies

The major characteristic of most explanatory studies is the use of hypothesis testing to ascertain or explain the nature of the association or difference between two or more variables embedded in the study (Sekaran & Bougie, 2016). The authors added that most explanatory studies require hypothesis testing in order to provide a constructive explanation of the changes observed in the dependent variables or sometimes to predict the outcomes of the organisation. Data collection and analysis in an explanatory study can take the form of quantitative or qualitative, or mixed methods depending on the nature of the research questions (Bryman & Bell, 2011; Creswell, 2009; Sekaran & Bougie, 2016).

Based on the assumptions of pragmatism (Creswell, 2009; Saunders et al., 2016), this study shares most of the principles of explanatory studies by employing mixed methods of data collection and analysis procedures to provide a comprehensive analysis of the strategic management model in operating a multi-currency system in Zimbabwe. Research questions were formulated based on the gap identified in the literature and a theoretical framework was developed to provide the missing link. An advanced explanatory design was employed to examine the role of strategic management and outcomes in the link between monetary policy and performance via structural equation modelling. This explained how strategic management development interventions and outcomes provided the missing link between policy culture and performance in the Zimbabwean economy.

4.7.4 Experimental design

Experimental designs can be seen from two distinctive perspectives, laboratory experiments performed in an artificial environment and field experiments in a natural environment where the events often take place (Sekaran, 2016). Laboratory experiments are more common in pure scientific research than in business or social science research,

due to difficulties in applying laboratory conditions in the business world or in the study of social constructs (Quinlan, 2011). Field experiments on the other hand, are commonly used in business/social science research which takes place in real-life situations, for example; business organisations and societies (Bryman & Bell, 2011).

The classic experimental design has to do with the manipulation of the independent (predictor) variable in order to establish its cause-effect on the dependent (criterion) variable (Edmonds & Kennedy, 2012). In this type of research design, experimental subjects are commonly divided into two major groups, treatment and control groups (Sekaran, 2016). The researcher manipulates the treatment group and compares the observation recorded against the control group, which does not receive any form of manipulation. The researcher then compares the cause-effect of the independent variable on the dependent variable. Aside from independent and dependent variables in experimental designs, the extraneous variable is a very important explanatory variable that describes the relationship between independent and dependent variables (Edmonds & Kennedy, 2012). This leads to what is regarded as confound in the experimental design which makes it difficult to affirm whether the variations in the dependent variable are influenced by the independent or extraneous variable.

An experimental design was not used in this study, because the researcher did not intend to manipulate the independent variables. The justification rests on the difficulties in incorporating an experimental research design in business and social science studies as pointed out by Quinlan (2011).

4.7.4.1 Quasi experimental design

The independent variables in quasi experimental research design are not subjected to any form of manipulation by the investigator (Sekaran & Bougie, 2016). This is due to the fact that, the independent variables are subject to social situations; which makes it extremely difficult for the investigator to assign experimental subjects to groups (treatment and control groups) for possible manipulation of the predictor variables (Bryman & Bell, 2011). Although experimental and quasi experimental designs measure cause-effect associations between variables; the major difference is that, the former can be assigned to groups and be manipulated by the investigator (Sekaran, 2016). The latter is naturally manipulated by natural/social conditions, which are beyond the control of the investigator. The investigator can exercise a form of control of the independent variables through statistical procedures (Edmonds & Kennedy, 2012). Sekaran (2016) and Maylor and Blackmon (2005) referred to quasi experimental design as one of the weakest types of experimental designs due to its lack of major scientific procedures in evaluating the cause-effect associations.

4.7.5 Survey research design

The survey research design adopts a quantitative approach to data collection using probability sampling techniques to draw an appropriate sample size from the population of the study in order to provide a numerical explanation or description of trends, attitudes or behaviour (Creswell, 2009; Maylor & Blackmon, 2005). Studies that adopt this approach are known for drawing large sample sizes for the purpose of distributing the research instrument – structured questionnaires. The data are then subjected to statistical analysis using both descriptive and inferential statistics after which the outcomes are interpreted, conclusions drawn and recommendations are provided. The study adopted this principle in exploring the interplay between strategic management and operating a multi-currency system in Zimbabwe. The participants were selected using simple random sampling. A survey research designs can be further subdivided into cross-sectional and longitudinal studies (Edmonds & Kennedy, 2012).

4.7.5.1 Cross-sectional study

A cross-sectional study requires data collection at a particular point in time from respondents in order to answer the research questions (Wilson, 2010). It does not require data collection at more than one point in time and is thus less expensive than a longitudinal study as discussed below. Most academic research activities conducted by students for the award of degrees in management tend to adopt a cross-sectional design because, it requires less time and expense in respect of data collection (Wilson, 2010). Students' choice of this approach is predicated on the need to meet the deadline for submission of their project/dissertation or thesis.

The researcher adopted a cross-sectional approach because he did not intend to embark on field work on two occasions. Another reason is that, the independence variables in this study were subjected to manipulation. This means that there was no need to collect data on more than one occasion. The time frame for completion of the programme is another reason why the researcher conducted a cross-sectional study. The costs associated with data collection on more one occasion (Wilson, 2010) and the fact that few research grants were available for this field of study informed the choice of such a study. This was a full-time study and hence the researcher had limited funds to conduct field work on more than one occasion. However, to avoid the shortcomings of cross-sectional studies, the research instrument employed for data collection was structured to elicit numerical and non-numerical data simultaneously, based on the principles of concurrent transformative mixed methods (Hanson, Creswell, Clark, Petska, & Creswell, 2005). This saved the researcher the costs, stress and time involved in collecting numerical and non-numerical data sequentially.

4.7.5.2 Longitudinal study

Longitudinal studies are more costly, and more effort and time spend are expended on data collection in order to establish the level of variations between two variables embedded in the study. This requires data collection at more than one point in time in order to provide answers to the research questions (Saunders, et al., 2016; Sekaran & Bougie, 2016). Examples include studies in human resource management and organisational behaviour to measure the level of variations in employees' behaviour with respect to changes in an organisation's HR policy. This implies that the researcher will have to collect data from the respondents on two occasions, before and after the new policies are implemented.

While this study was not structured along the lines of longitudinal studies, the researcher acknowledges the strengths of longitudinal studies in establishing the cause and effect of the relationship between variables via structural equation modelling. However, the costs and time associated with longitudinal studies are the reason for not employing this approach. This gave priority to the choice of an alternative approach that collected the information required for the study concurrently.

4.7.6 Case study

Case study research is commonly utilised in law, management and social science where life experiences are studied to make inferences on a current or past situation and sometimes serve as a basis for predictions (Sekaran & Bougie, 2016). The focus in case studies is usually on individuals, programmes, companies/organisations or situations. Case study research can employ qualitative or quantitative methods for data collection and analysis (Saunders, et al., 2016). However, it normally adopts a qualitative approach. Data are collected through personal observation, interviews, and private and public annals (Wilson, 2010). This implies primary and secondary sources of data collection in respect of multiple case studies.

The major strength of a case study is that, if well-conducted, it enables in-depth investigation and analysis of data from various sources. Management/social science research may be enhanced through the proper investigation of a number of outstanding current and previous case studies in order to predict the future. According to McCulloch (2004), the following factors are major weaknesses or assumptions, when case studies are not carried out well:

- (a) Theoretical knowledge is more valuable than practical knowledge.
- (b) One cannot generalise from a single case; therefore, the single-case study cannot contribute to scientific development.

(c) The case study is most useful in generating hypotheses, whereas other methods are more suitable for hypotheses testing and theory building.

(d) The case study contains a bias towards verification; and

(e) It is often difficult to summarise specific cases.

Researchers should avoid these weaknesses in conducting case study investigations in order to make valid predictions about the future occurrence of a phenomenon.

4.7.7 Action research

Action research as a form of research plan or design dates back to 1940s, as a result of concerted efforts by management/social scientists in Europe and America (French, 2009). French (2009) referred to action research as a generic construct that has to do with numerous action-oriented studies in which outcomes are more important in practice than the confirmation of a theoretical proposition. This does not necessarily mean that certain theory should not be followed in problem identification, planning and action taking. In its simplest form, McCulloch (2004) referred to action-oriented research as research that is capable of contributing to practice and also aims to extend the frontiers of knowledge. They added that action-oriented research concentrates on knowledge in practice. Sekaran & Bougie (2016) stated that action research is a type of research embarked on by experts in order to recommend better production processes in organisations after having diagnosed the problem. Saunders et al. (2016) proposed four stages in action research: diagnosing, planning, action taking and evaluating.

The first stage in action research is problem identification using appropriate data collection methods and statistical analysis to offer solutions to the problem identified. The solutions are implemented and thereafter re-evaluated to confirm their impact on the organisation. The re-evaluation stage is one of the major differences between basic and action research. While basic research is undertaken to contribute to knowledge on a subject matter or area of interest after a gap has been identified in the literature, action research is undertaken to provide immediate solutions to current issues faced by organisations and the like, within the shortest period of time. The similarity is that both approaches often adopt scientific forms of enquiry.

This approach was not used in the current study on the relationship between strategic management and operating a multi-currency system in Zimbabwe. Rather, the gap was identified through a literature review which suggested the use of strategic management development interventions and outcomes as mediating variables in the link between management culture and performance. This study aimed to extend the frontiers of

knowledge in the field of strategic management and multi-currency economy leading to the award of a degree in management.

4.7.8 Grounded theory

Grounded theory was developed by Glaser and Strauss in 1967 (Hallberg, 2006). Hallberg observed that it provides a few procedures to develop a theoretical framework in order to identify the associations between variables. This suggests that, the procedure should be adopted as a flexible tool. According to Saunders et al. (2016) grounded theory is better seen as a 'theory building' approach through inductive strategies that facilitate the ability to predict and explain human behaviours or social constructs/phenomena. This focuses on the development of new theories or consolidating an existing theory which may be useful to explore management/social challenges. A grounded theory inquiry requires multiple sources of data collection and analyses in the process of developing theory (Creswell, 2009). Sekaran and Bougie (2016) affirmed that theories are developed from data through an iterative process that requires repetitive sampling, data collection and analysis up to the stage where 'theoretical saturation' is achieved. They added that 'theoretical saturation' implies that the stage is reached where no novel evidence about the subject matter is achieved in consistent cases.

Hallberg (2006) provided a comprehensive discussion on six major misunderstandings of grounded theory. The first is that grounded theory should not be used as a yardstick to neglect a literature review or postpone studying existing theoretical assumptions before data are collected and analysed. The second point maintains that grounded theory is not merely the exhibition of raw data. This makes it mandatory that collected data be measured in relation to the insight from a theoretical point of view in order to compare the conclusion with the existing theory. The third misconception is to assume that grounded theory has to do with theory testing or content analysis. Fourthly, grounded theory is not a standardised application or automatic connecting technique; rather, it should be seen as an interpretive procedure. Researchers should therefore consider grounded theory a creative research strategy. The fifth misunderstanding is to assume that grounded theory is a perfect research strategy. This requires investigators to be more proactive in the course of the study. **Finally, it is erroneous to assume that grounded theory is an easy task.** Indeed, it is a challenging task that demands substantial knowledge and resourcefulness for the attainment of the desired outcomes.

The basic principle of grounded theory was not used in the current study in developing the proposed model on the alternative route from generic strategic management model to multi-currency economy performance in the Zimbabwean economy. However, the study adopted an integrated approach in predicting and explaining the missing link

between generic strategic management model to multi-currency economy management model in the Zimbabwean economy. This decision also justified the use of concurrent transformative mixed methods design in collecting data for the study.

4.7.9 Ethnographic study

The development of ethnography as an inductive approach can be traced to the field of anthropology. The objective is descriptive and explanatory analyses arising from a study of the culture of a group. Ethnography is a common research strategy in the fields of anthropology and sociology (Maylor & Blackmon, 2005). It is a form of qualitative research in which the investigator examines a cultural group in their natural setting over a long period of time by collecting data via direct or participant observation and personal interviews as well as other qualitative data collection methods (Creswell, 2009). This suggests that ethnographic study is a more open-ended strategy to probe meaning rather than simply measuring phenomena as in the scientific approach. According to (Maylor & Blackmon, 2005) summary of scientific and ethnographic approaches is presented in Table 4.4 below:

Table 4.4: Summary of the comparison between scientific and ethnographic approaches

Characteristics	Scientific approach	Ethnographic approach
Research Philosophy	Philosophy of science	Philosophy of social science
Research Perspectives	Positivism Relativism Empiricism	Interpretivism Constructivism Subjectivism
Archetype	Laboratory experiment	Participating in the field of interest
Questions that can be answered	What, how much	Why, how
Starting point	Structure for data - you know what you need to collect as led by theory	Unstructured - what you need to do emerges as led by data
Worldview	Objective- the research is independent	Subjective – the researcher is part of what is being researched
Objective of the study	To find general patterns or laws – generality as well as statistically significant results	To understand meaning in one specific situation – depth and valuable, transferable results
Underlying logic	Deduction	Induction

Who uses	Commonly used in economics, finance, operations research, management science and marketing	commonly utilised in human resource management, organisational behaviour, organisational science
Role of theory	Testing theory through development of hypotheses, collection of data, verification	Generation of theory through pattern analysis
Process	Predominantly linear, sequential, ordered	Predominantly iterative, overlapping, messy
Associated methods	Scientific method of which surveys are as an example. Modeled on closed-system experiments, minimising bias but limiting the possibility of discovery	Video diaries. Recognises social systems, and tries to acknowledge personal biases and tries to keep an open mind
Data Type	Predominantly quantitative, predetermined	Predominantly qualitative, for example a series of statements or impressions
Finding	Measure	Meaning
Data analysis	Statistical through rules and procedures	Thematic through intuition
Quality	Validity, reliability, generalisability	Makes good use of a recognised method, neutrality and transparency

Source: Adapted from Maylor and Blackmon (2005)

Table 4.4 summarises the difference between scientific and ethnographic approaches using the basic features of any inquiry as a benchmark for comparison. This can also be used as a benchmark for comparison of the deductive and inductive approach using the ethnographic research strategy as a key indicator in the inductive approach. Due to the business sensitivity of the financial sector in Zimbabwe, permission was not granted to the researcher to study how policies were created and communicated to members in the sector by attending sensitive management meetings. The use of video diaries and photographs was not permitted. Hence, this study only used open ended structured questions to collect non-numerical data, in order to elicit undiluted information or texts from participants.

4.7.10 Archival research

Archival research is a research strategy in which the administrative documents of private and public bodies are consulted as major sources of data collection (Saunders et al., 2016). Archival studies are secondary sources that are used to answer the research questions, especially in relation to the past and how the phenomenon changed over time. It is necessary to consider the availability of data as well whether or not the private or public body will grant access before adopting this research strategy.

Maylor and Blackmon (2005) advised researchers undertaking archival research to consider four key issues at the early stage of their study. These are: Will access to the data be free or require some form of payment; Are the required data processed or still in raw form; Is the data base on the organisation or the phenomenon focused; and how accurate the data are. The ability to address these four issues is what makes a good researcher or renders an archival study outstanding. This does not necessarily mean that archival studies and other research strategies that rely on secondary sources of data are free from shortcomings. Table 4.5 summarises the strengths and weaknesses of research based on an analysis of data collected through secondary sources in three key areas of research; effort, analysis and contribution.

Table 4.5: The strengths and weaknesses of secondary data analysis

Key areas in research	Strengths	Weaknesses
Effort	Less costly and time-consuming data collection, allowing more time for data analysis	Researchers need to familiarise themselves with the data. Ability to manage large and complex data set. It may be expensive if payment is required.
Analysis	Access to high quality data, comparing subgroups or subsets within the data sample, Comparing subgroups or subsets in other countries	Researchers lack control of the quality of the data as the data has been already collected. The data may be biased in unobservable ways. The data may lack the ability to answer key research questions.
Contribution	Re-interpretation of original findings by providing adequate analysis of the data set	Lack of rigorous and purposeful data collection from primary sources; does not build as many research skills as direct methods.

Source: Adopted from Maylor and Blackmon (2005).

This study used archival research to collect and analyse data from the Ministry of finance & Economic Planning and the Reserve Bank of Zimbabwe (RBZ). This was used to measure the performance of economy with respect to periodic key economic indicators presented by the regulatory body. Archival research approach enabled the researcher to effectively assess the impact of fiscal and monetary policy reforms in Zimbabwe.

4.7.11 Phenomenological research

Phenomenology as a research strategy has been rated one of the best qualitative methods to investigate individuals' experiences in the past four decades (Wimpenny & Gass, 2017). Phenomenology is a research paradigm and a research strategy predominantly used in management research to uncover knowledge on difficulties or

challenges that are hard to understand on the surface (Goulding, 2005). This implies a qualitative method of data collection in which data interpretation is complex and requires concerted effort from the researcher to look beyond the face value of responses in order to deduce the actual meaning. Wimpenny and Gass (2017) noted that concepts in phenomenological research are jointly established by the researcher and the respondents, as opposed to being guided by the researcher's predetermined theoretical interpretation or meaning. Researchers are confronted with numerous issues that could manipulate their description or interpretation of results. Furthermore, respondents' practical experience may be of help in reducing the investigator's bias. A phenomenological strategy is vital in describing or making meaning of individuals' experiences and points of view. The interpretative aspect of this strategy paved the way for the development of practical theory.

Goulding (2005) proposed seven stages to be followed by phenomenological researchers:

- (i) The first stage is to gain full understanding of the non-numerical data collected from the respondents.
- (ii) The second stage has to do with the identification of themes or subthemes relating to the topic under investigation.
- (iii) At the third stage, researcher makes meaning of the significant themes and subthemes.
- (iv) Fourthly, the researcher then interprets the results; participants may be consulted again to guide against any form of bias.
- (v) After due consultations with the participants, emerging themes and subthemes in relation to the topic under investigation are described. This is the fifth stage.
- (vi) At the sixth stage, the themes are reduced to focus on the significant structure of the phenomenon under study.
- (vii) Finally, the researcher may once again consult the respondents for collection of non-numerical data to double check the emerging themes and subthemes.

These stages equip the researcher with the knowledge required to conduct phenomenological studies, particularly through data collection and ascribing meanings to the data based on respondents' experiences and points of view.

The basic assumptions of phenomenological studies were not adopted in describing or making sense of the issues strategically managing a multi-currency economy with respect to the Zimbabwean economy. Rather, the literature and theoretical framework

were used. Having examined the various research strategies ranging from quantitative to qualitative approaches, the researcher selected a suitable design based on the research questions as well as objectives of this study.

4.7.12 Research design adopted for the study

Consideration of the principles, strengths and weaknesses of the various research strategies discussed above, and the objectives of this study enabled the researcher to adopt a strategy to achieve these objectives. Hence, this study adopted a non-experimental research design of ex post facto type (because the researcher did not intend to manipulate the independent variables identified in this study). This was supported with a combination of an observational (correlational) and a cross-sectional approach, utilising an advanced explanatory design. This arose from the need to collect data at one point in time from selected employees using multiple variables in order to validate the direction of the influence between variables (Edmonds & Kennedy, 2012).

The researcher considered this research design the most appropriate for the current study on the development of a strategic management model for running a multi-currency economy with respect to the Zimbabwean economy. This approach provides the space to infer causation through the application of causal modelling, correlation, multiple regressions and structural equation modelling. It also offers an opportunity to establish the influence of strategic management development policy and outcomes as mediating variables in the link between organisational culture, performance and sustainability. Insight from similar empirical studies that used this approach also served as strong justification (Edmonds & Kennedy, 2012). This decision informed the various choices available to the researcher in formulating the research designs, as discussed below.

4.8 Research choices

Research choices are the various techniques for data collection and analysis. These include “mono method, multiple methods and mixed methods research” (Saunders et al., 2016). According to these authors, the mono method involves the adoption of a data collection technique and a conforming data analysis procedure. Multiple methods utilise two or more data collection techniques and corresponding data analysis procedures (Saunders et al., 2016). This can be achieved by using different data collection techniques and data analysis procedures in either qualitative (multi-method) or quantitative (multi-method) approaches. On the other hand, mixed methods represent an amalgamation of qualitative and quantitative techniques of data collection and analysis procedures either concurrently or consecutively in a study. These choices are discussed below:

4.8.1 Mono method

A mono method is the adoption of a data collection technique and a conforming data analysis procedure (Saunders et al., 2016). Data can be collected and analysed in a non-numerical (qualitative) or numerical (quantitative) form and be subjected to complex statistical analysis, in order to report the findings in numerical form (Saunders et al., 2016). As shown in Tables 4.3 and 4.4 above, the former shares the philosophies of the social sciences to a large extent, while the latter is related to the philosophies of the sciences to a great extent. The major shortcoming of this method is that it lacks data triangulation and the validity and reliability of the instrument might be questionable. It may not be an appropriate method to answer complex or dynamic research questions as such questions may require the use of multiple or mixed methods, enabling data and methodological triangulation (Wilson, 2010). Hence, the researcher did not find the mono-method suitable to explore on the development of a strategic management model for running a multi-currency economy with respect to the Zimbabwean economy. This decision was guided by the work of Bellot (2011).

4.8.2 Multiple methods

Multiple methods use two or more data collection techniques and corresponding data analysis procedures in a study. Saunders et al. (2009) categorised multiple methods in the four distinctive categories discussed below.

4.8.2.1 Multi-methods quantitative studies

These are quantitative studies that combine two or more quantitative data collection methods and related data analysis procedures in a study (Saunders et al., 2016). This is common in accounting, economics, finance and other related management disciplines, where quantitative data are collected either from primary or secondary sources, or both and then processed using complex statistical methods of data analysis based on the objectives of the study. Researchers adopting this approach share the principle of objectivity in their inquiry, which guides the interpretation of their results. The strength of this approach in terms of effort is that, data collection is less costly and time-consuming, allowing more time for data analysis when data are collected using different secondary sources (Maylor & Blackmon, 2005). However, its shortcomings are challenges of familiarisation with the secondary data set, the ability to manage large and complex data set and the fact that it may be expensive when the data required are for sale (Wilson, 2010).

4.8.2.2 Multi-methods qualitative studies

These studies combine two or more qualitative data collection methods and related data analysis procedures in a study (Saunders et al., 2016). This approach is common in anthropology, sociology, management and related management/social science disciplines where qualitative data are collected by combining different data collection techniques. Data are analysed using non-numerical processes based on the study's research questions and objectives (Saunders et al., 2016). The value of this type of qualitative study is the richness of the information gathered using different methods to collecting data. This is evident in the ethnographic and phenomenological research strategies discussed above. This approach does not focus on a large sample size but on the richness of the information gathered until the stage where data saturation occurs. Data saturation implies a stage where new information is no longer collected (Sekaran & Bougie, 2016). However, a major shortcoming of this approach is over-reliance on a subjective form of inquiry which, if not properly managed, is often based on researcher bias. This suggests the reason why some researchers prefer mixed methods as this enables them to measure the subject matter in both objective and subjective ways.

4.8.2.3 Mixed methods research

Mixed methods research integrates two approaches; qualitative and quantitative data collection techniques and data analysis processes either concurrently or consecutively in a study (Saunders et al., 2016). Discussed below are the three forms of *mixed methods research strategies* identified by Creswell (2009).

4.8.2.3.1 Sequential mixed methods

In a sequential mixed methods study, researchers use the approaches one after the other (Cameron, 2009). For instance, a combination of exploratory and explanatory strategies may require the researcher to first collect, analyse and interpret data qualitatively in order to meet the exploratory objectives of the study. Subsequently, the researcher collects data from a large sample and analyses the data using corresponding statistical procedures to objectively interpret it so as to fulfil the explanatory objectives of the study. This depends on the discretion of the researcher; it is not compulsory for the researcher to start with the qualitative approach (Creswell 2009). The most important thing is that it must be done consecutively (Hanson et al., 2005).

4.8.2.3.2 Concurrent mixed methods

In concurrent mixed methods, the researcher concurrently combines numerical and non-numerical approaches to data collection and corresponding data analysis processes (Cameron, 2009). This is necessary in order to provide adequate answers to the

research questions or comprehensive interpretation of results. A good example of this type of design is a cross-sectional survey using a structured questionnaire with closed and open-ended questions (Creswell, 2009; Wilson, 2010). This enables simultaneous collection of numerical and non-numerical data while the data can also be analysed either concurrently or sequentially.

4.8.2.3.3 Transformative mixed methods

In this type of research design, numerical and non-numerical data can be collected and analysed either sequentially or concurrently depending on the statement of the problem, and the study's research questions and objectives (Hanson et al., 2005). Different priority may be given to one method of data collection and analysis over the other; sometimes they may be accorded equal priority (Creswell, 2009). Data are analysed separately but integrated at the interpretation stage, enabling data triangulation in the course of the investigation. Hanson et al. (2005) noted that transformative mixed methods enable access to information from diverse worldviews, encouraging participants' perceptions of the construct to facilitate improved conceptualisation of a phenomenon from the participants' points of view in relation to the theoretical propositions.

4.8.2.4 Mixed model research

This combines numerical and non-numerical methods of data collection and analysis procedures and incorporates these approaches while generating research questions (Saunders et al., 2016). This offers researchers an opportunity to transform numerical data into a narrative form that can be non-numerically analysed. Conversely, it allows researchers to convert non-numerical data into numerical codes for statistical analysis. In this way, narrative data can be converted and analysed quantitatively (Sekaran & Bougie, 2016).

4.8.3 Data collection techniques adopted for the study

This study adopted a concurrent transformative mixed methods research design for data collection and suitable corresponding data analysis procedures. The researcher considered this appropriate to effectively investigate towards the development of a strategic management model for running a multi-currency economy with respect to the Zimbabwean economy. The justification for adopting a concurrent transformative design is that, it enables simultaneous collection of quantitative and qualitative data. It also offers an opportunity for equal or skewed priority to be given to quantitative and qualitative data (Creswell, 2009; Hanson et al., 2005). In this case, higher priority was given to quantitative data rooted in a non-experimental research design of ex post facto type; utilising a correlational approach with advanced explanatory design. Another

justification for adopting a concurrent transformative design is that, it creates an avenue for separate analysis of quantitative and qualitative data, but integrated at the interpretation stage (Hanson et al., 2005; Creswell, 2009; French, 2009). This enables data triangulation (Wilson, 2010) in the course of the investigation. It provides access to information from diverse worldviews, encouraging participants' perceptions of the construct in order to better conceptualise a phenomenon from participants' points of view in relation to the theoretical propositions (Hanson et al., 2005). This research design was also adopted to guard against the shortcomings of a non-experimental research design.

Data were gathered for this study utilising numerical and non-numerical approaches including a structured questionnaire containing closed and open-ended questions, and other documented evidence (annual reports/policy statements). The annual reports and policy statements are categorised as secondary data sources.

4.9 Target population

Sekaran and Bougie (2016) defined a population as 'the entire group of people, events or things of interest that the researcher wishes to investigate'. This seems to be the most comprehensive definition. Hedt and Pagano (2011) further note that a sample is "drawn from a population and refers to all possible cases of what one is interested in studying". Strydom (2005:194) defines the notion as follows "a population is the totality of persons, events, organisation units, cases records or other sampling units with which the research problem is concerned." Hartley, (2014) define a population as "the set of elements that the research focuses upon and to which the obtained results should be generalised". Hartley (2014) state that "one of the most important steps in the research process in the selection of the sample of individuals who will participate either by being observed or questioned." Population refers to a similar group of people who form the subject of the study in a particular survey. Williams, Brown and Onsman (2012) states that in research, population parameters comprise all the possible observations of the random variables under study.

In the context of this study, the population refers to the total group of employees in the Ministry of Finance and Economic Planning, Harare, Zimbabwe. The population of this study will include all heads of parastatals and departments directly under the Ministry of Finance and Economic Planning. Respondents particularly targeted will be the Minister of Finance and Economic Planning, the Permanent Secretary, and functional directors, as they are involved in strategic decision making for the organisational functions.

4.9.1 Parastatals Administered by the Minister

i) Reserve Bank of Zimbabwe

- ii)Zimbabwe Revenue Authority (ZIMRA)
- iii)Infrastructure Development Bank of Zimbabwe (IDBZ)
- iv)Zimbabwe Economic Policy and Research Unit (ZEPARU)
- v)Insurance and Pension Commission
- vi)Securities Commission

The Departments in the Ministry

- 1)Accountant General;
- 2)Debt Management Office;
- 3)Fiscal Policy and Advisory Services;
- 4)Expenditure Department;
- 5)Revenue Department;
- 6)Domestic and International Finance;
- 7)Finance, Administration and Human Resources;
- 8)Implementation and Control of Expenditure Unit;
- 9)National Economic Conduct Inspectorate;
- 10)Zimbabwe Statistical Agency;
- 11)Internal Audit; and
- 12)Legal Services.

Structure of the Ministry

The Ministry of Finance is headed by the Minister of Finance, whilst the second in command and administrative head and Accounting Officer is the Permanent Secretary. The Permanent Secretary is assisted by four Principal Directors who head the following Departments:

Table 4.6: Structure of the Ministry

• Principal Director	• Departments
• Accountant General	<ul style="list-style-type: none"> • Government Accounting Services • Consolidated Accounts and Policy

	<ul style="list-style-type: none"> • Aid Accounting, Funds and Parastatals
<ul style="list-style-type: none"> • Budgets 	<ul style="list-style-type: none"> • Expenditure • Public Sector Investment Programme
<ul style="list-style-type: none"> • Finance and Taxation 	<ul style="list-style-type: none"> • Domestic and International Finance • Revenue and Tax Policy
<ul style="list-style-type: none"> • Debt Management Office 	<ul style="list-style-type: none"> • Resource Mobilisation • Debt and Risk Management • Settlements and Disbursements

4.10 Sampling

Scholars such as Hartley (2014), Hedt and Pagano (2011), Creswell (2009) and Punch (2009) classify sampling methods into two categories, namely: probability and non-probability sampling methods. The first category includes the simple random, systematic, stratified and cluster samplings, while the second comprises convenience, quota, snowball and purposive or judgemental sampling. Sampling is concerned with drawing individuals or entities from a population in such a way as to permit generalisation about the phenomena of interest from the sample to the population, while data collection describes the specifics of gathering the data (Hartley, 2014).

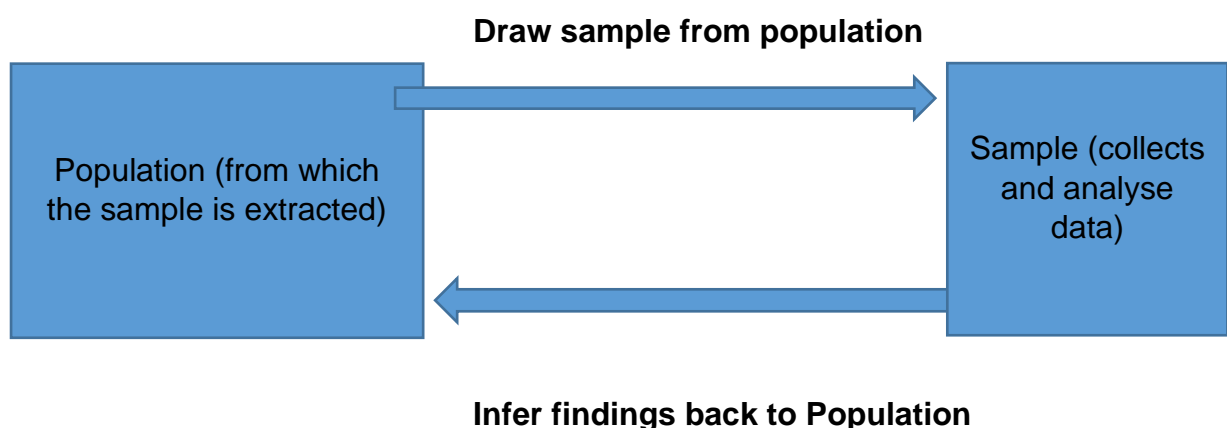


Figure 4.2: Population and sample (Punch, 2009:251)

Ivankova, Creswell and Stick (2017) state that “one cannot research everyone, everywhere, doing everything” while Hedt and Pagano (2011) are of the view that “we can get better information from carefully drawn samples than we can from an entire group”. According to Hedt and Pagano (2011), “investigators use their judgment and prior knowledge to choose for sample people who best serve the purpose of the

research". As the researcher was required to obtain consent from willing participants beforehand as part of ethical clearance procedure, convenience sampling was employed which, according to Ivankova et al. (2017) consists of selecting the individuals who are willing to participate in the research.

4.10.1 Sampling design

There are two major sampling designs, namely, probability and non-probability sampling. Probability sampling techniques include *simple random*, *systematic*, *stratified random*, *cluster* and *multi-stage sampling* (Wilson, 2010). Non-probability sampling includes *quota*, *snowball*, *purposive* and *convenience sampling* (Wilson, 2010). These two sampling designs and their techniques are discussed below.

4.10.1.1 Probability sampling

As the name implies, in probability sampling every element in the population has an even or non-zero chance of being selected as a subject (individual case or item of a sample) in the study (Sekaran & Bougie, 2016). The strength of probability sampling is that, it is statistical in nature and has the greatest percentage of freedom from bias. The shortcomings this design is that, it requires a lot of effort from researchers, and is often time consuming and very expensive. Some of the sampling techniques under probability design are discussed below.

4.8.1.1.1 Simple random sampling

In simple random sampling, every element in the population has an equal chance of being selected as a subject in the study. For instance, in a study designed to survey 125 employees in an organisation comprising a total of 500 employees, the probability of being selected as a sample could be given as (Wilson, 2010):

$$P(\text{inclusion}) = \frac{\text{the sample size}}{\text{total population}} = \frac{125}{500} = 0.25 \text{ (1 in every 4)}$$

Therefore, the probability of being selected as a sample in the study could be given as 0.25, meaning that one subject is drawn from a group of four elements in the population. Given this scenario, the level of bias in simple random sampling is very low and offers high level reliability while making generalisations in relation to the total population of the study (Bryman & Bell, 2011; Sekaran, 2016). The challenges of simple random sampling technique are the complexity of the selection process, the fact that it is time consuming and above all, the possible non-availability of an updated list of the entire population containing all groups, cases or events under investigation (Sekaran & Bougie, 2016). This study adopted the simple random sampling technique in selecting participants.

Questionnaires were evenly distributed among the departments and their respective heads of office in line with the convenience sampling technique.

4.10.1.1.2 Systematic sampling

In this sampling procedure, subjects are drawn at regular intervals from the sampling frame until the required sample size is achieved. The determination of the regular intervals to draw items from the sampling frame is based on a sampling fraction (Sekaran & Bougie, 2009; Wilson, 2010). For instance, if a sample size of 150 is required in a study comprising of a total population of 750 employees, this can be determined using the following formula:

$$\text{Sampling Fraction} = \text{Actual sample size} / \text{Total population} = 150/750 = 1/5$$

This suggests the need to select employees from the sampling frame at every fifth interval (Sekaran, 2016; Wilson, 2010), beginning with the first five employees, drawing the first employee at a random and then selecting the rest at every fifth interval until the actual sample size is achieved. For example, 3, 8, 13, 18, 23, 28, 33, 38, 43, 48, 53, 58, 63, 68, etc. This can be easily achieved using a computer programme (Bryman & Bell, 2011; Wilson, 2010).

4.10.1.1.3 Stratified random sampling

Stratified random sampling is applicable in a situation where the population is divided into strata (subgroups) (Sekaran & Bougie, 2009). A stratum might be based on different categories of employees in an organisation. These may include middle-level manager, lower-level manager, supervisor, computer analyst, and clerical staff, among others. Having divided the population into different strata, the researcher draws sample from each subgroup using either simple random or systematic sampling until the required sample size is achieved (Bryman & Bell, 2011; Sekaran & Bougie, 2009; Wilson, 2010). The major objective of stratified random sampling is to ensure that each stratum is adequately represented in the study. According to Wilson (2010) the four stages involved in stratified random sampling are:

- (i) Selecting variable or variables to be stratified
- (ii) Distributing sampling frame into separate sections
- (iii) Numbering the elements within each section with a distinctive figure
- (iv) Drawing your element using the simple random or systematic sampling technique

4.10.1.1.4 Cluster sampling

Cluster sampling enables a researcher to divide the entire population into groups (clusters). A random sample is then drawn from the groups and each sample selected is used in the final sample (Wilson, 2010). The benefit of this sampling technique is that, it saves time and money (Sekaran & Bougie, 2009). According to Saunders et al. (2016) the three main stages involved in cluster sampling are:

- (i) Select your cluster combination for the sampling frame
- (ii) Number each of the clusters with a distinctive figure
- (iii) Draw your element using simple random sampling as discussed above

4.10.1.1.5 Multi-stage sampling

This is also referred to as multi-stage cluster sampling. It is a technique to overcome the challenges of geographically dispersed population when one-on-one contact is required or in a situation where it is costly and time-consuming to build a sampling frame for a large geographical area (Saunders et al 2016). This sampling process entails moving from a broad to a narrow sample using a phase-by-phase process (Bryman & Bell, 2011; Wilson, 2010). For instance, a national survey may initially require cluster sampling to select regions. Thereafter, some of the regions are selected at random and subdivisions are made based on local authority areas. Some of the local authority areas are then selected at random and subsequently divided into small town and cities. The objective of multi-stage sampling is to draw samples that focus on a particular area. This technique saves both time and money (Wilson, 2010).

4.10.1.2 Non-probability sampling

Non-probability sampling is an alternative to probability sampling techniques. It includes a number of techniques that are based on a subjective or non-statistical approach to selecting a sample (Sekaran & Bougie, 2009; Wilson, 2010). Case studies, market surveys and qualitative research are some of the business research that utilise non-probability sampling techniques to draw subjects into their samples (Bryman & Bell, 2011). Non-probability sampling sometimes relies on a small sample to examine a real-life phenomenon, while generalisations are made to theory as opposed to population (Sekaran & Bougie, 2009; Wilson, 2010). The four types of non-probability sampling techniques are discussed below.

4.10.1.2.1 Quota sampling

Quota sampling is a non-random sampling technique through which samples are selected based on programmed features such that the sample size will also possess similar features to the population of the study (Wilson, 2010). This is one of the strongest

non-probability sampling techniques. Wilson (2010) referred to quota sampling as a type of stratified sampling method through which samples are drawn from different strata in a completely non-random way. The major difference between stratified sampling and quota sampling is that, the former draws subjects from the sampling frame using either simple random or systematic random sampling (Sekaran & Bougie, 2009; Wilson, 2010), while the latter draws samples from each group non-randomly. The determination of sample size in quota sampling is based on the need to collect sufficient information in each quota for proper utilisation of statistical analysis.

4.10.1.2.2 Snowball sampling

Snowball sampling is a non-random sampling technique that is used when it is extremely difficult to identify members of a particular group or population (Goodman, 2011). For instance, it may be difficult to identify a certain group of people for the purpose of interviews in a study on Satanism. Utilising this technique, the researcher tries as much as possible to identify a member of the group and encourage him/her to participate and refer the researcher to other members (Wilson 2010). The required sample size is achieved through referrals; the shortcoming is that the researcher has little or no control over subjects within the sample (Kowald & Axhausen, 2012; Sadler, Lee, Lim, & Fullerton, 2010).

4.10.1.2.3 Purposive sampling

In purposive sampling, the researcher uses his/her judgment to draw samples non-randomly in order to answer the research questions and achieve the study's objectives (Hallberg, 2006). Thus, purposive sampling is often referred to as judgment sampling. Participants might be selected based on their knowledge of the phenomenon under investigation (Sekaran & Bougie 2009). For instance, in a study designed to measure the effects of the perceived glass ceiling on work opportunities among female workers in an organisation, the population of the study may consist of all the female workers in the organisation. The sample may be selected using purposive sampling techniques based on the researcher's judgment considering the number of junior or senior female staff that has experienced the glass ceiling in one form or another within the organisation. These categories of workers are then selected in a non-random manner. Despite the appropriateness of purposive sampling in this scenario, its generalisation to the entire population of the study may be questionable (Sekaran & Bougie, 2009).

4.10.1.2.4 Convenience sampling as a technique adopted for this study

Convenience sampling is another non-random sampling technique adopted by researchers to draw samples due to the fact that it offers convenience and is less time

consuming and less expensive (Sekaran & Bougie, 2009) than other sampling techniques. More importantly, the most researchers' choice of convenience is predicated on accessibility and respondents' willingness to participate in the study. This technique allows a researcher to select subjects based on their accessibility and willingness to participate until the required sample size is achieved (Saunders et al., 2016).

Despite the fact convenience sampling helps to overcome many of the challenges involved in sampling, this technique suffers several shortcomings. These include the fact that it is not free from bias and its inability to infer generalisation with respect to the entire population (Wilson 2010). Recent research has investigated the extent of bias and the inability to make generalisations across a wide range of population when convenience sampling was utilised. Hedt and Pagano (2011), as well as Hartley (2014) compared the outcomes of research conducted using convenience sampling and other probability sampling techniques. Hedt and Pagano (2011) found that the shortcomings of convenience sampling could be reduced when combined with simple random sampling, which would result in greater efficiency. On the other hand, Hartley (2014) found that probability sampling is a better option than convenience sampling when it comes to generalisations.

Having considered the strengths and weaknesses of convenience sampling technique the researcher found convenience sampling most appropriate for this study due to business sensitivities and officials' busy work schedules. The reasons for using convenience sampling in this study is its ease of use, proximity, cost effectiveness and time requirements, accessibility and respondents' willingness to participate in the study. Other approaches to data collection (mixed methods) were used to overcome the challenges associated with convenience sampling. This led to methodological triangulation, because of the use of numerical and non-numerical data collection as well as analysis procedures (Saunders et al., 2016; Sekaran & Bougie, 2009; Wilson, 2010). Generalisations were made in relation to theories on the interplay between organisational culture and performance based on the entire population of the study.

Questionnaires eliciting numerical and non-numerical data concurrently were distributed to respondents in the Ministry of Finance & Economic Planning. Using the convenience sampling technique, 340 questionnaires were evenly distributed between the participating departments. At the end of four weeks of distribution and follow-up, a total of 296 questionnaires were returned. Four were not properly completed and was left out of the analysis. The remaining 292 questionnaires represent an 85.88 % response rate.

4.10.3 Sample size

Based on the first rule of thumb for selecting an appropriate sample size proposed by Sekaran and Bougie (2009), a sample size of 340 is within the range greater than 30 but less than 500. Krejcie and Morgan (1970) Table of minimum sample sizes for different population sizes at 95% confidence level was used to support this decision. The data collection procedures engaged in this study are discussed below. Generally qualitative research involves a small size of sample, but which should be fairly big enough to obtain adequate data to sufficiently describe the phenomenon of interest and address the research questions. Hedt and Pagano (2011) highlights that for both phenomenological studies and ethnography an approximation of 30-50 participants is suggested. Creswell (2014) recommends 5-25 and Morse (1994) suggests at least six. These recommendations can help a researcher estimate how many participants they will need, but ultimately, the required number of participants should depend on when saturation is reached.

4.11 Data Collection Procedures

Data collection procedure simply means the process of gathering or collecting data for the purpose of measuring/proffering solutions to the variables embedded in the problem statement, research questions and hypotheses (Creswell, 2009; Saunders et al., 2016). Data collection procedures were followed by the researcher in line with the study's research objectives. This study used both primary and secondary data sources. The primary sources of data collection included a structured questionnaire. Documented served as secondary sources of data collection. This was essential to effectively measure the influence of strategic management in running a multicurrency economy in Zimbabwe

The data collection procedure utilised in this study required the researcher to approach the HR managers of the selected departments for permission to administer the instrument. The researcher then distributed the questionnaires on the date agreed by the HR managers.

4.11.1 Primary sources of data collection

This study utilised closed and open-ended questionnaires as the main research instrument to collect primary data from the respondents. This was employed to elicit the information necessary to measure how core values were communicated towards the realisation of corporate objectives. The researcher considered the use of structured open-ended questions necessary to gather salient information or texts on the influence of strategic management on organisational outcomes.

The gap identified in the review of related literature and the study's objectives were carefully aligned in the design of the questionnaire. Shortcomings were identified in previous studies on the relationship between culture and performance in which questionnaires were distributed to management staff of the organisations involved. This was not the best way to collect data, because management staff was not prone to provide sensitive information to researchers based on the agreement signed with their organisations. Hence, it is better to gather information from core employees who experience the culture, abide by the rules and regulations, and above all, contribute to the goals and objectives of the organisation through their opinions (Guest, 2011). The questionnaires were distributed to core employees (in finance and administration, economic planning, revenue services, and the IT and HR departments) across the MoF and its parastatals with the assistance of the HR department.

4.11.2 Secondary Sources of Data Collection

This study also used secondary sources of data to fulfil its objectives in terms of a literature review and the theoretical framework underpinning the study. Sources of secondary data employed include textbooks, online journal articles and conference papers, and other various repositories. The Zimbabwean Central Bank Reports and Statistical Bulletins also served as secondary sources of data collection. This was instrumental in examining both the direction and the impact of fiscal and policy reforms on financial and economic sectors' effectiveness in Zimbabwe. Data collected through these means provide justification for data triangulation by comparing data collected from primary and secondary sources; this streamlines the level of bias that might have occurred either consciously or unconsciously in this study.

4.12 Research Instrument

The major research instrument adopted for this study was a questionnaire, containing multiple choice numerical data and open-ended non-numerical data. The rationale was to achieve the study's objectives by utilising concurrent transformative mixed methods or design for data collection and analysis. The survey questionnaire was useful in collecting both numerical and non-numerical data simultaneously (Creswell, 2009).

Kelliher (2011) stated that, as a research instrument, a questionnaire is usually designed to collect three major types of data variables, namely, opinion, behaviour and attributes variables. Opinion variables record participants' feelings or thinking about what is true or false about the phenomenon under investigation. Behaviour variables collect information on what participants or their respective organisations did in the past, do now or will do in the future. A good example is questions designed to elicit information on how participants

react to favourable and unfavourable organisational policies, this may lead to behaviour such as high or low turnover intention as the case may be. Finally, attributes variables record participants' distinctive characteristics as evident in demographic section of the questionnaire.

The researcher considered these three critical issues in the design of questionnaire for the purpose of data collection. The first issue was consideration of each objective of the study, and alignment of the research questions, objectives and/or hypotheses with the questionnaire. The second issue was the wording of the questionnaire. All questions were structured in simple language for ease of understanding by respondents; the use of professional language was avoided. The questions were concise and straight to the point. The third issue was the coverage of the questionnaire, in terms of the population of the study; it was designed to cover all core employees in the selected departments of the Ministry of Finance and economic planning, Harare.

The researcher used a 5-point Likert-type rating scale; ranging from 1 (strongly disagree) to 5 (strongly agree). This rating scale was developed in 1932 by American psychologist, Rensis Likert (Wilson 2010). The reason for adopting the Likert rating scale was that it is very easy to construct and interpret (Maylor & Blackmon, 2005).

4.13 Administration of Research Instrument

The questionnaire was pilot tested and approved by the Humanities and Social Science Research Committee of the University of KwaZulu-Natal before embarking on the field work. This was done to ensure that the sequence of the questions was appropriate, and the reliability and validity of the research instrument (Alvesson & Sandberg, 2016). The researcher received permission to embark on field work in a letter of approval (HSS/1228/017D) from the Humanities and Social Science Research Committee of the University of KwaZulu-Natal dated 19th November 2018. The questionnaire was personally administered to respondents during office hours on the dates approved by the human resources/branch manager of the selected organisations. The purpose of the exercise was properly communicated to respondents before questionnaires were administered. Each questionnaire included a confidentiality clause as well as the consent form, indicating that participation in the study was voluntary and participants could withdraw at any stage. The participants signed the consent form, signifying their approval.

Three hundred and forty (340) copies were made of the questionnaire. Based on the principles of convenience sampling, the questionnaire was divided equally between the six parastatals under the MoF and the 12 departments as presented in section 4.9.1 of

this chapter. The choice of personally administered questionnaires ensured that respondents were given the opportunity to ask questions on the spot (Sekaran & Bougie, 2009). The questionnaire was framed in simple language to ensure ease of understanding across all categories of respondents. Other reasons for adopting personally administered questionnaires included the ability to collect questionnaires immediately after completion and the fact that they promote a high response rate because the researcher can easily follow up on data collection. The major challenge of utilising this approach was the travelling expenses involved in field work (Sekaran & Bougie, 2009; Wilson, 2010). This explains why a concurrent mixed method was adopted for collection of quantitative and qualitative data at a single point in time.

4.14 Procedures for data analysis

The primary data collected under section 'A' of the questionnaire was analysed using descriptive statistics. The descriptive statistics included frequency counts, simple percentages, and mean and standard deviation, which are presented in frequency distribution Tables, pie charts, and bar graphs for clarity.

Primary data collected under section 'B' of the questionnaires were coded and analysed using inferential statistics captured in the IBM Statistical Package for the Social Sciences (SPSS) version 21. This software package was used to run the descriptive statistics highlighted above, as well as inferential statistics such as Pearson's correlation coefficient and multiple regressions analysis.

Data collected in section 'C' of the questionnaire were non-numerical data analysed using content analysis. A detailed discussion on the analysis of the data collected in each section of the questionnaire is presented below.

4.14.1 Descriptive Statistics

As the name implies, descriptive statistical analysis is a statistical technique employed to summarise or describe numerical data (Wilson, 2010). Descriptive statistical tools are useful when it comes to analysing categorical or demographic data using frequency distribution tables to display the number of occurrences and percentages of different categories of data in a study (Sekaran & Bougie, 2009). Data presented in Tables can also be pictorially displayed with the aid of pie charts, bar charts or graphs and histograms for clarity. The purpose of starting data analysis with descriptive statistics is to give the reader an overview of the data collected before detailed analysis is presented (Wilson, 2010). This suggests why most students begin the data analysis chapter of their projects, dissertations or theses with descriptive statistics. The researcher also considered this necessary for the presentation and analysis of the demographic data

collected in section 'A' of the questionnaire at the beginning of the following chapter before detailed analysis is presented. Other descriptive statistical tools are discussed below.

The measure of central tendency utilised in this study is the **mean** known as the "arithmetic average of a frequency distribution" (Wilson, 2010). To calculate this manually, the summation of each observation is divided by total number of observations. Mean is what most people commonly refer to as an average. The mean refers to the number obtained when one sums up a given set of numbers and then divide this sum by the total number in the set. Mean is also referred to more correctly as arithmetic mean.

$$\text{mean} = \frac{\text{sum of elements in set}}{\text{number of elements in set}}$$

Given a set of n elements from a_1 to a_n

$$a_1, a_2, a_3, a_4, \dots, a_{n-1}, a_n$$

The mean is found by adding up all the a 's and then dividing by the total number, n

$$\text{mean} = \frac{a_1 + a_2 + a_3 + a_4 + \dots + a_{n-1} + a_n}{n}$$

This can be generalised by the formula below:

$$\text{mean} = \frac{1}{n} \sum_{i=0}^n a_i$$

Another descriptive statistical technique for measuring dispersion engaged in this study is the **standard deviation** to describe or compare the extent to which the data value for a variable is spread around the mean value (Saunders et al., 2016). Sekaran and Bougie (2009) observed that standard deviation is a commonly used measure of dispersion, being a square root of the variance, which indicates the range of variability in the data. The values of standard deviation and mean are presented in tables in the following chapter. The formula for calculating standard deviation of a group data set is presented below:

$$\text{SD} = \sqrt{\frac{\sum |x - \bar{x}|^2}{n}}$$

Where;

SD= the standard deviation

x = the mid-point of each data class

n = the frequency of each class

$\sqrt{\quad}$ = the square root

Σ = the summation

4.14.2 Inferential Statistics

According to Wilson (2010), inferential statistics are engaged to draw inferences about a population from a given sample size. Alvesson and Sandberg (2016) referred to inferential statistics as the evaluation of population value as well as statistical confirmation of the research hypothesis. There are two main statistical significance tests or test of research hypotheses, namely, non-parametric and parametric tests (Wilson 2010). Non-parametric statistics are utilised when data are not normally distributed. On the other hand, parametric statistics are engaged when the sample size is drawn from a population that is normally distributed. In a nutshell, non-parametric statistics are usually engaged with categorical data whereas parametric statistics are engaged with numerical data (Saunders et al., 2016). Most of the inferential statistics engaged in this study are parametric statistics, run with the aid of different software packages as discussed above. These parametric statistics are presented below.

4.14.2.1 Pearson's Product Correlation Coefficient (PPMC)

Pearson's product moment correlation coefficient (PPMC) measures the direction and strength as well as the significance of bivariate associations among all indicators' variables (Saunders et al., 2016). The strength of the associations among the latent variables investigated in this study was examined utilising Pearson's correlation coefficients via the IBM Statistical Package for the Social Sciences (SPSS) version 21. The bivariate associations among variables are displayed in the next chapter with the aid of a correlation matrix presented in tabular form for clarity and ease of interpretation of results. This is based on the need to explain the interplay between various independent variables and the dependent variable in the study. In other words, the correlation coefficients show the associations between exogenous and endogenous variables, exogenous and mediating variables, and mediating variables and the endogenous variable (Byrne, 2013; Sekaran & Bougie, 2009).

Multiple regression analysis is a multivariate inferential statistical tool that enables an assessment of the degree of the relationships between a set of independent variables and the dependent variable (Sekaran & Bougie, 2009). This parametric statistical tool was used in this study to predict the influence of the three principal independent variables

on the dependent variable. According to Wilson (2010), multiple regression coefficients measure the percentage of variation clarified by the linear association in a model of paired data. Multiple regressions can be complex to analyse manually; hence the use of a statistical software package in this study. The formula for calculating multiple regressions manually is provided below (Alvesson & Sandberg, 2016):

$$y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4\dots\dots\dots$$

Where; x = independent variable

y = dependent variable

a = point where the line intersects the y axis

b = gradient of the line

Furthermore, multiple regression analysis assists in predicting the value of variations in a specified dependent variable from two or more independent variables (Saunders et al., 2016). In this study, fiscal and monetary policy performance in the Zimbabwean economy emerged as the dependent variable. This enabled the researcher to observe the influence of the independent variables (strategic management, organisational culture, and monetary policy and outcomes) on Zimbabwean economic performance as the dependent variable. Therefore, this study adopted multiple regression analysis to analyse the primary data collected while investigating the relationship between fiscal and monetary policy performance and performance in the Zimbabwean economy. Multiple regression is suitable for analysing variables relating to actual business activities as opposed to laboratory experiments (Pallant, 2011). As shown in chapter seven, this was achieved via the IBM Statistical Package for the Social Sciences (SPSS) version 21. However, the basic assumptions of multiple regression such as homoscedasticity and multicollinearity were followed as prescribed by Pallant (2011). Detailed analyses of how the assumptions were met in this study are presented in the data analysis chapter.

4.14.3 Content Analysis

Content analysis focuses on the assessment of the contextual implications of a transcript (Krippendorff, 2013). It is a non-numerical method of data analysis commonly used by researchers to examine narrative information (Hsieh & Shannon, 2005; Twycross & Shields, 2008). Both the content and context of the transcripts under investigation are assessed (Spencer, Ritchie & Connor, 2003). This study used *qualitative content analysis* to interpret the content of the transcript via the application of codes to the various themes and patterns identified. Grouping the information into themes and sub-themes or patterns was instrumental in the analysis and interpretation of non-numerical

data. Content analysis was adopted to analyse the structured questions raised in section 'C' of the questionnaire that collected first-hand information from respondents without imposing a predetermined dimension or hypothetical point of view. This allowed the researcher to explore the phenomenon based on the textual meaning of transcripts enabling logical arguments from different perspectives.

The following steps were utilised in analysing the non-numerical data collected under section 'C' of the research instrument. During the first stage, all the questionnaires were given serial numbers starting from 1 to 305. In the second stage, the questionnaires were sorted because not all respondents completed the non-numerical section of the questionnaire. During the third stage, texts were extracted from the questionnaires and organised into themes in line with the structured questions, while the emerging subthemes were also extracted. In the fourth stage, the emerging themes and subthemes or sentences were interpreted as illustrated in next chapter. At the fifth stage, HODs were contacted for verification of the data as well as the interpretation of results to avoid any bias.

4.15 Validity and Reliability

To address data quality control issues in the instrument used, the study used reliability and validity of instruments since the research is for both quantitative and qualitative discourse.

4.15.1 Validity

Alvesson and Sandberg (2016), defines validity as accuracy of representation of features of the phenomena that it is intended to describe, explain or theorise. Any research can be affected by different kinds of factors which, while extraneous to the concerns of the research, can invalidate the findings (Arttachariya, 2015). In the case of this study, validity looked at the extent to which the questionnaire was able to measure the factors influencing job satisfaction. There are three types of validity in quantitative research:

- **Face and Content Validity**

The judgement that an instrument is measuring what it is supposed to is primarily based upon the logical link between the questions and the objectives of the study. Hence, one of the main advantages of this type of validity is that it is easy to apply (Dross, 2015). Each question or item on the research instrument must have a logical link with an objective. Establishment of this link is called face validity. It is equally important that the items and questions cover the full range of the issue or attitude being measured. Assessment of the items of an instrument in this respect is called content validity. In

addition, the coverage of the issue or attitude should be balanced; that is, each aspect should have similar and adequate representation in the questions or items (Barnham, 2010). Content validity is also judged based on the extent to which statements or questions represent the issue they are supposed to measure, as judged by the researcher and experts in the field.

Content analysis focuses on the assessment of the contextual implications of a transcript (Krippendorff, 2013). It is a non-numerical method of data analysis commonly used by researchers to examine narrative information (Hsieh & Shannon, 2005; Twycross & Shields, 2008). Both the content and context of the transcripts under investigation are assessed (Spencer, Ritchie & Connor, 2003). This study used *qualitative content analysis* to interpret the content of the transcript via the application of codes to the various themes and patterns identified. Grouping the information into themes and sub-themes or patterns was instrumental in the analysis and interpretation of non-numerical data. Content analysis was adopted to analyse the structured questions raised in section 'C' of the questionnaire that collected first-hand information from respondents without imposing a predetermined dimension or hypothetical point of view. This allowed the researcher to explore the phenomenon based on the textual meaning of transcripts enabling logical arguments from different perspectives;

- **Concurrent and Predictive Validity**

In situations where a scale is developed as an indicator of some observable criterion, the scale's validity can be investigated by seeing how good an indicator it is (Arttachariya, 2015). If an instrument to determine the suitability of applicants for a profession is developed, the instrument's validity might be determined by comparing it with another assessment or with a future observation of how well these applicants have done in the job. If both assessments are similar, the instrument used to make the assessment at the time of selection is assumed to have higher validity.

These types of comparisons establish two types of validity: predictive validity and concurrent validity (Williams et al., 2012). Predictive validity is judged by the degree to which an instrument can forecast an outcome. Concurrent validity is judged by how well an instrument compares with a second assessment concurrently done. It is usually possible to express predictive validity in terms of the correlation coefficient between the predicted status and the criterion. Such a coefficient is called a validity coefficient (Arttachariya, 2015); and

- **Construct Validity**

Construct validity is a more sophisticated technique for establishing the validity of an instrument (McCulloch, 2004). It is based upon statistical procedures. Construct validity is determined by ascertaining the contribution of each construct to the total variance observed in a phenomenon. One of the main disadvantages of construct validity is the need to know about the required statistical procedures.

Content validity was conducted to ensure validity in this research. Content validity is defined as a test that measures if every single element of the construct is represented. Subject-matter experts were provided with access to the questionnaire and asked to provide feedback on how well each question measured and interrogated the construct in question, respectively (Creswell, 2013). Feedback was analysed and used to inform decisions about the effectiveness of each question.

For this study validity was tested using content validity and construct validity. Content validity was achieved through constructive feedback that was received from both the research supervisor and those that participated in the pilot test study (Arttachariya, 2015). Also, ten respondents were given hard copies of the questionnaires to answer, to test their comprehension. A few questions that confused them were rephrased to clarify the meaning and to avoid bias. The main purpose of the pilot study was to assess if the instructions were clear and the language and terminology understandable (Creswell, 2013). Furthermore, from the pilot study it could be ascertained whether all areas of focus were considered, and completion time for the questionnaires could be estimated.

4.15.2 Reliability

According to Sekaran and Bougie (2016) reliability is defined as a test that ensures that measuring instrument produces stable and consistent results. In other words, reliability is an agreement between two efforts to measure the same thing with the same methods. Therefore, reliability is the degree of accuracy or precision in the measurements made by a research instrument (Kothari, 2014). The lower the degree of 'error' in an instrument, the higher the reliability. The following are some of the types of reliability:

- **Test/Retest**

This is a commonly used method for establishing the reliability of a research tool. In the test/retest (repeatability test) an instrument is administered once, and then again, under the same or similar conditions (Saunders, 2016). The ratio between the test and retest scores is an indication of the reliability of the instrument – the greater the value of the ratio, the higher the reliability of the instrument. The main advantage of the test/retest procedure is that it permits the instrument to be compared with itself, thus avoiding the

sort of problems that could arise with the use of another instrument (Alvesson & Sandberg, 2016).

The main disadvantage of this method is that a respondent may recall the responses that s/he gave in the first round, which in turn may affect the reliability of the instrument. Where an instrument is reactive in nature (when an instrument educates the respondent with respect to what the researcher is trying to find out) this method will not provide an accurate assessment of its reliability. One of the ways of overcoming this problem is to increase the time span between the two tests, but this may affect reliability for other reasons, such as the maturation of respondents and the impossibility of achieving conditions like those under which the questionnaire was first administered (Arttachariya, 2015);

- **Parallel Forms of the Same Test**

In this procedure two instruments that are intended to measure the same phenomenon are constructed. The two instruments are then administered to two similar populations (Williams et al., 2012). The results obtained from one test are compared with those obtained from the other. If they are similar, the instrument is assumed reliable. The main advantage of this procedure is that there is no suffering from the problem of recall found in the test/retest procedure. Also, a time lapse between the two tests is not required. The disadvantage is that there is need to construct two instruments instead of one. Moreover, it is extremely difficult to construct two instruments that are comparable in their measurement of a phenomenon; and

- **The Split-half Technique**

This technique is designed to correlate half of the items with the other half and is appropriate for instruments that are designed to measure attitudes towards an issue or phenomenon (Williams et al., 2012). The questions or statements are divided in half in such a way that any two questions or statements intended to measure the same aspect fall into different halves. The scores obtained by administering the two halves are correlated (Arttachariya, 2015).

Reliability is calculated by using the product moment correlation (a statistical procedure) between scores obtained from the two halves. The product moment correlation is calculated based on only half the instrument, it needs to be corrected to assess reliability for the whole (Williams et al., 2012). To ensure reliability the research carried out the pre-test of questionnaire on ten participants randomly selected from the target population. This assisted in testing the reliability of the questionnaire before study commenced.

A phenomenon can be adequately measured when it can also be consistently measured. The reliability measures the consistency of results yielded by a measuring instrument, when the entity measured has not changed (Williams et al., 2012). Instruments designed to measure psychological characteristics tend to be even less reliable than those designed to measure physical phenomena. Cronbach's alpha is a reliability coefficient that indicates how well items in a set are positively correlated with one another. According to Sekaran and Bougie (2016) reliabilities less than 0.6 are considered poor, those above 0.7 are acceptable and above 0.8 are considered good. For the purposes of this study, the Cronbach's Alpha for the statements was above 0.7. This means that the internal consistency reliability of the measures used in this study is marginally acceptable.

4.16 Elimination of Bias

Bias can occur in the planning, data collection, analysis, and publication phases of research (Arttachariya, 2015). The authors further highlight that understanding research bias allows research undertakings to critically and independently review the proceedings and avoid treatments which are suboptimal or potentially harmful. To ensure elimination of bias and constant objectivity throughout the study, the researcher kept focus on:

- **Non-use of gender aligned words**

Gender-neutral language is a form of linguistic prescriptivism that aims to eliminate (or neutralise) reference to gender in terms that describe people (Williams et al., 2012). The research maintained non-use of gender-specific job titles and any other terms which would expose the gender of research participants. In addition, gender-neutral pronouns for either female or male participants were used to remove the alleged subconscious effects of language in reinforcing gender and gender stereotypes;

- **Avoidance of identifying people by race or ethnic group**

McCulloch (2004) argues that the more central a given identity is to one's self-definition, the more an individual should be motivated to maintain and enhance the identity. In fact, social identity theory argues that individuals are driven to maintain and enhance collective self-esteem just as in personal self-esteem. In turn, people's valued social identities are important sources of self-esteem (Arttachariya, 2015). To avoid the inferiority or superiority of ethnicity and race, language identifying people on this background was avoided throughout this study;

- **Refraining from language that suggests evaluation or reinforces stereotypes**

The nature of prejudice has developed a systematic and more nuanced analysis of bias and its associated phenomena. According to McCulloch (2004), interest in prejudice, stereotyping, and discrimination is currently shared by allied disciplines such as sociology and political science, and disciplines such as health and commerce. To address this challenge, the study avoided use of language that suggests evaluation or reinforces stereotypes; and

- **Abstinence from making assumptions about various age groups**

Assumptions about age groups might prejudice what could be relevant information for any good research. To avoid the assumption about various age groups, the survey instrument ranged from the minimum legal age of employment (18 years) to as high as beyond the pensionable age of sixty years.

4.17 Ethical Considerations

Saunders et al. (2016) emphasise on the need for researchers to demonstrate high level of ethical conduct when carrying out research. Research ethics is concerned with the moral principles that guides planning, collection and conducting a research. It is the duty of the researcher to give recognition and subjectivity and integrity in conducting the research. In the human science, research is usually guided by fundamental ethical considerations to are related to researcher responsibility. Consideration was given to various ethical issues such as informed consent, confidentiality and anonymity, obtaining permission and no harm and benefits. The researcher considered all stakeholders' rights in research by complying with all ethical requirements applicable to each stakeholder as highlighted below:

4.17.1. Ensuring Anonymity

According to Saunders et al. (2016) anonymity refers to the researcher's effort not to divulge the identity of the respondents. In this study, names were not included in the questionnaire and respondents name will not be disclosed. The participant letter attached to the questionnaire will clarify to the respondents that their identity will remain anonymous. The identities of all participant were protected as the findings were being reported. The anonymity of the participating organisations was guaranteed while misuse of data collected from the organisations was avoided. All data collected in the course of this research work will be deposited with the School of Management, IT and Governance at the University of KwaZulu-Natal for safekeeping.

4.17.2. Ensuring Confidentiality

According to Saunders et al. (2016) confidentiality is about keeping confidential the data gathered throughout the research process. Firstly, the participant letter in Appendix B, clarified that data gathered will be used specifically for the study and nothing more. On the ground, the researcher was to treat the data gathered with utmost confidentiality by not attaching any names to data gathered. In addition, the data will be used specifically for this study and will be securely stored with no one having access to the data except the researcher and supervisor. The data will be discarded through shredding and deleting from the soft copy storage devices. The human rights of participants were adequately protected by treating the information as confidential as much as possible; respondents' anonymity was also protected. Questions that would violate respondents' privacy were avoided. A confidentiality clause was included with the covering letter that accompanied each questionnaire. The consent letter indicated that participation in the study was voluntary and that participants could withdraw at any stage.

4.17.4. Ensuring no harm but benefits

This study has no harm to respondents; instead, respondents stand a chance to benefit from the findings which will be communicated to respondents and to the entire industry. No benefit financially or in kind were given to participants and participation was made to be a voluntary. The research instrument was personally administered by the researcher to the respondents and the purpose of the study was communicated to the respondents before administration of the instrument.

4.17.5. Ensuring respondents have given informed consent.

This is referred to informing the participant of the nature of the study. Informed consent simply implied the following:

- respondents were aware of the nature and details of the research being conducted
- Respondents were aware of their right to discontinue in the research study.
- Participant were not forced to participate but a total autonomous decision to participate in the study.
- Participant were not coerced or forced to partake in any way.

The researcher clarified that taking part in the study was a voluntary decision and that respondents were free to change their minds in respect of withdrawal from partaking at

any time without affecting the study. Respondents will sign consent forms as an indication that they understand the terms and conditions of the being involved in the study and that they do so willingly. A copy of the informed consent letter for the study is in Appendix C.

4.17.6. Ensuring permission is obtained

A formal request permission to conduct the study was sought from the MoF and has been granted before administering the questionnaire to the respondents. A copy of the permission letter given from the MoF is on Appendix A. The researcher followed the University of KwaZulu-Natal's ethical guidelines in order to ensure the authenticity and credibility of this study. The University's Ethical Clearance Application Form was completed and a copy of the research instrument and Gate Keeper's letters from the participating organisations were attached. The Humanities and Social Science Research Committee of the University of KwaZulu-Natal issued a letter of approval dated 19 November 2018. Permission was officially sought from the participating organisations as evident in the Gate Keeper's letters. All secondary sources of data collected for this study are adequately cited and referenced, avoiding plagiarism.

4.18 Summary

This chapter presented a comprehensive discussion on the various research philosophies, showcasing their strengths and weaknesses, as well as the fields where they are mostly applicable, before selecting pragmatism as the philosophical stance mostly appropriate for this study. The chapter also explained the methodology and research design engaged in this study and justified their selection. A non-experimental research design of ex post facto type was adopted, utilising the correlational approach with an advanced explanatory design. This was supported by concurrent transformative mixed methods using an advocacy lens, in which higher priority was given to numerical data than non-numerical data.

The population of the study was considered in relation to various sampling techniques; the selection of the sample size for the study was based on proximity, availability and subjects' willingness to participate. This explains why convenience sampling was used, while simple random sampling was also instrumental in selecting the participants. The design of the main research instrument for collection of primary data was explained, efforts to ensure the psychometric properties of the instrument were addressed and the procedures for administration of the instrument were explained in this chapter. The following chapter presents and discusses the quantitative part of the research findings.

CHAPTER FIVE:

PRESENTATION AND DISCUSSION OF QUANTITATIVE RESEARCH FINDINGS

5.1 Introduction

The previous chapter outlined the research methodology used during this study and provided specific information regarding the research paradigm/philosophy and design, the population and sample and the data collection and analysis methods. This chapter discusses the quantitative findings of the study based on the output provided by the survey questionnaire.

The structure of this chapter is segmented according to the nature of the findings from each research instrument. Quantitative findings are reported first, using descriptive statistics. Findings are structured in the same way as outlined in the questionnaire. Each section presents a discussion of the results, followed by a ranking of the variables by mean and standard deviation in order to explore the location and variability of the data. Following the extraction of descriptive statistics for each of the variables, an exploratory factor analysis was conducted to determine whether the data could be reduced into factor subsets to be used in further inferential analysis. Seventeen factors were identified and examined for internal consistency (reliability) using the Cronbach's Alpha test. A correlation analysis was undertaken to identify the strength and direction of linear relationships between the factors.

The next section of the chapter reports on the findings following the extraction of several sets of inferential statistics based on the identified factors. The said statistics included a regression analysis across the identified factors to determine the statistically significant predictors when considering a set of independent variables and a specific identified dependent variable. Cross-tabulation analysis was conducted to determine further relationships between variables and their significance, followed by the depiction of findings. In concluding the inferential statistics, a cluster analysis was conducted to reveal any potential natural groupings or clusters within the data set.

5.2 The Response Rate

Questionnaires eliciting numerical and non-numerical data concurrently were distributed to respondents in the Ministry of Finance & Economic Planning. Using the convenience sampling technique, 340 questionnaires were evenly distributed amongst the participating departments. At the end of four weeks of distribution and follow-up, a total

of 296 questionnaires were returned. Out of the returned 296 questionnaires, four were not properly completed and consequently deemed spoilt, hence left out of the analysis. The remaining 292 questionnaires represent an 85.88 % response rate. According Sekaran and Bougie (2016) a response rate above 30% is deemed acceptable. Therefore the 85.88% response rate in this study was far above the tolerable mark.

5.3 Reliability of the Instrument

This study assesses the reliability of the measuring instrument employed in this study using Cronbach’s alpha coefficient via IBM SPSS version 21. Cronbach’s alpha is a reliability coefficient that measures the extent to which the items in a set are positively correlated (Sekaran & Bougie, 2009). In line with the rule of thumb for internal consistency of items in the scale, alpha coefficients of .7, .8 and .9 and above are within the range of acceptable, good and excellent, respectively (Robbins & Heiberger, 2016). Judging from the rule of thumb, the internal consistency of the measuring instrument was high and ranged from good to excellent.

5.4 Analysis of demographic data

Section A represents the biographical details of the sample. The intention of this section was to indicate the demographics of the respondents in terms of gender, age, educational qualifications and work experience. The demographic variables are analysed and interpreted below.

5.4.1: Gender

The frequency distributions of respondents based on their gender are presented in Table 5.1, which indicates that the majority of the respondents were male (166), while there were 126 female respondents out of the total sample of 292 respondents that successfully participated in the study.

Table 5.1: Gender

	Frequency	Percentage	Cumulative Percent
Male	166	56.85	56.85
Female	126	43.15	100
Total	292	100	100

For the purpose of clarity, the percentage distributions of respondents based on their gender as indicated in Table 5.1 are presented in Figure 5.1 below:

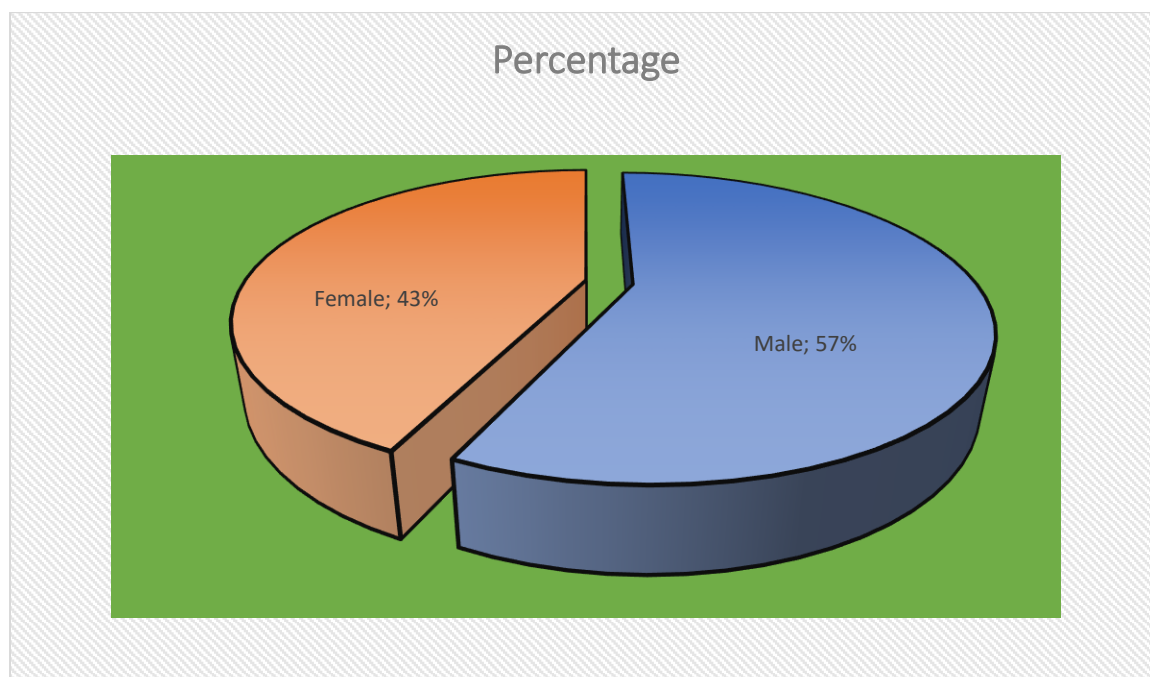


Figure 5.1 Gender distribution of the sample

Figure 5.1 above shows that female respondents constituted 43%, whilst the other 57% represented the male gender. This outcome implies that the majority of the respondents that participated in this study were males. This could also mean that the male respondents were more easily accessible to the researcher.

5.4.2 Age of Respondents

Table 5.2 Ages of Respondents

Age Groups	Frequency	Percent (%)
18-30	71	26.79
31-40	89	33.58
41-50	64	24.15
51-60	31	11.70
61 ≥	10	3.77
Total	265	100

For the purpose of clarity, the percentage distributions of respondents based on their gender as indicated in Table 5.2 are presented in Figure 5.2 below:

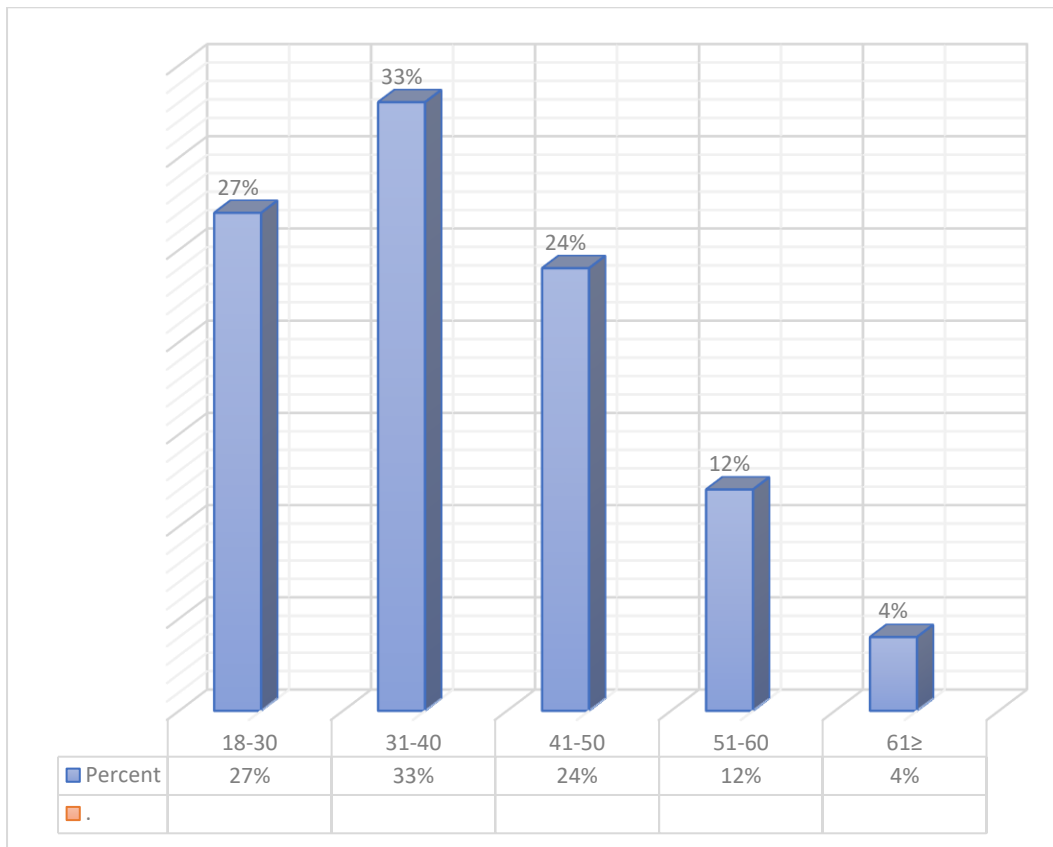


Figure 5.2 Ages of Respondents

Table 5.2, graphically presented in figure 5.2, shows that most of the respondents (33.58%) were between the ages 31-40 years, followed by ages 18 to 30 with 26.79% whereas ages 41 to 50 years had a population of 24.15%. Age ranges 51 to 60 and those above 61 years had 12% and 4% respectively. The results imply that the majority of employees are young to middle aged as depicted by a summative 84% for age group 18 years to 50 years.

5.4.3: Educational qualifications

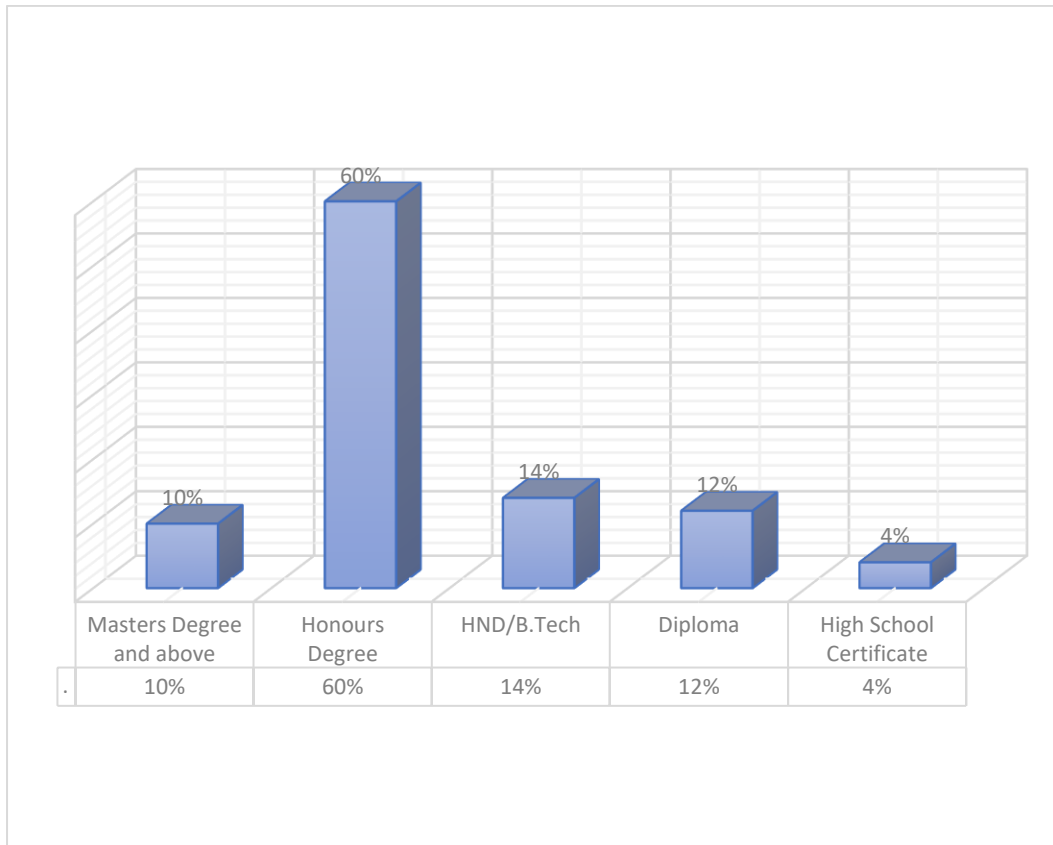


Figure 5.3 Educational qualifications

Figure 4.2 above shows the composition of qualifications. Most respondents have reached some tertiary educational level. A total of 60% have honours degrees, 4% are holders of a high school certificate level qualification, 12% hold diplomas, 10% have masters degrees and above, as the remaining 14% are Higher National diplomas and/or Bachelor of Technology degree holders.

5.4.4: Job Position

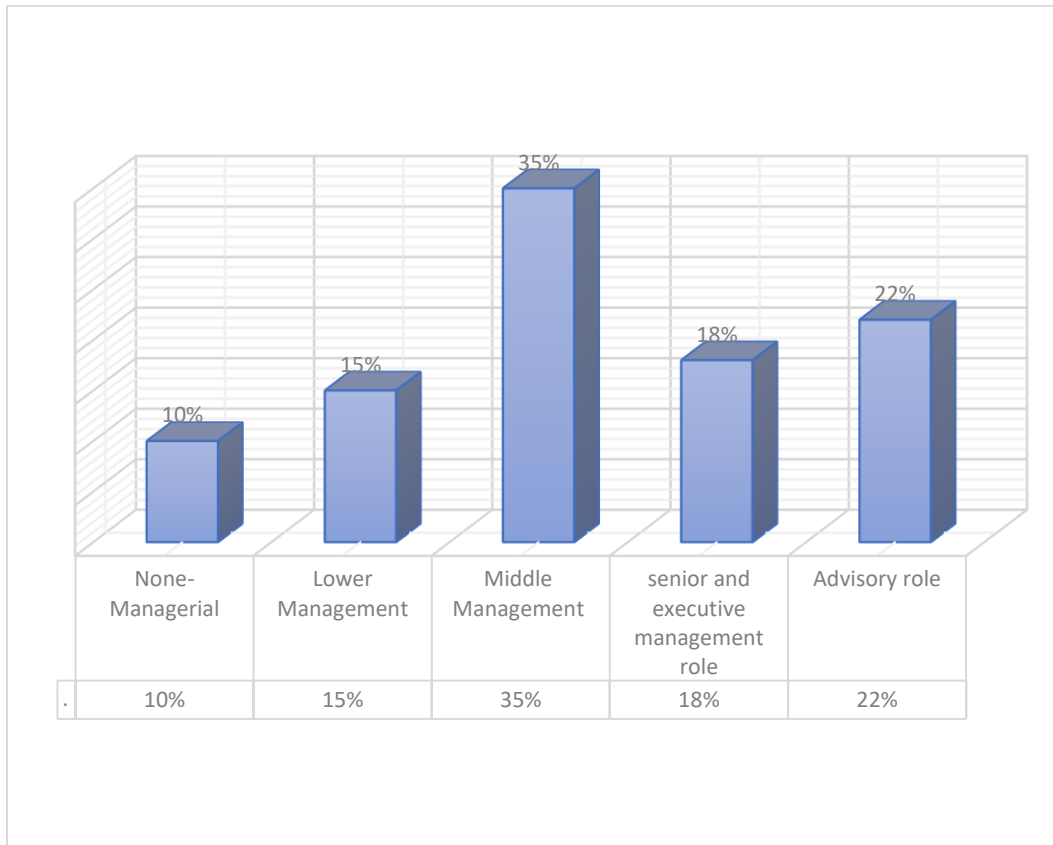


Figure 5.4 Job Position

Figure 5.4 above was designed to determine the respondent's position or level within their organisation. The results indicated that 18% of respondents occupied a senior and executive management role, with 35% indicating a middle management role and 15% in lower management, as 22% held advisory roles. The remaining respondents (10%) were non-managerial roles.

5.4.5: Work Experience

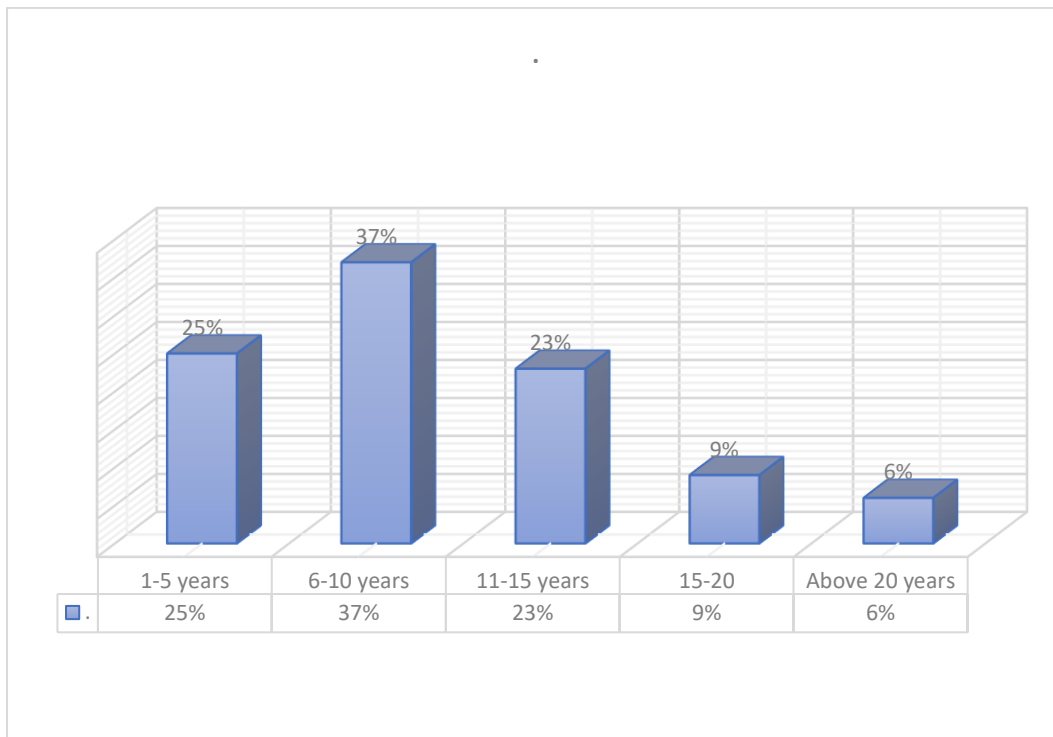


Figure 5.5 Work Experience

This question sought to establish the period that the respondent had been employed by their respective organisation. A quarter (25%) of the respondents indicated that they had been in their position for not more than 5 years, 37% between 6 and 10 years, 23% between 11 and 15 years, 9% in the range of 15 to 20 years and 6% for more than 20 years. This implies that the respondents have been with their employer for a reasonably long period of time.

5.5 Section B: To understand the importance of strategic management practices in the operation a multicurrency system in Zimbabwe

Research question one sought to identify the strategic management practices in the operation a multicurrency system in Zimbabwe. The study sought to identify these strategies by analysing field data using factor analysis (mean, standard deviation and coefficient of variation analysis). Each analysis was conducted to confirm the findings of the other. Statistical mean analysis was performed to determine the central locations (averages) of the responses to the data sets. A mean figure below three (3) was considered to be low and skewed towards total agreement of a particular strategic management practice whilst that over three (3) was considered to be high and skewed towards total disagreement of a particular strategic management practice.

Standard deviation was calculated to measure the variability and spread of the data set and the relationship of the mean to the rest of the data. The study also calculated the coefficient of variation (CV), which is the relation of the standard deviation to the mean. To prove the findings of the mean analysis, the values/figures for each variable (Strategic Management Practices) should be inversely proportional to the values of the mean for same variables. This meant that the lower a mean figure for a particular practice, the higher the correlating CV figures for that same practice.

Table 5.3 Strategic Management Practices

Management Practices	N	Minimum	Maximum	Mean	Std.	
					Deviation	CV
Aligning Initiatives with strategy	292	1	5	1.61	.931	.867
Align Budgets with Team/ Departmental Performance	292	1	5	3.57	1.225	1.500
Organisation Structured for Strategy Implementation	292	1	4	1.88	.769	.592
Staff are fully informed about strategy	292	1	3	1.61	.601	.362
Staff are fully engaged in strategy implementation	292	1	3	1.70	.659	.434
Strategy is monitored and adapted where necessary	292	1	5	1.66	.742	.550

Source: Field Data, 2019

Table 5.2 above showed the strategic management practices as **practised** by the Zimbabwean government ministry of finance and economic development in the operation a multicurrency system in its economy. The study showed that the Zimbabwean MoF try to manage strategically by aligning initiatives with strategy (mean=1.61), engaging staff fully in strategy implementation (mean=1.70), keeping staff fully informed about corporate strategic direction (mean=1.61), monitoring strategy and implementation in order to adapt it where necessary to meet the challenges and realities of the times (mean=1.66) and structuring the organisation to be effective in its strategy

implementation (mean=1.88). The study however showed that budgets are not prepared to align with team or departmental performance (mean=3.57).

Most of the respondents sampled had clear knowledge that when initiatives are tailored to meet strategy on paper, success can only be achieved when implementers (staff) are fully engaged and adequately resourced to execute the strategy. The assertion of Nag et al, (2007) that strategic management thus involves the formulation and implementation of the major initiatives taken by an organisation's top management on behalf of owners, based on consideration of resources and an assessment of the internal and external environments in which the organisation competes holds true by the findings of this study.

Wheelen and Hunger (2012), adds that the success of strategy is achieved on the back of formulating, implementing, and evaluating cross-functional decisions that enable an organisation to achieve its objectives. This study shares this contention by its findings. The findings indicate that the MoF, besides keeping staff fully informed about the corporate strategy and the direction to achieve it, also monitored and adapted strategies when necessary.

Finally, the study showed that the MoF had organisation structures that were optimised to deliver effective strategy implementation. According to Wheelen and Hunger (2012), strategic organisational structures noted that people at all levels, not just top management, need to be involved in strategic management; scanning the environment for critical information, suggesting changes to strategies and programs to take advantage of environment shifts, and working with others to continuously improve work methods, procedures, and evaluation techniques.

However, the study found that the MoF and its parastatals neglect to align budgets with team/departmental performance: a finding the study contends does not help further the goals and potential for success of strategic management in the national fiscus and monetary policy management. Expansive literature on management suggest that company resources are better spent when channelled into productive and successful endeavours and stalled on failing enterprises (Thompson & Strickland, 2003). This study contends that, this reasoning when adopted into strategic management, by channelling greater resources to successful teams or departments, would serve to increase the overall success of the organisation.

Table 5.4: Correlation Analysis of Strategic Management Practices

	1	2	3	4	5	6	7
1.Aligning Initiatives with Strategy	1						
2.Align Budgets with Team/Departmental Performance	.197*	1					
3.Organisation Structured for Strategy Implementation	.146	-.023	1				
4.Staff are fully informed about strategy	-.130	-.038	-.102	1			
5.Staff are fully engaged in strategy implementation	-.176	-.136	.088	.161	1		
6.Strategy is monitored and adapted where necessary	.260**	.216*	.105	-.300**	-.293**	1	
7.performance	.021	.001	.010	.014	-.008*	.047	1

Source: Field Data Analysis, 2019

Having identified the strategic management practices as **practised** by the Zimbabwean MoF, the study sought to determine if those strategic management practices had any degree of association amongst them. In effect, the study sought to know if the adoption of one practice influenced the adoption of another practice and what type of relationship exist between the various practices. To achieve this, a Pearson correlation analysis was conducted with a confidence interval of 95% using a 2-tailed test of significance.

The study showed that the practice of aligning initiatives with strategy was perfectly correlated with Organisation Structured for Strategy Implementation (sig. =.010), Staff being fully informed about strategy (sig. =.020), Strategy being monitored and adapted where necessary (sig. =.000) and Staff being fully engaged in strategy implementation (sig. =.009). However, the practice of aligning initiatives with strategy was found to have no significant correlation to aligning budgets with team/ departmental performance (sig. =.074). Aligning Budgets with Team/ Departmental Performance was also found to have no significant correlation to Staff being fully engaged in strategy implementation (sig.

=.179). Finally, the study showed that all the strategic management practices had significant positive correlations with corporate performance. This finding is indicative of the fact that a good strategy can have positive bearings on the output of an organisation. This finding is supported in the assertions of Wheelen and Hunger (2012), who opines that strategic management can be seen as a combination of strategy formulation, implementation and evaluation involving myriads of coordinating practices and initiatives working in concert to achieve corporate strategic goals.

Table 5.5 Forced Entry Regressions of Contributions of Strategic Management Practices on Performance of an Organisation

Model	B	Beta	R	R ²	t	Sig.
1 : (Constant)	4.199				.000	1.000
Aligning Initiatives with Strategy	.793	.485	.485 ^a	.235	5.488	.000
Align Budgets with Team/ Departmental Performance	.370	.094	.370 ^a	.137	3.941	.000
Organisation Structured for Strategy Implementation	.666	.631	.631 ^a	.398	8.053	.000
Staff are fully informed about strategy	.820	.578	.578 ^a	.334	7.013	.000
Staff are fully engaged in strategy implementation	.793	.485	.485 ^a	.235	5.488	.000
Strategy is monitored and adapted where necessary	.820	.578	.578 ^a	.334	7.013	.000

a. Dependent Variable: Performance

Source: Field Data Analysis, 2019

Having found out the performance parameters and indicators as observed by respondents, the study then proceeded to identify the strategic management practices that contribute significantly towards organisational performance. To achieve this, the study conducted a linear simple regression analysis to assess the effects of the individual strategic management practices on revenue growth (a performance

parameter). In this analysis, revenue growth was treated as dependent variable whilst the various strategic management practices were treated as independent variables. Table 5.5 above showed the regression results.

The study showed that all the strategic management strategies had significant positive effects on economic growth: Aligning Initiatives with Strategy (beta = .485, t= 5.488, p<0.00), Align Budgets with Team/ Departmental Performance (beta = .094, t= 3.941, p<0.00), Organisation Structured for Strategy Implementation (beta = .631, t= 8.053, p<0.00), Staff are fully informed about strategy (beta = .578, t= 7.013, p<0.00), Strategy is monitored and adapted where necessary (beta = .485, t= 5.488, p<0.00), Staff are fully engaged in strategy implementation (beta = .578, t= 7.013, p<0.00). This implies that each strategic management practice has a positive contribution on the revenue growth of firms. The model also predicted that for every unit increase in strategic management practice, revenue growth increases by .793 units for Aligning Initiatives with Strategy, .370 units for Aligning Budgets with Team/Departmental Performance, .666 units for Organisation Structured for Strategy Implementation, .820 units for fully informing Staff about strategy, .793 units for fully engaging Staff about strategy implementation and .820 units for monitoring and adapting strategy.

Also, the contribution of each strategic management practice to revenue growth accounted for was showed in R^2 above. Therefore, the amount of variation in revenue growth was explained by the $R^2\%$ as described above. The $R^2\%$ shared variance was maximum effect size between the variables in the study since the model was able to explain the variation in the model (Cohen, 1988). Thus, the study objective was realised as there was statistically significant correlation between strategic management practices and corporate performance, indicating that the strategic management practices of an organisation has significant positive effects on its financial performance. In general, the model predicts the corporate performance improvement levels in the equation that emerges from the model. The equation of a simple linear regression is: $Y = a + b_1x_1$, where Y is the value of the dependent variable (what is being predicted), a = constant and b_1 = slope (beta coefficient) for x_1 , where x_1 is the independent variables.

5.6 Section C: To determine the organisational dynamics which impact on formulation/development and execution of organisational strategy with regards to operating a multicurrency system in Zimbabwe

As noted, the quantitative findings are presented through the use of descriptive statistics. Findings are structured following the logical flow and structure of the survey questionnaire instrument. The different parts and sub-sections of the questionnaire include:

- Factors affecting the business environment
- Approach to crafting strategy
- Mechanisms for crafting creative and adaptive strategy
- Understanding the development of creative and adaptive strategy.

Each section includes a discussion of the results, followed by a ranking of the variables by mean and standard deviation in order to explore the location and variability of the data. The results of several questions are depicted using pie charts and bar graphs. To illustrate the Likert-type scale respondent results, Robbins and Heiberger (2016) suggest using a diverging stacked bar graph. This depicts the results by illustrating a zero line (0 as depicted at the top of the graph). Percentages of respondents who agree with the statement appear to the right of the zero line; the percentages of those who disagree are shown to the left. Percentages of respondents who neither agreed nor disagreed, or displayed a response regarded as the "central point" of the scale, are split down the middle and depicted in grey. Where a scale is comprised of an even number of choices, the neutral category is depicted (Robbins & Heiberger, 2016).

5.6.1 Factors affecting the business environment

As a result of the pace of change within the external business environment, as well as considering that organisations have been found to encounter several internal behavioural problems during the development of strategy, it is critical to understand the primary factors affecting fiscal and monetary operations within the Zimbabwean context as input for achieving the research objectives. To this end, **Questions 2.1.1 to 2.1.24** were developed to determine the following:

- To what extent do changing external dynamics of the business environment impact the level of uncertainty and potential sustainability of the organisation
- The current state of strategy within the organisation
- Whether external or internal organisational dynamics have impacted the organisation's development or execution of its strategy in the past five years

- Whether the organisation has a systematic process for monitoring external threats and opportunities
- Whether the organisation systematically acts on external threats and opportunities
- Whether the organisation actively considers how to manage uncertainty in their organisation?

The various questions in section 1, within section B of the questionnaire, are divided into three groups and are discussed in the ensuing paragraphs.

5.6.1.1 Discussion of results

The **first group of questions** within section 1 focused on the effect of the external environment on the organisation. **Questions 2.1.1 to 2.1.9** comprised a dual Likert-type scale to determine the level of uncertainty and the potential impact of the listed factors on the sustainability of the organisation. The factors included: political, economic, social, technological, legal, environmental, demographic and competition. The results are depicted in figures 5.6 and 5.7 below as a diverging stacked bar graph.

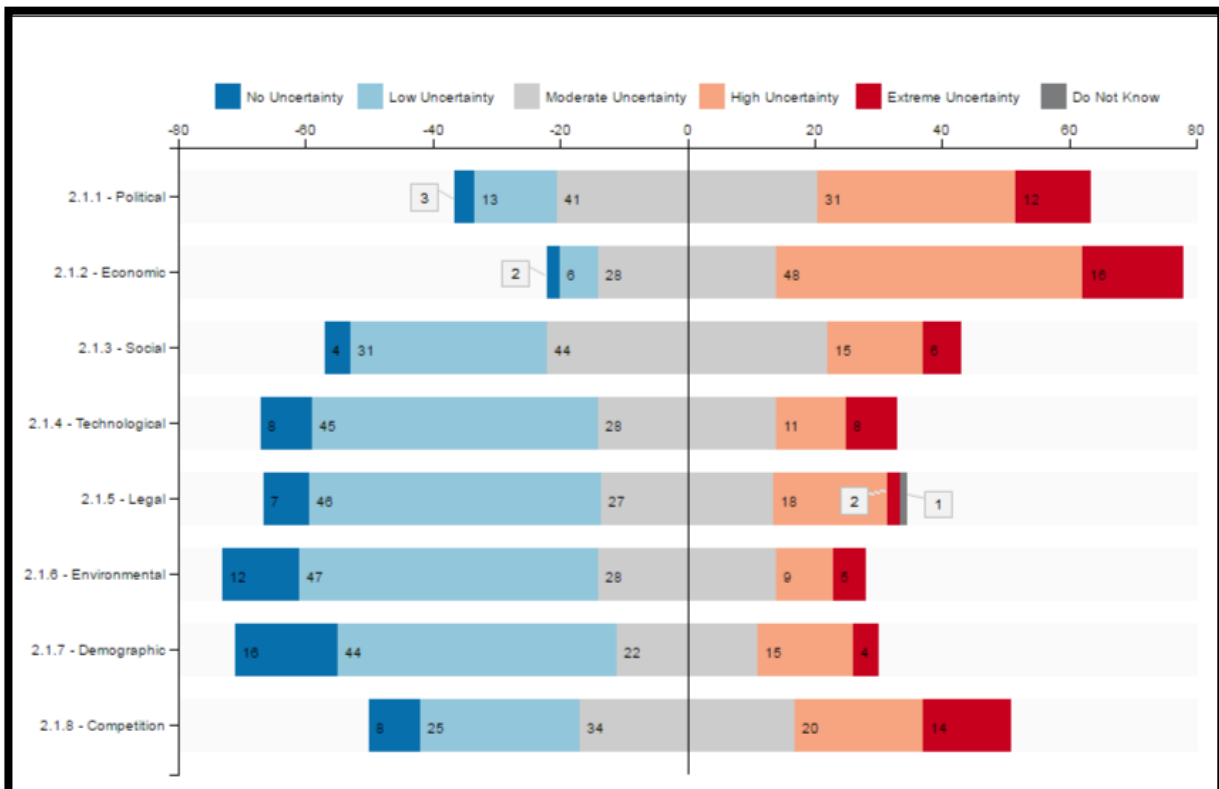


Figure 5.6 - Questions 2.1.1 to 2.1.9: Level of uncertainty the changing external dynamics of the business environment imposes on an organisation

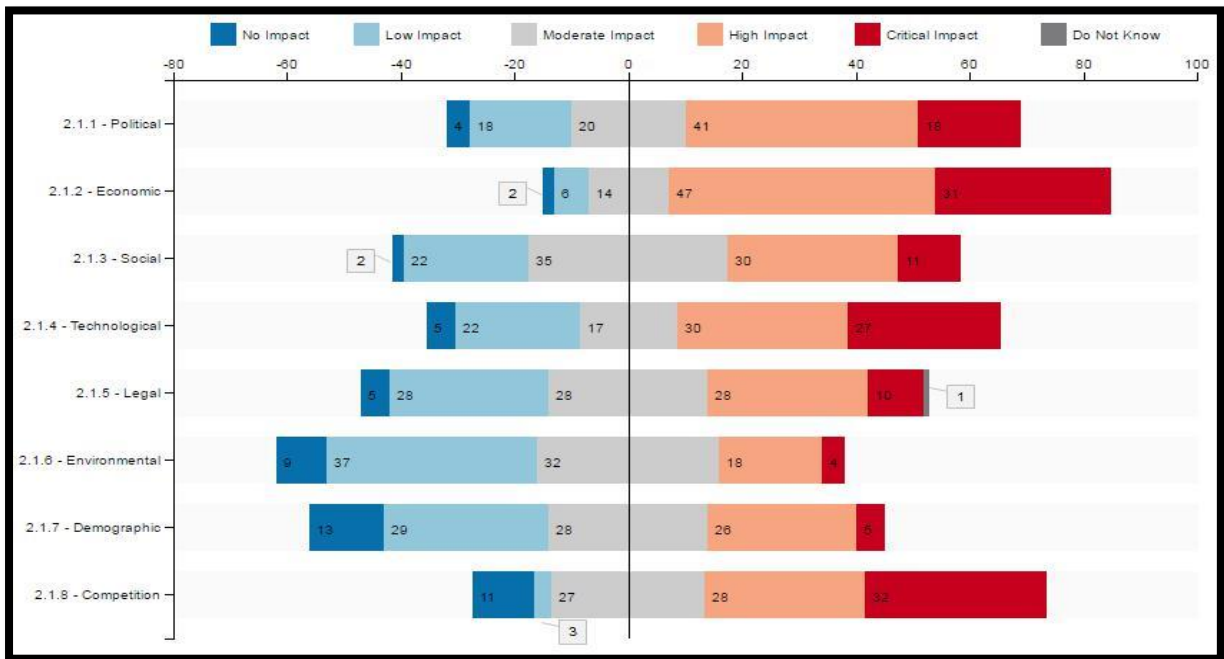


Figure 5.7 - Questions 2.1.1 to 2.1.9: Potential impact that the changing external dynamics of the business environment have on the sustainability of an organisation

The diverging stacked bar graphs depict the results by illustrating a zero line (0 as depicted at the top of the graph). Percentages of respondents who responded with the mean, standard deviation and the percentage of response results for the variables for **Questions 2.1.1 to 2.1.8**, with a focus on **uncertainty** of external dynamics, are illustrated in Table 13 below.

Table 5.6 - Questions 2.1.1 to 2.1.8: External dynamics - Uncertainty variables

SECTION 1: FACTORS AFFECTING THE BUSINESS ENVIRONMENT External dynamics - Uncertainty:				
Variable	Question	Mean	Std. deviation	Result
2.1.1	Political	3.36	0.956	84% of respondents indicated moderate to extreme political uncertainty
2.1.2	Economic	3.70	0.880	92% of respondents indicated moderate to extreme economic uncertainty
2.1.3	Social	2.87	0.924	75% of respondents indicated low to moderate social uncertainty
2.1.4	Technological	2.66	1.042	73% of respondents indicated low to moderate technological uncertainty
2.1.5	Legal	2.61	0.927	73% of respondents indicated low to moderate legal uncertainty
2.1.6	Environmental	2.48	0.976	87% of respondents indicated no to moderate environmental uncertainty
2.1.7	Demographic	2.47	1.045	82% of respondents indicated no to moderate demographic uncertainty
2.1.8	Competition	3.07	1.135	82% of respondents indicated low to high competitive uncertainty

In addition, Table 5.7 below further illustrates the variables and the summary of mean, standard deviation and the percentage of response results for **Questions 2.1.1 to 2.1.8**, with the aim of investigating which variables **impact the sustainability** of a strategy in an organisation.

Table 5.7 - Questions 2.1.1 to 2.1.8: External dynamics - Impact on sustainability

SECTION 1: FACTORS AFFECTING THE BUSINESS ENVIRONMENT External dynamics - Impact on sustainability:				
Variable	Question	Mean	Std. deviation	
2.1.1	Political	3.51	1.092	79% of respondents indicated moderate to critical political environment impact
2.1.2	Economic	4.00	0.938	78% of respondents indicated high to critical economic environment impact
2.1.3	Social	3.26	0.989	87% of respondents indicated low to high social environment impact
2.1.4	Technological	3.52	1.238	57% of respondents indicated high to critical technological environment impact
2.1.5	Legal	3.11	1.076	84% of respondents indicated low to high legal environment impact
2.1.6	Environmental	2.71	0.981	78% of respondents indicated no to moderate environmental environment impact
2.1.7	Demographic	2.80	1.107	83% of respondents indicated low to high demographic environment impact
2.1.8	Competition	3.68	1.264	87% of respondents indicated moderate to critical competitive environment impact

In conjunction with the tables above, the factors affecting the business environment – as per **Questions 2.1 to 2.8** – were depicted with the use of a portfolio graph. To achieve this, the mean scores for each of the respective factors, “uncertainty” and “impact levels”, were utilised and depicted as the horizontal and vertical axis. Figure 5.8 below illustrates the portfolio graph.

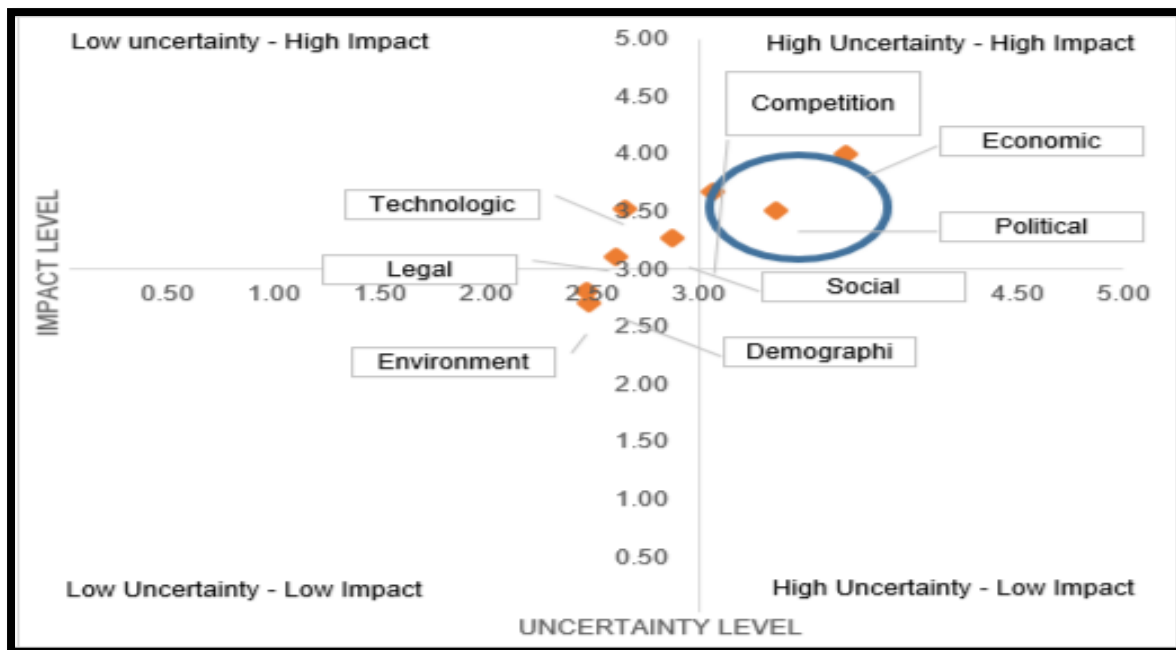


Figure 5.8 - Questions 2.1.1 to 2.1.8: Factors affecting the business environment Portfolio

The graph above clearly illustrates that three areas, economic, political and competition, are considered as high uncertainty and high impact areas. The technological, legal, and social factors were considered to be low uncertainty and high impact areas, while demographic and environmental factors were considered to be low uncertainty, low impact areas.

The final **Question, 2.1.9**, requested respondents to provide any other external dynamics which may impact business operations in the economy. Other additional external dynamics were indicated by the respondents:

- The labour environment increases difficulty in doing business in Zimbabwe
- Human Resource: Refers to one of the most important determinants of economic growth of a country. The quality and quantity of available human resource can directly affect the growth of an economy. The quality of human resource is dependent on its skills, creative abilities, training, and education. If the human resource of a country is well skilled and trained, then the output would also be of high quality. On the other hand, a shortage of skilled labour hampers the growth of an economy, whereas surplus of labour is of lesser significance to economic growth. Therefore, the human resources of a country should be adequate in number with required skills and abilities, so that economic growth can be achieved.

- Maladministration of various State-Owned Companies resulting in a loss of business even to the private sector
- Financial environment limitations
- Corruption and biased/selective justice system
- Negative international benchmarking trends of regulators
- Limited international collaboration
- Lack of confidence due to lack of support from government for lengthy periods of time
- Legislative and regulatory environment hindrances due to discriminatory government interference
- The lack of both investor and citizenry trust due to government inconsistencies and unpredictability in policy making and implementation.

The **second group of questions** within **section 1 - Questions 2.1.10 to 2.1.17** - focused on the effect of internal organisational dynamics on the organisation and interrogated respondents concerning the current state of strategy within their organisation. The results are depicted in figure 5.9 below.

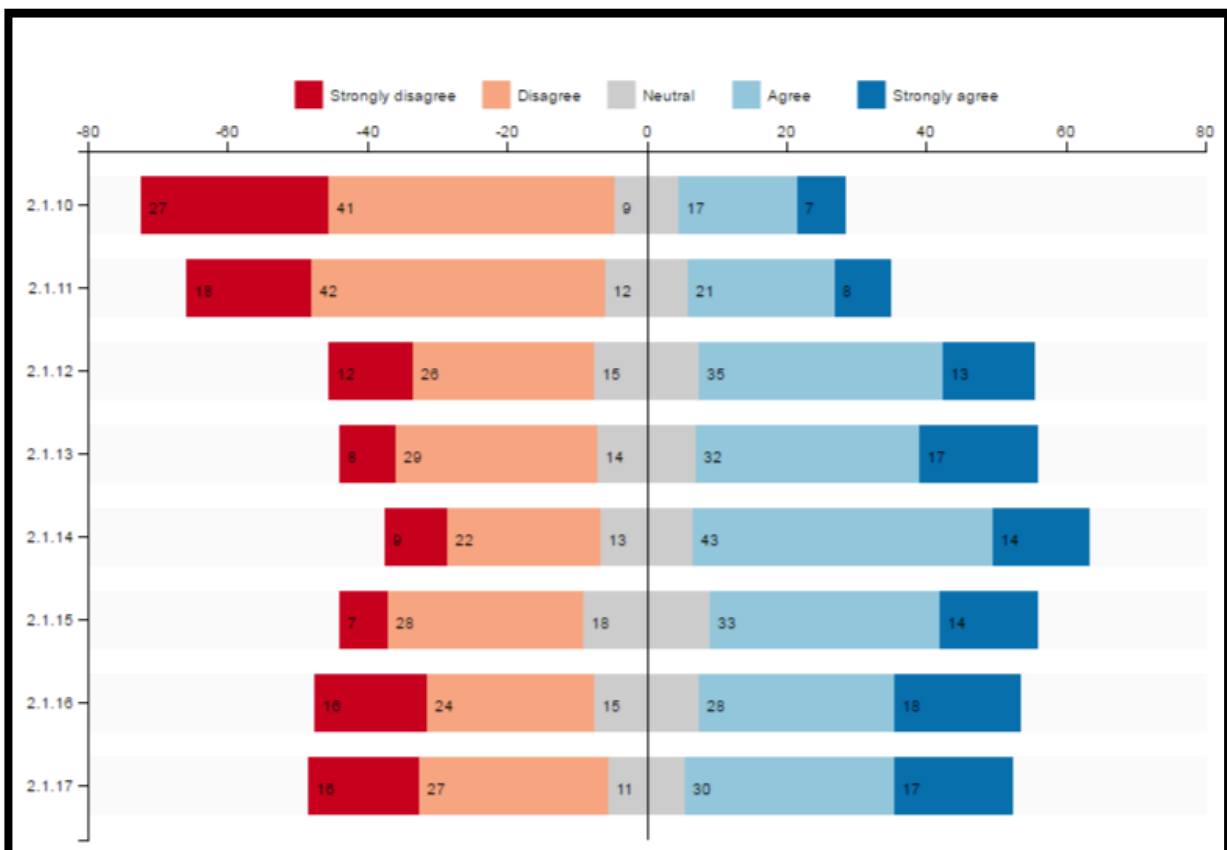


Figure 5.9 - Questions 2.1.10 to 2.1.17: State of strategy in organisations

The diverging stacked bar graph depicts the results by illustrating a zero line (0 as depicted at the top of the graph). Percentages of respondents who agree with the statement appear to the right of the zero line; the percentages of those who disagree are shown to the left. Percentages of respondents who neither agreed nor disagreed, or displayed a response regarded as the "central point" of the scale, are split down the middle and depicted in grey.

As a summary, the mean, standard deviation and the percentage of response results for the variables for **Questions 2.1.10 to 2.1.17** are illustrated in Table 15 below.

Table 5.8 - Question 2.1.10 to 2.1.17: Internal dynamics

SECTION 1: FACTORS AFFECTING THE BUSINESS ENVIRONMENT Internal dynamics:				
Variable	Question	Mean	Std. deviation	Results
2.1.10	Our strategy is flawed.	2.36	1.233	68% of respondents disagreed, 17% agreed and 7% strongly agreed with the statement, making it clear that the majority of organisations view their strategy as being sound
2.1.11	We misinterpret strategic insight.	2.59	1.222	60% of respondents disagreed with the statement, indicating that the majority of organisations correctly interpret strategic insight
2.1.12	We respond slowly to strategic insight.	3.12	1.261	48% agreed or strongly agreed with the statement, making it clear that the majority of respondents felt their organisations respond slowly to strategic insight
2.1.13	We struggle with the execution of our strategy.	3.21	1.253	49% of respondents agreed or strongly agreed with the statement, making it clear that the majority of respondents felt their organisations struggled with the execution of their strategy
2.1.14	Mind-sets and behaviours hinder our strategy.	3.31	1.210	57% of respondents agreed or strongly agreed with the statement, indicating clearly that mind-sets and behaviours hinder an organisation's strategy
2.1.15	Limited organisational capabilities hinder our strategy.	3.19	1.192	47% of respondents agreed or strongly agreed with the statement, indicating that the majority of organisations struggle with limited capabilities, which hinder their strategy
2.1.16	Organisational culture hinders our strategy.	3.09	1.365	46% of respondents agreed and strongly agreed, while 40% disagreed or strongly disagreed, indicating that the majority of organisations felt that organisational culture hinders their strategy
2.1.17	Organisational communication hinders our strategy.	3.06	1.370	47% of respondents agreed and strongly agreed while 43% disagreed or strongly disagreed indicating that the majority of organisations believe that organisational communication hinders their strategy

The results distinctly illustrate that organisations view their strategy as being sound and are able to correctly interpret strategic insight; however, they respond slowly to strategy insight and execute their strategy poorly. In addition, mind-sets and behaviours, organisational capabilities, organisational culture and organisational communication all hinder an organisation’s strategy.

The **third group of questions** within section 1 – **Questions 2.1.18 to 2.1.24** – focused on the overall impact of organisational dynamics on the organisation and questioned respondents on whether internal and external dynamics have impacted the development and execution of their organisation’s strategy. In addition, respondents were questioned on whether they had a systematic process in place for monitoring and responding to threats and uncertainty. The results are depicted in Figure 5.10 below.

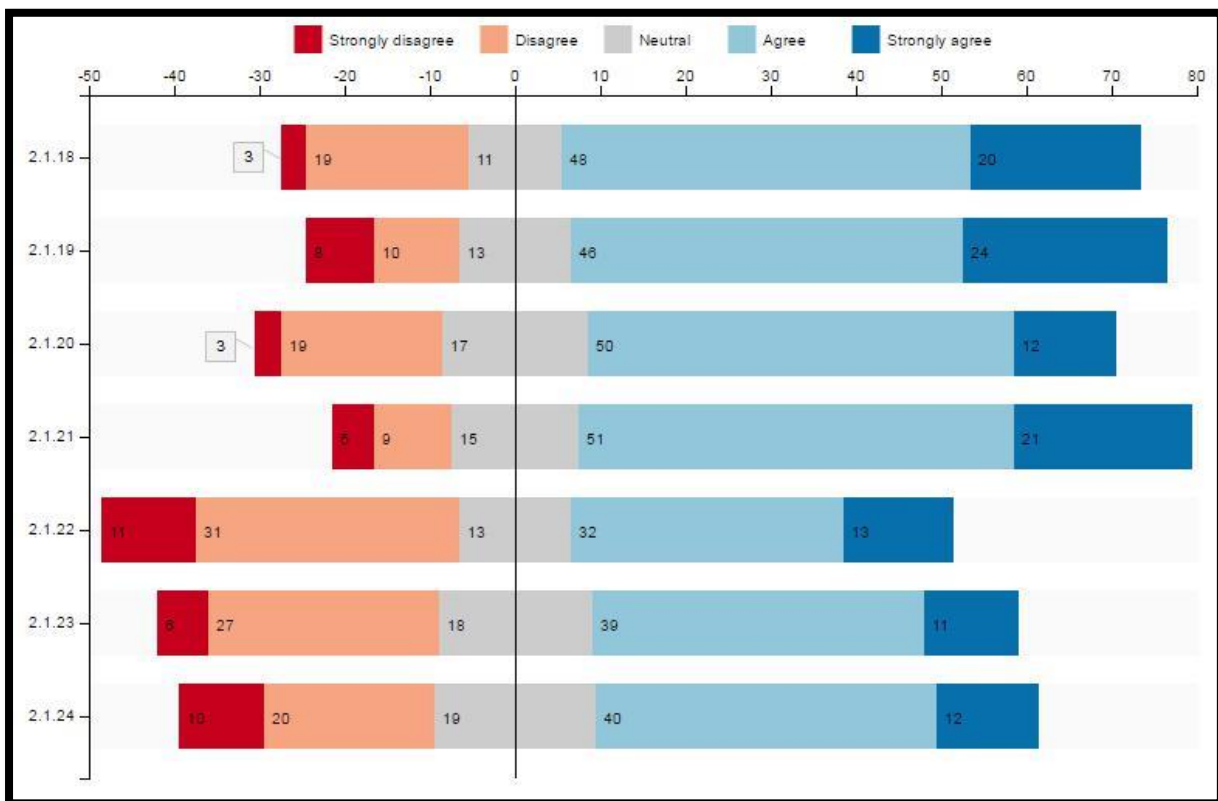


Figure 5.10 - Questions 2.1.18 to 2.1.24: Impact of organisational dynamics

The first question in this group enquired whether external organisational dynamics have impacted the organisation’s strategy development in the past five years. The mean was determined to be 3.63 with a standard deviation of 1.089, indicating a wide spread of responses to the statement. The result indicates that 68% of respondents were in agreement, clearly demonstrating that the development of organisational strategy had been impacted by external organisational dynamics in the past decade.

Question 2.1.19 conversely questioned whether internal organisational dynamics had impacted the organisation's strategy development in the past ten years. The mean was determined to be 3.68, with a standard deviation of 1.170, indicating a wide spread of responses to the statement. The result indicates that 70% of respondents were in agreement, indicating that the majority of organisations felt that the development of their strategy had been impacted by internal organisational dynamics in the past ten years.

In **Question 2.1.20**, the focus reverts to the external environment by questioning whether external organisational dynamics have impacted the organisation's strategy execution/implementation in the past ten years. The mean was determined to be 3.49, with a standard deviation of 1.022, indicating a spread of responses to the statement. The result indicates that 62% of respondents were in agreement, but a large proportion (17%) selected a neutral response to the question. The result suggests that the majority of organisations felt that external organisational dynamics have impacted the organisation's execution/implementation of its strategy in the past ten years.

In addition to Question 2.1.19, **Question 2.1.21** focuses on internal organisational dynamics, questioning whether internal organisational dynamics have impacted the organisation's strategy execution/implementation in the past five years. The mean was determined to be 3.74 with a standard deviation of 1.043, indicating, again, a spread of responses to the statement. The result indicated that 72% of respondents were in agreement, with 15% opting for a neutral response to the question. The result suggests that the majority of organisations felt internal organisational dynamics have impacted the organisation's execution/implementation of its strategy in the past five years.

Question 2.1.22 aimed to determine whether organisations have a systematic process for monitoring external threats and opportunities. The mean was determined to be low at 3.05 with a high standard deviation of 1.262, indicating a high spread of responses to the statement. The result indicates that 45% of respondents were in agreement but 42% were in disagreement with the question. The result depicts a clear dichotomy, with a slightly higher percentage of organisations having a systematic process for monitoring external threats and opportunities in place.

Question 2.1.23 aimed to determine whether government authorities systematically act on external threats and opportunities. The mean was determined to be 3.23 with a high standard deviation of 1.134, indicating a high spread of responses to the statement. The result indicates that while 50% of respondents were in agreement, 33% were in disagreement. The result suggests that the majority of respondents felt government authorities systematically act on external threats and opportunities.

In addition, **Question 2.1.24** aimed to determine whether MoF actively consider how to manage uncertainty. The mean was determined to be 3.25 with a high standard deviation of 1.189, indicating a high spread of responses to the statement. The result indicated that 52% of respondents were in agreement with the question. The result suggests that a narrow majority of respondents felt government authorities actively consider how to manage uncertainty.

5.6.2.2 Ranking variables

Focusing on the variables answered by the respondents, within the first section of second part of the questionnaire, the tabulation of the overall mean and standard deviation results identify the variables that are, on average, considered as the most and least important by the respondents. The ranking of the variables by mean and standard deviation was completed in order to explore the location and variability of the data. All the variables are ranked in Tables 5.9 to 5.10 below.

Table 5.9 below, illustrates the variables for **Questions 2.1.1 to 2.1.8** with a focus on **uncertainty** of external dynamics, sorted by their mean scores.

Table 5.9 - Questions 2.1.1 to 2.1.8: External dynamics - Uncertainty variables sorted by mean

SECTION 1: FACTORS AFFECTING THE BUSINESS ENVIRONMENT External dynamics - Uncertainty:			
Variable	Question	Mean	Std. deviation
2.1.2	Economic	3.70	0.880
2.1.1	Political	3.36	0.956
2.1.8	Competition	3.07	1.135
2.1.3	Social	2.87	0.924
2.1.4	Technological	2.66	1.042
2.1.5	Legal	2.61	0.927
2.1.6	Environmental	2.48	0.976
2.1.7	Demographic	2.47	1.045

The ranking clearly illustrates a variation in responses from respondents to all the questions, with the higher mean scores indicating variables which have a higher level of uncertainty. The high mean scores for Questions 2.1.1 and 2.1.2 indicate that political and economic factors lead to the highest level of uncertainty in doing business in Zimbabwe.

Table 5.10 below, illustrates the variables for **Questions 2.1.1 to 2.1.8** with the aim of understanding which variable **impacts the sustainability** of an organisation, sorted by their mean scores.

Table 5.10 - Questions 2.1.1 to 2.1.8: External dynamics - Impact on sustainability sorted by mean

SECTION 1: FACTORS AFFECTING THE BUSINESS ENVIRONMENT External dynamics - Impact on sustainability:			
Variable	Question	Mean	Std. deviation
2.1.2	Economic	4.00	0.938
2.1.8	Competition	3.68	1.264
2.1.4	Technological	3.52	1.238
2.1.1	Political	3.51	1.092
2.1.3	Social	3.26	0.989
2.1.5	Legal	3.11	1.076
2.1.7	Demographic	2.80	1.107
2.1.6	Environmental	2.71	0.981

The ranking clearly illustrates a variation in responses from respondents to all the questions, with the higher mean scores indicating variables which have a higher impact on sustainability. The high mean scores for question 2.1.2 and 2.1.8 clearly depict the difficult economic and competitive environment and the perceived impact on organisational sustainability in Zimbabwe.

Table 18 below illustrates the variables for **Questions 2.1.10 to 2.1.17** sorted by their mean scores.

Table 5.11 - Questions 2.1.10 to 2.1.17: Internal dynamics sorted by mean

SECTION 1: FACTORS AFFECTING THE BUSINESS ENVIRONMENT Internal dynamics:			
Variable	Question	Mean	Std. deviation
2.1.14	Mind-sets and behaviours hinder our strategy	3.31	1.210
2.1.13	We struggle with the execution of our strategy	3.21	1.253
2.1.15	Limited organisational capabilities hinder our strategy	3.19	1.192
2.1.12	We respond slowly to strategic insight	3.12	1.261
2.1.16	Organisational culture hinders our strategy	3.09	1.365
2.1.17	Organisational communication hinders our strategy	3.06	1.370
2.1.11	We misinterpret strategic insight	2.59	1.222
2.1.10	Our strategy is flawed	2.36	1.233

The ranking clearly illustrates a spread in agreement to the responses, with the higher mean scores depicting agreement with the statements. Variables 2.1.13 to 2.1.15 indicate that mind-sets and behaviours, execution and limited capabilities affect organisations as identified by their mean score being above 3.0, indicating an almost perfect spread between 1,2 on the one side of the scale and 3,4 on the other; while the majority of respondents felt that they interpreted strategic insight correctly, and that their strategies are not flawed.

Table 4.12 below illustrates the variables for **Questions 2.1.18 to 2.1.24** sorted by their mean scores.

Table 5.12 - Questions 2.1.18 to 2.1.24: Organisational dynamics sorted by mean

SECTION 1: FACTORS AFFECTING THE BUSINESS ENVIRONMENT Organisation dynamics:			
Variable	Question	Mean	Std. deviation
2.1.21	Internal organisational dynamics have impacted the organisation's execution/implementation of its strategy in the past ten years	3.74	1.043
2.1.19	Internal organisational dynamics have impacted the organisation's development of its strategy in the past ten years	3.68	1.170
2.1.18	External organisational dynamics have impacted the organisation's development of its strategy in the past ten years	3.63	1.089
2.1.20	External organisational dynamics have impacted the organisation's execution/implementation of its strategy in the past ten years	3.49	1.022
2.1.24	We actively consider how to manage uncertainty in our organisation	3.25	1.189
2.1.23	We systematically act on external threats and opportunities	3.23	1.134
2.1.22	We have a systematic process for monitoring external threats and opportunities	3.05	1.262

The ranking illustrates that the majority of respondents agreed positively to all the statements, with the higher mean scores relating to internal and external dynamics and their impact. The mean scores were found to be lower for the remaining questions, which indicated a perceived lack of management of uncertainty and availability of systematic processes for monitoring and acting on external threats and opportunities.

Table 5.13 below sorts the tabulated variables for **Questions 2.1.1 to 2.1.8**, with a focus on **uncertainty** of external dynamics, by their standard deviation scores, which depict the level of agreement between respondents.

Table 5.13 - Questions 2.1.1 to 2.1.8: External dynamics - Uncertainty variables sorted by standard deviation

SECTION 1: FACTORS AFFECTING THE BUSINESS ENVIRONMENT External dynamics - Uncertainty:			
Variable	Question	Mean	Std. deviation
2.1.8	Competition	3.07	1.135
2.1.7	Demographic	2.47	1.045
2.1.4	Technological	2.66	1.042
2.1.6	Environmental	2.48	0.976
2.1.1	Political	3.36	0.956
2.1.5	Legal	2.61	0.927
2.1.3	Social	2.87	0.924
2.1.2	Economic	3.70	0.880

The higher the standard deviation score, the greater the range of responses to the question, indicating a lack of consensus among the respondents' answers. The highest standard deviation found was for variable 2.1.8, competition, and was 1.135. The

tabulated ranking shows that the variable with the highest mean score has the lowest standard deviation.

Table 5.14 below sorts the tabulated variables for **Questions 2.1.1 to 2.1.8**, with the aim of understanding which variable **impacts the sustainability** of an organisation, by their standard deviation scores.

Table 5.14 - Questions 2.1.1 to 2.1.8: External dynamics - Impact on sustainability sorted by standard deviation

SECTION 1: FACTORS AFFECTING THE BUSINESS ENVIRONMENT External dynamics - Impact on sustainability:			
Variable	Question	Mean	Std. deviation
2.1.8	Competition	3.68	1.264
2.1.4	Technological	3.52	1.238
2.1.7	Demographic	2.80	1.107
2.1.1	Political	3.51	1.092
2.1.5	Legal	3.11	1.076
2.1.3	Social	3.26	0.989
2.1.6	Environmental	2.71	0.981
2.1.2	Economic	4.00	0.938

Variable 2.1.8, competition, ranks the highest with a standard deviation of 1.264, indicating the greatest range of responses to the question, evidencing a lack of consensus in the respondents' answers. The tabulated ranking shows that the variable with the highest mean score has the lowest standard deviation.

Table 5.15 below sorts the tabulated variables for **Questions 2.1.10 to 2.1.17**, by their standard deviation scores.

Table 5.15 - Questions 2.1.10 to 2.1.17: Internal dynamics sorted by standard deviation

SECTION 1: FACTORS AFFECTING THE BUSINESS ENVIRONMENT Internal dynamics:			
Variable	Question	Mean	Std. deviation
2.1.17	Organisational communication hinders our strategy	3.06	1.370
2.1.16	Organisational culture hinders our strategy	3.09	1.365
2.1.12	We respond slowly to strategic insight	3.12	1.261
2.1.13	We struggle with the execution of our strategy	3.21	1.253
2.1.10	Our strategy is flawed	2.36	1.233
2.1.11	We misinterpret strategic insight	2.59	1.222
2.1.14	Mind-sets and behaviours hinder our strategy	3.31	1.210
2.1.15	Limited organisational capabilities hinder our strategy	3.19	1.192

Variables 2.1.17 and 2.1.16, which focus on communication and culture, have the highest standard deviation scores, indicating a high lack of consensus among the

respondents' answers. In addition, variables 2.1.14 and 2.1.15, referring to mind-sets and behaviours and organisation capabilities respectively, both have high mean scores but have the lowest standard deviation. In general, the standard deviation scores of the variables grouped are high, indicating a wide difference in opinion in how internal dynamics impact the organisation.

Table 5.16 below sorts the tabulated variables for **Questions 2.1.18 to 2.1.24**, by their standard deviation scores.

Table 5.16 - Questions 2.1.18 to 2.1.24: Organisational dynamics sorted by standard deviation

SECTION 1: FACTORS AFFECTING THE BUSINESS ENVIRONMENT Organisation dynamics:			
Variable	Question	Mean	Std. deviation
2.1.22	We have a systematic process for monitoring external threats and opportunities	3.05	1.262
2.1.24	We actively consider how to manage uncertainty in our organisation	3.25	1.189
2.1.19	Internal organisational dynamics have impacted the organisation's development of its strategy in the past ten years	3.68	1.170
2.1.23	We systematically act on external threats and opportunities	3.23	1.134
2.1.18	External organisational dynamics have impacted the organisation's development of its strategy in the past ten years	3.63	1.089
2.1.21	Internal organisational dynamics have impacted the organisation's execution/implementation of its strategy in the past ten years	3.74	1.043
2.1.20	External organisational dynamics have impacted the organisation's execution/implementation of its strategy in the past ten years	3.49	1.022

Variables 2.1.22 and 2.1.24 had the highest standard deviation scores, indicating a high lack of consensus in the respondents' answers. The questions focus on whether organisations have a systematic process for monitoring external threats and whether they actively consider how to manage uncertainty, respectively. In general, the standard deviation scores of the variables are high, indicating a wide difference in opinion, with the lowest standard deviation scores focusing on how external and internal dynamics have impacted the organisation – an area where the majority of respondents agreed positively.

5.6.3 Approach to crafting strategy

The **second section of Part 2** of the questionnaire was designed to understand the approaches used to craft strategy.

As noted, strategy involves winning by differentiating an organisation from its competitors, focused on its ability to create and deliver superior value offerings to stakeholders (Tovstiga, 2010). Strategy-making includes the creating and operationalising, or putting into practice, of a strategy or strategies using a linear or non-linear, formal or informal process (Pretorius and Maritz, 2011). The approach used by an organisation will depend not only on the environment in which it competes, but also on the understanding of strategy by organisational practitioners.

To this end, Questions **2.2.1 to 2.2.9** were developed to establish the following:

- To gain a view of organisations' understanding of strategy
- To gain a view of the organisational process of crafting strategy
- To what extent alternative frameworks and tools are used within organisations for strategy development
- The preference for and extent to which organisations use frameworks and tools to support the development of strategy.

The various questions in second section of the second part of the questionnaire are discussed hereunder.

5.6.3.1 Discussion of results

The first question within section 2 – **Question 2.2.1** provided two alternative strategy-making approaches as statements, which describe how organisations understand strategy. The results are depicted in Figure 5.11 below.

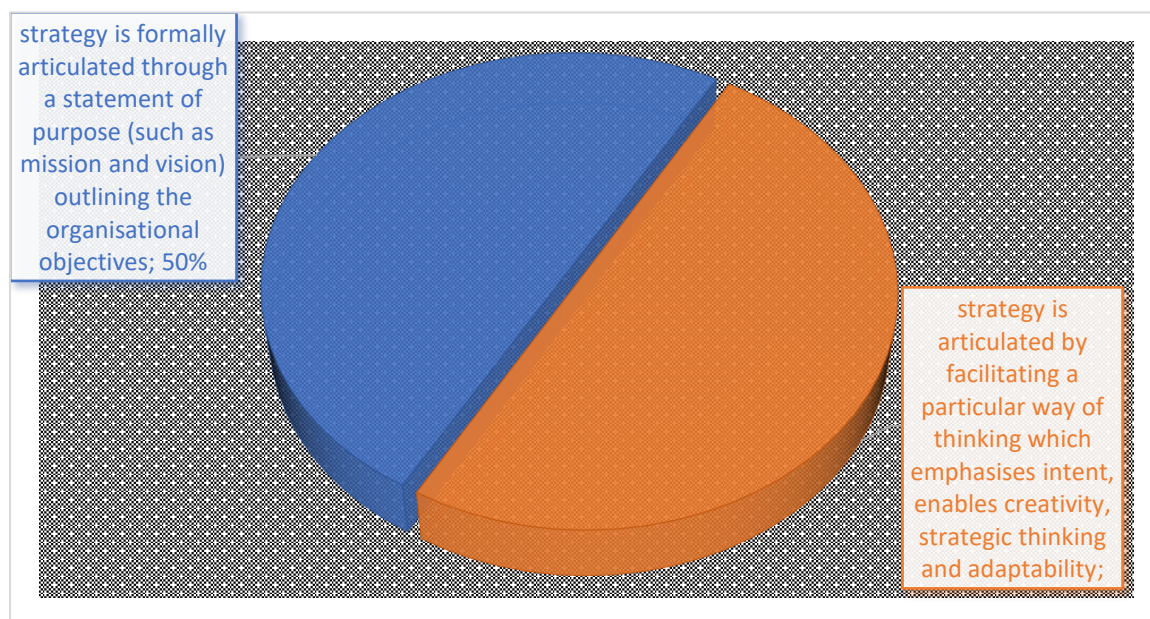


Figure 5.11 – Question 2.2.1: Understanding of strategy

The results illustrate that a clear dichotomy in understanding exists; 50% of the respondents identified with the statement “strategy is formally articulated through a statement of purpose (such as mission and vision) outlining the organisational objectives”, while the remaining 50% selected “strategy is articulated by facilitating “a particular way of thinking” which emphasises intent, enables creativity, strategic thinking and adaptability”.

Question 2.2.2 probed further so as to understand the process of how strategy is crafted within organisations. Two alternatives were provided, from which respondents could choose to best describe their organisation’s strategy-making process. The results are depicted in figure 5.12 below.

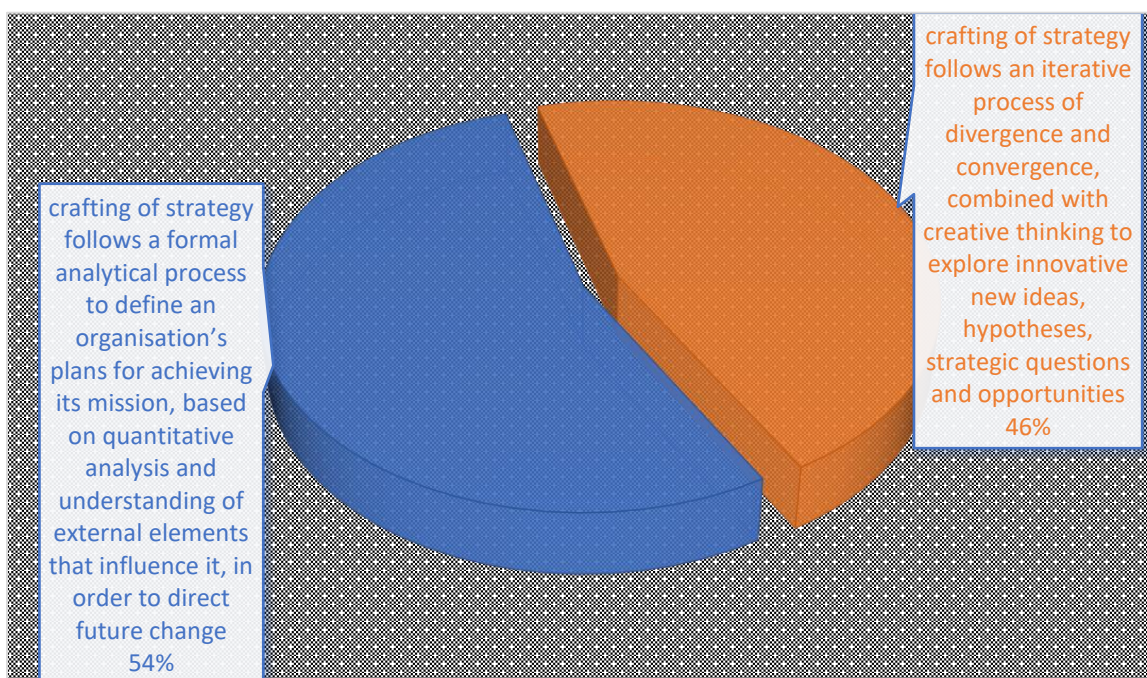


Figure 5.12 – Question 2.2.2: Process of how strategy is crafted

The results illustrate that 46% of respondents selected the statement describing a formal analytical process as “crafting of strategy follows a formal analytical process to define an organisation’s plans for achieving its mission, based on quantitative analysis and understanding of external elements that influence it, in order to direct future change”; alternatively, 54% identified with the iterative and creative thinking approach described in the statement “crafting of strategy follows an iterative process of divergence and convergence, combined with creative thinking to explore innovative new ideas, hypotheses, strategic questions and opportunities”.

Question 2.2.4 aimed to determine the frequency of organisational use of a variety of alternative frameworks and tools used for the crafting of strategy. The results are depicted in figure 5.13 below.

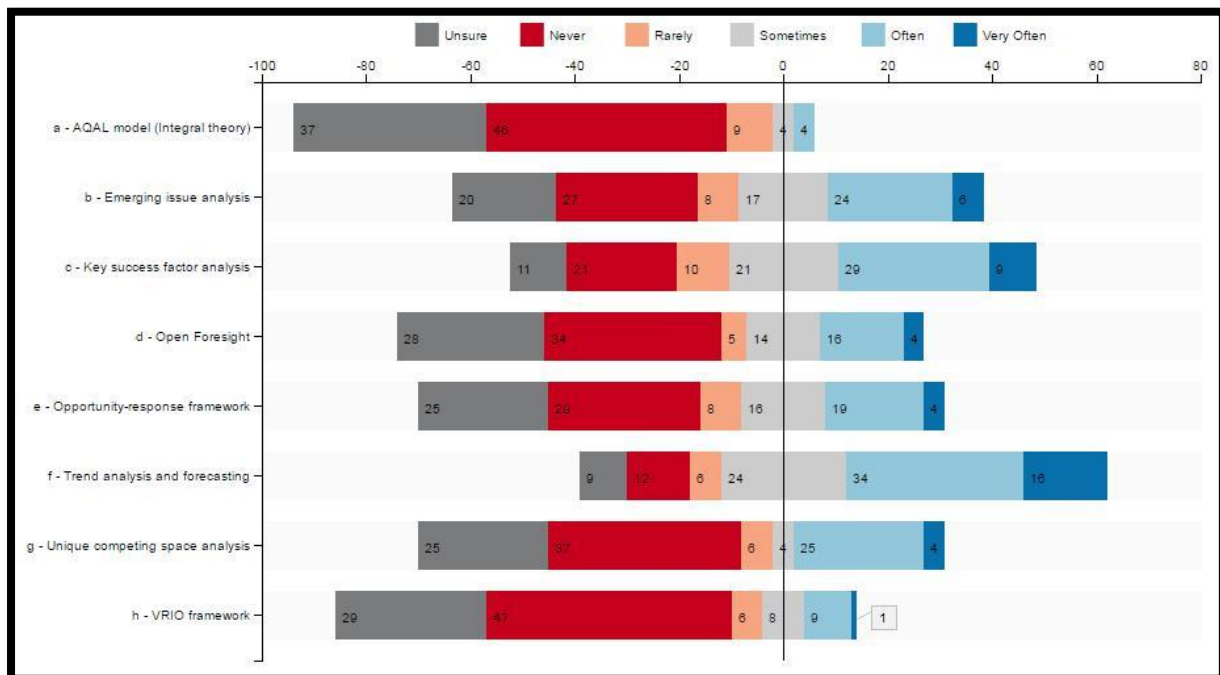


Figure 5.13 – Question 2.2.4: Alternative frameworks and tools

The first framework or tool provided, **Question 2.2.4.a**, the AQAL model (Integral theory), obtained a mean of 2.11, with a standard deviation of 1.160. **Question 2.2.4.b**, emerging issue analysis, had a mean of 3.21 and a very high standard deviation of 1.661. **Question 2.2.4.c**, key success factor analysis, obtained a mean of 3.55, with a very high standard deviation of 1.681. Open foresight, provided as **Question 2.2.4.d**, gained a mean of 2.83 and a high standard deviation of 1.593.

An opportunity-response framework, as **Question 2.2.4.e**, was determined to have a mean of 2.98 and a high standard deviation of 1.592. **Question 2.2.4.f**, trend analysis and forecasting, obtained a high mean of 4.10 with a standard deviation of 1.538. Unique competing space analysis, as **Question 2.2.4.g**, had a mean of 2.84 and an exceptionally high standard deviation of 1.710. The final framework or tool provided as **Question 2.2.4.h**, the VRIO (value, rarity, imitability, and organisation) framework, was determined to have a mean of 2.28 and a standard deviation of 1.403.

The low mean scores, combined with the very high standard deviations determined for **question 2.2.4**, indicated a large spread in usage of the alternative frameworks and tools provided for in the question. Restructuring the results by sorting them in terms of frequency of usage (as depicted in Figure 5.14 below) provides a view of the most commonly used alternative analytical frameworks and tools.

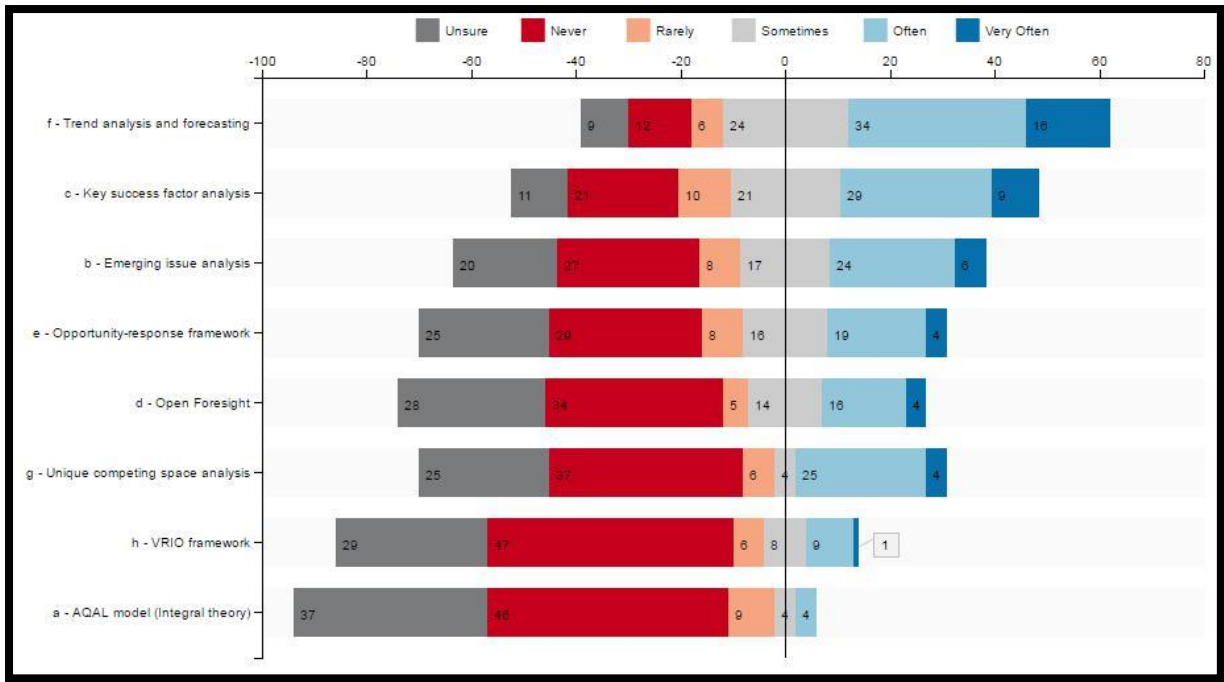


Figure 5.14 – Question 2.2.4: Alternative frameworks and tools sorted by usage

The results depicted indicate that the two most commonly used alternative frameworks or tools were trend analysis and forecasting and key success factor analysis, with 50% and 38% indicating usage that was often or very often respectively. The remaining frameworks or tools were identified by less than 30% of the respondents as being used often or very often.

On the opposite side of the usage spectrum, the AQAL model (Integral theory) was identified as the least frequently used, with 55% of respondents indicating usage as rarely or never, while 37% indicating they were unsure about its usage. This was followed by the VRIO (value, rarity, imitability, and organisation) framework (53% rarely or never used); unique competing space analysis (43% rarely or never used); and open foresight (39% rarely or never used).

The five lowest scored questions obtained a 25% or greater unsure response, possibly indicating a lack of awareness of alternative frameworks or tools that could be used for crafting strategy.

The **remaining group of questions – Questions 2.2.5 to 2.2.9** – queried the use of frameworks and tools within the organisation. The results are depicted in Figure 5.15 below.

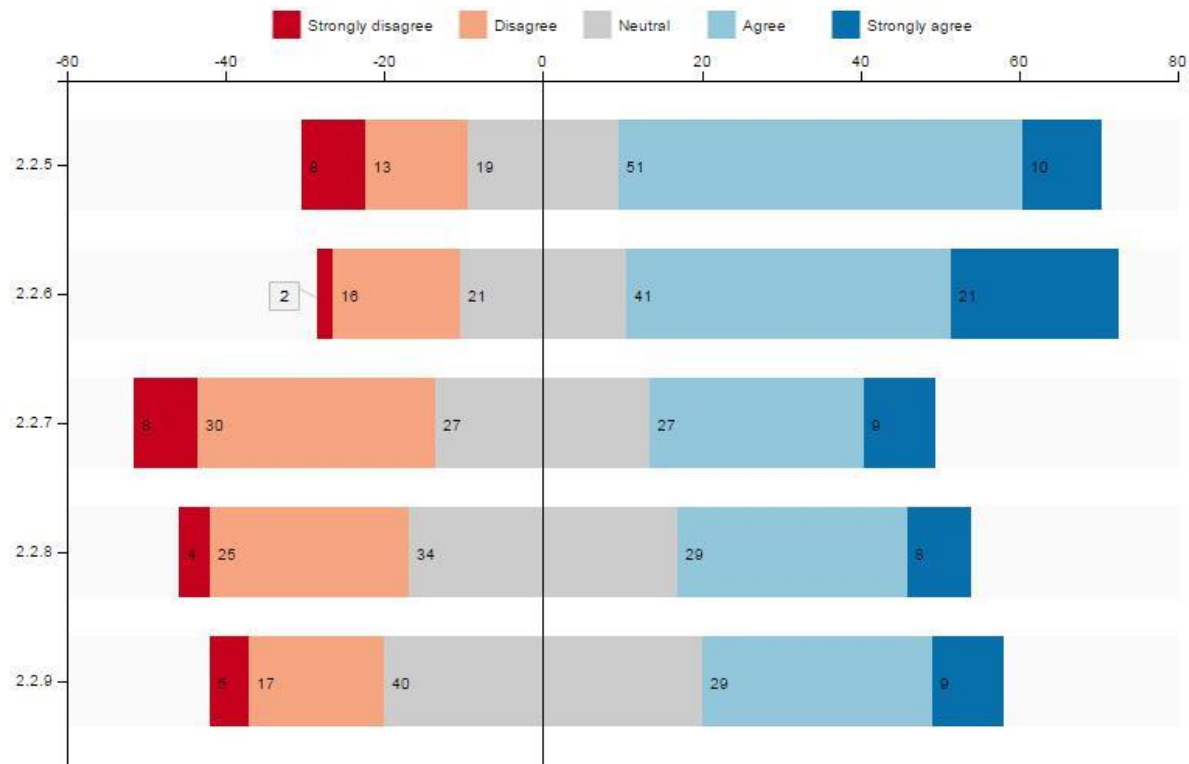


Figure 5.15 – Questions 2.2.5 to 2.2.9: Use of frameworks and tools to craft strategy

The first item in this group, **Question 2.2.5**, enquired as to whether organisations prefer traditional analytical frameworks and tools (see **Question 2.2.3**) that simplify, compartmentalise and illustrate concepts into clear, concise depictions of reality. The mean was determined to be 3.42, with a standard deviation of 1.085, indicating a spread of responses to the statement. The result indicates that 61% of respondents were in agreement, clearly indicating that the majority of organisations still prefer traditional analytical frameworks and tools.

Question 2.2.6 aimed to determine whether organisations focus extensively on financial modelling. The mean was determined to be 3.63, with a standard deviation of 1.043, indicating a spread of responses to the statement. The result indicates that 62% of respondents were in agreement, signifying that the majority of organisations focus extensively on financial modelling.

Conversely, **Question 2.2.7** aimed to establish whether organisations extensively use tools that enable lateral thinking and creativity. The mean was determined to be 2.98, with a standard deviation of 1.117, indicating a wide spread of responses to the statement. The result indicates that 36% of respondents were in agreement, but a larger proportion (38%) disagreed with the question. The result indicates a possible dichotomy in results, with 27% of respondents maintaining a neutral stance.

Question 2.2.8 was intended to determine whether organisations prefer frameworks and tools which challenge conventional wisdom by recognising the relationship among the parts. The mean was established to be 3.13, with a standard deviation of 1.002, indicating a spread of responses to the statement. The result indicates that 37% of respondents were in agreement, with 34% taking a neutral stance and 29% disagreeing with the question.

The final question within the group, **Question 2.2.9**, aimed to determine whether organisations find tools that enable lateral thinking and creativity more beneficial than traditional (see **Question 2.2.3**) analytical tools, methods or models. The mean was determined to be 3.21, with a standard deviation of 0.988, indicating a lower spread of responses to the statement. The result indicates that 38% of respondents were in agreement, with 40% adopting a neutral stance and 22% disagreeing with the question.

5.6.3.2 Ranking variables

Focusing on the variables for **Questions 2.2.3 to 2.2.9**, the overall mean and standard deviation results for each question were tabulated to identify the variables that are considered as the most and least important by the respondents. The ranking of the variables by mean and standard deviation was completed in order to explore the location and variability of the data. All the variables are ranked in Table 24 to Table 29 below – grouped by question.

Table 5.16 below, illustrates the variables for **Question 2.2.4**, which offered a number of alternative frameworks and tools used for crafting of strategy, sorted by their mean scores.

Table 5.16 - Question 2.2.4: Alternative frameworks and tools sorted by mean

SECTION 2: APPROACH TO CRAFTING STRATEGY Alternative frameworks and tools:			
Variable	Question	Mean	Std. deviation
2.2.4.f	Trend analysis and forecasting	4.10	1.538
2.2.4.c	Key success factor analysis	3.55	1.681
2.2.4.b	Emerging issue analysis	3.21	1.661
2.2.4.e	Opportunity-response framework	2.98	1.592
2.2.4.g	Unique competing space analysis	2.84	1.710
2.2.4.d	Open Foresight	2.83	1.593
2.2.4.h	VRIO (value, rarity, imitability, and organisation) framework	2.28	1.403
2.2.4.a	AQAL model (Integral theory)	2.11	1.160

The ranking illustrates a variation in responses from respondents ranging from a high mean for variable 2.2.4.f at 4.10 to variable 2.2.4.a with a low mean of 2.11. The higher mean scores indicated a greater frequency of usage of the specific alternative

framework or tool. The majority of variables obtained low mean scores, indicating a no or low frequency of usage of the tools.

Table 5.17, below, lists the variables for **Question 2.2.5 to 2.2.9**, which asked the preference for and extent to which organisations use frameworks and tools to support the development of strategy, sorted by their mean scores.

Table 5.17 – Question 2.2.5 to 2.2.9: Use of frameworks and tools sorted by mean

SECTION 2: APPROACH TO CRAFTING STRATEGY Use of frameworks and tools:			
Variable	Question	Mean	Std. deviation
2.2.6	We focus extensively on financial modelling	3.63	1.043
2.2.5	We prefer traditional analytical frameworks and tools (see Q 2.2.3) that simplify, compartmentalise and illustrate concepts into clear, concise depictions of reality	3.42	1.085
2.2.9	We find tools that enable lateral thinking and creativity more beneficial than traditional (see Q 2.2.3) analytical tools, methods or models	3.21	0.988
2.2.8	We prefer frameworks and tools which challenge conventional wisdom by recognising the relationship among the parts	3.13	1.002
2.2.7	We extensively use tools that enable lateral thinking and creativity	2.98	1.117

The ranking illustrates a consistency in responses from respondents ranging from a higher mean for variable 2.2.6 at 3.63 to variable 2.2.7 with a low mean of 2.98. The higher mean scores were obtained for the questions regarding the use of traditional frameworks or tools, while the remaining questions, which were focused on lateral thinking and creativity, obtained the lower mean scores.

Table 5.18, below, sorts the tabulated variables for **Question 2.2.4**, including a number of alternative frameworks and tools used for the crafting of strategy, by their standard deviation scores.

Table 5.18 - Question 2.2.4: Alternative frameworks and tools sorted by standard deviation

SECTION 2: APPROACH TO CRAFTING STRATEGY Alternative frameworks and tools:			
Variable	Question	Mean	Std. deviation
2.2.4.g	Unique competing space analysis	2.84	1.710
2.2.4.c	Key success factor analysis	3.55	1.681
2.2.4.b	Emerging issue analysis	3.21	1.661
2.2.4.d	Open Foresight	2.83	1.593
2.2.4.e	Opportunity-response framework	2.98	1.592
2.2.4.f	Trend analysis and forecasting	4.10	1.538
2.2.4.h	VRIO (value, rarity, imitability, and organisation) framework	2.28	1.403
2.2.4.a	AQAL model (Integral theory)	2.11	1.160

The very high standard deviation scores across all variables indicated an exceptionally wide range of responses and lack of consensus. The highest standard deviation found

was for variable 2.2.4.g and was 1.710. The tabulated ranking shows that the variable with the lowest mean score has the lowest standard deviation.

Table 5.19, below, sorts the tabulated variables for **Questions 2.2.5 to 2.2.9**, regarding the use of frameworks and tools for the crafting of strategy, by their standard deviation scores.

Table 5.19 - Questions 2.2.5 to 2.2.9: Use of frameworks and tools sorted by standard deviation

SECTION 2: APPROACH TO CRAFTING STRATEGY Use of frameworks and tools:			
Variable	Question	Mean	Std. deviation
2.2.7	We extensively use tools that enable lateral thinking and creativity	2.98	1.117
2.2.5	We prefer traditional analytical frameworks and tools (see Q 2.2.3) that simplify, compartmentalise and illustrate concepts into clear, concise depictions of reality	3.42	1.085
2.2.6	We focus extensively on financial modelling	3.63	1.043
2.2.8	We prefer frameworks and tools which challenge conventional wisdom by recognising the relationship among the parts	3.13	1.002
2.2.9	We find tools that enable lateral thinking and creativity more beneficial than traditional (see Q 2.2.3) analytical tools, methods or models	3.21	0.988

The average mean scores across all questions, combined with average standard deviation scores, plainly indicated that while there was a spread of responses, most respondents responded in a similar manner to all the questions.

The results indicate that to a large extent, respondents demonstrated a preference for traditional analytical frameworks and tools.

5.6.4 Mechanisms for crafting creative and adaptive strategy

Several mechanisms for supporting creative and adaptive strategic thinking have been identified to assist organisations embrace the richness of strategy. However, few have been combined to develop an integrated approach to allow organisational stakeholders to open their minds to new ways of using strategy to create value; to ensure that adaptive, creative and resilient strategies increase the likelihood of success in rapidly evolving environments.

The **third section of Part 2** of the questionnaire was designed to determine the use of mechanisms for crafting creative and adaptive strategy.

To this end, **Questions 2.3.1 to 2.3.18** were developed to determine the following:

- Whether government undertake strategic intelligence activities
- Whether government conduct strategic synthesis and insight generation

- To what extent synthesis and insight generation frameworks or models are used within organisations for strategy development
- Whether organisations evaluate and validate strategic options.

Table 5.20 below illustrates the variables for **Question 2.3.1 to 2.3.7**, which questioned whether organisations undertake strategic intelligence activities, sorted by their mean scores.

Table 5.20 – Questions 2.3.1 to 2.3.7: Strategic Intelligence activities sorted by mean

SECTION 3: MECHANISMS FOR CRAFTING CREATIVE AND ADAPTIVE STRATEGY			
Strategic Intelligence activities:			
Variable	Question	Mean	Std. deviation
2.3.7	The use of Strategic Intelligence leads to competitive advantage	3.99	0.895
2.3.6	Strategic Intelligence is critical to enhancing our strategy-making process	3.86	0.923
2.3.5	Strategic Intelligence assists managers to make better, fact-based decisions	3.76	0.956
2.3.2	We fuse our Business Intelligence, Competitive Intelligence and Knowledge Management (to create Strategic Intelligence) for use in decision-making	3.25	1.181
2.3.4	Managers use Strategic Intelligence as an input in their strategy-making	3.21	1.111
2.3.1	Our organisation has a Strategic Intelligence process in place	3.14	1.211
2.3.3	Our organisation provides managers with access to a single source of information that provides a comprehensive perspective on internal and external organisational dynamics and trends	2.92	1.175

The ranking clearly illustrates a consistency in responses from respondents ranging from a higher mean for variable 2.3.7 at 3.99 to variable 2.3.3 with a low mean of 2.92. The higher mean scores were obtained for the questions regarding the advantage strategic intelligence can provide organisations, while the lower mean scores focus on the use of strategic intelligence within organisations. Table 5.21, below, illustrates the variables for **Questions 2.3.8 to 2.3.11**, which queried whether organisations conduct strategic synthesis and insight generation, sorted by their mean scores.

Table 5.21 – Questions 2.3.8 to 2.3.11: Strategic synthesis and insight generation sorted by mean

SECTION 3: MECHANISMS FOR CRAFTING CREATIVE AND ADAPTIVE STRATEGY Strategic synthesis and insight generation:			
Variable	Question	Mean	Std. deviation
2.3.11	Formal and methodical dialogue fosters interaction between stakeholders to create new shared knowledge	3.82	0.895
2.3.9	We interpret information to create forward views and to generate plausible future worlds	3.75	0.979
2.3.8	Strategic issues are explored to find deeper structure and insight	3.72	1.009
2.3.10	The generation of strategic insight is guided by intuition	3.71	0.918

The high average mean scores provided in the ranking illustrates that the majority of respondents agreed positively with the value that strategic synthesis and insight generation could provide the organisation.

Table 5.22 below illustrates the variables for **Questions 2.3.13 to 2.3.18**, which probed whether organisations evaluate and validate strategic options, sorted by their mean scores.

Table 5.22 – Question 2.3.13 to 2.3.18: Evaluation and validation of strategic options sorted by mean

SECTION 3: MECHANISMS FOR CRAFTING CREATIVE AND ADAPTIVE STRATEGY Evaluation and validation of strategic options:			
Variable	Question	Mean	Std. deviation
2.3.14	We evaluate and validate strategic options to understand any unforeseen risks and their effect on our organisation	3.85	0.861
2.3.13	We evaluate and validate strategic options after strategy formulation	3.68	0.892
2.3.16	Our strategic options go through a validation process to ensure that they are actionable, acceptable and feasible to the organisation	3.56	1.086
2.3.15	We evaluate and validate strategic options to gain acceptance across the organisation for our strategy	3.45	1.087
2.3.17	We have developed an internal evaluation methodology to screen strategic options	3.14	1.161
2.3.18	We use Game theory to select the best option from several options, by considering the perspective of competitors, collaborators and stakeholders	2.53	1.105

The ranking illustrates a consistency in responses from respondents ranging from a higher mean for variable 2.3.14 at 3.85, to variable 2.3.18 with a low mean of 2.53. Five of the variables obtained mean scores higher than 3.00, with the two highest mean scores obtained for questions enquiring whether organisations evaluate and validate

strategic options to determine unforeseen risks, and the timing of when they undertake the activity.

Table 5.23, below, sorts the tabulated variables for **Questions 2.3.1 to 2.3.7**, regarding strategic intelligence activities, by their standard deviation scores.

Table 5.23 - Questions 2.3.1 to 2.3.7: Strategic Intelligence activities sorted by standard deviation

SECTION 3: MECHANISMS FOR CRAFTING CREATIVE AND ADAPTIVE STRATEGY			
Strategic Intelligence activities:			
Variable	Question	Mean	Std. deviation
2.3.1	Our organisation has a Strategic Intelligence process in place	3.14	1.211
2.3.2	We fuse our Business Intelligence, Competitive Intelligence and Knowledge Management (to create Strategic Intelligence) for use in decision-making	3.25	1.181
2.3.3	Our organisation provides managers with access to a single source of information that provides a comprehensive perspective on internal and external organisational dynamics and trends	2.92	1.175
2.3.4	Managers use Strategic Intelligence as an input in their strategy-making	3.21	1.111
2.3.5	Strategic Intelligence assists managers to make better, fact-based decisions	3.76	0.956
2.3.6	Strategic Intelligence is critical to enhancing our strategy-making process	3.86	0.923
2.3.7	The use of Strategic Intelligence leads to competitive advantage	3.99	0.895

The average mean scores across most questions, combined with average to high standard deviation scores, indicate that while there was a spread of responses, most respondents responded in a similar manner to all the questions.

Table 5.24 below sorts the tabulated variables for **Questions 2.3.8 to 2.3.11**, regarding strategic synthesis and insight generation, by their standard deviation scores.

Table 5.24 - Questions 2.3.8 to 2.3.11: Strategic synthesis and insight generation sorted by standard deviation

SECTION 3: MECHANISMS FOR CRAFTING CREATIVE AND ADAPTIVE STRATEGY			
Strategic synthesis and insight generation:			
Variable	Question	Mean	Std. deviation
2.3.8	Strategic issues are explored to find deeper structure and insight	3.72	1.009
2.3.9	We interpret information to create forward views and to generate plausible future worlds	3.75	0.979
2.3.10	The generation of strategic insight is guided by intuition	3.71	0.918
2.3.11	Formal and methodical dialogue fosters interaction between stakeholders to create new shared knowledge	3.82	0.895

The high mean scores across all questions, combined with average standard deviation scores indicate that there was a lower spread of responses – most respondents responded in a positive manner to all the questions, indicating that strategic synthesis and insight generation takes place within organisations and is viewed as adding value.

Table 5.25 below sorts the tabulated variables for **question 2.3.13 to 2.1.18**, by their standard deviation scores.

Table 5.25 - Questions 2.3.13 to 2.1.18: Evaluation and validation of strategic options sorted by standard deviation

SECTION 3: MECHANISMS FOR CRAFTING CREATIVE AND ADAPTIVE STRATEGY			
Evaluation and validation of strategic options:			
Variable	Question	Mean	Std. deviation
2.3.17	We have developed an internal evaluation methodology to screen strategic options	3.14	1.161
2.3.18	We use Game theory to select the best option from several options, by considering the perspective of competitors, collaborators and stakeholders	2.53	1.105
2.3.15	We evaluate and validate strategic options to gain acceptance across the organisation for our strategy	3.45	1.087
2.3.16	Our strategic options go through a validation process to ensure that they are actionable, acceptable and feasible to the organisation	3.56	1.086
2.3.13	We evaluate and validate strategic options after strategy formulation	3.68	0.892
2.3.14	We evaluate and validate strategic options to understand any unforeseen risks and their effect on our organisation	3.85	0.861

Variables 2.3.17 and 2.3.18 have the highest standard deviation scores, indicating a high lack of consensus among the respondents' answers. The questions focus on whether organisations have developed an internal evaluation methodology to screen strategic options and whether they actively use game theory to select strategic options, respectively. In general, the standard deviation scores of the variables indicated a wide divergence in opinion, with the lowest standard deviation scores focusing on how organisations evaluate and validate strategic options. The variables with the highest mean scores also recorded the lowest standard deviation scores.

The results for section 3 indicate that, to a large extent, respondents agree with the value that the identified mechanisms for crafting creative and adaptive strategy provide organisations. Furthermore, they indicate that they undertake such activities to an extent; however, there is very little awareness or usage of available synthesis and insight generation frameworks or models.

5.6.5 Understanding the development of creative and adaptive strategy

To thrive in the business environment, organisations should not only utilise creativity, but they should also be adaptable to changing conditions by utilising agility to quickly spot and exploit emerging business opportunities or absorb the changes where the organisation has the strength and stamina to weather the market shifts (Sull, 2009:80). Toma, Bratu and Burcea (2013) posit that in the past, many people viewed the concepts of strategy and creativity as "being like oil and water" and suggest that creativity constitutes a key element for the strategy of an organisation.

Strategy-making approaches should, by implication, assist in creatively positioning the organisation into an adaptive future (Pugh and Bourgeois, 2011:178). However, strategy and its rational strategy-making approaches have failed to employ greater creativity in the past.

Section 4 of part 2 of the questionnaire was designed to investigate organisational activities related to the development of creative and adaptive strategy. To this extent **Questions 2.4.1 to 2.4.6** were developed to determine the following:

- Whether traditional strategy-making approaches have become outdated and unsuitable to the new reality
- To what extent creative and adaptive approaches can lead to the successful development of organisational strategy within changing environments
- To what extent an environment of communication, collaboration, open relationships and creativity is required for the development of an adaptive strategy
- Whether creativity and adaptability are critical in the development of organisational strategy
- To what extent organisational strategies are creative and adaptive in the changing business environment
- Whether Zimbabwean fiscus ad monetary authorities' strategies are creative and adaptive in the changing business environment.

The various questions in section 4, Part 2 of the questionnaire are discussed below.

5.6.5.1 Discussion of results

The group of questions within section 4, **Question 2.4.1 to 2.4.6**, focused on clarifying whether, and to what extent, organisational activities lead to creative and adaptive strategy. The results are depicted in Figure 5.16 below.

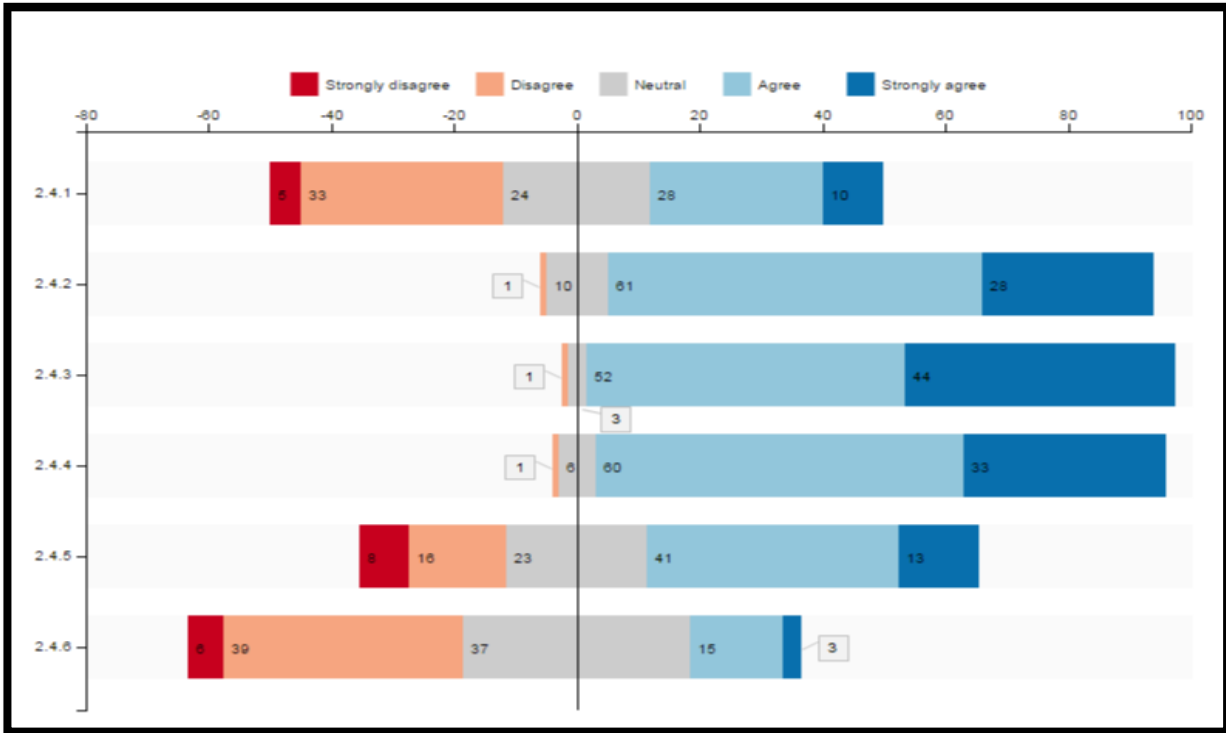


Figure 5.16 – Question 2.4.1 to 2.4.6: Creative and adaptive strategy activities

Question 2.4.1 interrogated whether traditional strategy-making approaches have become outdated and unsuitable to the new business reality. The mean score for the question was calculated to be 3.05 with a standard deviation of 1.102. This standard deviation clarifies that respondents did not provide similar responses to a question, thereby indicating less agreement among the respondents on the matter. Thirty-eight percent (38%) of the respondents indicated agreement, while 38% indicated disagreement with the statement, with a further 24% provided a neutral response. Considering the two polar opposites, 10% indicated a strongly agree response, with 5% indicating a strongly disagree response.

Question 2.4.2 aimed to determine whether creative and adaptive approaches could lead to the successful development of organisational strategy within changing environments. The mean was determined to be high at 4.17, with a low standard deviation of 0.631, indicating a positive response to the statement. Eighty-nine percent (89%) of respondents indicated agreement and just 1% were in disagreement with the question. The results confirms that there is a belief that creative and adaptive approaches could lead to the successful development of organisational strategy within changing environments.

Question 2.4.3 aimed to establish whether an environment of communication, collaboration, open relationships and creativity is required for the development of an adaptive strategy. The mean was determined to be high at 4.39, with a very low standard deviation of 0.600, indicating a consistently positive response to the statement. Ninety-

six percent (96%) of respondents indicated agreement with just 1% in disagreement to the question. The result illustrates that an environment of communication, collaboration, open relationships and creativity is required for the development of an adaptive strategy.

Question 2.4.4 was intended to determine whether creativity and adaptability are critical in the development of organisational strategy. The mean was calculated to be high at 4.25, with a very low standard deviation of 0.608, indicating a consistently positive response to the statement. Ninety-three percent (93%) of respondents were in agreement and only 1% disagreed. The result demonstrated that there is common understanding that creativity and adaptability is critical in the development of organisational strategy.

Question 2.4.5 aimed to determine whether respondents believe their organisations' strategies are creative and adaptive in the changing business environment. The mean was established to be 3.35, with a high standard deviation of 1.131 indicating a wide spread of responses to the statement. Fifty-four percent (54%) of respondents indicated agreement, 24% disagreement and 23% provided a neutral response to the question. The result depicts that while the majority of respondents believe that their organisation's strategy is creative and adaptive in the changing business environment, a large number of respondents believe there could be an improvement.

The final question of section 4, **Question 2.4.6**, was devised to determine whether respondents believe, in general, that Zimbabwean fiscal and monetary policy strategies are creative and adaptive in the evolving business environment. The mean was determined to be very low at 2.70, with an average standard deviation of 0.899. Forty-five percent (45%) of respondents were in disagreement, 18% were in agreement and a high proportion at 37% provided a neutral response to the question.

5.6.5.2 Ranking variables

Having discussed the questions in the previous section, it is important to show that there was a strong dichotomy in the mean and standard deviation results of section 4. With regard to the individual variables, the tabulations of the overall mean and standard deviation results identify the variables that are considered as the most and least important by the respondents. The ranking of the variables by mean and standard deviation was completed in order to explore the location and variability of the data. All the variables are ranked in Table 5.26 and Table 5.27 below.

Table 5.26 – Questions 2.4.1 to 2.4.6: Creative and adaptive strategy activities by mean

SECTION 4: CREATIVE AND ADAPTIVE STRATEGY Organisation's strategy activities:			
Variable	Question	Mean	Std. deviation
2.4.3	An environment of communication, collaboration, open relationships and creativity is required for the development of an adaptive strategy	4.39	0.600
2.4.4	Creativity and adaptability is critical in the development of organisational strategy	4.25	0.608
2.4.2	Creative and adaptive approaches can lead to the successful development of organisational strategy within changing environments	4.17	0.631
2.4.5	My organisation's strategies are creative and adaptive in the changing business environment	3.35	1.131
2.4.1	Traditional strategy-making approaches have become outdated and unsuitable to the new reality	3.05	1.102
2.4.6	In general, Zimbabwean monetary policy strategies are creative and adaptive in the changing business environment	2.70	0.899

The ranking illustrates that the majority of respondents agreed positively with the questions that related to activities related to development of creative and adaptive strategy. The lower mean scores related directly to opinion on whether organisations' strategies are creative and adaptive, and whether traditional strategy-making approaches are outdated and unsuitable to the new business reality.

Table 5.27 below sorts the tabulated variables of **Question 2.4.1 to 2.4.6** by their standard deviation scores, which depict the level of agreement between respondents and the range of responses. The higher the standard deviation score, the greater the range of responses to the question, indicating the lack of consensus among the respondents' answers.

Table 5.27 - Questions 2.4.1 to 2.4.6: Creative and adaptive strategy activities sorted by standard deviation

SECTION 4: CREATIVE AND ADAPTIVE STRATEGY Organisation's strategy activities:			
Variable	Question	Mean	Std. deviation
2.4.5	My organisation's strategies are creative and adaptive in the changing business environment	3.35	1.131
2.4.1	Traditional strategy-making approaches have become outdated and unsuitable to the new reality	3.05	1.102
2.4.6	In general Zimbabwean monetary policy strategies are creative and adaptive in the changing business environment	2.70	0.899
2.4.2	Creative and adaptive approaches can lead to the successful development of organisational strategy within changing environments	4.17	0.631
2.4.4	Creativity and adaptability is critical in the development of organisational strategy	4.25	0.608
2.4.3	An environment of communication, collaboration, open relationships and creativity is required for the development of an adaptive strategy	4.39	0.600

The highest standard deviation found for this section was for variable 2.4.5 and was 1.131. This questioned whether respondents believed that their organisations' strategies are creative and adaptive in the changing business environment. An average mean score clearly indicated that this was predominantly the case, although the high standard deviation proved a spread of responses. By studying the tabulations for the questionnaire, it was found that section 4 contained three of the highest mean scores combined with three of the lowest average standard deviation scores. The results indicate that while creativity and adaptability are important in the development of strategy, not all organisations' strategies are creative and adaptive, and that respondents were divided on whether traditional strategy-making approaches were still suitable to the development of strategy in the current business reality.

5.7 Section D: Pitfalls of strategy implementation in the operations of a multicurrency system in Zimbabwe

Research questions under this section sought to explore the pitfalls of strategic management. Table 5.28 presents the proportional distribution of ratings. The last column also shows the proportion of respondents that felt an impeder to have a moderate to large impact.

Table 5.28: Impediments of strategy execution (prompted calculation)

Factors	Never	Slightly	Moderately	Largely	Completely	Have moderate to large impact
Insufficient linking of strategy to goals	7%	46%	36%	8%	3%	48%
Poor change management practices	16%	59%	21%	3%	0%	25%
Insufficient strategic planning	3%	46%	30%	20%	2%	51%
Incompatible organisational culture	5%	48%	30%	13%	5%	48%
Lack of consensus among decision makers	11%	41%	38%	7%	3%	48%
Unclear strategy management policies	11%	56%	26%	7%	0%	33%
Inflexible processes and organisational structures	2%	44%	43%	8%	3%	54%
Failure to identify real problems	2%	44%	38%	15%	2%	54%
Unexpected environmental change	3%	44%	43%	10%	0%	52%
Insufficient clear agreements around interfaces and interdependencies	7%	49%	34%	10%	0%	44%
No strategy-execution focus	0%	20%	51%	28%	2%	80%
Conflicting activities	8%	37%	33%	22%	1%	55%
Insufficient Resource allocation	3%	42%	47%	6%	2%	55%
Incompatible structure with the strategy	3%	38%	39%	18%	2%	59%
Inflexible processes and organisational structures	0%	39%	38%	20%	3%	61%
Inappropriate evaluation and management systems	3%	33%	46%	18%	0%	64%
Inappropriate resources allocation	0%	36%	44%	16%	3%	64%
Inadequate manager commitment	2%	33%	49%	10%	7%	66%
Slow implementation	0%	21%	36%	36%	7%	79%
Supervening Impossibilities	4%	29%	63%	3%	3%	66%
Lack of bottom-up engagement in strategy crafting	0%	31%	33%	25%	11%	69%
No execution roadmap	0%	28%	46%	21%	5%	72%
Too many and conflicting priorities	0%	31%	34%	21%	13%	69%
Ineffective co-ordination	0%	23%	57%	18%	2%	77%
Understandable strategy	1%	11%	54%	31%	2%	94%
Role understandability by employees	0%	10%	70%	20%	0%	90%
Uncontrollable internal factors	5%	36%	52%	5%	2%	59%
Inadequate/ineffective communication	3%	16%	52%	25%	3%	80%
Discord between mechanisms and intended goal	2%	8%	52%	30%	8%	90%
Ambiguous strategic intentions	2%	20%	66%	13%	0%	79%
Change resistance	0%	15%	31%	46%	8%	85%
Inconsistent processes on how to manage projects and programs	2%	15%	64%	20%	0%	84%
Time limitation	7%	20%	38%	28%	8%	74%

Source: Field Data (2019)

The first important aspect to note from the evaluation of impiders is that overall, the majority of respondents felt the impiders to have an impact, even if only to a little extent. Secondly, the results show that some impiders are definitely considered to have a bigger impact than others. Of the 33 impiders evaluated, 12 were rated by at least 70% of respondents as having a moderate to large effect on strategy implementation.

In order to overcome barriers of strategy implementation, respondents noted during the in-depth interviews that staff members need to be motivated and engaged in all processes of strategic management. Employees should also get regular feedback and performance appraisals. Each employee should know what is expected of them. There should also be some level of flexibility when it comes to strategy implementation. Working as a team with correct alignment is a must if an organisation wants to execute strategic plans. A lot of this boils down to the attitudes of workers. Resistance to change is also the result of employees feeling insecure about the strategic intent of the organisation. Communication and participation are thus two of the most important pillars of making sure employees understand and adopt the formulated strategies. All these assist the process of moving from strategic planning to strategy implementation.

Table 5.29: Pitfalls of Strategy Implementation

	N	Minimum	Maximum	Mean	Std. Deviation	Variance
Short term planning	292	1	4	1.40	.603	.364
Ignoring external trends	292	1	3	1.43	.655	.429
Overconfidence based on existing success	292	1	2	1.20	.402	.162
Failure to respond to structural changes in the market	292	1	3	1.34	.517	.267
Failure to employ the best possible team	292	1	3	1.35	.500	.250
Failure to focus	292	1	2	1.21	.409	.168
Inability to foster belief in the strategy	292	1	3	1.39	.549	.301
Inability to translate the strategy into a corporate purpose	292	1	4	1.61	.764	.584
Failure to create accountability for results	292	1	3	1.52	.627	.394
	292	1	4	2.05	.947	.896

Source: Field Data, 2019

Table 5.29 above showed the pitfalls of strategic management. The study showed that the most ensnaring pitfall of strategic management is the inability of organisations to translate strategy into a corporate purpose. A mean figure of 1.61 showed that most respondents agreed to the point that Inability to translate the strategy into a corporate

purpose was a major pitfall in strategic management. This was followed by short term planning (mean=2.05), failure to create accountability for results (mean= 1.52), inability to foster belief in the strategy (mean=1.39), ignoring external trends (mean= 1.43), overconfidence based on existing success (mean= 1.2) and failure to respond to structural changes in the market (mean= 1.34).

The findings therefore showed that the path of strategic management is a tricky one, with pitfalls that could render strategic management efforts useless. Like the findings of this study, strategy is usually linked with the external environment in which the firm operates. In the strategic management literature, many contingency factors have been suggested to influence strategy. Numerous summaries of the contingency literature have concluded that the external environment exerts a strong influence on strategy formulation or on the relationship between strategy and other variables such as performance (Prescott, 1986). Empirical evidence tends to support this contention (Miller, 1987). According to Burns and Stalker (1961), frequent change would require energy and resources to be expended that are not necessary. Too much change under this condition would actually be detrimental. In a dynamic environment, those firms which are more sensitive to environmental changes, are able to identify the right adjustments, and are able to make changes expeditiously have a better chance of survival and success. Ujunwa and Modebe (2012) opine that Short term planning and Inability to foster belief in the strategy are critical stumbling blocks to effective strategic management.

5.8 Regression Analysis

The purpose of this study, it will be recalled, was to investigate the extent to which strategic thinking is used by organisations, with particular reference to the Zimbabwean MoF, in order to determine commonly used tools, elements and mechanisms as inputs into the conceptualisation of a conceptual strategic thinking approach for the delivery of a creative and adaptive organisational strategy. For this purpose, a hierarchical multiple regression analysis was undertaken with the factors identified through the data reduction, as described in section 6.3.1, in order to determine whether relationships exist between them. To conduct the regression analysis, a dependent variable/factor was analysed against one or more independent variables/factors to predict whether a relationship exists.

The hierarchical regression analysis followed a sequential process to provide insight not possible when running only one single model, as illustrated in Figure 5.17 below; each step adding another building block in order to develop a thorough understanding of the

relationships between each factor. In addition, the hierarchical multiple regression analysis allowed the assessor to determine the overall fit of the model and the relative contribution of each of the predictors to the overall fit.

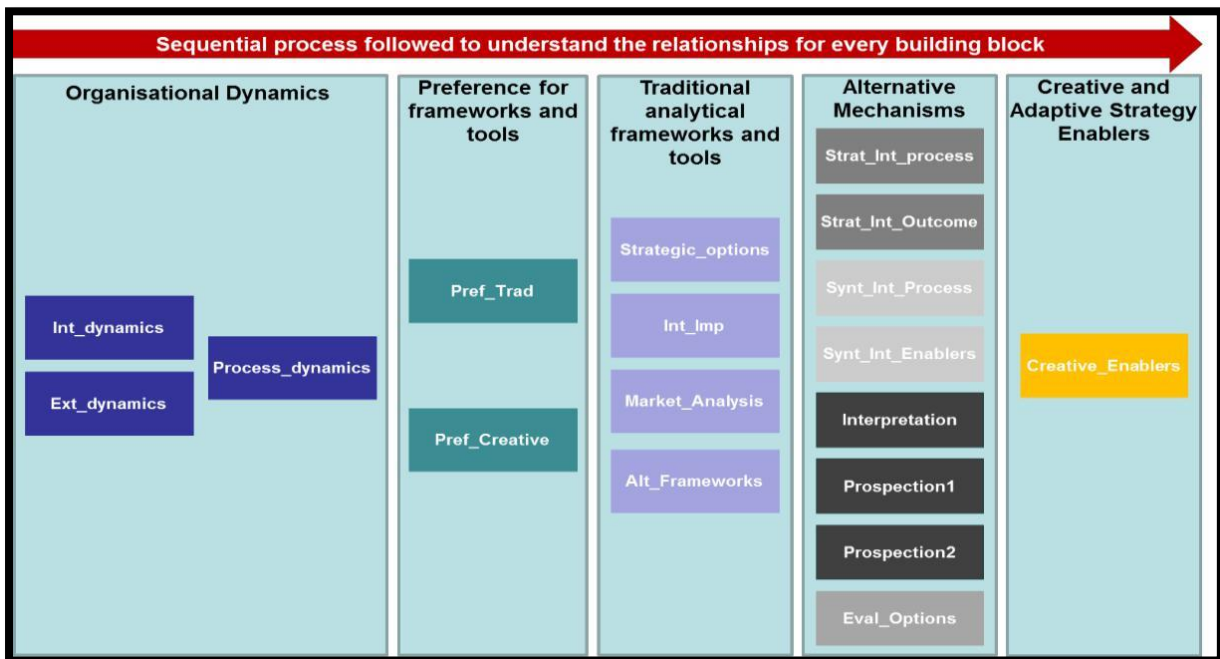


Figure 5.17 – Regression process

An important aspect to consider prior to the use of regression analysis is the applicable sample size. The sample size requirement for such an analysis is dependent on the use of the analysis. This research focuses on explaining the strength of the contributing in explaining variation in the dependent variable; a smaller number of cases/observations is considered acceptable per variable.

5.8.1 Process for identifying and responding to changing dynamics

A single stage multiple regression was conducted with the “process for identifying and responding to changing dynamics” as the dependent variable. Internal dynamics and external dynamics were entered as the independent variables. The regression statistics are depicted in Table 5.30 below.

Table 5.30 - Regression results for process for identifying and responding to changing dynamics

Process_dynamics	
Independent Variable	Model 1
Int_dynamics	-0.292 *
Ext_dynamics	0.216 **
R ²	0.104
F (p value)	5.717 (-0.004)

Note: Standardised Beta-coefficients are presented. *p<0.01, **p < 0.05, ***p < 0.1

The multiple regression revealed that internal dynamics and external dynamics contributed significantly to the regression model ($F(2,99)=5.717$, $p<0.05$), and accounted for 10.4% of the variation in “process for identifying and responding to changing dynamics”, with internal dynamics having a small (standardised Beta = -0.292) statistically significant negative relationship, keeping the other variable in the model constant, and external dynamics having a small (standardised Beta = 0.216) statistically significant positive relationship, keeping the other variable in the model constant.

5.8.2 Preference for traditional frameworks and tools

Hierarchical multiple regression was conducted with “preference for traditional frameworks and tools” as the dependent variable. Internal dynamics and external dynamics were entered at the first stage of the regression and “process for identifying and responding to changing dynamics” was entered at stage two. The regression statistics are depicted in Table 5.31 below.

Table 5.31 - Regression results for preference for traditional frameworks and tools

Pref_Trad		
Independent Variable	Model 1	Model 2
Int_dynamics	0.024	0.048
Ext_dynamics	0.240 **	0.222 **
Process_dynamics		0.084
R ²	0.061	0.067
ΔR^2	0.061	0.006
F (p value)	3.205 (-0.045)	2.352 (-0.077)

Note: Standardised Beta-coefficients are presented. * $p<0.01$, ** $p < 0.05$, *** $p < 0.1$

The hierarchical multiple regression revealed that at stage one (model 1), internal dynamics and external dynamics contributed to the regression model ($F(2,99)=3.205$, $p<0.05$) and accounted for 6.1% of the variation in “preference for traditional frameworks and tools”. External dynamics had a small (standardised Beta=0.240) statistically significant positive relationship. The addition of “process for identifying and responding to changing dynamics” explained an additional 0.6% of the variation of “preference for traditional frameworks and tools” and this change in R² was significant in the tenth percentile ($p=0.077$); ($F(3,98)=2.352$, $p<0.1$) according to the ANOVA test for this model. External dynamics did yield a small (standardised Beta = 0.222) statistically significant positive relationship, keeping the other variables in the model constant.

When all three independent variables were included in the second stage of the regression model; internal dynamics and “process for identifying and responding to

changing dynamics” were not statistically significant predictors of “preference for traditional frameworks and tools”. The strongest and only statistically significant variable was external dynamics. Together, the three independent variables accounted for 6.7% of the variance in “preference for traditional frameworks and tools”. The relationships are depicted in Figure 5.18 below.

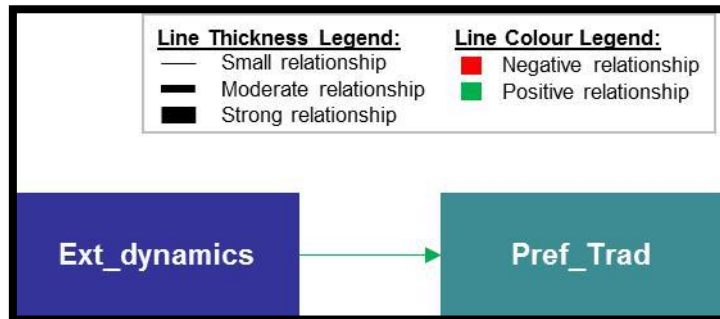


Figure 5.18: Preference for traditional frameworks and tools regression relationships

5.8.3 Preference for creative and lateral thinking frameworks

A hierarchical multiple regression was conducted with “preference for creative and lateral thinking frameworks” as the dependent variable. Internal dynamics and external dynamics were entered at the first stage of the regression and “process for identifying and responding to changing dynamics” was entered at stage two. The regression statistics are depicted in table 5.32 below.

Table 5.32 - Regression results for preference for creative and lateral thinking frameworks

Pref_creative			
Independent Variable	Model 1	Model 2	
Int_dynamics	-0.175***	-0.093	
Ext_dynamics	0.050	-0.010	
Process_dynamics		0.279 *	
R ²	0.029	0.099	
ΔR ²	0.029	0.070	
F (p value)	1.478 (-0.233)	3.574 (-0.007)	

Note: Standardised Beta-coefficients are presented. *p<0.01, **p < 0.05, ***p < 0.1

The hierarchical multiple regression revealed that at stage one (model 1), external dynamics did not statistically significantly contribute to the regression model (F(2,99)=1.478, p>0.1), and accounted for only 2.9% of the variation in “preference for creative and lateral thinking frameworks”. Internal dynamics yielded a small (standardised Beta = -0.175) statistically significant negative relationship with

“preference for creative and lateral thinking frameworks” in the tenth percentile ($p=0.089$).

The addition of “process for identifying and responding to changing dynamics” explained an additional 7% of the variation of “preference for creative and lateral thinking frameworks” and this change in R^2 contributed statistically significantly ($F(3,98)=3.574$, $p<0.01$), according to the ANOVA test for this model. “Process for identifying and responding to changing dynamics” yielded a small (standardised Beta = 0.279) positive relationship, keeping the other variables in the model constant.

When all three independent variables were included in the second stage of the regression model, the internal dynamics and external dynamics were not statistically significant predictors of “preference for creative and lateral thinking frameworks”.

The strongest and only statistically significant variable was “process for identifying and responding to changing dynamics”. Together the three independent variables accounted for 9.9% of the variance in “preference for creative and lateral thinking frameworks”. The relationships are depicted in Figure 5.19 below.

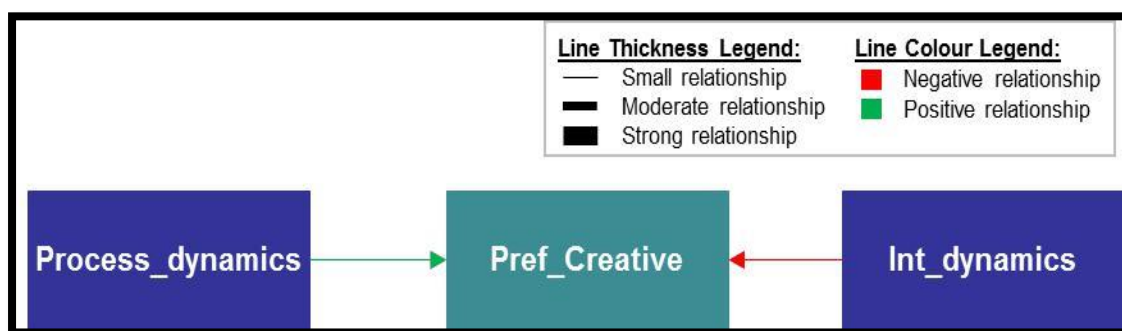


Figure 5.19: Preference for creative and lateral thinking frameworks regression relationships

5.8.4 Strategic options/choice frameworks and tools

Hierarchical multiple regression was conducted with “strategic options/choice frameworks and tools” as the dependent variable. Internal dynamics and external dynamics were entered at the first stage of the regression, “process for identifying and responding to changing dynamics” at stage two, and “preference for traditional frameworks and tools” at stage three. The same regression was run a second time with the change from “preference for traditional frameworks and tools” in stage three to “preference for creative and lateral thinking frameworks”. The first two stages of both regression analyses yielded identical results. The variables were entered in this order as it seemed chronologically plausible due to internal and external dynamics needing to be acknowledged and assessed before “preference for traditional frameworks and

tools" or "preference for creative and lateral thinking frameworks" can be selected. The regression statistics are depicted in Table 5.33 below.

Table 5.33 – Regression results for strategic options/choice frameworks and tools

Strategic_options				
Independent Variable	Model 1	Model 2	Model 3.1	Model 3.2
Int_dynamics	-0.290 *	-0.172 ***	-0.182***	-0.151
Ext_dynamics	0.232 **	0.144	0.100	0.146
Process_dynamics		0.404 *	0.385 *	0.340 *
Pref_Trad			0.199 **	
Pref_Creative				0.228 **
R ²	0.107	0.253	0.290	0.300
△R ²	0.107	0.146	0.037	0.047
F (p value)	5.877 (-0.004)	10.980 (0.000)	9.817 (0.000)	10.304 (0.000)

Note: Standardised Beta-coefficients are presented. *p<0.01, **p < 0.05, ***p < 0.1

The hierarchical multiple regression revealed that at stage one (model 1), internal dynamics and external dynamics contributed to the regression model (F (2,98) = 5.877, p<0.01), and accounted for 10.7% of the variation in “strategic options/choice frameworks and tools”. Internal dynamics revealed a small (standardised Beta = -0.290) statistically significant negative relationship, while external dynamics yielded a small (standardised Beta = 0.232) statistically significant positive relationship.

Introducing “process for identifying and responding to changing dynamics” explained an additional 14.6% of variation in “strategic options/choice frameworks and tools” and this change in R² was significant (F (3, 97) = 10.980, p<0.001) according to the ANOVA test for this model. External dynamics was not a statistically significant predictor of “strategic options/choice frameworks and tools” in the second stage. “Process for identifying and responding to changing dynamics” yielded a moderate (standardised Beta = 0.404) statistically significant positive relationship with “strategic options/choice frameworks and tools”. Internal dynamics yielded a small (standardised Beta = -0.172) statistically significant negative relationship with a tenth percentile (p=0.071).

Adding the variable “preference for traditional frameworks and tools” to the regression model explained an additional 3.7% of the variation in “strategic options/choice frameworks and tools” and this change in R² was significant (F (4,96) 9.817, p<0.001) according to the ANOVA test for this model. “Process for identifying and responding to changing dynamics” yielded a moderate (standardised Beta = 0.385) statistically significant positive relationship, while “preference for traditional frameworks and tools” has a small (standardised Beta = 0.199) statistically significant positive relationship, and in addition, internal dynamics yielded a small (standardised Beta = -0.182) statistically

significant negative relationship with “strategic options/choice frameworks and tools” in the tenth percentile ($p=0.052$). External dynamics was not a statistically significant predictor of “strategic options/choice frameworks and tools”, keeping the other variables in the model constant.

The same regression was run a second time with a change from “preference for traditional frameworks and tools” (Stage 3.1) to “preference for creative and lateral thinking frameworks” (Stage 3.2). The first two stages of both regression analyses yielded identical results. The addition of “preference for creative and lateral thinking frameworks” explained an additional 4.7% of the variation in “strategic options/choice frameworks and tools” and this change in R^2 was also significant ($F(4,96) = 10.304$, $p < 0.001$) according to the ANOVA test for this model. “Process for identifying and responding to changing dynamics” yielded a moderate (standardised Beta = 0.340) statistically significant positive relationship while “preference for creative and lateral thinking frameworks” yielded a small (standardised Beta = 0.228) statistically significant positive relationship on “strategic options/choice frameworks and tools”, keeping the other variables in the model constant.

When all four independent variables were included in Stage 3.1 of the regression model, internal dynamics and external dynamics were not statistically significant predictors of “strategic options/choice frameworks and tools”. When all four independent variables were included in Stage 3.2 of the regression model, internal dynamics and external dynamics were not statistically significant predictors of “strategic options/choice frameworks and tools”. The strongest statistically significant predictor of “strategic options/choice frameworks and tools” was “process for identifying and responding to changing dynamics”. Together the four independent variables accounted for 29% and 30% of the variance in “strategic options/choice frameworks and tools”. The relationships are depicted in Figure 5.20 below.

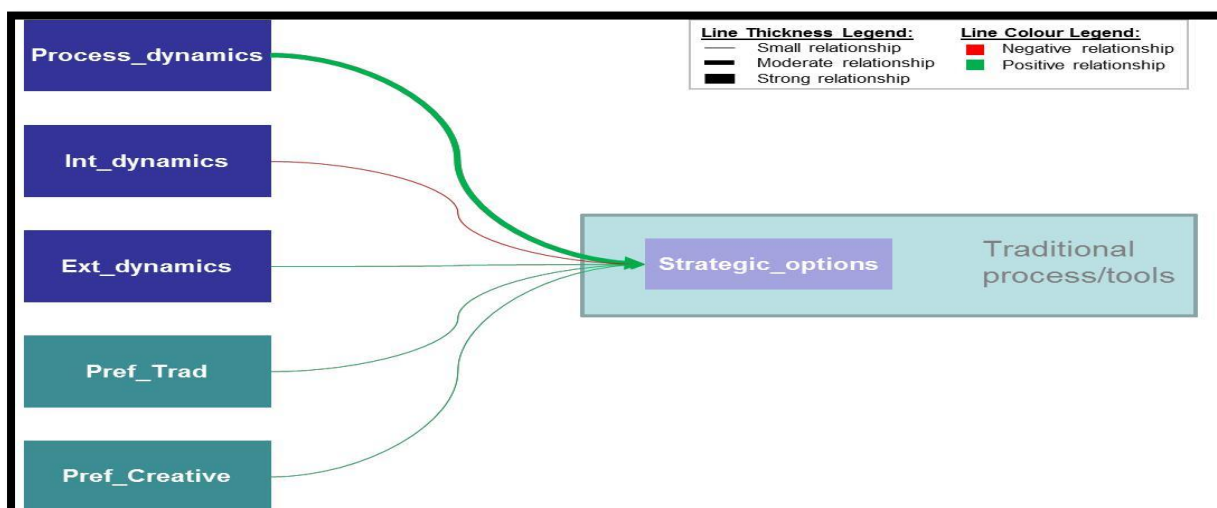


Figure 5.20: Strategic options/choice frameworks and tools regression relationships

5.8.5 Internal implementation frameworks and tools

Hierarchical multiple regression was conducted with “internal implementation frameworks and tools” as the dependent variable. Internal dynamics and external dynamics were entered at the first stage of the regression. “Process for identifying and responding to changing dynamics” was entered at stage two and “preference for creative and lateral thinking frameworks” at stage three. The same regression was run a second time with the change from “preference for creative and lateral thinking frameworks” in stage three to “preference for traditional frameworks and tools”.

The first two stages of both regression analyses yielded identical results. The variables were entered in this order as it seemed chronologically plausible due to internal and external dynamics needing to be acknowledged and assessed before "preference for traditional frameworks and tools" or "preference for creative and lateral thinking frameworks" can be selected. The regression statistics are in Table 5.34 below.

Table 5.34 – Regression results for internal implementation frameworks and tools

Int_Imp				
Independent Variable	Model 1	Model 2	Model 3.1	Model 3.2
Int_dynamics	0.055	0.184 ***	0.184 ***	0.167 ***
Ext_dynamics	0.154	0.059	0.059	-0.019
Process_dynamics		0.440 *	0.438 *	0.411 *
Pref_Creative			0.008	
Pref_Trad				0.351 *
R ²	0.030	0.204	0.204	0.320
△R ²	0.030	0.174	0.000	0.115
F (p value)	1.556 (-0.216)	8.390 (0.000)	6.230 (0.000)	11.388 (0.000)

Note: Standardised Beta-coefficients are presented. *p<0.01, **p < 0.05, ***p < 0.1

The hierarchical multiple regression revealed that at stage one (Model 1), internal dynamics and external dynamics did not statistically significantly contribute to the regression model (F (2,99) = 1.556, p>0.1), and accounted for 3% of the variation in “internal implementation frameworks and tools”. Both internal and external dynamics proved not to be statistically significant predictors of “internal implementation frameworks and tools” at this stage of the regression model.

Introducing “process for identifying and responding to changing dynamics” explained an additional 17.4% of variation in “internal implementation frameworks and tools” and this change in R^2 was statistically significant, ($F(3, 98) = 8.390, p < 0.001$) according to the ANOVA test for this model. External dynamics was not a statistically significant predictor of “internal implementation frameworks and tools” in the second stage. “Process for identifying and responding to changing dynamics” yielded a moderate (standardised Beta = 0.440) statistically significant positive relationship with “internal implementation frameworks and tools”, while internal dynamics had a small (standardised Beta = -0.184) statistically significant positive relationship in the tenth percentile ($p = 0.060$), keeping the other variables in the model constant.

Adding the variable “preference for creative and lateral thinking frameworks” to the regression model explained 0% variation in “internal implementation frameworks and tools” and this change in R^2 was significant, ($F(4, 97) = 6.230, p < 0.001$) according to the ANOVA test for this model. “Process for identifying and responding to changing dynamics” yielded a moderate (standardised Beta = 0.438) statistically significant positive relationship while internal dynamics yielded a small (standardised Beta = 0.184) statistically significant positive relationship with “internal implementation frameworks and tools” in the tenth percentile ($p = 0.062$). External dynamics and “preference for creative and lateral thinking frameworks” were not statistically significant predictors of “internal implementation frameworks and tools”, keeping the other variables in the model constant.

The same regression was run a second time with the change from “preference for creative and lateral thinking frameworks” (Stage 3.1) to “preference for traditional frameworks and tools” (Stage 3.2). The first two stages of both regression analyses yielded identical results. The addition of “preference for traditional frameworks and tools” explained an additional 11.5% of the variation in “internal implementation frameworks and tools” and this change in R^2 was also significant ($F(4, 97) = 11.388, p < 0.001$) according to the ANOVA test for this model. Both “process for identifying and responding to changing dynamics” (standardised Beta = 0.411) and “preference for traditional frameworks and tools” (standardised Beta = 0.351) yielded a moderate statistically significant positive relationship with “internal implementation frameworks and tools”, while internal dynamics yielded a small (standardised Beta = 0.167) statistically significant positive relationship with “internal implementation frameworks and tools” in the tenth percentile ($p = 0.067$).

When all four independent variables were included in Stage 3.1 of the regression model, internal dynamics and external dynamics were not statistically significant predictors of

“internal implementation frameworks and tools”. When all four independent variables were included in Stage 3.2 of the regression model, external dynamics was not a significant predictor of “internal implementation frameworks and tools”. The strongest statistically significant predictor of “internal implementation frameworks and tools” was “process for identifying and responding to changing dynamics”. Together the four independent variables accounted for 20.4% and 31.9% of the variance in “internal implementation frameworks and tools”. The relationships are depicted in Figure 5.21 below.

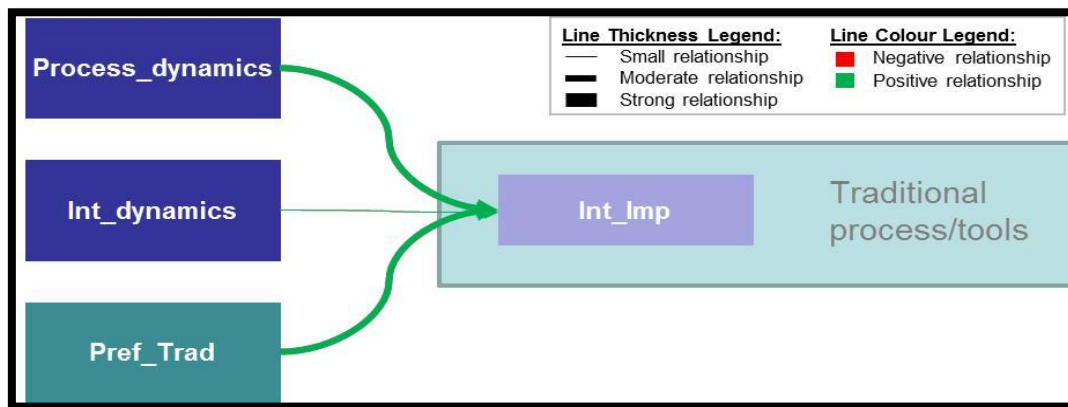


Figure 5.21: Internal implementation frameworks and tools regression relationships

5.8.6 Alternative frameworks and tools

Hierarchical multiple regression was conducted with “alternative frameworks and tools” as the dependent variable. Internal dynamics and external dynamics were entered at the first stage. “Process for identifying and responding to changing dynamics” was entered at stage two and “preference for traditional frameworks and tools” and “preference for creative and lateral thinking frameworks” at stage three. The variables were entered in this order as it seemed chronologically plausible due to internal and external dynamics needing to be acknowledged and assessed before “preference for traditional frameworks and tools” or “preference for creative and lateral thinking frameworks” could be selected. The regression statistics are in Table 5.35 below.

Table 5.35 – Regression results for alternative frameworks and tools

Alt_Frameworks			
Independent Variable	Model 1	Model 2	Model 3
Int_dynamics	-0.063	0.012	0.028
Ext_dynamics	0.188	0.133	0.093
Process_dynamics		0.254 **	0.162
Pref_Trad			0.192 ***
Pref_Creative			0.273 *
R ²	0.034	0.092	0.176
△R ²	0.034	0.058	0.084

F (p value)	1.741 (-0.181)	3.308 (-0.023)	4.112 (-0.002)
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Note: Standardised Beta-coefficients are presented. *p<0.01, **p < 0.05, ***p < 0.1

The hierarchical multiple regression revealed that at stage one (model 1), internal dynamics and external dynamics did not statistically significantly contribute to the regression model ($F(2,99) = 1.741, p > 0.1$), and accounted for only 3.4% of the variation in “alternative frameworks and tools”.

Introducing “process for identifying and responding to changing dynamics” explained an additional 5.8% of variation in “alternative frameworks and tools” and this change in R^2 was statistically significant ($F(3,98) = 3.308, p < 0.05$) according to the ANOVA test for this model. “Process for identifying and responding to changing dynamics” revealed a small (standardised Beta = 0.254) statistically significant positive relationship with “alternative frameworks and tools”.

Adding the variables “preference for traditional frameworks and tools” and “preference for creative and lateral thinking frameworks” to the regression model explained an additional 8.4% of the variation in “alternative frameworks and tools” and this change in R^2 was statistically significant ($F(5,96) = 4.112, p < 0.01$) according to the ANOVA test for this model. “Preference for creative and lateral thinking frameworks” (standardised Beta = 0.273) and “preference for traditional frameworks and tools” (standardised Beta = 0.192) yielded small statistically significant positive relationships with “alternative frameworks and tools” in the tenth percentile ($p = 0.052$) keeping the other variables in the model constant. When all five independent variables were included in stage three of the regression model, internal dynamics, external dynamics and “process for identifying and responding to changing dynamics” were not statistically significant predictors of “alternative frameworks and tools”. The strongest statistically significant predictor of “alternative frameworks and tools” was “preference for creative and lateral thinking frameworks”. Together, the five independent variables accounted for 17.6% of the variance in “alternative frameworks and tools”. The relationships are depicted in Figure 5.22 below.

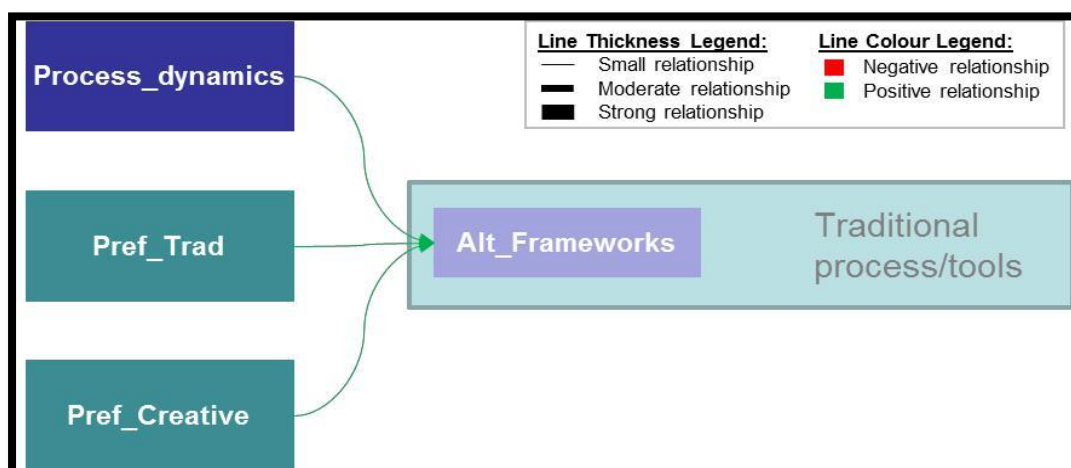


Figure 5.22: Alternative frameworks and tools regression relationships
5.8.7 Strategic intelligence process

A hierarchical multiple regression was conducted with strategic intelligence process as the dependent variable. Internal dynamics and external dynamics were entered at the first stage of the regression. “Process for identifying and responding to changing dynamics” was entered at stage two; “preference for traditional frameworks and tools” and “preference for creative and lateral thinking frameworks” at stage three; and “strategic options/choice frameworks and tools”, “internal implementation frameworks and tools”, “market analysis frameworks and tools” and “alternative frameworks and tools” at stage four.

The variables were entered in this order as it seemed chronologically plausible due to internal and external dynamics needing to be acknowledged and assessed before “alternative frameworks and tools” could be selected. The regression statistics are depicted in Table 5.36 below.

Table 5.36 – Regression results for strategic intelligence process

Strat_Int_process				
Independent Variable	Model 1	Model 2	Model 3	Model 4
Int_dynamics	-0.219 **	-0.034	-0.006	-0.029
Ext_dynamics	0.199 **	0.061	0.043	0.058
Process_dynamics		0.634 *	0.525 *	0.369 *
Pref_Creative			0.355 *	0.265 *
Pref_Trad			0.100	-0.007
Strategic_options				0.075
Int_Imp				0.136
Market_Analysis				0.164 **
Alt_Frameworks				0.070
R ²	0.068	0.428	0.539	0.609
ΔR ²	0.068	0.360	0.111	0.069
F (p value)	3.549 (-0.032) (-0.429)	24.196 (0.000) (-0.197)	22.236 (0.000) (-0.035)	15.726 (0.000) (-0.006)

Note: Standardised Beta-coefficients are presented. *p<0.01, **p < 0.05, ***p < 0.1

The hierarchical multiple regression revealed that at stage one (model 1), internal dynamics and external dynamics contributed to the regression model (F (2,98) = 3.549, p<0.05), and accounted for 6.8% of the variation in strategic intelligence process. Internal dynamics revealed a small (standardised Beta = -0.219) statistically significant negative relationship, while external dynamics yielded a small (standardised Beta = 0.199) statistically significant positive relationship with strategic intelligence process.

Introducing “process for identifying and responding to changing dynamics” explained an additional 36% of variation in strategic intelligence process and this change in R^2 was statistically significant, ($F(3,97) = 24.196, p < 0.001$) according to the ANOVA test for this model. “Process for identifying and responding to changing dynamics” revealed a strong (standardised Beta = 0.634) statistically significant positive relationship on strategic intelligence process.

Adding the variables “preference for traditional frameworks and tools” and “preference for creative and lateral thinking frameworks” to the regression model explained an additional 11.1% of the variation in strategic intelligence process and this change in R^2 was statistically significant ($F(5,95) = 22.236, p < 0.001$) according to the ANOVA test for this model. “Process for identifying and responding to changing dynamics” revealed a strong (standardised Beta = 0.525) statistically significant positive relationship with “preference for creative and lateral thinking frameworks” yielding a moderate (standardised Beta = 0.355) statistically significant positive relationship.

The addition of “strategic options/choice frameworks and tools”, “internal implementation frameworks and tools”, “market analysis frameworks and tools” and “alternative frameworks and tools” explained an additional 6.9% of the variation in strategic intelligence process and this change in R^2 was also statistically significant ($F(9,91) = 15.726, p < 0.001$) according to the ANOVA test for this model. “Process for identifying and responding to changing dynamics” yielded a moderate (standardised Beta = 0.369) statistically significant positive relationship, while both “preference for creative and lateral thinking frameworks” (standardised Beta = 0.265) and “market analysis frameworks and tools” (standardised Beta = 0.164) yielded a small statistically significant positive relationship with strategic intelligence process.

When all nine independent variables were included in stage four of the regression model, internal dynamics, external dynamics, “preference for traditional frameworks and tools”, “strategic options/choice frameworks and tools”, “internal implementation frameworks and tools” and “alternative frameworks and tools” were not statistically significant predictors of strategic intelligence process. The strongest statistically significant predictor of this process was “process for identifying and responding to changing dynamics”. Together the nine independent variables accounted for 60.8% of the variance in strategic intelligence process. The relationships are depicted in Figure 5.23 below.

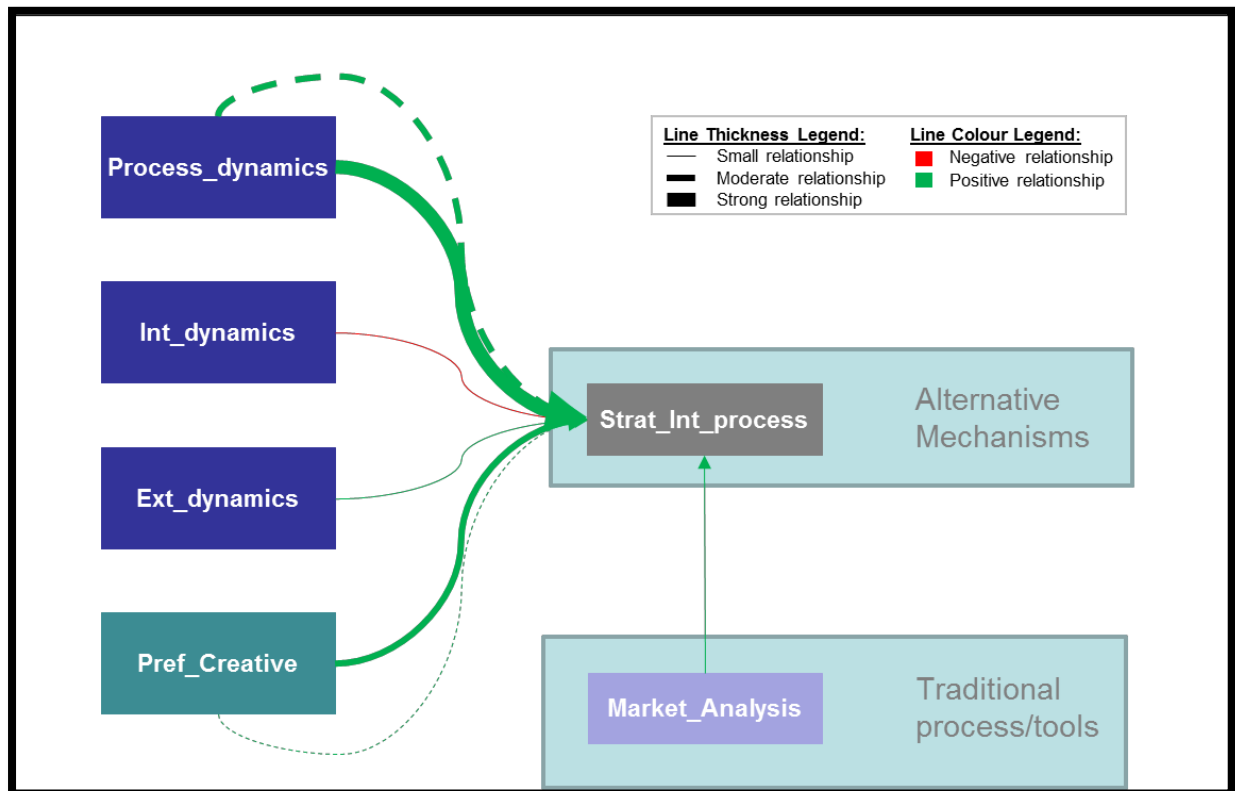


Figure 5.23: Strategic intelligence process regression relationships

5.8.8 Strategic synthesis and insight generation process

A hierarchical multiple regression was conducted with “strategic synthesis and insight generation process” as the dependent variable. Internal dynamics and external dynamics were entered at the first stage of the regression. “Process for identifying and responding to changing dynamics” was entered at stage two; “preference for traditional frameworks and tools” and “preference for creative and lateral thinking frameworks” at stage three; and “strategic options/choice frameworks and tools”, “internal implementation frameworks and tools”, “market analysis frameworks and tools” and “alternative frameworks and tools” at stage four.

The variables were entered in this order as it seemed chronologically plausible due to internal and external dynamics needing to be acknowledged and assessed before “alternative frameworks and tools” could be selected. The regression statistics are depicted in Table 5.37 below.

Table 5.37 – Regression results for strategic synthesis and insight generation process

Synt_Int_Process				
Independent Variable	Model 1	Model 2	Model 3	Model 4
Int_dynamics	-0.230 **	-0.142	-0.109	-0.108
Ext_dynamics	0.191 ***	0.125	0.114	0.101
Process_dynamics		0.302 *	0.185 ***	0.049
Pref_Creative			0.392 *	0.303 *
Pref_Trad			0.071	-0.043
Strategic_options				0.182
Int_Imp				0.134
Market_Analysis				0.046
Alt_Frameworks				0.065
R ²	0.069	0.151	0.285	0.361
△R ²	0.069	0.082	0.134	0.076
F (p value)	3.652 (-0.030)	5.761 (-0.001)	7.578 (0.000)	5.719 (0.000)

Note: Standardised Beta-coefficients are presented. *p<0.01, **p < 0.05, ***p < 0.1

The hierarchical multiple regression revealed that at stage one (model 1), internal dynamics and external dynamics contributed to the regression model ($F(2,98) = 3.652, p < 0.05$) and accounted for 6.9% of the variation in “strategic synthesis and insight generation process”. Internal dynamics yielded a small (standardised Beta = - 0.230) statistically significant negative relationship while external dynamics yielded a small (standardised Beta = 0.191) statistically significant positive relationship with “strategic synthesis and insight generation process” in the tenth percentile ($p = 0.059$).

Introducing “process for identifying and responding to changing dynamics” explained an additional 8.2% of variation in “strategic synthesis and insight generation process” and this change in R² was statistically significant ($F(3,97) = 5.761, p < 0.001$) according to the ANOVA test for this model. “Process for identifying and responding to changing dynamics” revealed a moderate (standardised Beta = 0.302) statistically significant positive relationship keeping the other variables in the model constant. Adding the variables “preference for traditional frameworks and tools” and “preference for creative and lateral thinking frameworks” to the regression model explained an additional 13.4% of the variation in “strategic synthesis and insight generation process” and this change in R² was statistically significant ($F(5,95) = 7.578, p < 0.001$) according to the ANOVA test for this model. “Process for identifying and responding to changing dynamics” yielded a small (standardised Beta = 0.185) statistically significant positive relationship in the tenth percentile ($p = 0.057$), while “preference for creative and lateral thinking

frameworks yielded a moderate (standardised Beta = 0.392) statistically significant positive relationship with “strategic synthesis and insight generation process”.

The addition of “strategic options/choice frameworks and tools”, “internal implementation frameworks and tools”, “market analysis frameworks and tools” and “alternative frameworks and tools” explained an additional 7.6% of the variation in “strategic synthesis and insight generation process” and this change in R² was significant (F (9,91) = 5.719, p<0.001) according to the ANOVA test for this model. “Preference for creative and lateral thinking frameworks” yielded a moderate (standardised Beta = 0.303) statistically significant positive relationship with “strategic synthesis and insight generation process” keeping the other variables in the model constant.

When all independent variables were included in stage four of the regression model, they were found not statistically significant predictors of “strategic synthesis and insight generation process”. The strongest statistically significant predictor of “strategic synthesis and insight generation process” was “preference for creative and lateral thinking frameworks”. Together, the nine independent variables accounted for 36.1% of the variance in “strategic synthesis and insight generation process”. The relationships are depicted in Figure 5.24 below.

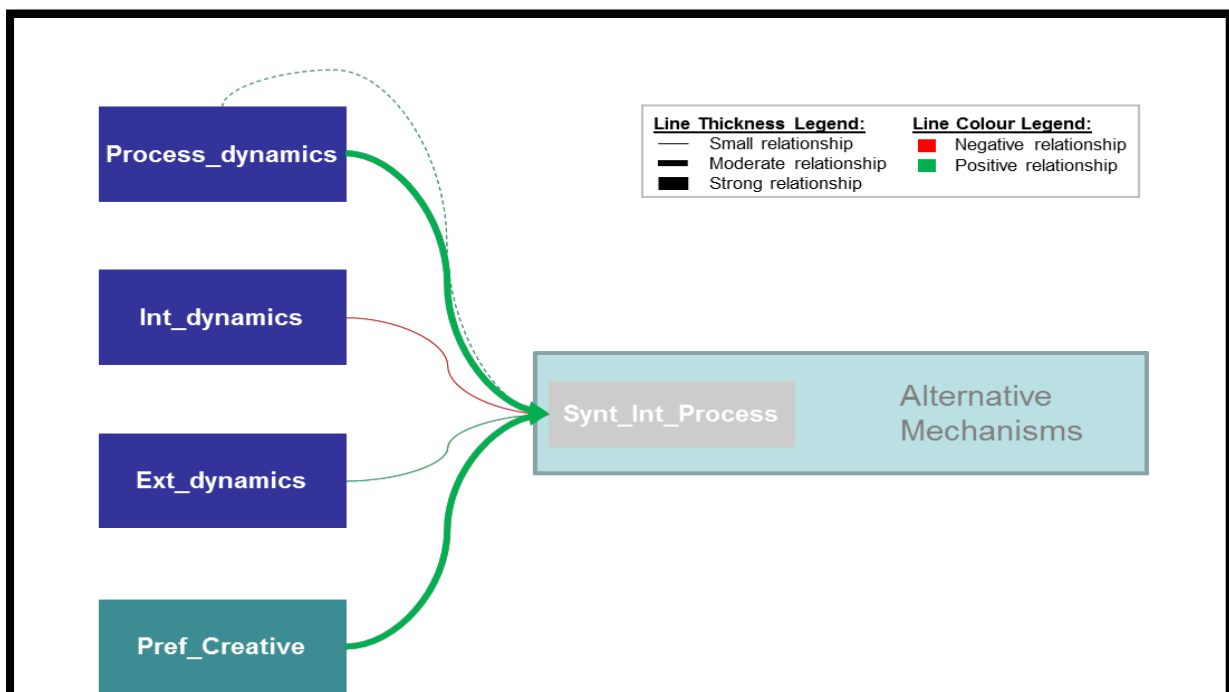


Figure 5.24: Strategic synthesis and insight generation process regression relationships

5.8.9 Creative and adaptive strategy enablers

A hierarchical multiple regression was conducted with “creative and adaptive strategy enablers” as the dependent variable. Internal dynamics and external dynamics were entered at the first stage of the regression. “Process for identifying and responding to changing dynamics” was entered at stage two; “preference for traditional frameworks and tools” and “preference for creative and lateral thinking frameworks” at stage three; and “strategic options/choice frameworks and tools”, “internal implementation frameworks and tools”, “market analysis frameworks and tools” and “alternative frameworks and tools” at stage four. Strategic intelligence process, strategic intelligence outcomes, “strategic synthesis and insight generation process”, “strategic synthesis and insight generation enablers”, “interpretation frameworks and tools”, “prospection frameworks and tools (1)”, “prospection frameworks and tools (2)” and “evaluation and validation options” were added in stage five.

Table 5.38 – Regression results for creative and adaptive strategy enablers

Creative_Enablers					
Independent Variable	Model 1	Model 2	Model 3	Model 4	Model 5
Int_dynamics	0.091	0.084	0.096	0.147	0.167
Ext_dynamics	0.186 ***	0.191***	0.181***	0.204***	0.225 **
Process_dynamics		-0.022	-0.068	-0.115	-0.202
Pref_Trad			0.051	0.073	0.003
Pref_Creative			0.150	0.094	-0.113
Strategic_options				0.170	-0.030
Int_Imp				-0.204	-0.167
Market_Analysis				0.218***	0.122
Alt_Frameworks				-0.111	-0.166
Strat_Int_process					-0.066
Strat_Int_Outcome					0.035
Synt_Int_Process					0.236 ***
Synt_Int_Enablers					0.165
Interpretation					0.083
Prospection1					0.051
Prospection2					0.172
Eval_Options					0.260***
R ²	0.050	0.051	0.071	0.134	0.314
△R ²	0.050	0.000	0.020	0.063	0.180
F (p value)	2.570 (-0.082)	1.711 (-0.170)	1.433 (-0.219)	1.551 (-0.142)	2.210 (-0.009)

Note: Standardised Beta-coefficients are presented. *p<0.01, **p < 0.05, ***p < 0.1

The hierarchical multiple regression revealed that at stage one (model 1), internal dynamics and external dynamics contributed to the regression model in the tenth percentile (p=0.082); (F (2,97) = 2.570, p<0.1) and accounted for 5% of the variation in “creative and adaptive strategy enablers”. External dynamics revealed a small

(standardised Beta = 0.186) statistically significant positive relationship with “creative and adaptive strategy enablers” in the tenth percentile ($p=0.070$).

Introducing “process for identifying and responding to changing dynamics” resulted in no variation in “creative and adaptive strategy enablers” and this change in R^2 was not statistically significant ($F(3,96) = 1.711, p>0.1$) according to the ANOVA test for this model. External dynamics revealed a small (standardised Beta = 0.191) statistically significant positive relationship with “creative and adaptive strategy enablers” in the tenth percentile ($p=0.071$).

Adding the variables “preference for traditional frameworks and tools” and “preference for creative and lateral thinking frameworks” to the regression model explained an additional 2% of the variation in “creative and adaptive strategy enablers” and this change in R^2 was not statistically significant ($F(5,94) = 1.433, p>0.1$) according to the ANOVA test for this model. External dynamics revealed a small (standardised Beta = 0.181) statistically significant positive relationship with “creative and adaptive strategy enablers” in the tenth percentile ($p=0.095$).

The addition of “strategic options/choice frameworks and tools”, “internal implementation frameworks and tools”, “market analysis frameworks and tools” and “alternative frameworks and tools” explained an additional 6.3% of the variation in “creative and adaptive strategy enablers” and this change in R^2 was not statistically significant ($F(9,90) = 1.551, p>0.1$) according to the ANOVA test for this model. Both external dynamics (standardised Beta = 0.204; $p=0.065$) and “market analysis frameworks and tools” (standardised Beta = 0.218; $p=0.075$) revealed a small statistically significant positive relationship with “creative and adaptive strategy enablers” in the tenth percentile.

The addition of strategic intelligence process, strategic intelligence outcomes, “strategic synthesis and insight generation process”, “strategic synthesis and insight generation enablers”, “interpretation frameworks and tools”, “prospection frameworks and tools (1)”, “prospection frameworks and tools (2)” and “evaluation and validation options” explained an additional 18% of the variation in “creative and adaptive strategy enablers” and this change in R^2 was statistically significant ($F(17,82) = 2.210, p<0.05$) according to the ANOVA test for this model. External dynamics yielded a small (standardised Beta = 0.225) statistically significant positive relationship with “creative and adaptive strategy enablers”. Both “strategic synthesis and insight generation process” (standardised Beta = 0.236; $p=0.083$), and “evaluation and validation options” (standardised Beta = 0.260; $p=0.081$) yielded a small statistically significant positive relationship with “creative and adaptive strategy enablers” in the tenth percentile.

When all independent variables were included in stage five of the regression model, internal dynamics, “process for identifying and responding to changing dynamics”, “preference for traditional frameworks and tools”, “preference for creative and lateral thinking frameworks”, “strategic options/choice frameworks and tools”, “internal implementation frameworks and tools”, “market analysis frameworks and tools”, “alternative frameworks and tools”, strategic intelligence process, strategic intelligence outcomes, “strategic synthesis and insight generation enablers”, “interpretation frameworks and tools”, “prospection frameworks and tools (1)” and “prospection frameworks and tools (2)” were not statistically significant predictors of “creative and adaptive strategy enablers”. The strongest statistically significant predictor of “creative and adaptive strategy enablers” was external dynamics. The relationships are depicted in Figure 5.25 below.

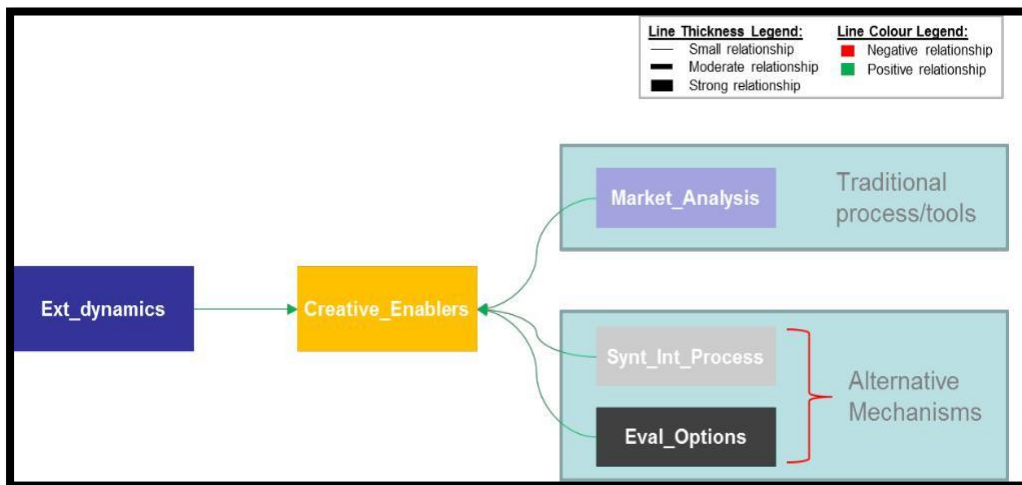


Figure 5.25: Creative and adaptive strategy enablers regression relationships

5.9 Summary

This chapter discussed the findings arrived at by several analytical methods applied to the quantitative data that were collected from respondents by means of a questionnaire. Descriptive statistics were used to inform a discussion of the variables in the questionnaire, depicted visually and through a tabulation of the variables by their mean and standard deviation scores to gain greater insight. Following the extraction of descriptive statistics for each of the variables, an exploratory factor analysis was conducted to reduce the variables into factor subsets. The factors identified were analysed by conducting a multiple regression analysis to determine whether relationships exist between them. Cross tabulations, factor mean distribution and cluster analysis were conducted to develop and define relationships, influences, and natural groupings within the data set. The following chapter addresses the qualitative analysis of this study.

CHAPTER SIX:

PRESENTATION AND DISCUSSION OF QUALITATIVE RESEARCH FINDINGS

6.1 Introduction

This chapter focused on presenting the qualitative findings output by means of a thematic content analysis of the interview transcripts. The chapter furnishes an overview of the interviews followed by a description of the finding aligned to the focus area of each interview. Following the previously described thorough codification, dominant codes were organised into sub-themes and aligned to six overarching themes. Each theme was defined, sub-themes highlighted, and codes aligned with supporting quotations to provide a thorough description of findings.

As part of this research study, several interviews were conducted with members of top-level management and consultants concerned with strategy. Five of the interviewees were managing directors, directors or executive corporate specialists in their respective organisations, with one a senior manager responsible for the development of strategy. The primary aim of the interviews was to explore, in-depth, the extent to which strategic management is practised in the Zimbabwean economy, to establish a concrete basis for arriving at conclusions on strategic thinking and adaptive strategy. By incorporating interviews into the research to assist in explaining and interpreting the qualitative findings, a thorough sequential validation of the quantitative findings was undertaken. To this extent, the interviews contributed to and improved the understanding of how adaptive strategy is crafted within Zimbabwean economic context and how strategic thinking is used and applied by the subject-matter experts and their fiscal and monetary policy management.

To achieve this aim, the interview schedule was structured into four core areas directly aligned to the study's research objectives:

- Dynamics affecting business environment
- Understanding of organisational strategy
- Development of organisational strategy and
- Strategic thinking approach to creative and adaptive strategy development.

Numerous questions were aligned to each focus area, with the interviewer prompting interviewees using focused questions that encouraged open discussions. Interviews

were scheduled for an hour each and ranged from thirty minutes to an hour based on interviewer availability. All interviewees answered all questions.

As described in Chapter 4, a thematic content analysis was conducted per focus area and question to allow the researcher to look for and identify common and recurring themes found within the collected data. The non-numerical data collected for this study are presented and interpreted below:



Figure 6.2: Interview Focus Areas

Source: Researcher, thematic map - data of relevant themes

6.2 Description of Qualitative Findings

6.2.1: Dynamics affecting business environment

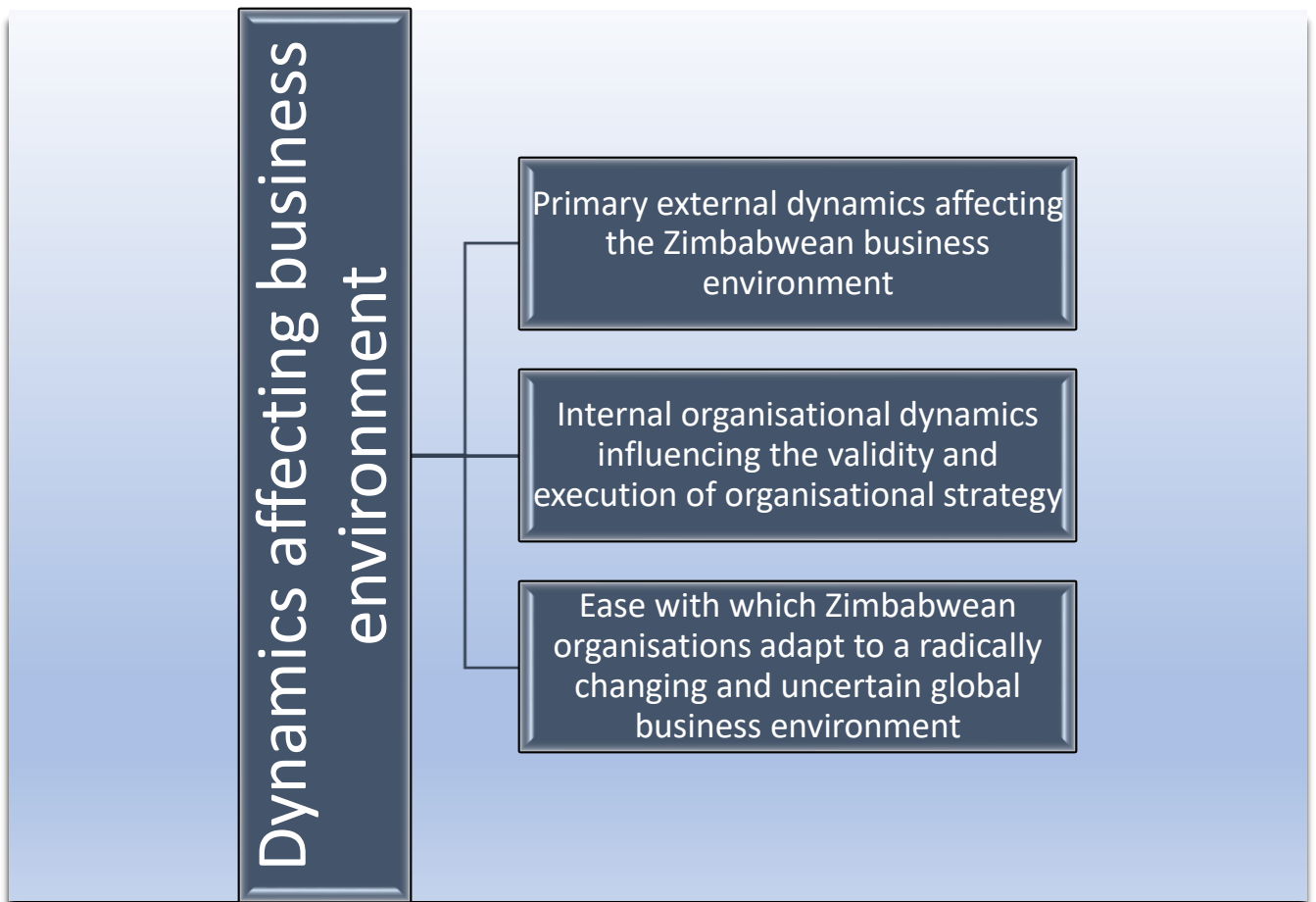


Figure 6.2: Dynamics affecting business environment

The first section of the interview schedule focused on understanding the dynamics which affect the business environment in the Zimbabwean economy. Three questions were designed to prompt interviewees:

- **Primary external dynamics affecting the Zimbabwean business environment**

Economic factors were provided as the most prevalent and impactful external dynamic to affect the Zimbabwean business environment. Primary focus extended to the global recession; commodities downturn; restrained GDP growth; exchange rate depreciation; interest rates and limited foreign direct investment. This narrative was clearly illustrated by an interviewee:

we possibly are going to go into a severe recession as a Zimbabwean economy, which poses to be a really scary thought. The country suffered a sharp rise in inflation, which continued to squeeze real incomes, resulting in a large contraction in economic activity. Activity

has been further constrained by persistent shortages of food, fuel, electricity, and foreign exchange.

Legal and regulatory uncertainty was the second most common area mentioned, in terms of regulatory uncertainty, policy making and civil law; with a direct focus on the enforceability of contracts. In addition, interviewees highlighted the dire state of local politics, mentioning the lack of confidence in political leadership and the increasing number of political level mistakes. Several interviewees raised social/demographic concerns focused on the lack of depth in the local talent pool; limited employee skills and unemployment. Below are the sentiments of interviewee B to this regard;

Unless something drastic happens, contraction will continue given the poor business environment, policy inconsistencies, lack of respect for property rights, corruption and devastating drought. The economy will contract by 13% this year. This is not a mere decline in GDP. Unmitigated incompetence, illegitimacy, zero confidence, corruption and mis governance are at the centre of this dramatic collapse.

To a lesser extent, mention was made of environmental factors (drought and water shortages; climate change); competition (difficulty in forecasting competitive challenges); and technological factors (pace of disruptive technology change and implicit need to embrace technology). The following verbatim from participant F refers;

Apart from food insecurity, Zimbabwean companies and citizens in urban areas are battling electricity outages and fuel shortages. Those in rural areas have been hit by shortages of water for domestic and farming purposes due to persistent drought conditions, painting a gloomy outlook for this year's farming season and forcing many farmers to sell their animals.

- **Internal organisational dynamics influencing the validity and execution of organisational strategy**

Two broad categories of internal organisational dynamics raised by interviewees related to cultural and process dynamics.

From a cultural perspective, attention was drawn to the hierarchical and power based corporate environment, often driven by a political agenda. Organisational acceptance and buy-in to the organisational strategy; and leadership communication, perception of how the business or strategy is performing, hindsight bias, strength, execution and accountability were determined to be prominent cultural dynamics influencing the development and execution of corporate strategy.

Secondly, interviewees identified the need for a credible and known process for the development and execution of organisational strategy, as current processes were often viewed as a "tick box exercise", part of a top-down inflexible strategy, and often executed by stakeholders with limited strategy development and execution capabilities, experience and skills.

Crucially, it was commented that organisational perception of its internal and external environment should be bolstered by methods for systematic self and external environment awareness.

- **Ease with which Zimbabwean government and organisations adapt to a radically changing and uncertain global business environment**

Interviewee consensus highlighted that Zimbabwean organisations can and do adapt to changes in the environment. However, the majority of organisations struggle and are forced to adapt reluctantly.

It is important to note that a single interviewee suggested Zimbabwean government do not easily adapt at all, due to: the homogeneous nature of the Zimbabwean economy which is primarily resource and import based and consumption driven; the geographic location of the country limiting strategic options; the hierarchical power based society; while organisational strategy is often seen as set in stone and is not dynamic. In addition, a common thread among interviewees was the addition of environmental factors which limit Zimbabwean organisations. A stifling legal and regulatory environment, global competition, as well as a consumption driven economy were all highlighted as stumbling blocks to local success.

Through the discussions it was highlighted that Zimbabwean government and organisations that often struggle are traditionalist, bureaucratic, change resistant with top-down inflexible strategies which do not support ambiguity. This results in execution in a non-planned manner or forced adaptability. In addition, it was suggested that organisations struggle due to limited flexibility in their strategy-making approach, risk averse cultures, limited core capabilities, and limited resources. Organisations who succeed are often those with greater resilience, an entrepreneurial (forward thinking) attitude and culture, with no legacy constraints (whether it be their culture, their attitudes or their infrastructure). To ensure success, it was commented that Zimbabwean government should embrace adaptability, agility, flexibility, and responsive innovation combined with interconnectedness and local relevance.

6.2.2: Understanding of organisational strategy



Figure 6.3: Understanding of organisational strategy

Figure 6.3 above illustrates the second section of the interview schedule which focused on understanding organisational strategy; understanding why strategies are not successful and identifying the enablers of successful strategy development. Three questions were designed to prompt interviewees:

- **Understanding the concept “Strategy”**

Two alternative views were identified in this question. The first view identified strategy as being a formally articulated “guideline that will shape the planning and execution of an organisation for a defined period”, outlined as an “approach to setting out and meeting a particular purpose or goal or mission”. The strategy’s focus is on how to move the business to the next level, linked to practical plans and a budget to guide investment and spending to meaningfully meet that outcome. This strategy is frequently defined in boardrooms.

The second view identified strategy as an “informed response”, as being about choices and options “given the context in which you find yourself in or expect to find yourself in” by “dynamically and elastically adjusting to changes in the environment; presenting a goal that you want to in the end attain and then defining a way or method of how you

can attain that goal". An "approach that then meets the requirements that make sure you can survive"..."given the context in which you find yourself in or expect to find yourself in".

- **Why organisations' strategies are not successful**

The common reasons for strategic failure included: Lack of buy in from the team; Unclear Objectives; Failure to account for business as usual; Loss of Momentum; Lack of Alignment; rigid strategy; and Unwillingness to Iterate.

Referring to lack of buy in from the team, Interviewee H stated that:

Involving people as early as possible will make the next phase of the process (communication) go so much more smoothly! When it comes to that phase, the key is to communicate early and often. We often see plans kick off with a flurry of workshops and activity, only to see communication tail off rapidly as people return to business-as-usual activities. Schedule in regular strategy sessions with your team and stick to them. Failure to address a lack of buy in early is the single biggest reason why strategic plans fail.

Regarding unclear objectives and lack of alignment, interviewee J said that:

Strategic planning is both easy and hard. Coming up with ideas about what your organisation needs to do and knowing how to do it aren't usually a problem - but clearly structured plans with well written objectives are much rarer than they should be.

The most common threads through the various narratives was that organisations lack credible strategy-making processes or tools; having a limited understanding of strategy; limited strategy development experience/skills and a lack of execution discipline. In addition, common biases result in distorted views of reality. In respect of iteration, Interviewee G stated that:

It surprises me how often a plan gets 'set in stone'. Then everything is done because it's in the plan, not because it supports the objective and goals.

We work in the design phase, so once you've done your research and set your strategy, how are you going to make it happen. And here we see the same thing. The design phase is simply an iteration of the overall strategic change. But as a result, it's an extremely important step. It's the bridge between strategy and implementation.

It gives you a blueprint for implementation and helps to validate the strategy. Outputs from our work go back to the strategic plan as well as the implementation. And yet so often it's seen as one-way traffic. The strategy is set in stone, the design is set in stone. By the time you get to implementation you're already failing.

Systematic problems are fuelled by limited core capabilities and resources; ineffective leadership communication and ineffective "selling" of strategy to the organisation, resulting in annual processes becoming routine checklist exercises creating a top-down rigid and inflexible strategy with restricted applicability and relevance to the local market/situation.

You can't execute a strategy alone! Indeed, as the owner of your strategic plan, you should really be one of the least important people when it comes to execution. Why? Because ideally you will keep yourself at arms-length from much of the delivery to allow you to retain perspective and a strategic lens. This only serves to heighten the importance of team buy in.

A common mistake here is to underestimate the size of your 'team' when it comes to having them buy in to the plan. If you have a team of 5, things are fairly easy - all 5 need to be bought in. If you have a team of 50 - things get trickier. Often, we see strategy leads doing a great job of gaining support from their immediate colleagues and direct reports, but a lousy job of ensuring that support cascades throughout the organisation. If you only have buy in from 5 out of your 50 strong team, then either your strategy will fail through lack of resources - or worse, if it succeeds with that level of buy in, it probably means that it was nowhere near ambitious enough in the first place!

- **Enablers of successful strategy development**

The most common enablers for the development of a successful strategy include the use of a credible and known strategy-making approach as expressed by interviewee A who articulated that:

“Rigour, analytical rigour, and process elements, so we have a believable, repeatable structure” supported by input providing a holistic integrated view of the organisation and its environment;

involving and executed by the right people with the appropriate strategy experience/skills as explained by another interviewee saying:

“The right strategist for a company is subjective to the company” and “a diverse team supplied by diverse input...from which they take a big enough set of factors into account and their ability to create alternatives”.

The strategy should undergo an evaluation and validation process as articulated by interviewee H who said:

“Developing strategy, is testing it, simulating it as opposed to looking at a theoretical model, implementing it and then it crashes. Rather look at it in a safe environment and fix the mistakes before its implemented” in order to develop an achievable strategic intent and a well-defined execution plan with stakeholder buy-in and commitment.

6.2.3: Strategic thinking and creative and adaptive strategy development

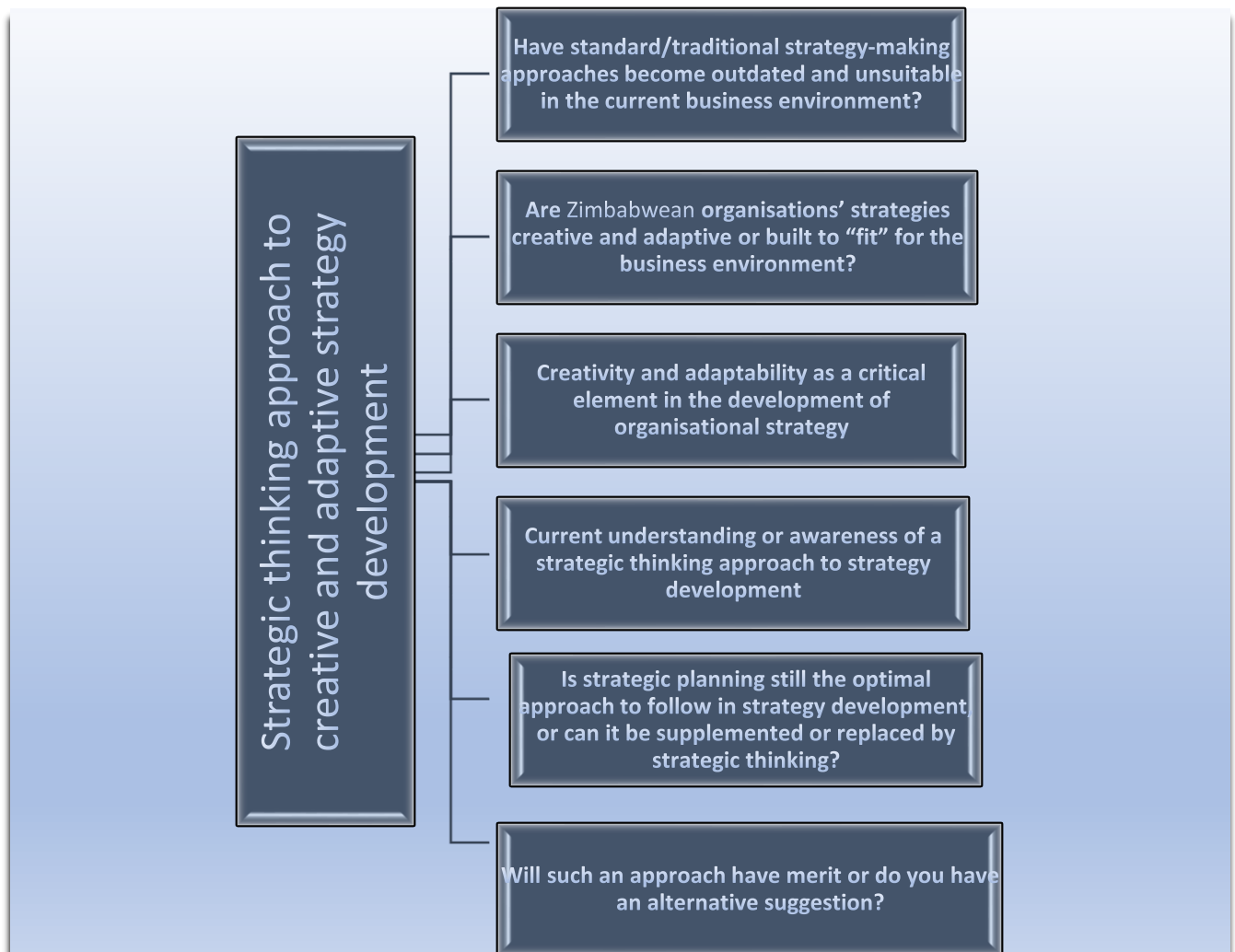


Figure 6.4: Strategic thinking and creative and adaptive strategy development

Figure 4.4 above is a depiction of the Strategic thinking and creative and adaptive strategy development, which consists of;

- i) Whether standard/traditional strategy-making approaches have become outdated and unsuitable in the current business environment
 - ii) Whether Zimbabwean government/organisations' strategies creative and adaptive or built to "fit" for the business environment.
 - iii) Creativity and adaptability as a critical element in the development of organisational strategy.
 - iv) Current understanding or awareness of a strategic thinking approach to strategy development.
 - v) Will such an approach have merit or do you have an alternative suggestion.
 - vi) Whether strategic planning still the optimal approach to follow in strategy development, or can it be supplemented or replaced by strategic thinking?
-
- i) Have standard/traditional strategy-making approaches become outdated and unsuitable in the current business environment?**

The general consensus held that the standard/traditional strategy-making approaches often taught have become outdated and unsuitable to the radically changing business environment, especially in the Zimbabwean environment. This view held that the approaches were far too rigid, with a distinct need to adapt and become more elastic.

A second perspective suggested that overall approaches have not become irrelevant, but depending on the type of business, they could be found to be academically correct. In many cases, it was suggested that organisations may simply not execute the approaches often enough and are therefore often not responsive enough to changes in the business environment.

In addition, it was suggested that the standard/traditional strategy-making approaches apply in certain contexts - low unpredictability, low malleability - "but once you move outside of that domain and increasingly most companies find themselves outside of that, then new techniques are required".

Classical approaches provide a "core to work from" but strategists need to "apply different concepts that go beyond the traditional concept of strategy". Overall rationale emphasised that Zimbabwe is unique, with a unique corporate culture; hence new approaches must allow for greater systems thinking, identification of black swan

events and a dynamic process with triggers that identify changes to the environment for the said approaches to remain valuable.

ii) Are Zimbabwean organisations' strategies creative and adaptive or built to "fit" for the business environment?

The common theme as to whether Zimbabwean government's strategies are creative and adaptive or built to "fit" for the business environment was that, in general, strategies are creative and adaptive. However, this is industry dependent, with examples of both, as there is "not a one size fits all" approach in the Zimbabwean business environment. The alternative view was adamant that Zimbabwean organisation's strategies are indeed creative and adaptive, and if they were not "those companies would not exist today".

It is essential to note the consensus which suggests that Zimbabwean organisations are "paralysed", "punch drunk" and "reactionary", resulting in an environment that is change resistant and often forced into adaptation to changing circumstances. Creativity and innovation are identified as being vital but difficult with many organisations simply mimicking each other, and the question was raised as to whether success is "done by design". Successful organisations are often identified by their innovative, "breaking out of the mould", ability and their ability to develop an eco-system of partners.

iii) Creativity and adaptability as a critical element in the development of organisational strategy

Creativity and adaptability were identified by all interviewees as being critical in the development of organisational strategy.

Creativity should be used for insight generation due to the inherent unpredictability of the environment. Flexibility was viewed as highly relevant; however, if you [the organisation] maintain "too much adaptability, then you are carrying unnecessary cost". In addition, it was suggested that creativity be structured and focused because if you [the organisation] have "a bunch of very creative people running all over the reservation going off their head, you are not getting any constructive output either".

iv) Current understanding or awareness of a strategic thinking approach to strategy development

In response to this question, all interviewees indicated they possessed a limited awareness of strategic thinking as an approach to strategy development.

Following the provision of a definition of the concept, identifying primary components, interviewees acknowledged an awareness of the underlying components but added that they had never seen an "end-to-end approach" describing how the concept would work.

They highlighted the need for an evolutionary and adaptable structure, including "pattern detection in order to shape the future and predict what is going to happen tomorrow and arrive at a desired outcome", but were cautious about the definition of "intuition" as this was often misconstrued as "gut feel" which is frequently inaccurate.

In addition, the provision of an "end-to-end technique" was important as an organisation "needs structure to the point that it gives a strategy which can be justified - specific steps and even though the steps you keep on repeating and repeating - rigidity lies in documenting that and validating that and testing then it is non-linear, fluid and creative - learning takes place and it is captured so you can reference back to the process itself to justify the results or recommendations."

v) Will such an approach have merit or do you have an alternative suggestion?

Following the previous question, interviewees were prompted on whether a strategic thinking approach would have merit. The overall consensus was one of agreement; however, several caveats were identified: a credible and known process with triggers was required to provide an integrated holistic view of Zimbabwean complexity. This would allow organisations to "fix many of the holes" identified with current approaches. In addition, the need was mentioned for an informed and receptive audience, with the requisite emotional intelligence, to accept a revised approach.

vi) Is strategic planning still the optimal approach to follow in strategy development, or can it be supplemented or replaced by strategic thinking?

Interviewees were divided in their response to this question, while maintaining the commonly held belief that strategic planning is not the optimal approach to follow in strategy development. Half of the interviewees concluded that a strategic thinking approach was a valid alternative to a strategic planning approach, if appropriate to the nature of the strategy being developed and the context in which the organisation finds itself. It should lead to an achievable strategic intent and well-defined output/strategy through following a credible and known process.

The other half suggested that strategic thinking could supplement strategic planning, dependent on organisational needs and context. This would assist in proving the

feasibility of the approach until the requisite experience is developed, as cautioned by the following statement: “if you want to move from one to the other overnight, you are just going to get so much resistance because you need to get creativity back into people - prove the results and benefits”.

6.2.4: Development of organisational strategy

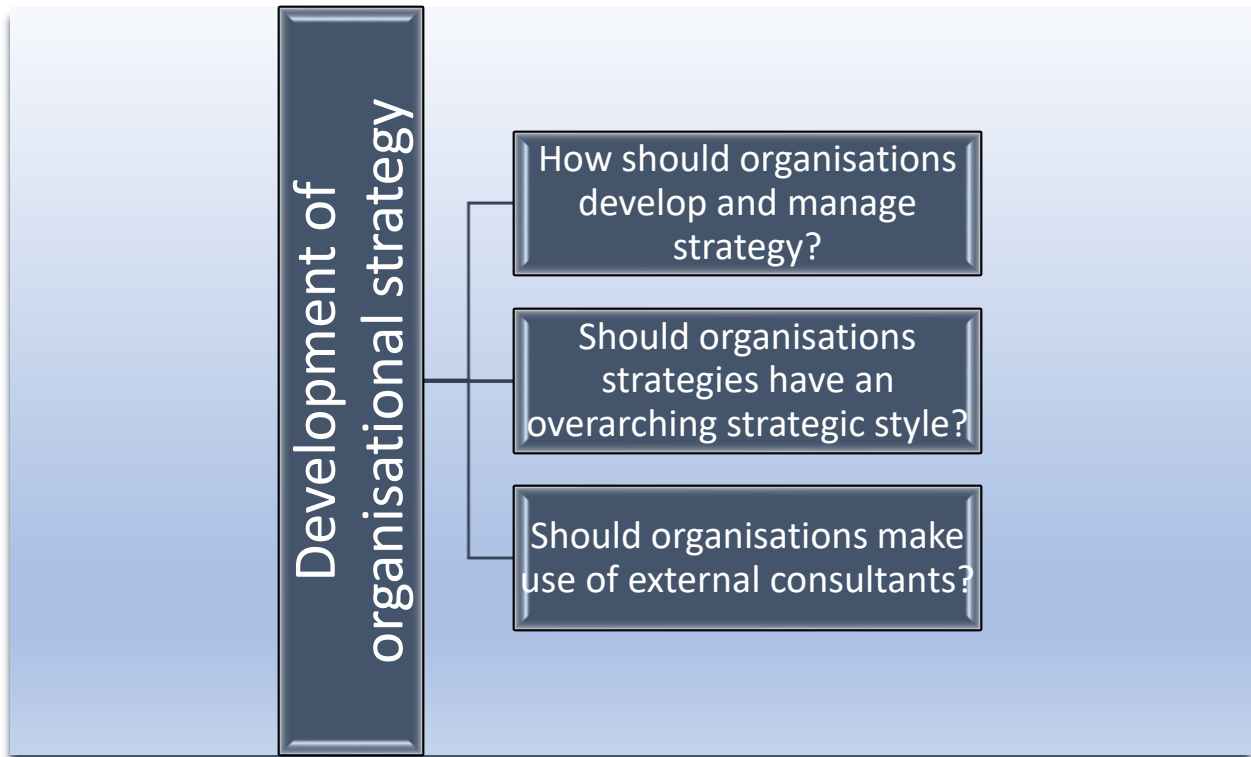


Figure 6.5: Development of organisational strategy

The fourth section of the interview schedule focused on understanding how organisations craft organisational strategy. Three questions were designed to prompt interviewees:

i) How should organisations develop and manage strategy?

Again, two divergent views arose from the narrative. The first highlighted that a strategy should be developed and managed in a deliberate manner, following a two speed approach with a formal analytical process/model (a three to five-year strategy) supported by an annual forecasting or issue management refresh.

Alternatively, an emergent approach to strategy development was suggested; guided by an iterative process which is experimental, flexible, adaptive, evolutionary, and event driven. As one interviewee expressed this:

“Life just changes too quickly. - emergent is the way to go. You need to experiment almost and discover as opposed to having this rigid strategy, you need to be flexible as things change so that you can remain relevant, discover something we need to

adapt; but on the other hand I think there needs to be some direction - You don't want to change your processes on a daily basis - build rigour into the process to have direction and check points, so that it's not a haphazard thing.”

Commonly interviewees suggested that a holistic or synergistic, credible and known process should be followed, supplemented by triggers to highlight environmental or assumption changes.

ii) Should organisations strategies have an overarching strategic style?

In general, interviewees believed that organisations should remain adaptive and that there is no one-size-fits-all strategy or strategic style for all organisations. Organisational culture, a credible process and buy-in determine the style of the organisation's overall strategic style.

Critically, it was suggested by all the interviewees that a meta-strategy or style, or alternatively a hybrid portfolio of strategies could add value to an organisation due to the different scenarios it could find itself in; the stage of its lifecycle; or in cases where an organisation is composed of many parts which require distinguishing strategies to direct success in synergy with the overall organisational style.

iii) Should organisations make use of external consultants?

The consensus on whether organisations should make use of external consultants was overwhelmingly positive. However, the rationale for the use of external consultants focused greatly on the external consultants providing critical and constructive criticism on the organisations internally developed strategy since “you can't mark your own work” and “A good prince surrounds himself with smarter advisers”. By providing objective insight or viewpoints, or by playing a devil's advocate role, external consultants can perform a valuable role in terms of ensuring quality robust strategies.

Strong emphasis was on maintaining internal ownership, with external consultants providing support in well-defined focus areas (ring-fenced). Alternative areas of value creation include unbiased facilitation of the strategy process; providing guidance through specialist knowledge and ideation on direction, by providing holistic and alternative insights on external trends, cross industry opportunities or transferable ideas.

6.3 Description of the Identified Themes

Following the codification and reporting of findings per focus area, dominant codes from all focus areas were organised into seventeen sub-themes and aligned to six overarching themes which evolved through the coding process. Each of the six themes is described hereunder.

6.3.1 Divergent thinking defines the strategy-making continuum

This theme provides an understanding that strategy, its development and articulation is distributed across a divergent spectrum of thinking and processes; wherein strategy is viewed as being both purposive and adaptive as well as emerging and creative. Three sub-themes are highlighted in Table 6.1 below.

Table 6.1. Theme 1: Divergent thinking still defines the strategy-making continuum

Theme	Sub-Theme	Codes
Divergent thinking still defines the strategy-making continuum	Strategy is either "formally articulated" or a "particular way of thinking"	Strategy is formally articulated through a statement of purpose (such as mission and vision) outlining the organisational objectives. Strategy is articulated by facilitating "a particular way of thinking" which emphasises intent, enables creativity, strategic thinking and adaptability
	Strategy can be deliberate or emergent	Deliberate Emergent
	Creativity and adaptability is embedded but with limited awareness of strategic thinking as an approach	Zimbabwean organisation's strategies are creative and adaptive Limited awareness of a strategic thinking

The first articulates that strategy is either "formally articulated" or a "particular way of thinking", providing insight into the diverse approaches to strategy. Interviewees suggest that strategy is:

"...a guideline that will shape the planning and execution of an organisation for a defined period..."

"...about dynamically and elastically adjusting to changes in the environment; presenting a goal that you want to in the end attain and then defining a way or method of how you can attain that goal..."

The second sub-theme expands the approach by suggesting that strategy might be deliberate or emergent:

"Life just changes too quickly. - emergent is the way to go. You need to experiment almost and discover as opposed to having this rigid strategy, you need to be flexible as things change so that you can remain relevant, discover something we need to adapt; but on the other hand I think there needs to some direction - you don't want to change your processes on a daily basis - build rigour into the process to have direction and check points, so that it's not a hap-hazard thing."

The third sub-theme clarifies that creativity and adaptability are embedded within Zimbabwean fiscal and monetary authorities, but stakeholders have inadequate awareness of strategic thinking as an approach.

6.3.2 Zimbabwean business environment challenges

Theme two emphasises that Zimbabwean organisations are faced by an array of external and global business environment challenges, as well as challenges that are unique to Zimbabwe. The prolonged exposure to and mismanagement of the challenges result in fatigue and forced reactionary adaptation. Three sub-themes are highlighted in Table 6.2 below.

Table 6.2 – Theme 2: Zimbabwean business environment challenges

Theme	Sub-Theme	Codes
Zimbabwean business environment challenges	External dynamics affect the business environment	Economic Legal and Regulatory Social/Demographic Political Environmental Competition Technological
	Unique environmental factors hinder Zimbabwean organisations	Consumption Driven Economy Geographic Location Global Competition Homogeneous Market Socio-Economic Requirements Stifling Legal and Regulatory Environment Environment Change Resistant Zimbabwe is Unique Zimbabwean Approach

	Environmental fatigue forces reactionary adaptation	Ambiguity Forced Adaption Mimicry Not Planned Paralysed Punch-Drunk Reactionary Unpredictability
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The first sub-theme highlights the varying external dynamics that affect the business environment. The second sub-theme identifies the unique environmental factors that hinder Zimbabwean organisations:

“...We cannot treat issues in isolation. What is happening in the political field has a bearing on the economic sector. However, some leaders do not want to be accountable to problems that have been created and already, dialogue becomes meaningless though it is imperative.”

“...very hierarchical power-based society and organisational strategy is very often seen as set in stone and is not dynamic...”

“Import based, consumption driven economy as opposed to a production economy.”

The third sub-theme alludes to the view that environmental fatigue forces reactionary adaptation by Zimbabwean government and business sector:

“I think in general Zimbabwean government and businesses are to a certain extent paralysed by what is happening in both the global economy and in the way that the local enabling environment is not conducive to rapid change.”

“We all wait and when we are forced, then we respond; we will rather just shelve all the great ideas and then if we are pushed, we'll adapt.”

“Punch drunk, they are in this lifeless mode whereby if the signals are strong enough then they will just adapt to that.”

6.3.3 Sources of strategic collapse

The third theme identified that strategic collapse or failure is loosely attributed to misfortune, unforeseeable circumstances and an organisation's fault or error. The latter is attributed to systematic internal problems, which include fundamental limitations in capabilities, skills and resources, including basic approach, process and execution problems. Two sub-themes are emphasised in Table 6.3 below.

Table 6.3 - Theme 3: Sources of strategic collapse

Theme	Sub-Theme	Codes
Sources of strategic collapse	Bad luck and organisational error result in strategic failure	Pure Bad Luck Missed Opportunities Stupid Error Systematic Problems Rigid Strategy (Not Flexible/Agile) Legacy Constraints
	Systematic problems plague organisations	Lack of Credible Process/Tools and Poor Execution Lack of Discipline Limited Strategy Experience / Skills Limited Understanding of Strategy Tick Box Exercise Top-down Inflexible Strategy Top-down Strategy Development Limited Core Capabilities Limited Resources

The two sub-themes are substantiated by the following quotes:

“Pure bad luck”

"...you didn't do something you should have done or you did do something you shouldn't have done."

"They have a distorted view of reality and they don't necessarily have a proper appreciation of how the world might evolve."

"...strategies are not defined to be flexible and agile for changing external factors or changing internal factors, so they are not able to respond in an agile way."

"There is a discipline associated with good strategy execution."

6.3.4 An enabling organisational culture

The fourth theme clarifies that the successful crafting and execution of strategy in an organisation are dependent on an enabling organisational culture which promotes collective acceptance, ownership and strategic leadership. Three sub-themes are highlighted noted in Table 6.4 below.

Table 6.4 – Theme 4: An enabling organisational culture

Theme	Sub-Theme	Codes
An enabling organisational culture is critical for crafting and executing strategy	Mind-sets and behaviours hinder strategy development and execution	Political Agenda Bureaucracy Change Resistant Culture Hierarchy and Power Mind-set and Behaviours Risk Averse Culture Risk Averse Investment Fundamentalist/conventionalist
	Acceptance and ownership by the organisation are critical	Buy-in Commitment Emotional Intelligence Focused Mind-sets and Behaviours Informed and Receptive Audience Internal Ownership Involvement Organisational Acceptance Organisational Culture Organisational Perception Unique Corporate Culture
	Creativity and adaptability are embedded but with limited awareness of strategic thinking as an approach	Leadership Accountability Leadership Buy-in Leadership Execution Leadership Hindsight Bias Leadership Perception Leadership Strength Ineffective "Selling" of Strategy Ineffective Communication

The first sub-theme identifies that mind-sets and behaviours hinder strategy development and execution:

" Zimbabwe is a very hierarchical power-based society and organisational strategy is very often seen as set in stone and is not dynamic, which makes it very difficult for organisations to react dynamically and elastically to changing environmental factors."

The second sub-theme points out that acceptance and ownership by the organisation of its strategy and associated development process is crucial:

"If your people do not believe in the whole idea of what you are saying in terms of your strategy, it is not going to work."

The third theme expounds the view that leadership traits must be embedded for strategic success:

"Strength of the leadership team needs to be associated and aligned with developing common goals and strategy and then driving them through to execution and accountability."

6.3.5 An evolved strategic paradigm is required

The fifth theme is defined in line with the view that successful strategy crafting and execution require a paradigm which needs to embrace a hybridised approach in which new principles need to be created, for the purpose of developing strategies to meet the challenges in the business environment. Three sub-themes are emphasised in Table 6.5 below.

Table 6.5 – Theme 5: An evolved strategic paradigm is required

Theme	Sub-Theme	Codes
An evolved strategic paradigm is required	Hybridised strategy	Hybrid Portfolio of Strategy; Industry Dependent; Meta-Strategy/Style; No One Size Fits All; Shaping Strategy
	Revised Strategy Principles	Adaptability; Structure Agility; Complexity; Creativity; Eco-system of Partners; Entrepreneurial; Flexibility; Innovative and Intuition; Interconnectedness; Local Relevance; Resilience; Responsive; Valuable
	Open Collaboration provides ideas, insight and opportunities	Alternative Insights; Critical Constructive Criticism; Cross Industry Opportunities; Transferable Ideas; Direction; External Trends Facilitation; Guidance and Holistic View; Objective Insight/Viewpoint; Specialist Knowledge; Unbiased Value Creation; Well Defined Focus

The first sub-theme alludes to the ideal state of having a hybridised strategy to guide strategy development across the organisation. The second sub-theme suggests that there are revised strategy principles that need to be integrated into approaches to the crafting of strategy to enable success in an uncertain environment:

"...guys are building ecosystems of partners around them and kicking the daylights out of the competition..."

"...you need to be flexible as things change so that you can remain relevant."

"You need to experiment and discover..."

“...you need creativity to generate insights. Insights are imperative for a good strategy and adaptability because of the inherent unpredictability in the environment.”

The third sub-theme provides support for the rationale of open collaboration with external consultants and other stakeholders in order to provide cross industry ideas, insight and opportunities:

“A good prince surrounds himself with smarter advisers.”

“...you always need an external party to give you information, or give you different insights, to challenge you, to challenge you against your own strategy to make sure that that is the right strategy.”

“Sometimes when you are too much in something you don't see out of the box.”

“I think there is value in consultants bringing in specialist knowledge and bringing in wider experience because when you are in an organisation, as much as I have said you need the helicopter view.”

6.3.6 Alternative mechanisms for crafting strategy

Theme six clarifies that the successful crafting of strategy needs to consist of alternative mechanisms which include: design elements which steer credible processes, systematic processes which monitor internal and external dynamics and measures of achievable strategic intent. Theme six comprises three sub-themes which are indicated in Table 6.6 below.

Table 6.6 - Theme 6: Alternative mechanisms for crafting strategy

Theme	Sub-Theme	Codes
Alternative mechanisms for crafting strategy	Design elements guide credible processes to craft strategy	Annual Forecasting Credible and Known Process Customised Strategy Approach Evaluation and Validation Process (Simulation/Testing) Event driven Formal analytical process/model Holistic Integrated view of Organisation and Environment Iterative process Pattern Detection Structured Focused Creativity Systems Thinking
	Systematic processes for monitoring internal and	Organisational Environment Awareness

	external threats and opportunities is critical as input to crafting strategy	Organisational Self Awareness
	Measures of achievable strategic intent	Achievable Strategic Intent Applicability Relevance Strategic Intent Well Defined Execution Plan Well Defined Output/Strategy

The first sub-theme comprises design elements to guide credible processes for crafting strategy:

"...a believable, repeatable structure..."

"There should be a trigger in the organisation."

"Sense and capabilities to say there is a need to change direction..."

"Something that will hit you off balance."

"...simulating in a safe environment and fix the mistakes before its implemented, keep on testing."

The second sub-theme describes the critical necessity of having systematic processes for understanding and monitoring internal and external threats and opportunities as input for crafting strategy:

"How they are informed about today and tomorrow."

"...not a big enough set of factors has been taken into account..."

"A good understanding of your environment and your extraneous factors like sell factors, competitive intensity, in what you are trying to do and in your business model."

"Current capabilities, strengths and weaknesses, the skills and organisation have, the history of where it is coming from and what sector it is from..."

The third sub-theme draws attention to the measures of achievable strategic intent:

"...strategy with a definitive aim and purpose can actually result in achievement."

6.4 Outlining the proposed conceptual strategic thinking approach for running a multicurrency monetary policy

The primary objective of this research was to develop a conceptual strategic thinking approach for the delivery of creative and adaptive organisational strategy to ensure success, through competitive advantage, in a radically changing, uncertain and complex business environment. To support this objective, a thorough literature review was conducted and two research instruments were developed and executed. Findings, integrated by weaving a narrative, outlined in the above discussion, were gleaned from the initial theoretical research and strengthened by empirical research.

With the initial conceptualisation and best practice gleaned from the theoretical research covered in the literature review, chapters and supported by several influential authors (Bonn, 2005; Cravens et al., 2009; Liedtka, 2005; Tovstiga, 2010; Waters, 2011) the conceptual approach was derived in direct response to the findings from the research study itself, thereby inherently addressing the concerns and suggestions of Zimbabwean organisational respondents and interviewees. Consolidated, this input guided the design of the conceptual strategic thinking approach framework for the delivery of a creative and adaptive organisational strategy.

The formalised conceptual strategic thinking approach framework for the delivery of creative and adaptive organisational strategy is presented in Figure 6.6 below.

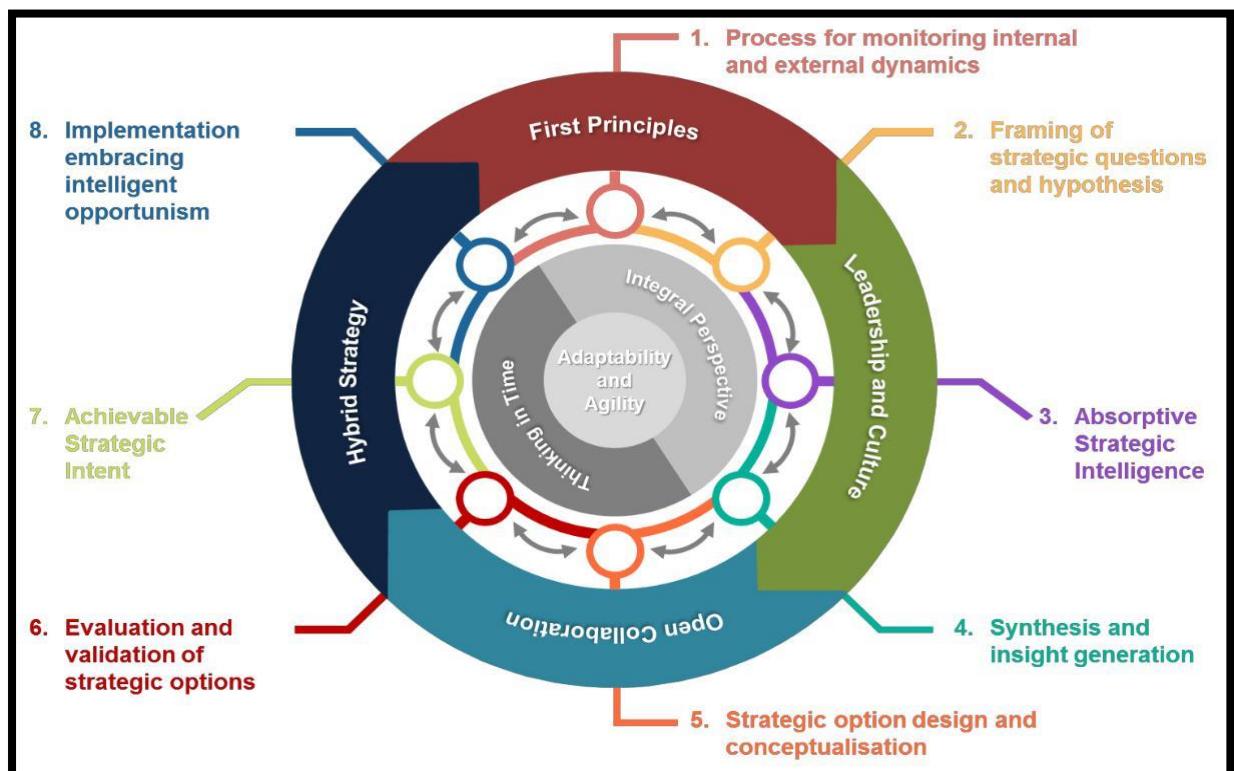


Figure 6.6: Strategic thinking approach framework (Source: own compilation)

The strategic thinking approach framework proposes a practical yet creatively methodical technique for the crafting and delivery of creative and adaptive organisational strategy.

The given framework depicts the supporting enablers, attributes and key activities that guide this process in the said environment. To support an understanding of each component of the strategic thinking approach framework, each enabler, attribute and activity is outlined below with supporting tools.

The outer loop of the given framework outlines the four critical enablers for the successful crafting of creative and adaptive organisational strategy. Each enabler feeds into the following one and is a prerequisite for the next; creating a base for the subsequent one to build on. Each is described below:

- **First Principles**

Organisations exist to deliver on their purpose. To assist them to achieve success, several principles have been arrived at as a basis for the crafting of strategy in order to respond to the challenges faced by the said organisations. Each principle expresses a core characteristic required for success in the changing environment and must be built into the mind-sets and behaviours of all organisational stakeholders as well as, importantly, carried through the crafting of the organisation's strategy into its strategic intent and the implementation thereof. The first principles include: strategic anticipation, navigational leadership, agility, resilience, open collaboration, predictive learning, creativity and originality, innovation and entrepreneurship. These principles need to be taken note of in running a multicurrency economy since the multiplicity of the currencies alone confirms the turbulence of various environments as what happens in each and every anchor country's monetary policy automatically affects the 'adopter' of the currency concerned.

- **Leadership and Culture**

An enabling organisational culture which promotes collective acceptance, ownership and strategic leadership is imperative for organisations to react dynamically and elastically to changing environmental factors. Internal organisational acceptance, buy-in and ownership must be fostered. Leadership traits of accountability, strength and buy-in must be embedded for strategic success. Effective leadership communication must deliver the organisational narrative and provide inspiration for achieving the strategic intent. In the Zimbabwean multicurrency case, there is need for leadership to make the dollarisation a bilateral issue as non-involvement of the anchor country eventually leads to liquidity challenges as the situation has already turned to be.

- **Open Collaboration**

Organisations must foster a culture that undertakes open collaboration with internal and external stakeholders to ensure access to cross-industry ideas, insights, opportunities and a holistic sense of the context of the business environment. They must enable interconnectedness through an eco-system of partners. Internal and external sharing of insight and context provides greater autonomy in the face of uncertainty. Organisations must embrace and pursue constructive criticism, specialist knowledge, and objective insights to guide the construction, development and execution of their organisational strategic intent. A genuine strategic management approach blended with a flair of strategic thinking could be of help in the Zimbabwean multicurrency situation instead of a present situation where currency manipulation supersedes known strategies. Collaboration would open wide the base of ideas from other stakeholders if leadership is for economic improvement that self-enrichment and 'self-empire' building.

- **Hybrid Strategy**

Whether found in traditional markets or in dynamic, innovative markets, organisations must gain competitive advantage from responding to signals faster than competitors. While the level of adaptability, creativity and influence required will differ, to create sustainable advantage in a rapidly changing business environment an organisation should hold several states simultaneously or exist in a form of strategic superposition.

To achieve this, a hybrid strategy enables the shaping of strategy across the organisation by defining a meta-strategy or style to direct the organisation's business portfolio through the different scenarios it could find itself in. Overall strategy should be aligned to its growth and maturity lifecycle to ensure adaptability and success within the economic conditions of its industry. However, an adaptive advantage will allow its business units or functions to manage with iterative experimentation within diverse or fast-changing environments.

The inner circle of the strategic thinking approach framework outlines the strategic thinking attributes required to frame the organisation's way of thinking. Each attribute adds a different dimension to the organisation's mind-set to enable it to successfully craft creative and adaptive strategy, and is described below:

- **Adaptability and Agility**

Organisations must be able to shape or adapt and demonstrate agility to move rapidly and flexibly to opportunities, threats or changing conditions. Agility increases the speed of movement, exploitation, and industry leadership to be disruptive, while

ensuring surprise through concealment and deception. Organisations need financial, operational, portfolio and organisational agility to direct technology, people, structures, and systems and processes to support new directions.

- **Integral Perspective**

A systems thinking perspective, providing a 'helicopter view', is suggested in literature as an integrator of knowledge of the interdependencies between the internal and external environment, providing multiple viewpoints of vertical and horizontal linkages across the ecosystem.

To enhance systems thinking to better understand the complex organisational environment, the integral theory provides a creative approach which challenges conventional wisdom by recognising the relationship among the parts, while developing a balanced and integrated whole of the organisation guided by the community and external environment within which it resides. The integral theory makes use of a four-quadrant model, referred to as AQAL ("All Quadrants, All Levels") used to analyse social phenomena, such as organisations and the living systems they comprise and reside in (i.e. individual, team, business unit, organisation, industry, national economy, global system). This enables one to view organisations as nested systems, represented as a complex stratum of holons rather than networks of individual parts. The integral theory synthesises, integrates and provides multiple perspectives, while remaining inclusive by providing a map to guide the organisation within a complex reality to enable competitive advantage.

- **Thinking in Time**

Clarity regarding and insight into the past allows for the imagining of a new future. To command the future, organisational memory and broad historical context must facilitate pattern recognition in past events, encouraging a deeper appreciation for the myriad of factors affecting the organisation.

The end-to-end closed loop comprises the eight interconnecting activities of the strategic thinking approach framework. Each activity provides input into the next, and feedback to the previous. The interactive and synergistic nature of the said loop activities enables experimentation and aids the evolution of the organisation's narrative. Each activity step is described below:

- i) **Process for monitoring internal and external dynamics**

Organisational dynamics affect the development and execution of organisational strategy. To leverage changing dynamics, organisations must systematically act on

external threats and opportunities bolstered by methods for systematic self- and external environment- awareness, and actively consider how to manage uncertainty by continuously reviewing their perception of the internal and external environment.

To enable this, organisations must implement a process for monitoring internal and external dynamics. This process will assimilate diverse sources of internal, business, market, political, technological, environmental and social information.

As critical inputs to the crafting of organisational strategy, organisations must identify and formalise appropriate indicators or triggers (internal or external to the organisation) of trends, black swan events or changes within the organisation's internal or external environment. The triggers should highlight changes in the competitive environment; shifts in the organisation's external competitive environment; alterations in internal dynamics and changes in the organisation's strategic boundary conditions.

ii) **Framing of strategic questions and hypothesis**

The process for monitoring internal and external dynamics is initiated by triggers that provide input to the scoping and articulating of strategic questions. The latter are formulated to address problems or challenges of strategic relevance and could involve multiple components. To simplify the questions for further analysis and hypothesis generation, question components must be framed by clustering issues into manageable parts. The components or issues must be broken down into subordinate parts to which strategic responses need to be generated.

Following a hypothesis-driven process, strategic issues must undergo an iterative and sequential cycle of hypothesis generation and testing; asking

“what if...?” followed by an evaluation by asking “If..., then...?” allowing an exploration of new ideas in response to the identified strategic questions.

iii) **Absorptive strategic intelligence**

While the process for monitoring internal and external dynamics assimilates diverse sources of information based on pre-defined triggers, the strategic intelligence process, with information at its foundation, consolidates the data by fusing business intelligence, competitive intelligence and knowledge management (to create strategic intelligence) for use in decision-making.

Strategic intelligence is critical to the strategy-making process as it provides managers with comprehensive input to make better, fact-based decisions. Formalising the strategic intelligence process by means of a strategic intelligence system allows for

the collection, organising, processing and communicating of intelligence. Three types of strategic intelligence must be focused on: defensive intelligence oriented toward avoiding surprises; passive intelligence focused on benchmark data for objective evaluation of the organisation in terms of its competition; and offensive intelligence used to identify opportunities.

The strategic intelligence process incorporates strategic analysis as a multidisciplinary combination of scientific and informal processes to identify, derive correlations and evaluate trends, patterns and performance gaps based on input data.

To support strategic analysis, traditional analytical frameworks and tools can be used; however, tools that enable lateral thinking and creativity are more beneficial as they challenge conventional wisdom by recognising the relationship among the parts in order to anticipate future direction in changing environments.

Best practice and commonly used traditional analytical frameworks and tools include: strategic options/choice frameworks and tools (swot analysis; value chain analysis); market analysis frameworks and tools (customer segmentation and value analysis) while internal implementation frameworks and tools can be used as support mechanisms (financial analysis; functional capability and resource analysis).

To bring greater strategic intelligence into the organisation, newer approaches should be used. While this research indicates that they are not yet commonly used, several well-known alternative frameworks and tools include: open foresight; opportunity-response framework; key success factor analysis; VRIO (value, rarity, imitability, and organisation) framework; unique competing space analysis; trend analysis and forecasting; and emerging issue analysis.

Strategic intelligence and its underlying strategy analysis should contribute formidable intelligence, while the use of several frameworks to support the analysis may provide great insight if appropriately selected and applied.

iv) **Synthesis and insight generation**

Strategic synthesis and insight generation allows organisations to explore strategic questions to find deeper structure and insight. Synthesis of strategic intelligence will create forward views and generate plausible future worlds. The generation of strategic insight is guided by intuition and supported by formal and methodical dialogue so as to enable interaction between stakeholders to create new, shared knowledge.

Enabled by creativity, organisations must use information and experience to decipher new combinations of previously unconnected aspects locked within old structures,

patterns, concepts and perceptions in order to develop value enhancing and useful products, services, ideas, procedures or processes.

Synthesis and insight generation encompasses two complementary processes: interpretation and prospection:

- *Interpretation* interrogates strategic issues in great depth by exploring available data to find deeper structure and insight. Interpretation frameworks and tools include causal layered analysis, cross impact analysis, embodied metaphors, futures wheels, modalities of thinking (metaphorical, dialectic, spatial, social modalities, poetic), and playscripts
- *Prospection* enhances the interpreted information to create forward views, thereby generating plausible future worlds. Prospection frameworks and tools include scenario planning (visioning, back casting), strategic maps, storytelling, strategic metaphors, and strategic narratives (shadowing, ante-narratives).

Strategic synthesis and insight require sense making. Sense making enables the development of coherence and order within an unclear backdrop of multiple possible realities. Sense making deconstructs and reconstructs reality to create insight into the strategic problem or challenge at hand. Sense making provides an understanding of how events are linked; roles of actors and parties within complex relationships, all against an unclear backdrop of multiple possible realities. Sense making is the process, while insights are the outcome of the process informing the strategic questions.

v) **Strategic option design and conceptualisation**

Strategies are designed and conceptualised by unpacking and reengineering the generated strategic insight. Using creative design thinking, the bigger picture emerges, based on well tested and probed assumptions, allowing the organisation to rethink the unique competing space identified for value creation.

Strategic options solve strategic problems, conceptualise intent for the future, and disrupt alignment with conceptual models so as to provide competitive advantage, agility and adaptability in the face of uncertainty.

vi) **Evaluation and validation of strategic options**

Following the development of several strategic options, organisations must evaluate the options to identify any unforeseen risks and their effect on the organisation and validate them to determine their suitability based on appropriateness, desirability and feasibility.

Organisations must develop an internal evaluation methodology to screen strategic options and could make use of game theory to select the best option from several, by considering the perspectives of competitors, collaborators and stakeholders.

In addition, in order to stimulate thinking and dialogue to enhance creative tension and commitment, to ensure the validity of the generated intent, a number of stress or pressure tests could be used to assess how the system will function under several performance variables and constraints.

The evaluation of future strategy will require criteria to be developed to clarify all aspects required for consideration: whether assumptions have been reality checked, all uncertainties and risks considered and whether areas that could heavily influence the strategy are flagged for continuous monitoring.

vii) **Achievable strategic intent**

As the output of the strategic thinking approach, strategic intent must guide long-term direction across all organisational stakeholders, outline the organisation's competitive position and strategically convey the three concrete and achievable messages: a clear sense of direction, a sense of discovery, and a sense of destiny.

A strong sense of organisational strategic intent will provide the organisation and its stakeholders with a common identity. Not only does this assist appropriate decisions but also informs the correct course of action and, vitally, inspires individual imagination to drive further adaptability, agility and creativity.

viii) **Implementation embracing Intelligent Opportunism**

The crafted strategic intent will provide the organisation with a clear focus on the intended leadership position in order to ensure that it is implemented as expected. If this is broken down into criteria, objectives and plans, the organisation will be able to clearly chart and measure its future progress.

Crucially, organisations must embrace intelligent opportunism to sharpen their ability to recognise and seize any opportunities that are presented in the rapidly changing environment. By enabling all employees with this capability, or openness to new experiences, the organisation will obtain room to adapt without relying solely on top management's foresight.

In conclusion, the strategic thinking approach framework proposed and described above incorporates both the requirements and design elements identified by theoretical research and strengthened by empirical research. Each component uses its inventive and proactive nature to enable a revised world view of internal and

external threats and opportunities. This entrepreneurial and creative synthesis encourages informal learning, through internalisation and comprehension. By creating new perspectives and unique combinations, achievable strategic intent and future value is generated for organisational stakeholders to ensure success, through gaining competitive advantage, in a radically changing, uncertain and complex business environment.

The above model proposes a practical yet methodical perspective into the key thought processes that are required for successful implementation of strategies. Again, it is worth mentioning that strategy formulation, monitoring and control are inextricably linked and critical to successful implementation of strategy. Listed below are brief explanations of the various components and subsets of the proposed model that could be used as a starting point when formulating detailed strategic management implementation plans.

Although the model is quite comprehensive in the listing of the required thinking and processes for successful implementation, it is acknowledged by the researcher that the processes encompassed in this model are designed to address specific issues in the public sector in Zimbabwe, which were identified during the empirical research. The high impact impellers uncovered during the literature review and empirical research phase is the basis on which this model was developed and therefore unique to the Zimbabwean public sector. Whilst this model could be modified for use by organisations and groups internationally, the relevant cultures, prevailing economic and market conditions, management and leadership styles would dictate how it should be changed. In the view of the researcher, the proposed model is simple enough for averagely educated managers to grasp, yet comprehensive enough to stimulate thinking and brainstorming amongst those with a greater academic leaning. The model is also unique in that no other strategy implementation model specifically for the Zimbabwean public sector industry was uncovered during the literature review process.

6.5 Summary

Chapter six discussed the findings arrived at by several analytical methods applied to qualitative data that were collected from respondents by means of interviewees by utilising an interview schedule. Qualitative analysis was conducted on interview transcripts to explore the extent to which strategic thinking is practised in Zimbabwean economy, to establish a concrete basis for making conclusions on strategic thinking and adaptive strategy. The interviews contributed to and improved the researcher's

understanding of how adaptive strategy is crafted within Zimbabwean economy management and how strategic thinking is used and applied. The chapter wound up by presenting the developed conceptual strategic thinking approach for the delivery of creative and adaptive organisational strategy to ensure success, through competitive advantage, in a radically changing, uncertain and complex business environment. The following chapter synthesises all the findings identified in chapter five (5) and six (6), combined with the literature study undertaken in Chapters two (2) and three (3), in order to meet the research objectives.

CHAPTER SEVEN:

CONCLUSIONS AND RECOMMENDATIONS

7.1 Introduction

Chapter seven provides a conclusion of the main findings from the research and where applicable, links the literature to the research outcomes. The summary of the major findings from the literature review chapters, and quantitative and qualitative data analysis are also presented in this chapter. The implications for practice are also presented based on the major findings of the study. The limitations of the current study as well as suggestions for further studies are highlighted and briefly discussed. The contribution to knowledge in the field of strategic management and public governance is outlined. The study's conclusions are based on the study's five key research objectives as highlighted below:

- To understand the importance of strategic management practices in the operation a multicurrency system in Zimbabwe.
- To determine the organisational dynamics which impact on formulation/development with regards to operating a multicurrency system in Zimbabwe.
- To determine the extent to which strategic management strategies are creative and adaptive rather than developed to fit the changing business environment in the Zimbabwean multicurrency system.
- To Identify the pitfalls of organisational strategy implementation/execution in the operations of a multicurrency system in Zimbabwe.
- To make recommendations on the best organisational strategy practices in a radically changing, uncertain and complex business environment.

Based on the empirical evidence of this study, the overall conclusion presented in this chapter shows that all the research objectives were adequately realised.

7.2 Overview of the Findings from the Literature Reviewed

It can be concluded that with proper involvement and communication, employees can better understand the strategic intent of the organisation, and therefore be more willing to adopt and support the strategic intent, which ultimately leads to more effective implementation of strategies. The literature also supports this view. Hambrick and Fredrickson (2013) remarked that one of the most effective aids to implementation is to involve people early on in the development and debate of strategic options. It may not be possible to obtain universal agreement with a new strategic direction, but

widespread inputs improve the quality of the choices, raise critical implementation issues, and make the involved individuals more receptive to the new strategy, once chosen. The success of strategy implementation is therefore dependent largely on communication.

It can also be concluded that planning is not only the executive management's responsibility but should filter down to the lower levels of employment, as strategy implementation at the end involves all employees. Thompson and Strickland (2003) postulated that all stakeholders have to be identified and involved during the first step of the strategic management process, that is planning. Craig and Grand (1993) proposed that a 'bottom up' approach should be used, which enables junior managers to participate in some way in the planning process.

Another impeder that was identified as having an extensive impact on strategy implementation relates to the lack of adequate manager commitment and support on an operational or execution level. The researcher is of the opinion that this impeder is the partial outcome of other impeder identified during the empirical research. With the process of strategy formulation being primarily the task of top management and the fact that strategy implementation being regarded as a less formal process than strategic planning, senior management might fail to communicate or stress the importance of strategy implementation to those responsible for execution.

Together with a lack of effective strategic co-ordination by top management and not specifying which lower management groups are responsible for the execution of a specific strategic plan, strategy implementation fails. Furthermore, lower management levels, which are responsible for driving strategy implementation, are faced with daily operational challenges in making sure that assignments are done accordingly. Daily activities are therefore centred more around solving operational challenges, rather than devoting resources to implement strategies. In some instances, the structure and culture within the organisation are not conducive for effective strategy implementation.

Wheelen and Hunger (2012), noted that this can be traced back to something to which they refer to as cerebral strategising, which is defined as the inability to move strategy out of the boardroom and into the playing-field. The approaches relating to traditional strategy implementation have not adequately focused on intangibles such as the people and processes necessary to develop ongoing and sustainable implementation contexts. These impediments invariably have two quite contrasting outcomes: great intentions outlined in an eloquently written strategic plan supported by a poor, fragmented or sometimes non-existent implementation plan.

Thompson and Strickland (2003) also stated that strategy implementation is a tougher, more time-consuming management challenge than crafting strategy. This is because of the wide array of managerial activities that have to be attended to and the many ways managers can proceed. There are also certain people-management skills required and the perseverance to get a variety of initiatives launched and moving. All this happens within an environment of resistance to change.

Ohmae (1983) was another author that highlighted the fact that operating performance is often at variance with a chosen strategy. The author ascribes this to the fact that the strategic plan often does not match the available resources, and that the behaviour of members of the organisation is not always consistent with the requirements of the strategy. This view was also endorsed by Quinn (1988), who specifically mentioned the different views held by top management and the planners versus those of the executors of the strategic plan. Craig and Grand (1993) saw that moving from concept to practice has turned out to be elusive for most companies, and various critical links to couple selected strategy with short term actions have been proposed. Newman and Logan (1971) stated that some of these are the links between strategy and resource allocation, policies and accepted values, organisation structure and the selection and motivation of key executives.

It is thus clear the communicating of the strategic intent of the organisation plays an important part in ensuring effective strategy implementation. Without effective communication, other activities such as interpretation, adoption and actual commitment also fail. Shortcomings in moving from strategic planning to strategy implementation were acknowledged by Noble (1999), as cited by Aaltonen and Ikävalko (2002), who noted that many impeders can be linked to failing in one of the processes of communication, interpretation and adoption. Executives should, however, take cognisance of the notion by Aaltonen and Ikävalko (2002), who noted that their research findings suggested that a great amount of information does not guarantee understanding.

Lastly, the lack of suitable and sufficient evaluation and control systems add to the diminishing focus and emphasis of the importance of strategy implementation. Without monitoring and control, strategy implementation cannot be tracked. Control systems are also important in order to notify and guide management in allocating the necessary resources for successful implementation. Several authors stressed the importance of control systems. Bowman and Helfat (2001) noted that an important criticism of strategic management is the fact that management does not always know whether strategies have been implemented successfully. Management's failure to select

appropriate strategic control systems is sometimes damaging to the implementation process. Brache and Freedman (1999) postulated that if strategic control systems are lacking when implementation is being conducted, the implementation process can be derailed. This is supported by Dooley, Fryxell and Judge (2000) who stated that strategic control is in essence the phase of the strategic management process that concentrates on evaluating the chosen strategy in order to verify whether the results produced by the strategy are those intended.

Some of the main findings from the literature review and which readers should take cognisance of can be summarised as follows:

- Hambrick and Fredrickson (2013) stressed the importance of involving people early on in development and debate of strategic options. They argued that it might not be possible to obtain universal agreement with a new strategic direction, but widespread inputs improve the quality of the choices, raise critical implementation issues, and make the involved individuals more receptive to the new strategy, once chosen.
- Thompson and Strickland (2003) noted the importance of the active role of the manager in ensuring strategy execution.
- Al-Ghamdi (1998) noted that management should be wary that implementation usually takes more time than originally anticipated. Problems will also surface, which were not identified before.
- Platts and Tan (2004) noted that as the complexity of the business environment increases, good communication and shared understanding among managers are vital. Managers need to present increasing amount of information to one another clearly and effectively.

In conclusion, it is clear that transforming strategies into action is a complex and difficult task. The process is hampered by a multitude of impeters. Although the literature has revealed that there are many impeters that are common across different businesses and industries, no study has yet focused on identifying those impeters that has the biggest effect on strategy implementation in the public sector in Zimbabwe.

7.3 Overview of the Empirical Research Findings

7.3.1 Summary of quantitative findings: descriptive

Table 7.1 below contains a summary of the quantitative results described in Chapter 5. In addition, the following four sections provide a listing of the questionnaire findings, aligned to its sectional structure.

Table 7.1: Concise summary of quantitative findings: descriptive

Interview schedule focus	Conclusion
Section 1: Factors affecting the business environment	Organisations are aware of their internal and external challenges and believe that these have impacted the development and execution/implementation of their strategy. In addition, organisational strategies are believed to be sound, regardless of limited capabilities
Section 2: Approach to crafting strategy	Organisations generally prefer traditional analytical frameworks and tools rather than tools that enable lateral thinking and creativity. In addition, tools that challenge conventional wisdom, enable lateral thinking and creativity are viewed as beneficial
Section 3: Mechanisms for crafting creative and adaptive strategy	Generally, organisations do execute alternative mechanisms for crafting strategy and recognise their value. However, organisations do not provide managers with comprehensive input to decision-making and do not make extensive use of synthesis and insight generation frameworks or models, or formalised evaluation and validation methodologies
Section 4: Understanding the development of creative and adaptive strategy	Creative and adaptive approaches, and their enablers, are viewed as critical for the development of organisational strategy

7.3.1.1 Section 1: Factors affecting the business environment

The purpose of section 1, Part 2 of the questionnaire was to understand the factors affecting the business environment of the respondent's organisation. The results clearly indicate that organisations are aware of the internal and external challenges to their business and believe that these have impacted the development and execution/implementation of their strategy in the past decade. However, respondents draw attention to the belief that their organisational strategies are sound, regardless of limited capabilities. Based on the results provided, the results suggest that:

Respondents, when considering the changing external dynamics of the business environment, view economic, political and competition factors as having a high level of uncertainty and high impact on the sustainability of their organisations. Furthermore, they consider technological, legal and social factors to be low uncertainty and high impact areas; while demographic and environmental factors are considered to be low uncertainty low impact areas.

However, this research concludes, in addition to the above-mentioned factors, that organisations also tend to generally respond slowly to strategic insight, struggle with the execution of strategy, struggle with limited capabilities which hinder their strategy and have no systematic process for monitoring external threats and opportunities in place. Furthermore, it can be concluded that organisational culture and organisational communication are an integral element to successful strategy.

7.3.1.2 Section 2: Approach to crafting strategy

The purpose of this section of the questionnaire was to gain an understanding of the approaches used by respondents' organisations to craft strategy. The results provide a dichotomous view of the approaches used by respondents' organisations to craft strategy and suggest that organisations generally prefer traditional analytical frameworks and tools rather than those that enable lateral thinking and creativity. In addition, tools that challenge conventional wisdom, enable lateral thinking and creativity were viewed as beneficial. The results obtained, indicate that half of the respondents opined that "strategy is formally articulated through a statement of purpose (such as mission and vision) outlining the organisational objectives", while the remaining respondents believe "strategy is articulated by facilitating a particular way of thinking which emphasises intent, enables creativity, strategic thinking and adaptability".

The majority agreed that crafting of strategy follows an iterative process of divergence and convergence, combined with creative thinking to explore innovative new ideas, hypotheses, strategic questions and opportunities; while the remaining respondents believe the crafting of strategy follows a formal analytical process to define an organisation's plans for achieving its mission, based on quantitative analysis and understanding of external elements that influence it, in order to direct future change.

7.3.1.3 Section 3: Mechanisms for crafting creative and adaptive strategy

The purpose of this section of the questionnaire was to facilitate an understanding of the mechanisms (an established process, framework or method comprised of several elements working together) used for crafting creative and adaptive strategy. The

results allowed the researcher to conclude that generally, organisations do execute the alternative mechanisms identified and recognise the value of these alternative mechanisms for crafting creative and adaptive strategy. However, organisations do not provide managers with comprehensive input to decision-making and do not make extensive use of synthesis and insight generation frameworks or models or formalised evaluation and validation methodologies.

7.3.1.4 Section 4: Understanding the development of creative and adaptive strategy

The purpose of this section of the questionnaire was to obtain an understanding of the activities related to the development of creative and adaptive strategy undertaken by the respondents' organisation. While respondents were reluctant to confirm whether traditional strategy-making approaches have become outdated and unsuitable to the new business reality, the results allowed the researcher to conclude that creative and adaptive approaches, and their enablers, are viewed as critical for the development of organisational strategy.

In terms of the results obtained, the findings suggest that a perfect split between agreement and disagreement was obtained from respondents when they were queried on whether traditional strategy-making approaches have become outdated and unsuitable to the new business reality. Respondents believe that creative and adaptive approaches could lead to the successful development of organisational strategy within changing environments. They felt that an environment of communication, open collaboration, open relationships and creativity is required for the development of an adaptive strategy. In general, respondents do not believe that Zimbabwean public sector strategies are creative and adaptive to the changing business environment.

7.3.2 Summary of qualitative findings

Table 7.2 below provides a summary of the qualitative results described in Chapter 6. In addition, the following four focus areas provide a listing of the interview schedule findings, aligned to the structure of the interview schedule.

Table 7.2: Concise summary of qualitative findings

Interview schedule focus	Conclusion
Focus 1: Dynamics affecting business environment	External and internal organisation dynamics negatively impact organisations; however, while Zimbabwean public sector can and do adapt to a radically changing and uncertain global business environment, many struggle and are reluctantly forced to adapt
Focus 2: Understanding of organisational strategy	A clear dichotomy in strategy definition exists and reasons for strategic failure can be allocated between human error and method error while critical enablers of success include a well-formed and executed strategy-making approach
Focus 3: Development of organisational strategy	Two approaches to develop and manage strategy exist: a formal and deliberate one and an iterative emergent one. In addition, organisations must be proactive and adaptive and allow external consultants to provide value by critiquing internally designed strategies
Focus 4: Strategic thinking approach to creative and adaptive strategy development	Standard/traditional strategy-making approaches have become outdated and unsuitable to the radically changing business environment, while creativity and adaptability have become critical elements for strategy development, but limited awareness of alternative strategy-making approaches exists

7.3.2.1 Focus 1: Dynamics affecting business environment

The purpose of the first section of the interview schedule was to investigate the dynamics which affect the Zimbabwean business environment. The feedback indicates that internal and external dynamics impact organisations and suggests that while Zimbabwean public sector can and do adapt to a radically changing and uncertain global business environment but there seems to be reluctance and hypocrisy on the political will to do so. In the light of the feedback received and discussed in section 6.5, the findings suggest that interviewees felt that the primary external dynamics affecting the Zimbabwean business environment were economic instability and legal and regulatory uncertainty. They identified culture and process

dynamics as the two most prevalent internal organisational dynamics that influence the validity and execution of organisational strategy.

7.3.2.2 Focus 2: Understanding of organisational strategy

The purpose of the second section of the interview schedule was to focus on the understanding of organisational strategy; understanding why strategies are not successful and identifying the enablers of successful strategy development. The feedback suggests that although interviewees have a clear understanding of the concept strategy, a clear dichotomy in definition exists. In addition, reasons for strategic failure can be allocated between human and method error while critical enablers of success include a well-formed and executed strategy-making approach. In terms of the feedback received and discussed in section 6.5, the findings suggest that interviewees identified strategy as either a formally articulated guideline focused on a greater purpose, goal or mission or, alternatively, as a dynamically and elastically adjusting, informed response based on the context in which the organisation finds itself. They believe that the most common reasons for strategic failure included systematic organisational problems; rigid strategy (not flexible/agile) and legacy constraints. Interviewees felt that the critical enablers of successful strategy development include: the use of a credible and known strategy-making approach; a holistic integrated view of the organisation and its environment; resources with the appropriate strategy experience / skills; an evaluation and validation process; and a well-defined execution plan with stakeholder buy-in and commitment.

7.3.2.3 Focus 3: Development of organisational strategy

The purpose of the third section of the interview schedule was focused on understanding how organisations craft organisational strategy. The feedback outlines that two approaches to develop and manage strategy exist: a formal and deliberate approach and an iterative emergent approach. In addition, organisations must be proactive and adaptive and allow external consultants to provide value by critiquing internally designed strategies. In the light of the feedback received and discussed in section 6.5.2.3, the findings indicate that interviewees proposed that organisations should develop and manage strategy in one of two ways, depending on the environment where they find themselves: Firstly, a deliberate approach, following a two-speed approach with a formal analytical process/model supported by an annual forecasting or issue management refresh. Alternatively, an emergent approach; guided by an iterative process which is experimental, flexible, adaptive, evolutionary, and event driven.

Interviewees believed that organisations should remain adaptive by developing an overarching hybrid strategic style; leading the organisation through the different scenarios it could find itself in. They believe organisations should make use of external consultants to provide critical and constructive criticism of the organisation's internally developed strategy.

7.3.2.4 Focus 4: Strategic thinking approach to creative and adaptive strategy development

The purpose of the fourth section of the interview schedule was to investigate the awareness of strategic thinking and creative and adaptive strategy development. The feedback indicates that interviewees believe that the standard/traditional strategy-making approaches have become somewhat outdated and unsuitable to the radically changing economic and business environment. They outline creativity and adaptability as critical elements for strategy development, identify their limited awareness of strategic thinking, but acknowledge the advantage such an approach could have over rational strategic planning.

In line with the feedback received and discussed in section 6.5.2.4, the findings suggest that in general, interviewees believed that the standard/traditional strategy-making approaches have become outdated and unsuitable to the radically changing business environment, especially in the Zimbabwean environment. They felt that Zimbabwean public sector strategies should be creative and adaptive rather than built to "fit" for selfish political interests. Interviewees view creativity and adaptability as a critical element in the development of organisational strategy. They have a limited awareness of strategic thinking as an approach to strategy development but believed such an approach would have merit – if a credible and known process, with triggers, was designed to provide an integrated holistic view of the complexity of the Zimbabwean environment. Interviewees do not view strategic planning as the optimal approach to follow in strategy development and advocated that it could be supplemented or replaced by strategic thinking.

7.4 Integrated Conclusion of Findings per Research Objective

The first part of this chapter provided a sequential summary of the quantitative and qualitative findings drawn from the empirical results (section 7.2), obtained from respondents to the survey questionnaire and interview schedule. In isolation, the sequential summary provides much insight; however, the findings should be understood and explored in relation to the research objectives.

7.4.1 The importance of strategic management practices in the operation a multicurrency system in Zimbabwe

The research concludes that idea of strategy implementation might at first seem quite straightforward, namely that the strategy is formulated and then implemented. However, transforming strategies into action is a far more complex and difficult task and this was confirmed in the review of strategy implementation literature. This is further corroborated by the research results from this study which showed that respondents were far less satisfied with the actions associated with strategy implementation, than with strategic planning. In addition, based on the findings from the literature review, a number of impeters of strategy implementation were identified. The research findings confirmed that numerous of these impeters are also eminent in the failure of strategy implementation in the Zimbabwean public sector when operating a multi-currency economy.

The first research objective investigated the extent to which strategic planning and implementation principles and concepts of strategic management are used within the public sector in Zimbabwe. A number of conclusions can be drawn from the results presented in chapter five and six, pertaining to the first research objective. Although the sample from which data was gathered is small, the researcher is of the opinion that the results still provide meaningful findings and insights that could be generalised to normal practice as carried out by the average public sector.

The in-depth interviews revealed that strategic planning within the Zimbabwean public sector is mostly a formal process. However, strategy implementation is regarded less so. Therefore, if strategy implementation is formalised by management, it should get more support and commitment. Monitoring would also become more of a priority as linkages to implementation exist. Respondents during the in-depth interviews revealed that executives and top management mostly carried out strategic planning, with very little involvement from lower management or employee levels. The execution of the plans is seen to be the responsibility of middle and lower managers with the assistance of employees. Hamel and Prahalad (1989) also acknowledged the occurrence of this situation in the business environment. They postulated, for example, that most strategic management theory and nearly every corporate planning system are premised on a strategy hierarchy in which corporate goals guide business unit strategies and functional tactics. In this hierarchy, senior management makes strategy and lower levels execute it.

Hamel and Prahalad (1989) argued that this dichotomy undermines competitiveness by fostering an elitist view of management that tends to disenfranchise most of the

organisation. This leads to employees failing to identify or commit with corporate goals. The researcher is of the view that it is critical to involve all levels of the organisation in the strategic management process from the beginning in order to facilitate buy-in at conceptual stage and this would aid with the implementation process.

The question can, however, rightfully be asked: what tools and or models are available to assist practitioners in the Zimbabwean public sector move from strategic planning to strategy implementation. Many of the strategic management models reviewed in the literature provided some guidelines for managers, however, the models and frameworks reviewed provided, in some instances, very broad perspectives on the processes and what needs to be done. In addition, these models or frameworks were developed with the intention of addressing no specific industry or group of people or a particular situation. The impeders of strategy implementation are also generalised and cover all industries. The development of applicable and relevant tools that are specific to the Zimbabwean public sector would require further research, with the afore mentioned as primary research objectives. Consideration could be given to modifying fit for purpose some of the existing implementation processes from other service industries.

7.4.2 Barriers to strategy implementation

From the results presented in chapter five and six, numerous conclusions emerge. One of the most important outcomes of the research is the identification of the impeders that influence strategy implementation within the Zimbabwean public sector. Although the literature review provided reference to a number of research studies, which identified impeders of strategy implementation, none has focussed on the Zimbabwean public sector, let alone in the management of a multi-currency economy.

Secondly, the research not only focussed on identifying or listing the impeders that impact on strategy implementation on public sector management, let alone operating a multicurrency dollarisation, but also to provide an indication of those impeders that have a larger impact on strategy implementation. Based on the results presented in chapter five and six, the impeders can be grouped by primary strategic management activity as presented table 7.1. The impeders are also listed in rank order in terms of the extent that they affect strategy implementation. The extent of impact is based on respondents rating of impeders.

Table 7.3: Categorising of strategy implementation impeder by primary strategic management activity

Strategic management activity	Impeder
Strategic formulation	<ul style="list-style-type: none"> • Lack of bottom up involvement in crafting strategy • Lack of exact strategic planning • Lack of consensus among decision makers
Communication/ Interpretation/ Adoption	<ul style="list-style-type: none"> • Adoption of strategic intentions (lack of buy-in) • Lack of understanding/interpreting strategy • Resistance to change among people/units • Lack of adequate communication (vertical and horizontal) • Lack of regular feedback on strategic achievements & strategically important issues
Implementation/	<ul style="list-style-type: none"> • Strategy implementation less formal process than strategic planning • Lack of effective strategic co-ordination (alignment) • Lack of synchronising strategy implementation to market rhythm • Lack in ability to translate strategy into action • Lack of swift implementation • Time limitation • Too many and conflicting priorities/activities • Inadequate linking of strategy to goals
Support	<ul style="list-style-type: none"> • Lack of enough capabilities/skills of employees • Lack of adequate manager commitment/support • Unsuitable resources allocation • Discordant structure with the strategy • Lack of adequate organisational commitment/support • Competing activities among people/units • Unsuitable personnel management • Incompatible organisational culture
Control	Unsuitable/insufficient evaluation and control systems
Other	<ul style="list-style-type: none"> • Irrepressible external factors • Irrepressible internal factors • Lack of identification of major problems • Unforeseen market changes

The research findings from this study show some consistency with regard to the impeder identified. As mentioned in the findings chapters above, strategic planning in the Zimbabwean public sector seems to be carried out mostly by executives and top management, without extensive involvement from lower management or employee levels. The lack of bottom up involvement in crafting strategy creates problems when it comes to the communication, interpretation, adoption and ultimately the supporting of strategies, was noted during the in-depth interviews. In fact, no less than 80% of respondents rated lack of adequate communication (80%), interpretation (84%), understanding (90%) and adoption (90%) as impeder that have a large to very large effect on strategy implementation.

Regarding strategy implementation in the Zimbabwean public sector, the results showed that the majority of participants interviewed felt the effectiveness of

implementation was much lower than that of strategic planning. A knock-on effect of poor strategy implementation is that the control and monitoring phase become less effective. Part of the problem lies in the fact that strategy formulation is in most cases a formal 'rosy' process handled by senior and executive management, whereas strategy implementation is shifted downward, and becomes the responsibility of junior managers and workers. In essence, it is evident that the focus and importance attached to the implementation phase is a lot less than that of the planning phase.

7.4.3 The extent to which strategic management strategies are creative and adaptive rather than developed to fit the changing business environment in the Zimbabwean multicurrency system

Regarding the extent to which strategic management strategies are creative and adaptive rather than developed to fit the changing business environment in the Zimbabwean public sector, a clear dichotomy in understanding was evident, with half of respondents aligning with "strategy is formally articulated through a statement of purpose (such as mission and vision) outlining the organisational objectives" which describes a rational strategic planning approach; while the remaining respondents believe "strategy is articulated by facilitating 'a particular way of thinking' which emphasises intent, enables creativity, strategic thinking and adaptability" thereby describing a strategic thinking approach.

It can also be concluded that fewer respondents believe the "crafting of strategy follows a formal analytical process to define an organisation's plans for achieving its mission, based on quantitative analysis and understanding of external elements that influence it, in order to direct future change", referring to a rational strategic planning strategy-making process; as opposed to the majority of respondents who felt that "crafting of strategy follows an iterative process of divergence and convergence, combined with creative thinking to explore innovative new ideas, hypotheses, opportunities", thereby describing a strategic thinking strategy-making process.

By querying respondents concerning their understanding of strategy, it became clear that strategy as well as its development and articulation is still distributed across a divergent spectrum of thinking and processes and is viewed as being both purposive and adaptive as well as incipient and creative. Importantly, findings indicate that the standard/traditional strategy-making approaches and rational strategic planning are no longer the optimal approaches to follow in strategy development and have become outdated and unsuitable to the radically changing Zimbabwean business and economic environment.

Crucially, while findings suggest a limited awareness of strategic thinking as an approach to strategy development, there is a belief, as evidenced by respondents' replies, that such an approach would have merit. The said findings that many respondents and interviewees undertake a form of strategic thinking as a strategy-making approach and process, indicated that their restricted awareness, merely of traditional tools, techniques and frameworks, limits them.

Findings suggest strategic thinking could either supplement or replace rational strategic planning if a credible and known process, with triggers, was designed to provide an integrated and holistic view of Zimbabwean business complexity. This view holds that many traditional approaches were far too rigid with a distinct need to adapt and become more elastic. However, the limited new approaches to defining strategy that have recently been created stifle the true potential of strategy.

Findings highlight the need for an evolutionary and adaptable structure, including "pattern detection in order to shape the future and predict what is going to happen tomorrow and arrive at a desired outcome". In addition, the provision of an "end-to-end recipe" is important as an organisation "needs structure to the point that it gives a strategy which can be justified."

Classical approaches can be viewed as providing a "core to work from" but strategists need to "apply different concepts that go beyond the traditional concept of strategy". Overall, the emergent perception emphasised that Zimbabwe is unique, with a distinctive corporate culture, and that, to remain valuable, new approaches must allow for greater systems thinking, identification of black swan events and a dynamic process with triggers that identify changes to the environment.

In conclusion, while there is limited awareness of strategic thinking as an approach to strategy development, there is a belief that such an approach would have merit.

7.4.4 Organisational dynamics which impact on development and execution of organisational strategy

Organisations and the strategies that guide them are constantly influenced by complexity and uncertainty as a result of the changing business environment. Research findings indicate that the majority of organisations have had the development and execution / implementation of their strategy affected by external and internal dynamics over the past decade.

Importantly, integrated findings suggest that, not only do Zimbabwean government and organisations face external and global business environment challenges, they are impacted by several challenges unique to this country. As illustrated in part of the

quantitative results, the primary external dynamics identified by survey respondents as impacting on development and execution of organisational strategy include: economic, political and competition factors, any and all of which create an environment with a high level of uncertainty that could have a high impact on the sustainability of Zimbabwean business environment.

In support, interviewees in the qualitative study identified the primary external dynamics affecting the Zimbabwean business environment as economic instability, legal and regulatory uncertainty as well as lack of political leadership. Economic focus extended to the global recession; commodities downturn; restrained GDP growth; exchange rate depreciation; interest rates and limited foreign direct investment; all with the ability to depress consumer spending and limit organisational income and market growth. Furthermore, legal and regulatory uncertainty is of utmost concern to organisations, particularly policy making and civil law; with a direct focus on the enforceability of contracts – the core enabler of ethical business conduct and successful trade. This, combined with the dire state of local politics, has created an environment that lacks confidence in political leadership, resulting in limited foreign direct investment and international confidence.

Both survey respondents and interviewees identified social factors to be low uncertainty but high impact areas. Both groups felt that increasing social/demographic stagnation compounds the difficulty of enabling success due to the lack of depth in the Zimbabwean talent pool, as a result of limited employee skills and rampant unemployment.

In addition, survey respondents considered legal and regulatory dynamics to be a low uncertainty but high impact area, while interviewees emphasised this as a primary external dynamic due to the uncertain nature of political influence on the legislative environment, affecting business trade.

Qualitative findings indicate that unique environmental factors hinder Zimbabwean business environment. While global competition is extensive, the socio-economic requirements and stifling legal and regulatory environment, combined with the country's geographic location, have created a homogeneous market and consumption driven economy: this generates a unique change-resistant business environment requiring a Zimbabwean approach to navigate it.

However, the prolonged exposure to this environment and, critically, the mismanagement of the resultant challenges has created organisational fatigue and forced reactionary adaptation. Organisations are viewed as being “punch drunk” and

paralysed by the ambiguity of the environment, resulting in slow, reactionary or unplanned caricature.

From an internal dynamic perspective, quantitative findings indicate that respondents view their organisations' strategy as being sound and believe they do correctly interpret strategic insight but felt that they respond slowly to strategic insight and struggled with the execution of their strategy.

The quantitative findings provided insight into the hindrances impacting organisational strategy. Survey respondents believe mind-sets and behaviours impact an organisation's strategy and that the latter struggle with limited capabilities, all of which hinder their strategy. They view organisational culture as an integral element of successful strategy and believe that limited organisational communication hinders strategy.

Corroborating these quantitative findings, interviewees identified culture and process dynamics as the two most prevalent elements of internal organisational dynamics that influence the validity and execution of organisational strategy.

Culturally, Zimbabwean public sector is viewed as being a hierarchical and power based corporate environment, often driven by a political agenda. Prominent cultural dynamics influencing the development and execution of corporate strategy in Zimbabwean organisations were identified as overall organisational acceptance and buy-in to the organisational strategy and leadership traits of limited communication, as well as a warped perception of how their business or strategy is performing, including its strength, execution and accountability and hindsight bias.

Importantly, qualitative findings suggest the need for a credible and known process for the development and execution of organisational strategy when operating a multicurrency economy. Current processes are often viewed as a "tick box exercise", part of a top-down inflexible strategy and often executed by stakeholders who possess limited strategy development and execution capabilities, experience and skills.

Significantly, it was commented that organisations' perception of their internal and external environment should be bolstered by methods for systematic self and external environment awareness.

In conclusion, the integrated findings again clearly indicate that organisational dynamics impact the development and execution of organisational strategy and should be considered as critical inputs to the development of an approach for the delivery of a creative and adaptive organisational strategy.

7.4.5 Best practice elements of strategic thinking and rational strategic planning

An important quantitative finding provided by empirical results indicates that respondents still prefer traditional analytical frameworks and tools as well as focusing extensively on financial modelling. However, by a small majority, some respondents find tools that enable lateral thinking and creativity more beneficial than traditional analytical tools, methods or models, and prefer frameworks and tools which challenge conventional wisdom by recognising the relationship among the parts. Conversely, qualitative findings indicate that organisations do not extensively use tools that enable lateral thinking and creativity.

While rational strategic planning frameworks and tools still provide value, a review of literature suggests that a more dynamic toolset is required to anticipate future direction in changing environments. Several alternative strategic analysis frameworks and tools, developed to provide synthesis and insight into trends, patterns and multiple perspectives were identified. Detailed analysis of the quantitative survey results indicates that while a large proportion of respondents advised that they never or rarely use the alternative frameworks and tools identified, a significant number answered that they were unsure of their use within their organisations. Both findings suggest a lack of awareness or knowledge of the alternative frameworks and tools available and their corresponding benefits.

Furthermore, quantitative findings indicated that the Zimbabwean government has a systematic process for monitoring external threats and opportunities in place. However, the majority of respondents felt their public sector does not act systematically on external threats and opportunities and actively consider how to manage uncertainty. The challenge is lack of political will, which sometimes overrides the standing systems and policies if they are not a convenience to the political interests of those in charge. Meritocracy gets sacrificed for nepotism, cartels and personal greed.

As previously stated, although the integrated findings indicate restricted awareness of strategic thinking as an approach to strategy development, there is a common belief that such an approach would have merit. While little clarity was provided in the qualitative findings by interviewees on specific strategic thinking frameworks and best practice elements, they indicated that creativity and adaptability are viewed as critical elements for the development of organisational strategy. Further input was provided on suggested design elements required for the development of a credible process. Firstly, a process should consist of an event driven, end-to-end method which combines systems thinking with triggers and pattern detection to develop an integrated

holistic view of the organisation and environment. It should be supported by a systematic process for monitoring internal and external threats and opportunities. In addition, the organisation should undertake formal analysis and provide a process of evaluation and validation which integrates simulation and testing. The approach must output an achievable and relevant strategic intent that directs an execution plan.

The integrated findings presented above indicate that best practice elements of strategic thinking do exist and can be embedded together with best practice rational strategic planning elements into a revised conceptual strategic thinking strategy-making approach. Qualitative findings provided by interviewees clarified that the successful crafting of strategy should comprise alternative mechanisms which include design elements which guide credible, systematic processes which monitor internal and external dynamics and measures of achievable strategic intent. The identified design elements which steer a credible process for crafting strategy were identified as: a customisable end-to-end analytical formula with dimensions clarified; event and trigger driven forecasting and issue management with pattern detection; iterative, structured and focused creativity; a holistic integrated system thinking view of the organisation and environment as well as an evaluation and validation process.

While qualitative findings suggest that creativity and adaptability are embedded within Zimbabwean public sector, creativity and innovation are identified as being critical but difficult, with many organisations simply mimicking each other – questioning whether success is "done by design".

Common consensus, based on the qualitative findings, suggests that Zimbabwean public sector organisations are "paralysed", "punch drunk" and "reactionary" due to organisational dynamics and environmental factors which limit them, resulting in an environment that is change resistant.

While Zimbabwean public sector can and do adapt to a radically changing and uncertain global business environment, they are often forced into adapting to changing circumstances. The said public sector that struggle are often traditionalist, bureaucratic and change resistant with limited flexibility in their strategy-making approach, risk averse cultures, limited core capabilities and limited resources.

Interviewees believe that organisations which succeed are often those with greater resilience, an entrepreneurial (forward thinking) attitude and culture, with no legacy constraints (whether it be their culture, their attitudes or their infrastructure). Successful organisations are often identified by their innovative, "breaking out of the mould" ability, and their ability to develop an eco-system of partners.

Integrated findings overwhelmingly indicate that creativity and adaptability are viewed as key elements for the development of organisational strategy and could lead to its successful development of organisational strategy within rapidly changing environments. Importantly, an environment of communication, collaboration, open relationships and creativity is required for the development of an adaptive strategy. In addition, findings suggest organisations should embrace adaptability, agility, flexibility, and responsive innovation, combined with interconnectedness and local relevance.

In conclusion, integrated findings suggest that Zimbabwean public sector's creativity and adaptability cannot be generalised; Zimbabwean public sector can and do adapt to a radically changing and uncertain global business environment, however, are often forced into adapting to changing circumstances by their environment. Furthermore, the findings indicate that alternative mechanisms for crafting a creative and adaptive strategy do exist, are known by strategy practitioners and can be embedded into a strengthened strategic thinking strategy-making approach.

7.4.6 The extent to which Zimbabwean public sector strategies are creative and adaptive rather than developed to fit the changing business environment on running a multicurrency economy

The quantitative empirical results indicate that the majority of survey respondents believe that their organisation's strategy is creative and adaptive in the said environment. However, a large number of respondents believed there could be an improvement. The same respondents, who are predominantly employees of organisations, do not believe that Zimbabwean public sector strategies are creative and adaptive in this environment.

Conversely, qualitative findings held the view that Zimbabwean public sector strategies are creative and adaptive rather than built to "fit" the business environment, but this was dependent upon the particular industry. A view offered was that Zimbabwean organisational strategies are indeed creative and adaptive, so that if they were not, "those companies would not exist today".

While qualitative findings suggest that creativity and adaptability are embedded within Zimbabwean public sector, creativity and innovation are identified as being critical but difficult, with many organisations simply mimicking each other – questioning whether success is "done by design".

Common consensus, based on the qualitative findings, suggests that Zimbabwean public sector organisations are "paralysed", "punch drunk" and "reactionary" due to

organisational dynamics and environmental factors which limit them, resulting in an environment that is change resistant.

While Zimbabwean public sector can and do adapt to a radically changing and uncertain global business environment, they are often forced into adapting to changing circumstances. The said public sector organisations that struggle are often traditionalist, bureaucratic and change resistant with limited flexibility in their strategy-making approach, risk averse cultures, limited core capabilities and limited resources.

Interviewees believe that organisations which succeed are often those with greater resilience, an entrepreneurial (forward thinking) attitude and culture, with no legacy constraints (whether it be their culture, their attitudes or their infrastructure). Successful organisations are often identified by their innovative, "breaking out of the mould" ability, and their ability to develop an eco-system of partners.

Integrated findings overwhelmingly indicate that creativity and adaptability are viewed as key elements for the development of organisational strategy and could lead to its successful development of organisational strategy within rapidly changing environments. Importantly, an environment of communication, collaboration, open relationships and creativity is required for the development of an adaptive strategy. In addition, findings suggest organisations should embrace adaptability, agility, flexibility, and responsive innovation, combined with interconnectedness and local relevance.

In conclusion, integrated findings suggest that Zimbabwean public sector organisations' creativity and adaptability cannot be generalised; Zimbabwean public sector can and do adapt to a radically changing and uncertain global business environment, however, are often forced into adapting to changing circumstances by their environment.

7.5 Summation

The research findings have shown that organisations, and their strategies, are constantly impacted by the changing business environment. Not only does Zimbabwean public sector face ever changing external business dynamics, but they are also impacted by several challenges unique to Zimbabwe.

Constant and prolonged exposure to changing dynamics has resulted in organisational fatigue and forced reactionary adaptation. Dazed and paralysed to the ambiguity of the environment, organisations find themselves responding slowly to change through unplanned mimicry. This is corroborated by the general belief that Zimbabwean organisations' strategies are not creative and adaptive in the changing business

environment. Conversely, findings suggest organisations believe their own strategy is creative and adaptive but believe there is room for improvement.

Findings note that while Zimbabwean public sector can and do adapt to a radically changing and uncertain global business environment, they are often forced into adapting to changing circumstances. Zimbabwean organisations that often struggle are found to be traditionalist, bureaucratic, change resistant; constrained by limited flexibility in their strategy-making approach, risk adverse cultures, limited core capabilities, and limited resources.

Alternatively, organisations, viewed as being successful embed resilience, an entrepreneurial (forward thinking) attitude and culture, and have no legacy constraints (whether it be their culture, their attitudes or their infrastructure). In addition, these organisations are innovative, "breaking out of the mould"; and develop an eco-system of partners.

These findings are aligned to the principles of strategy outlined in the literature review. The principles include strategic anticipation, navigational leadership, agility, resilience, open collaboration, predictive learning, creativity and originality, innovation, and entrepreneurship. The principles are corroborated by empirical findings which overwhelmingly indicate that an environment of communication, collaboration, open relationships and creativity is required for the crafting of an adaptive strategy. In addition, findings suggest organisations should embrace adaptability, agility, flexibility, and responsive innovation combined with interconnectedness and local relevance.

Furthermore, it has become clear that strategy, its development and articulation is still distributed across a divergent spectrum of thinking and processes whereby strategy is viewed as being both purposive and adaptive as well as incipient and creative.

A clear dichotomy in understanding of strategy-making approaches was uncovered, with some of the respondents aligning with "strategy is formally articulated through a statement of purpose (such as mission and vision) outlining the organisational objectives", which describes a rational strategic planning approach; while the remaining respondents believe strategy is articulated by facilitating "a particular way of thinking" which emphasises intent, enables creativity, strategic thinking and adaptability thereby describing a strategic thinking approach.

Importantly, empirical findings support the academic view that the standard/traditional strategy-making approaches and rational strategic planning is no longer the optimal approach to follow in order to craft strategy. Furthermore, results illustrate that

traditional approaches are semi-outdated and unsuitable to the radically changing business environment, especially in the Zimbabwean environment.

However, findings indicate that there is still a strong preference for traditional analytical frameworks and tools; focusing extensively on financial modelling; and that organisations do not extensively use tools that enable lateral thinking and creativity. It is believed by respondents, that tools that enable lateral thinking and creativity are more beneficial than traditional analytical tools, methods or models; and organisations do prefer frameworks and tools which challenge conventional wisdom by recognising the relationship among the parts. As identified and explored previously, organisations are constrained by their awareness of solely traditional tools, techniques and frameworks and never or rarely use the alternative frameworks and tools. In addition, organisations suffer from limited insight into the research being conducted by academic institutions.

As noted, the alternative to rational strategic planning: a strategic thinking approach to crafting strategy, is not well known. However, it was clarified that there is recognition and awareness of its primary components, but limited insight into an “end-to-end procedure” describing how the concept would work. Irrespective of the limited awareness of strategic thinking as an approach to strategy development, there is belief that such an approach would have merit.

Findings further suggest strategic thinking could either supplement or replace rational strategic planning, if a credible and known process is designed. To support the design of a revised strategic thinking approach; this research undertook an extensive literature analysis and empirical study of strategy-making approaches, using both qualitative and quantitative data gathering techniques to culminate in the identification of best practice rational strategic planning and strategic thinking frameworks, tools and alternative mechanisms.

Consolidating the findings from the research study, a strategic thinking approach framework has been proposed. Each component of the framework uses its inventive and proactive nature to enable a revised world view of internal and external threats and opportunities by encouraging entrepreneurial and creative synthesis. This will enable organisations to create new perspectives and unique combinations; define achievable strategic intent and generate future value for organisational stakeholders to ensure success, through competitive advantage, in a radically changing, uncertain and complex business environment.

7.5.1 Critical Success Factors for Running a Multi-currency Economy

As can be noted from the above discussion, the realisation of an organisation's strategic intent can only be successful if the implementation phase is logically, systematically, scientifically and professionally managed. Multi-directional communication, support and commitment to chosen strategy, the principles of change management and the transformation of culture is paramount throughout the entire implementation process. The government cannot do any of this on its own though. Beyond its empty coffers, evidence rather than ideology needs to drive decision making within a Zimbabwean public sector.

Many of the fiscal and monetary policy challenges faced by Zimbabwe prove to be of own making, and the inevitable outcome of poor planning, fragmented implementation, poor oversight and monitoring, wastage and duplication. Whichever way one looks, it is either the private sector or the International Monetary Fund that will break this impasse, the latter with all the associated negative impacts associated with an externally imposed austerity programme. The private sector has the means to help but lacks confidence in an administration that cannot decide if it wants to grow the economy or protect current employment at all costs. Some critical success factors that are of immense importance to the overall strategic planning process in the Zimbabwean multicurrency dollarisation can be defined as follows:

- ***focussed leadership***: the role of leadership is vital in ensuring progress against strategic objectives is met, through the motivation of individuals and effective communication within the team. The effectiveness of leadership becomes quite evident when individual talents and abilities in teams constructively gel together in the pursuit of achieving common goals.
- ***clear understanding of the strategic intent***: additional time and effort must be invested in to ensure all stakeholders have a clear and common understanding of the organisation's strategic intent. And when understanding dawns knowledge prospers.
- ***shared vision and goals***: The vision and goals must inspire and motivate people to walk the proverbial extra mile. Once ownership is achieved, it results in the self-ignition of motivation and commitment.
- ***continuous monitoring and evaluation against strategic objectives***: one of key attributes of effective leadership is having the ability to adapt strategies as the environment changes. In essence, this means that there should be little emotional attachment to the goals or outcomes of a chosen strategy. Decision making must be based on the complete evaluation of the current situation.

- ***effective communication across all phases (even if not good news):*** although communication is critical throughout virtually all phases of the strategic management process, importance of constant, consistent and transparent communication in the implementation phase cannot be overstressed. Even if the news is not good, transparent communication of the bad news can spur people to greater heights to endeavour to reach set goals and objectives. A sense of togetherness in adversity would prevail. If on the other hand no communication is effected, people tend to speculate and distrust and resentment is conceived. This should be avoided at all costs.
- ***the celebration of success when milestones are achieved (good news):*** it is also critically important that good news is also communicated and celebrated. This will encourage people to continue with the good work because of the positive results and strive to get better. If on the other hand it is kept under wraps, employees tend to become disillusioned because of the not knowing and could lead to non-performance or lack of commitment.
- ***the management of change (anxiety and uncertainty):*** in most strategic implementation processes there are always elements of change and varies according to the circumstances and environmental conditions. It is therefore critical to ensure a parallel change management intervention is run in conjunction with the implementation of new strategies. This will eliminate anxiety, suspiciousness and distrust and will add to the viability and success of the chosen strategy.
- ***adequate resources and time to be allocated to execution processes:*** often strategy execution fails as little or no consideration is given to resources required and/or the time needed for effective implementation. Managers are forced in many instances to take on additional tasks while still having operational tasks to execute and tend to lose focus and lack on follow through, which invariably leads to failure. To overcome this problem resources and time should be carefully considered and allowed for prior to starting implementation. As a result, a bilateral agreement dollarisation is recommended for sustainability of a multicurrency economy. Anchor countries who happen to be the owners of the monetary policy behind the adopted currency cannot be left out of the game and expect a long-term existence of such an arrangement without the challenge of liquidity crisis, as ended up being in the Zimbabwean case.

The above are highlights of many possible factors that can influence the implementation phase, but it should be noted that these highlights are typical to the

Zimbabwean public sector in the context of running a multicurrency economy, which was evident within the empirical research phase. Critical success factors may differ within various organisations, due to cultural differences, different strategic objectives and each organisation's individual definitions of success. It is therefore important to take cognisance of these factors when evaluating success, throughout the entire implementation process.

7.6 Recommendations

Based on the results of this study, the following recommendations are put forward by the researcher to strategic management in the Zimbabwean public sector. The recommendations are presented according to stages of strategic management

Recommendation One (1)

Strategic Planning

- **Bottom up involvement in crafting strategy:** Consultation at levels by means of workshops, roadshows, electronic media, etc must take place to ensure that all employees within an organisation feel that they are role players (no matter how small) in defining what needs to be fulfilled. If this process is done transparently and with the right intentions, real buy-in can be achieved. It should again be noted that in the Zimbabwean public sector, the lack of involvement is regarded as one of the biggest impeters of strategy implementation.
- **Exact strategic planning:** Clearly defined strategies that are consistent with all other group or company objectives will ensure all stakeholders are clear about what needs to be achieved. Errors and resultant changes could detract from the credibility of the entire process of strategic management and eventually impact on strategy implementation.
- **Consensus among decision makers:** A common view needs to exist between decision makers about the strategic intent of the organisation and the actions to be taken. Without consensus, behaviour in the organisation could become random and disorganised and could even lead to leaders becoming dysfunctional. Consensus leads to greater participation and focus, it encourages ownership and commitment, and it reduces uncertainty.
- **Buy-in of strategic intent at all levels:** Proper communication and genuine consultation must be done to obtain buy-in by all stakeholders. Labour movements and other relevant organisations should be part of the process to ensure their members buy-in to the entire process.
- **Change management process:** All changes whether minor or major tends to solicit resistance in some form. The execution of a chosen strategy if different

to the status quo will solicit the same reaction. Therefore, a proper carefully thought-out change management process should run in parallel throughout the entire strategic management process with a larger focus in the implementation phase, as this is where the major impact on people occurs.

Recommendation Two (2)

Adoption/Buy-in

- **Communication (vertical and horizontal):** Not enough can be said about effective communication. This, in the view of the researcher, is one of the most critical success factors during the implementation phase. Formal forums must be set-up to communicate everything from strategic intent to implementation, highlighting achievements, addressing failures but most importantly engaging in honest discussion. The communication forums should not be a forum where management give feedback only, but also to solicit ideas and constructive debate and criticism from all stakeholders.
- **Understanding of strategic intent:** It is extremely important that the strategic intent of an organisation is carefully conceptualised and unambiguously articulated at all levels. If the understanding is not consistent throughout the organisation and by all stakeholders, it jeopardises the delivery at implementation. A simple matter of misunderstanding could have a devastating effect on an organisation, and this without any malice being intended. Only if thoroughly understood, the strategic intent can be correctly adopted.
- **Adoption of strategic intent (buy-in):** Understanding of the strategic intent of the organisation alone is not enough. All levels of organisation need to play an integral part in contributing towards the strategic intent. In other words, ownership should be taken to ensure that all efforts contribute towards the ultimate goal of implementing the strategy successfully. Favourable reception or adoption will thus facilitate better resource allocation, focus and ultimately successful strategy implementation.
- **Regular feedback on strategic achievements and strategically important issues:** It is critical for all employees to receive regular feedback. Feedback should be implemented from as early as the strategic planning phase where input into strategy formulation is actively solicited, debated adopted or discarded. Feedback is part of continuous learning in an organisation. Success must be celebrated at all opportunities and this will act as a self-propelling motivation tool, and ensure the next challenge is tackled with gusto. Conversely, nonachievement must be discussed openly and honestly without

attaching blame in an effort to prevent further setbacks. No feedback, whether it be positive or negative, leads to rumour mongering and could have far reaching devastation to any organisation's plans.

Recommendation Three (3)

Execution

- ***Formalising of strategy implementation/execution process:*** A formal carefully constructed plan of execution must be developed incorporating strategic alignment and co-ordination. Consideration must be given to prevailing market conditions/rhythms and the best timing of execution should be carefully considered for maximum impact and best chance of success. Properly considered targets and objectives must be set and clear linkages of goals to strategy must be visible. Once all of this has been carefully considered, the critical success factors defined and when the timing is right, execution should take place swiftly. Procrastination could lead to lost opportunities, lack of interest and inherently a huge chance of failure.
- ***Effective strategic co-ordination (alignment):*** Successful implementation is to a large extent dependent on effective strategic coordination and alignment of resources and capabilities. In other words, there should be alignment of internal capabilities and external opportunity. Strategic co-ordination and alignment can also promote the optimal and effective use of resources and assist in harnessing any economies of scale that might exist.
- ***Synchronising strategy implementation to market rhythm:*** The success of strategy implementation is not dependent on the speed of implementation alone, but even more critically about the timing of the implementation. Environmental scanning, marketing intelligence and interpretation of prevailing market conditions must be considered during the implementation phase. Timing is critical in most aspects of business and strategy implementation is no different.
- ***Translating strategy into action:*** One of the most difficult aspects of moving from strategic planning to strategy implementation is to translate the chosen strategy into actionable points. Properly constructed action plans detailing processes, actions, responsibility and timing must be clearly defined and is fundamental to successful implementation. By clearly defining the processes and actions, it enables easier monitoring and tracking of milestones and targets.
- ***Swift implementation:*** The business environment and especially the hospitality industry is dynamic and constantly changing. Competitive advantage

is short lived and rivalry is intense. Windows of opportunity are short and procrastination often results in lost opportunities. Therefore, it is extremely important that once all plans are in place, implementation occurs swiftly in order to capitalise on market opportunities. Swift implementation also gives credibility to chosen strategy as a feeling of confidence filters through, rather than uncertainty. This assists with focus of people in the execution phase.

- ***Prioritising of activities:*** In the implementation phase, it is important to prioritise activities in a logical fashion, which will assist in taking advantage of opportunities, better utilisation of skills and have a knock-on effect on successful implementation. For example, it is no use launching a new strategy without having the necessary internal resources, including structure, skills, systems, etc and all relevant staff trained and aligned with the new strategy. A logical sequence of events must take place with a gap type analysis being carried out, a plan for rectification and then launch of the new strategy.
- ***Linking of strategy to goals:*** It is a critical step in the strategic management process. Strategy is vain until specific goals are attached to them. To use a soccer analogy 'you cannot score a goal if you do not know where the goal posts are!'. In essence, goals must be clearly defined and should be 'SMART' goals. (specific, measurable, achievable, relevant, time-bound)

Recommendation Four (4)

Support

- ***Capabilities and skills of employees to match strategic intent:*** Successful implementation of chosen strategies requires varying levels of capabilities and skill sets. A comprehensive capability and skills audit should precede implementation. Where necessary training and up-skilling should ensue and if not possible, the applicable skills must be acquired. The acquisition of skills must be coupled to a retention of skills plan, as ideally one would like to retain these skills, at the very least, throughout the implementation phase.
- ***Manager commitment and support:*** Although commitment and support are sought from all employees, a key group of people are managers. Manager commitment to the process and support of their workforce is of paramount importance. A culture of supportiveness with regards, to systems, physical resources, specialist functions such as human resources must be inherent during the implementation process. If these enablers are absent, failure in achieving set goals becomes highly probable.

- **Resource allocation:** As with any process the availability of the correct resources is one of the primary drivers for success. It is therefore, critical that the correct resources within reason are allocated to the implementation process to at the very least give the strategy a fair chance of success.
- **Favourable structure and systems to support strategy:** One of the many requirements for successful implementation is to have the correct structure and systems in place to support the achievement of the strategy. Managers should critically evaluate the structure and systems required and put plans in place to get them up to requirements. Short cuts in most cases ends in up in some sort of failure.
- **Organisational commitment and support:** It goes without saying commitment and support by all employees to the achievement of the strategic intent is paramount. It is also true to say that the commitment by the organisation (executives and shareholders) towards the achievement of the strategic intent is just as critical. Aligned to this there has to be continuous support with regards to almost all of the above enablers for successful implementation to take place. It displays to employees that the organisation is serious about what they want to achieve and where they want to go. This type of commitment is contagious and, in most instances, will be reciprocated by managers and employees of the organisation.
- **Alignment of competing activities among people/units:** It is necessary to ensure that when strategies are implemented it does not lead to dysfunctional behaviour amongst people and/or business units that can eventually be destructive to the organisation as a whole. All activities must be taken into account, and positioned in a way that will complement each other, rather than to compete against each other. Incentive schemes must also align to this logic to ensure no contradictory behaviour ensues. This is one of the main problems faced with many businesses in the current fast-paced competitive environments. The Zimbabwean public sector is no exception.
- **Human resources management to support strategy implementation:** Human resource management, in terms of change and transformation must happen from the onset. This requires specialist assistance to be given to line management throughout the entire process from the human resources department or section.
- **Organisational culture:** The challenge for managers is to address issues related to the fact the cultural change tends to lag behind strategic change, more often than not, and culture controls the manager rather than the manger

controlling the culture. Management and leadership styles are inextricably linked to culture. It is therefore important for management and leaders of the organisation to lead by example and live the intended strategy of the organisation.

Recommendation Five (5)

Monitoring and Control

- ***Development of efficient and sufficient evaluation and control systems:***
The old adage that if one cannot measure it, they cannot control it, is fundamental to ensuring successful strategy implementation. Measurement of performance to set objectives ensures that strategy lives in the organisation and that everyone is working towards common goals. Measuring valid factors also convinces team members of the need for change and in this case the chosen strategic objectives. As progress is monitored and communicated the desire for seeing further improvement increases. It is also vitally important that measures are monitored consistently and regularly, with results being transparent and well communicated to all stakeholders. Reward systems could also aid in the perseverance of strategic objectives and must be designed and concomitant with measures. This would add to the creation of a positive performance driven culture.
- ***Tracking via detailed milestone plan:*** The importance of tracking milestones is to continuously assess the success of specific strategies and to encourage and motivate managers and employees into persevering with specific goals and objectives. Each milestone also provides opportunity for evaluating the effectiveness of the chosen strategy and allows for corrective action, should it be necessary. It is important to note that the milestone measures be consistent with strategic aims and objectives and the master milestone plan must be devolved to the lower levels to ensure that it is relevant to them specifically, as this would cultivate a sense of ownership and belonging. Measures should be monitored consistently and regularly with the results being transparent and well communicated. Rewards systems should be designed around these measures. Failure to achieve milestones should also be openly communicated in a positive way, to ensure people see the shortcomings and reasons for non-achievement without becoming disillusioned.
- ***Achievement checklist:*** In addition to the above, an achievement checklist should be maintained with specific criteria being agreed and communicated as to what defines achievement within the specific milestones. This will ensure all

employees are aligned with the corporate expectation and definitions of what is regarded as achievements.

Recommendation Six (6)

Dollarisation by Multi-currency

Given the results and a careful study of existing literature, it is recommended that the government should maintain the dollarisation stance due to the positive impact it has on economic growth in Zimbabwe. Dollarisation has resulted in economic stability and financial sector improving in credibility which are key components for boosting investor confidence. However, policymakers should note that dollarisation on its own is not a cure but rather create the necessary environment for other policies to succeed. Any good idea has to be enshrouded in strategic management for its sustainability. In other words, dollarisation creates the necessary but not sufficient environment for growth. Dollarisation by multi-currency mostly brings stabilisation, improves credibility and promotes integration with anchor countries. Policies should foster economic integration like trade agreements and reduce credit risk as reflected by negative coefficient of interest rates on economic growth.

The liquidity constraints currently faced in the economy could be addressed by engaging and seeking a financial injection from the central banks of the respective anchor countries, especially the Federal Reserve Bank of America since greater percentage of Zimbabwean transactions are in USD. This option is preferred to that of introducing own currency because the Reserve Bank of Zimbabwe has not yet gained enough credibility from economic stakeholders for it to effectively implement monetary policy. Policy makers should, however, note that such a financial injection from the Federal Reserve will come at a cost of losing sovereignty but such an injection will boost investment levels and activate the money market which is practically lifeless. However, the cost of losing sovereignty is viewed as negligible in this context given the desperate state of the economy in terms of liquidity needs. The Federal Reserve will not only contribute financially but assist Zimbabwe in developing structures that ensure sustainability of the monetary system.

Policy makers should also note that the country is currently characterised by policy inconsistencies, lack of central bank independence and fiscal indiscipline and this has negatively affected financial sector credibility. Therefore, a dollarisation stance will ensure some level of discipline still exists until the sufficient level of central bank credibility is attained before policymakers start considering de-dollarisation. However, sustainability and success of any project requires strategic management, which has a flair of strategic thinking, with a good balanced blend of proactivity and reaction to the

surrounding. The in-depth analyses undertaken to develop a strategic thinking approach to the delivery of a creative and adaptive strategy, has resulted in the identification of the following further recommendations:

- Organisations should improve the creativity and adaptability of their strategy. They should place greater emphasis on expanding their knowledge of alternative strategy-making approaches and recognise the value of alternative mechanisms for crafting creative and adaptive strategy.
- Organisations which still prefer traditional analytical frameworks and tools should embrace tools that enable lateral thinking and creativity. They should make certain they embed a systematic process for monitoring external threats and opportunities, striving to provide managers with comprehensive input to decision-making.
- Organisations should ensure that leadership is shown to embrace the organisation's strategy and actively communicate the strategy to all stakeholders. They should make sure that culture and process dynamics do not influence the validity and execution of their organisational strategy.

7.8 Limitations of this Study

To ensure accuracy and optimal results, the research study was conducted following a predefined research methodology and adhered to the highest standards, as outlined in the delimitations defined in the first chapter.

However, certain limitations must be noted:

- The sensitive nature of the research subject-matter hampered the willingness by departments and their respective representatives to participate;
- The overall response rate was constrained and small relative to the population, but was sufficient to allow for comprehensive statistical analyses;
- It is noted in Chapter 5, that several rounds of content review were conducted on each interview transcript; with the initial review performed by an independent analyst to provide an unbiased view of the contents' primary messages. However, the potential did exist for observer bias and error during the interpreting of the interviews;
- The research study focused on studying the strategy-making approaches followed within Zimbabwean environments. Due to this, the generalisability of the findings to other contexts could be limited.

7.9 Future Research

The research study resulted in the identification of several areas which could be further researched. The areas identified are:

- Organisations are limited by their awareness only of traditional tools, techniques and frameworks; they never or rarely use the alternative frameworks and tools; and have limited insight into the research being conducted by academic institutions. This finding indicates that most approaches are integrated into organisational processes through the academic training of employees. Further research should be conducted to ascertain how best organisations and universities might collaborate to incorporate new methods into organisations.
- The research has concluded with the development of a conceptual strategic thinking approach framework for the delivery of creative and adaptive organisational strategy to ensure success, through competitive advantage, in a radically changing, uncertain and complex business environment. Further research could be conducted by implementing and testing the framework as a case study within an organisation.
- In addition, further research could be undertaken to test the feasibility of the proposed conceptual strategic thinking approach framework in geographies other than Zimbabwe.

7.10 Final Conclusive Remarks

The implication of the findings of the study is that strategic planning and decision making has an important role in organizational development and sustainability. Various types of strategies used in strategic management by organizations require top level executive managers to map for long term organizational sustainability and to face or deviate from the competition. Consistency and a levelled eye on all relevant stakeholder inclusiveness are key in the translation of a strategy into a corporate purpose. Strategy-making has traditionally utilised strategic management, underpinned by rational strategic planning, to craft and implement strategic moves.

However, rapidly changing environmental dynamics have created an operational environment contrary to the traditional paradigm of predictability, linearity and controllability expected by the rational strategic planning approach to strategy-making. An overlook in the traditional strategic management practices can derail the strategy execution of any organisation, regardless of the organisation being either in the private or the public spectrums. With this study drawing from experiences in the corporate

sector for improvement of the organisational efficiency in the public sector, the findings indicate that the need for strategic management in the corporate sector is equally the same as in the public sector, if not actually greater in the public sector spheres. Nevertheless, the increased instability in the present global political and economic turbulence require leaders and managers to operate in a more tactical context since strategic management from now on will operate in a chaotic environment. Therefore, chaos management would be the order of the day.

The aim of the study was to explore the strategic management in running a multi-currency system in this kind of business environment and policy making. To achieve this, a pragmatic philosophy guided the research to allow for the integration of different perspectives. The research followed a mixed methods approach to research design, to answer the research questions and objectives. The pragmatic approach enabled the consideration of multiple realities. Guided by this research approach, this study investigated and suggested that a strategic thinking approach exists as an alternative to rational strategic planning. The study identified that strategic thinking is not commonly used by organisations, predominantly due to a lack of awareness. It was concluded that internal and external organisational dynamics exert a large impact on the development and execution of strategy.

The study identified the most commonly used best practice tools and elements, of both strategic thinking and rational strategic planning, including several alternative mechanisms to assist with the development of a creative and adaptive approach to strategy-making. Thereby it strengthened the foundations of the strategic thinking construct and developed a conceptual strategic thinking approach for the delivery of a creative and adaptive organisational strategy to ensure success in operating a multi-currency dollarised system, in a radically changing, uncertain and complex business environment.

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Appendix A: Research Questionnaire

The survey seeks investigate the strategic management measures that have been put in place by the Zimbabwe government in running a multi-currency system, with the aim of developing a multi-currency strategic management model.

The questionnaire consists of 29 questions and it will take approximately 20 minutes to complete. The information provided will be treated with confidentiality.

SECTION A – DEMOGRAPHIC INFORMATION

This section of the questionnaire requires you to provide demographic information about yourself.

Please place a cross (X) in the appropriate box for each question.

Question 1: What is your age?

18 - 30	31 – 40	41 – 50	51 – 60	Above 60

Question 2: What is your highest education level?

High School Certificate	National Certificate	National Diploma	HND/ Honours	Masters	Doctorate

Question 3: What is your gender?

Female	Male

Question 4: What is your current job level as indicated by employer grading system?

Grade B	Grade C	Grade D	Grade E	Grade F

Question 5: Indicate how many years you have worked in the Ministry of Finance and Economic Planning.

1 – 5 years	6 – 10 years	11 – 15 years	16 – 20 years	Over 20 years

SECTION B: Diagnosis/Environmental scanning

Instructions:

- Kindly highlight your response to the questions below by placing an (X) on the number that represents your view.
- You may only cross one answer per statement.

Question 6. An environmental scan was carried out before the adoption of multi-currency system.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Question 7. A key to success for any agency is planning, and successful planning requires that the people involved have a comprehensive understanding of their current environment.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Question 8. Given the way in which the economy was tail spinning just before the adoption of the multi-currency regime, there was ample time to do a properly instituted Environmental scanning.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Question 9. Given that conducting an Environmental Scan involves collecting pieces of external and internal information to assist in focusing on the appropriate short and long-term goals, the diagnosis prior to the adoption of multicurrency system can be regarded as reliable when matched with the current state of affairs in the Zimbabwean economy.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Question 10. All the relevant stakeholders were involved in the environmental scanning towards the adoption of a multi-currency system.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Question 11. Environmental scanning is not necessary for use by the public sector as part of any strategic or business planning process.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

SECTION C: Strategy Formulation

Instructions:

- Kindly highlight your response to the questions below by placing an (X) on the number that represents your view.

- You may only cross one answer per statement.

Question 12. Our strategy is relevant and important to the economy; we know what we need to do and how we should do it.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Question 13. The strategy was formulated together with the execution plan and not separately and the organisation's ability to execute strategy was taken into account.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Question 14. The strategy was formulated 100% in-house and not internally with external consultants.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Question 15. I do think that the strategy has been carefully analysed internally and externally and critically evaluated.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Question 16. There is a strategy road map in place for the running of a multi-currency regime in Zimbabwe.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

SECTION D: Strategy Implementation

Instructions:

- Kindly highlight your response to the questions below by placing an (X) on the number that represents your view.
- You may only cross one answer per statement.

Question 17. The ownership of implementing strategy (operationally carrying out strategy) rests with everyone in the system, i.e. Directors, Executive Management, Senior Management, Middle Management and Staff

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Question 18. There are clear measurable milestones set out for the strategy of implementing the multicurrency system in Zimbabwe.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Question 19. There is a strategy road map in place which include objectives, plans and tactics for running the multi-currency system.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Question 20. There is an appointed Office of Strategic Management (OSM) or steering committee that is accountable for the strategy and/or someone that is committed to overseeing the execution.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Question 21. The government has the necessary resources and financial capacity to implement strategies successfully

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Question 22. I do think that the strategy is clearly understood in the whole government system and feel that every relevant stakeholder is being communicated to clearly and transparently

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Question 23. From my experience I think that believing in success of the strategy (on all levels) strengthens successful execution? (i.e. genuine buy-in, and not lip service)

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Question 24. I do understand how my work objectives are relevant to the strategy

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

SECTION E: Strategy Evaluation and Control

Instructions:

- Kindly highlight your response to the questions below by placing an (X) on the number that represents your view.
- You may only cross one answer per statement.

Question 25. The government does have performance-measuring tools in place (such as Balanced Scorecard, Strategy Maps, and Corporate Dashboard).

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Question 26. The ministry has clear transparent policies and procedures in place, which are updated regularly (every 1-2 years).

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Question 27. The team / staff implementing strategy are adequately informed, trained, skilled and motivated, committed and able to achieve the objectives.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Question 28. The organisation/government have a performance appraisal system with personal performance appraisals linked to strategy execution and objectives?

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Question 29. The strategy gets adjusted or get redeveloped during the execution.

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Strategic Management Practices in Place	1	2	3	4	5
My company aligns its initiatives with its strategy					
Strategy is monitored and adapted where necessary					
Staff are fully engaged in strategy implementation					
Staff are fully informed about strategy					
Structure of the organization allow for comprehensive strategy implementation					
Budgets are always aligned with individual/ team or departmental performance					
Impediments of Strategic Management					
Failure to respond to structural changes in the market					
Ignoring external trends					
Short term planning					
Overconfidence based on existing success					
Failure to instil a sense of pace					
Failure to create accountability for results					
Inability to translate the strategy into a corporate purpose					
Inability to foster belief in the strategy					
Failure to focus					
Failure to employ the best possible team					

END OF QUESTIONNAIRE-THANK YOU

Appendix B: Interview Guide

- To begin with, what caused Zimbabwe to adopt dollarisation?
- Of the various dollarisation options available for uptake by nations, what made Zimbabwe take the route of multicurrency (considering most countries have been traditionally choosing single currency dollarisation)
- What are the diagnoses/environmental scanning measures put in place to operate a multicurrency system in Zimbabwe?
- What formulation measures/long term plans are put in place to operate a multicurrency system in Zimbabwe?
- What are the implementation measures put in place to operate a multicurrency system in Zimbabwe?
- How does Zimbabwe evaluate the strategies put in place to run a multicurrency regime?
- How does Zimbabwe control the strategic measures that have been put in place to ensure an effective operation of a multicurrency system?
- Does your strategy have multiple future scenarios?
- Does your strategy have an exit strategy? If yes, what is the exit strategy programmed for when?
- How fast are you as a government organisation in responding to strategic failure?
- Does your strategy get adjusted or get redeveloped during the execution?
- What would you say are the challenges faced with strategy execution in the Zimbabwean economy? What do you perceive as the primary external dynamics affecting the Zimbabwean business environment?
- What internal organisational dynamics influence the validity and execution of organisational strategy?
- Can Zimbabwean organisations easily adapt to a radically changing and uncertain global business environment? Understanding of organisational strategy
- What is your understanding of the concept “Strategy”?
- Why are organisations strategies not successful?

- What do you believe enables the successful development of a strategy?
Development of organisational strategy
- How do you believe organisations should develop and manage strategy?
- Should organisations strategies have an overarching strategic style? (Classical; adaptive; shaping; visionary; survival).
- Should organisations make use of external consultants (to identify the possible limitations of these in terms of structured formal strategy development methods)? Strategic Thinking approach to Creative and adaptive strategy development
- Considering the internal and external factors affecting the business environment, do you believe that the standard / traditional strategy-making approaches taught have become outdated and unsuitable?
- Do you believe Zimbabwean organisations' strategies are creative and adaptive or built to "fit" for business environment?
- Do you believe creativity and adaptability is critical in the development of organisational strategy?
- 13. What is your current understanding or awareness of a strategic thinking approach to strategy development?
- 14. Will such an approach have merit or do you have an alternative suggestion?
- 15. Considering this revised approach is strategic planning still the optimal approach to follow in strategy development, or can it be supplemented or replaced by strategic thinking?

THANK YOU

YOUR REF: 51190



MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT
PRIVATE BAG 703
CAUSEWAY, HARARE
ZIMBABWE

23 June 2018

N. Chiwawa (216076110)
UKZN
School of Management, IT and Governance
College of Law and Management Studies
Westville Campus
Durban

Ref: Gatekeeper's Letter/18-Developing Strategic Management Model for a Multi-Currency System in Zimbabwe

Dear Mr Chiwawa,

Permission to carry out your research with Ministry of Finance and Economic Planning as study site is hereby granted. Your research undertaking should only be for the purposes of the above referred research topic which reads: "*Developing Strategic Management Model for a Multi-Currency System in Zimbabwe*".

A copy of the ethical clearance from the University of KWAZULU NATAL should be filed with this office before commencing the collection of data.

Data collected must be treated with due confidentiality.

Wishing you all the best in your endeavors.

A handwritten signature in black ink, appearing to be 'M. M. M.', written over a dotted line.

For and on Behalf of: The Permanent Secretary



19 November 2018

Mr Nysinduzashe Chizwara (215076110)
School of Management, IT and Governance
Westville Campus

Dear Mr Chizwara,

Project reference number: HSS/1228/017D

Project title: Developing a Strategic Management Model for a multi-currency system in Zimbabwe

Approval Notification – Expedited Application

With regards to your response received on 06 November 2018 to our letter of 17 August 2018, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol has been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number. PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

Dr Shamile Ndoo (Deputy Chair)

/ms

cc Supervisor: Professor W Fox and Professor H Wessink
cc Academic Leader Research: Professor Isabel Martins
cc School Administrator: Ms Angela Pearce

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