

**UNIVERSITY OF KWAZULU-NATAL**

**The execution of strategy at Nedbank branches in  
KwaZulu-Natal**

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## DECLARATION

I, Cheryne Jane Scott declare that:

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## ABSTRACT

Ineffective strategy execution is a major risk to business. Studies have found that most companies find it difficult to execute their strategies. A business can design brilliant strategies, but if they cannot be effectively executed, no change will take place. The gap between formulation and execution of strategy is therefore a problem.

This study looked at the key drivers to achieving effective strategy execution. The study was with Nedbank Retail Banking in KwaZulu-Natal, consisting of retail branches serving clients face-to-face. The study compared the literature research with what was taking place in these retail branches. In addition, comparisons were made to identify any differences in execution between managers in top and lower performing branches.

A qualitative approach was used through in-depth interview schedules with Nedbank branch managers for seven (7) top and seven (7) lower performing branches. These interactions were in formal interviews conducted by the researcher via Skype-for-Business, due to the geographic locations. Analysis was done using thematic analysis.

The literature review established that the process undertaken to execute strategy, leadership, and communication of the strategy were key to effective execution. These were considered within the control of the respondents, and what the research explored further.

The research concluded that in terms of the process taken, focus must be maintained using dashboards, measurements, and checklists. This was important to drive change. Sharing of learnings and reviews helped to shift focus when needed. Focusing on a few critical goals was critical so as not to overwhelm employees. In leadership, the relevance of experience was not conclusive. Two-way communication, inclusive of all employees, team meetings and visual communication with less of the written communication, was key for good communication. The research found that these three drivers aid in effective strategy execution, and recommended research into change and project management as also important in the effective execution of strategy.

**Key Words:** strategy, execution, leadership, communication, process

**Acronyms:** VUCA, PESTEL

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# CHAPTER 1: INTRODUCTION

## 1.1 Introduction

The environment is constantly changing, and the acronym VUCA is being used to describe this. VUCA, referring to volatility, uncertainty, complexity, and ambiguity, has its roots in the United States military, with the business world adopting it to describe what was happening from the late 1990s up to today (Stiehm, 2002, cited in Bernstein, 2014). Leaders need to turn VUCA from danger into opportunity for “vision, understanding, clarity and agility”, and “to be positive change agents in the midst of constant chaos” (Johansen, 2007, 2009, 2012, as cited in Bernstein, 2014:1). This volatility suggests the need for effective strategic execution. Hough, Thompson, Strickland and Gamble (2011) suggest that execution and alignment of an exceptional strategy tests managerial excellence and is the best recipe for companies to be “standout performers”.

The discipline of strategy execution is fairly new to the study of management. Patten (2015:289) believes that businesses that still use the traditional methods of strategic management will find it harder to compete, and to “keep pace with changing market dynamics”. Implementation is considered the biggest challenge when there is strategic change such as a changed law, innovative technology, or change in customer perspectives and needs. Most research has been on the planning phase of strategy and not as much on the implementation phase (Brinkschröder, 2014). In effective strategy implementation, Hough *et al.* (2011) found, through research, that ineffective execution causes most strategies to fail, and that this is the most difficult stage in strategy management. Bregman (2017) suggests that no matter how good a strategy is, it will be worthless if not executed properly.

Nedbank is a company that operates in this VUCA environment, and execution or the lack of is therefore very relevant. This research intended to determine how branches execute strategy and if there is any correlation with findings found in previous studies. The Nedbank Group was established in 1831 and remains a fully South African bank. Nedbank Retail is a cluster within the Nedbank Group focusing on the individual as

well as small business (Nedbank, 2017). The research looked at where the actual strategic execution takes place – in the branches, specifically branches in KwaZulu-Natal. In the Nedbank 2016 Integrated Report, key trends identified in the banking environment are the accelerated and unprecedented changes, resulting in uncertainty and volatility on the political, social, technological, digital, economic, environmental, and regulatory fronts. Competition has intensified from other established providers as well as new entrants and FINTECH (financial technology). These FINTECH companies operate outside of the traditional financial industry, providing consumers with easier and quicker access to financial services digitally (Hardie, Wood and Gee, 2016). Nedbank considers its number one risk as strategic execution in that they believe that due to fundamental shifts, banks need to be “innovative, agile and mobile” and that there is therefore a “high execution risk” (Nedbank, 2017).

## **1.2 Background to Problem**

Sull, Homkes and Sull’s (2015) survey established that CEOs of 400 global companies rated the top challenge, out of 80 issues, as that of executional excellence. Studies have also found that most large companies find it difficult to execute their strategies. In the same review, they noted that there are many guides on developing strategy but few on execution, and that to achieve this is a major obstacle.

The problem of ineffective strategy execution is not only global; Nedbank considers strategic execution a major risk to their business if not done well (Nedbank, 2017). There is therefore a need to continue to research execution, to establish what factors influence strategy execution, and this research specifically focuses where the “rubber hits the tar”; where the management in retail branches implement change, whether it be a process change or major strategic change. The current research is based on middle management and no prior research was found to have been done in South Africa.

Nedbank Retail Banking requires their branches to use tools when implementing changes and when driving strategies. Nedbank drive execution excellence and have adopted discipline one, which is the discipline of focus from the book, *The 4 Disciplines of Execution: Achieving Your Wildly Important Goals* by Covey, Huling and

McChesney (2017). In addition to this Nedbank use the execution model from Murphy “flawless execution” (Murphy, 2006) (Nedbank, 2017). This research compares the methods/process, leadership, and communication managers in top performing branches and lower performing branches use, or do not use, in order to identify if these are the factors that are important in execution excellence, as was highlighted to be important in the preliminary research conducted.

### **1.3 Problem Statement**

Strategic planning comprises management decisions and actions that impact the sustainable performance of an organisation in the long-term. It consists of internal and external scanning of the environment, strategy formulation, implementation, assessment, and control (Wheelen, Hunger, Hoffman and Bamford, 2015). Many businesses are competent at strategic formulation but are unable to execute their intended strategy effectively (Patten, 2015). Most often, what is planned during the strategic management planning is not executed effectively, and the benefits of what was envisioned are never realised (Olivier, 2015).

Effective strategic execution impacts on the sustainability of organisations, yet many businesses are unable to execute effectively. Researchers have identified factors impacting on strategy execution, but nothing has been conclusive as the recipe for successful strategy execution as most studies have been conducted on strategy formulation. Constant change in the business environment requires organisations to be agile and to execute on their strategies effectively, and they therefore need to focus on closing the gap between strategy formulation and execution of intended strategy. This gap between formulation and implementation of strategy is therefore a problem and requires further research.

### **1.4 Aim of Study**

The aim of this research is to identify factors that bridge the gap between strategic planning, and the execution of intended strategy. How a business can bridge this gap to the extent that any strategy that is designed, would be effectively executed. The researcher intends to find solutions to this gap and in doing so, solve this mystery and

assist businesses in their quest for execution excellence, so as to survive in a VUCA world.

This study intends to establish how successful Nedbank branches execute their strategy compared to unsuccessful branches, and to compare whether any practices identified from the branches correlate to secondary data reviewed in the literature. In addition, it seeks to identify any new practices that can add to the existing knowledge found in literature and be applied in the business world, to improve on the execution of strategy and close the gap between strategy formulation and implementation of the strategy.

### **1.5 Justification**

Without execution excellence, businesses will struggle to compete in that they will be unable to execute their strategies. This is more critical than ever in a VUCA environment. There is a gap between strategy formulation and strategy implementation, but no conclusive findings on what can, with certainty, bridge the gap. It is therefore an important field to explore within the phases of strategy management. Changes fail mostly due to management and employees (Sallie, Dosunmu and Wilson, 2018). This research is based on the management of the Nedbank Retail Banking branches and is therefore relevant to the study of strategy execution.

This research highlights how difficult it is to identify exactly what eludes businesses in achieving their strategies. It explores best practices on execution of strategy in the literature. This guides the reader regarding what has been found to be important in the process, communication and leadership in the literature reviewed. The research then looks at how a sample of managers at Nedbank branches execute strategy in terms of their process and communication, as well as their experience in their role and as a manager of people. This gives the reader a different perspective on where the execution of strategy takes place. These two reviews are then merged to unearth what really does work to execute any change.

Does the execution of strategy need to be a separate study from strategy creation? The researcher believes this to be necessary, as strategy execution appears to be elusive in nature. The creation of a strategy itself is pointless if it cannot be executed. Strategy execution is extremely important in strategy management.

## **1.6 Scope of Research (delimitations)**

The research is limited to branch managers at Nedbank in KwaZulu-Natal. Specific branch managers were chosen based on the performance of their branches, with the assumption being that they influence the performance of their branches through their leadership. The chosen candidates have direct influence on how strategy is executed in their branches and therefore can answer the questions related to their execution of strategy. The research is limited to one bank and its retail banking division. The execution of strategy is extremely important in a bank and it is therefore valuable to understand how branch managers apply execution strategies when implementing them in their own branches with their teams. The choice of branch managers was limited by the choice of the regional managers, who, based on the performance of the branches of the candidates, chose their top performing and lower performing managers. There was an equal split of managers throughout the province of KwaZulu-Natal, with all the seven regions providing their top and lower performing managers to be interviewed. Nominations were based on the performance of the branch and not on the role and managerial experience.

## **1.7 Research Methodology**

A qualitative approach was used. Through interview schedules, the respondents – the branch managers – interacted in formal interviews with the researcher. The interviews were conducted via Skype for Business due to the dispersed geographic locations of the respondents. The choice of the respondents was not a decision made by the researcher as the respondents were nominated by the regional managers of the seven geographic regions in KwaZulu-Natal as structured by Nedbank at the time. The geographic regions covered Durban and surrounding areas, Pietermaritzburg, North Central, South Coast, and Zululand. The distances between branches were therefore vast and with the medium of Skype for Business being effective, the researcher felt the interviews could be conducted effectively using this method. Analysis was done using thematic analysis. In the pilot study, interviews were set up with two random managers who were available to test the interview questionnaire. The interview was done through the medium of Skype for Business and recorded manually by the researcher and written down as the responder was answering. The pilot was conducted to test the validity and understanding of the questions.

## **1.8 Research Objectives**

The objectives of this study were:

1. To determine the process that Nedbank Retail Banking branch managers use influence their strategic execution.
2. To determine if the communication practices of management at Nedbank Retail Banking influences their strategic execution.
3. To determine if the knowledge/experience of management influences Nedbank Retail Banking branch managers in their strategic execution.
4. To understand if leadership styles of management at Nedbank Retail Banking influences their strategic execution.

## **1.9 Research Questions**

The supporting research questions for this study were:

1. How does the process Nedbank Retail Banking managers use influence strategic execution?
2. How do the communication practices of Nedbank Retail Banking managers influence strategic execution?
3. How does the knowledge and/or experience of Nedbank Retail Banking managers influence the way they execute changes or strategy?
4. How does the leadership style of Nedbank Retail Banking managers influence their strategic execution?

## **1.10 Contribution**

This research will contribute to existing knowledge currently found in literature in any service organisation or industry in which the need for execution excellence is important. There has been very little research done on execution of strategy; much of the focus has been on the process of strategy management, with the planning phase receiving the most attention for many years. There also appears to be difficulty in establishing exactly what the recipe is for execution excellence, thus the intention for this research is to add to what has already been done. It is also intended that the research provides some practical application. The topic is very generic to a wide range

of businesses in a global and local context. It will assist businesses and Nedbank Retail Banking in the execution of strategy.

### **1.11 Conclusion**

It is evident that execution of any strategy is an important factor in whether an intended strategy change takes place in a business or not. Leaders in a business can draw up wonderful strategies, only to fail because they are never executed effectively. Due to this, strategies must consistently be changed to compensate for these failures, wasting valuable resources and time. With the rapid changes in business and the environment today, this is not acceptable; there needs to be speed of execution for change to take place, to move the organisation into a new direction or toward an improved strategy. If a business is not able to execute its strategies, it will constantly have to catch up and will never find traction.

Nedbank Group is a South African bank. The research was conducted on the cluster called Nedbank Retail Banking, specifically in the KwaZulu-Natal province. There are 84 branches in this province, all of which must execute strategy. In the 2016 Nedbank Group – Integrated Report, “strategic and execution risk” was noted as Nedbank’s number one high risk, due to the need for Nedbank to adapt constantly and quickly to changes in the environment (Nedbank, 2017). It is therefore imperative that branches execute their strategies with excellence, for the overall Nedbank strategy to be achieved. The research investigates whether successful branches and management undertake anything differently from lower performing branches and if the same factors apply to these managers. The sample includes top and low performers, investigating how they implement changes. The research investigated whether a pattern exists on which guidelines may be developed from identified best practices. Nedbank Retail Banking centrally controls structure, formal rewards, corporate culture, and budgets which have been found to be important in execution. This research excluded these in the conceptual framework as these are out of the control of the management of branches and would therefore add no value to this specific research. The next chapter focuses on the literature review on the process and communication required to execute strategy and the leadership required to do this.

## CHAPTER 2: LITERATURE REVIEW

### 2.1 Introduction

The overarching reason for strategy is to achieve a change (Manning, 2017). “The game changed and grew strange rules, the deck was shuffled, and jokers added” (Bennis, 2015:365). Leaders need to ensure they keep focused on changes taking place, to predict the future as much as is possible (Bennis, 2015). Common threads identified through the research conducted on strategy execution are leadership, drive from management, continuous improvement, culture, performance management system with rewards, and alignment. These are broken down into processes/models, and continuous improvement is included in the processes investigated. Leadership is a key factor that all researchers identified in strategic execution. Communication was not identified as a factor in the research conducted, however it was found to be an important factor for effective implementation and is therefore included as a separate factor due to its importance. Communication provides the inspiration to employees, whilst the strategy indicates where the business is heading (Argenti, 2017). To lead change, a leader must be able to communicate change (Miller and Morey, 2016). Communication takes up two thirds of a leader’s role, thus a leader needs to be good at communication (Miller and Morey, 2016).

Several theories were identified on strategic execution, all with their own factors on what they found influenced the execution of strategy. It can be seen in the research however that leadership, communication, and the method followed were very important and it is with this backdrop that the primary research was structured. The experience of leadership has been included under leadership so as not to create an additional factor of influence or impact.

Based on the preliminary research conducted, the most common, although inconclusive factors impeding or assisting in strategic execution were identified as leadership, communication, and process, and these are conceptualised in the below diagram. These factors were investigated further during the literature review. Besides the “commonness” of these three factors, many of the other factors found important in the preliminary research were out of the control of the management of the branches in this study and were purposively excluded. These factors form the constructs of strategic execution in this research. The environment businesses operate in was

researched as well, to investigate whether typical strategy tools such as PESTEL are still relevant in a VUCA environment.

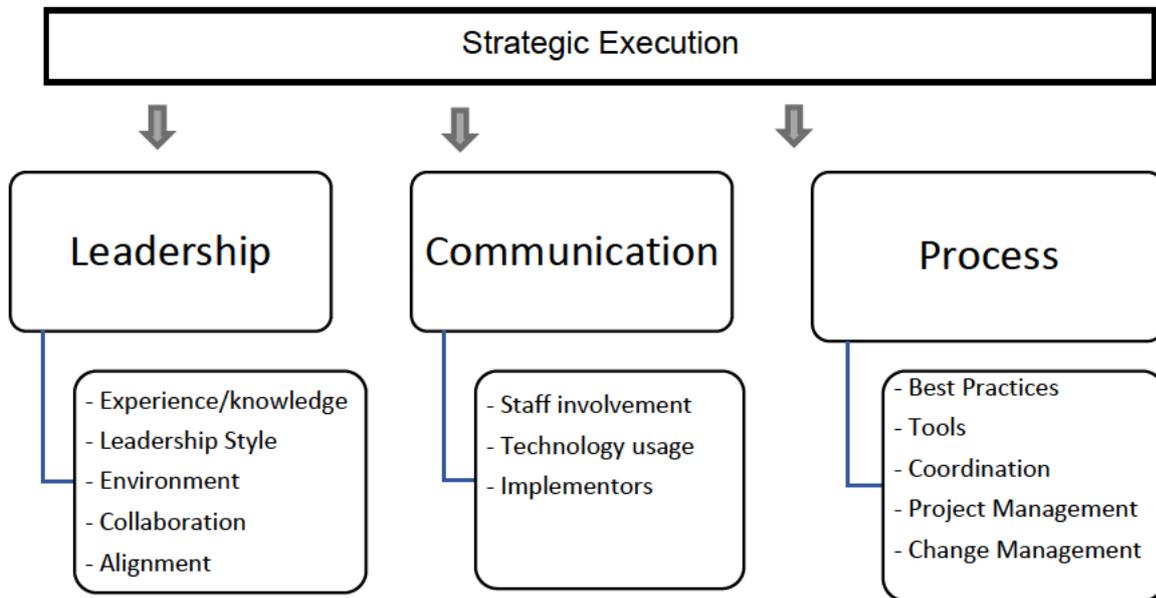


Figure 2-1 Strategic Execution Framework

Source: Author, 2017

## 2.2 VUCA Environment

The business environment is full of volatility, uncertainty, complexity, and ambiguity (VUCA), making strategic planning difficult (Newman, 2019). VUCA is the “new normal and strategy is the conversation” (Solomon and Ertel, 2014:17). Change is happening so fast that Brown (2014:6) refers to it as a “moving target”. In a VUCA environment companies are constantly surprised and must deal with threats of disruption, and even through the “fog of war” they must produce results (Manning, 2017:114). Business is in a battle to make profits, competition is aggressive, there is global warming, and there are disruptions in technology reducing job opportunities and changing the way people work and live. Increased regulations, social media and consumer power all make it more difficult to manage the business environment, and any decision that is made, no matter how small, has risk (Manning, 2017). Businesses are challenged with their technology becoming obsolete far earlier than it used to (Brown, 2014). Manning (2017:16) summarises the world and decision making by business as “making bets on a future that cannot be seen and often cannot be imagined”. Companies are successful mostly because of internal factors rather than what happens outside of the business – the external forces – making strategy decisions very important (Manning,

2017). In research conducted, Mahlomotja (2018) found that technology, consumer behaviour, competition, climate change, global economics and political dynamics cause the VUCA environment. With the pace of change, a disruptive technology can make an established business go out of business very quickly (Ertel and Solomon, 2014). Leaders need to execute on their goals whilst at the same time “not losing sight of a changing world and markets” (Ungerer, Ungerer and Herholdt, 2016:255). They go on further to say that the paradox is that when implementing strategy, organisations and their leaders must be willing to accept continuous feedback. Companies that achieve their strategy through execution have an advantage, and leaders who can be visionary as well as operators, and who change between these two, will be the ones that make their companies “super-competitors” (Leainwand and Rotering, 2017:5). Managers can no longer make decisions based on only historical information of what worked or did not work previously, making the outcome of decisions taken unknown and risky (Brown, 2014). A VUCA world is like a fun fair where there may be “thrilling rides” with not all being fun (Ertel and Solomon, 2014:9). Businesses can come out of nowhere, operate, do well and then within four years go out of business and become non-existent (Ertel and Solomon, 2014). The strategy chosen only needs to be “good enough for now” so that the business can “move forward and take action in uncertain times” (MIT Sloan Management Review, 2015:9). VUCA is normally only used to describe the current environment being experienced, with most leaders just mentioning the acronym and then moving on without discussing how to “position” the business in a VUCA world; most leaders refer to a VUCA world being out of their control (Science Direct, 2014).

Using PESTEL (political, economic, social, technological, ecological, and legal) to identify and anticipate future trends in a VUCA environment was still found to be relevant and important in the strategic process (Espinoza, Proaño, Villavicencio and Villegas, 2019). PESTEL provides an analysis of the environment an organisation operates in and provides insight by assisting an organisation to predict what might happen in the future (Yuksel, 2012). It is a useful tool for all industries and is used widely when analysing the external environment of a business to establish and revise strategy (Espinoza *et al.*, 2019). The problem with using PESTEL is that the factors making it up were found to be “ambiguous and vague” because it is a qualitative measurement and therefore has limitations in terms of accuracy of the macro

environment and position of the organisation (Yuksel, 2012:54). However, no quantitative measurement for PESTEL was found to be accurate (Yuksel, 2012).

The acronym PESTEL is explained by Espinoza *et al.* (2019) as follows:

**Political environment** – this either impacts or assists a business through laws and regulations a government of a country enforces. This could be in the form of regulatory compliance requirements, taxes on imports and/or exports, taxes on income, restrictions of any type including employment laws, safety, and environment, but is not limited to these.

**Economic environment** – impacts or assists through the interest rates, inflation in the country, unemployment levels, exchange rates and resources available for business.

**Social environment** – includes education of workers, religious beliefs, mobility, lifestyles, and consumer trends.

**Technological environment** – includes trends in technology and obsolescence of current technology. This factor is considered complex to analyse due to the rapid changes in this environment.

**Ecological environment** – includes climate change, risks in the environment, regulations in this regard and what could change in time, access to natural resources and future availability.

**Legal environment** – includes licencing, intellectual rights.

Mahlomotja (2018:102) refers to an organisation being “VUCA enabled”, and it can do this by favouring “digitisation, innovation and entrepreneurship”.

## **2.3 Strategy**

The challenge is to develop a strategy in environments that are turbulent. The assumption is that using accurate forecasts of the internal and external environment will ensure success (MIT Sloan Management Review, 2015). However, this assumption is flawed as the information is not accurate due to the immense changes in the environment and the vast number of sources (MIT Sloan Management Review, 2015). Research has found that leaders must use the past and the present to reimagine and predict the future (MIT Sloan Management Review, 2015). To develop strategy, therefore, it is important to continue with the internal and external analysis,

as well as look at what worked in the past and use these learnings by adapting them to the requirements of the present. An example provided is a newspaper that was considering a digital offering and using its past learnings that an index is an essential requirement, they incorporated this learning into the present by adjusting it. Using the analysis of the internal and external environment as well as the past and present assists in imaging the future (MIT Sloan Management Review, 2015).

Studies have found that strategy “determines where and how a business competes” (Manning, 2017:3). “Strategy is an intention not a fact” in that it is unknown if it will be successful until it has been implemented (Manning, 2017:56). “It is managing the present and the future at the same time” (Manning, 2017:58). Strategic management is important for the long-term sustainability of a business (Wheelen *et al.*, 2015). Strategy formulation is not a regular process but is normally triggered by an event such as a gap in performance, new technology, and change in consumer behaviour or regulations (Wheelen *et al.*, 2015).

The outcomes of strategy formulation include a mission for the business, identification of strategic focus areas and understanding of the changing environment. Without it, top management become “isolated” (Wheelen *et al.*, 2015:41) from what is happening in business units, and the front-line managers “lose sight” (Wheelen *et al.*, 2015:41) of the mission and goals of the business. Strategy formulation consists of mission development, objectives, strategies to achieve the objectives, and policies to guide the implementation of the strategies (Wheelen *et al.*, 2015). Strategy must be ambitious but realistic (Gerald and Stjerne, 2018). Strategy implementation is the actioning of these strategies and policies to realise the mission (Wheelen, *et al.*, 2015). Favaro (2015) describes implementation as the “decisions and activities required” to realise the strategic choices the business has made Favaro (2015:3). Execution however is when these decisions and activities are put into action (Favaro, 2015). Hough, Thompson, Strickland and Gamble (2011) also separate implementing and executing. Strategy execution “is the ability of achieving strategy” (Yang, 2019:360). Bonchet (2017:2) writes that “execution is often where strategies go to die”. Kanter (2017:2) believes that “the game is won on the playing field”. Achieving execution of strategy dictates if the overall strategy will be achieved and whether the business will continue to operate in the future (Yang, 2019). Allen (2016:2) suggests that “strategy is just

theory” until it has been put into action by the frontline, where execution of the strategy takes place. Execution cannot be a once-off task; within a VUCA environment, business needs to continuously change without completely changing the current strategy drastically (Collis, 2019). Execution is a discipline (Galpin, 2018). Hasset (2018:25) suggests “dynamic strategic planning” by looking at what the future looks like ahead and at the same time looking at the current environment and competitor strategies. Poor strategy implementation is due to the role of middle management and employees being considered unimportant by top management, when it is actually very important (Kernbach, Eppler and Bresciani, 2014). Employees and middle management must be aware of the strategy, must understand how it links to their daily activities, must want to achieve it, must be able to remember it to implement into their daily job, and not have it as a piece of paper hidden somewhere (Kernbach, Eppler and Bresciani, 2014). Remaining on track with the overall strategy is important; but at the same time, with everything moving so fast, detailed action plans are not important but rather the ability to respond fast and with agility (Collis, 2019). There are “must-win battles” in the main strategic plan which should be supported by projects with broad themes (Collis, 2019). The faster a business can go through the strategic process, the more effective it will be in the market (Collis, 2019).

In Hough *et al.* (2011), the strategy process recommended is depicted by the diagram below. The research is focused on phase 4 of the process – the implementing and execution of strategy.

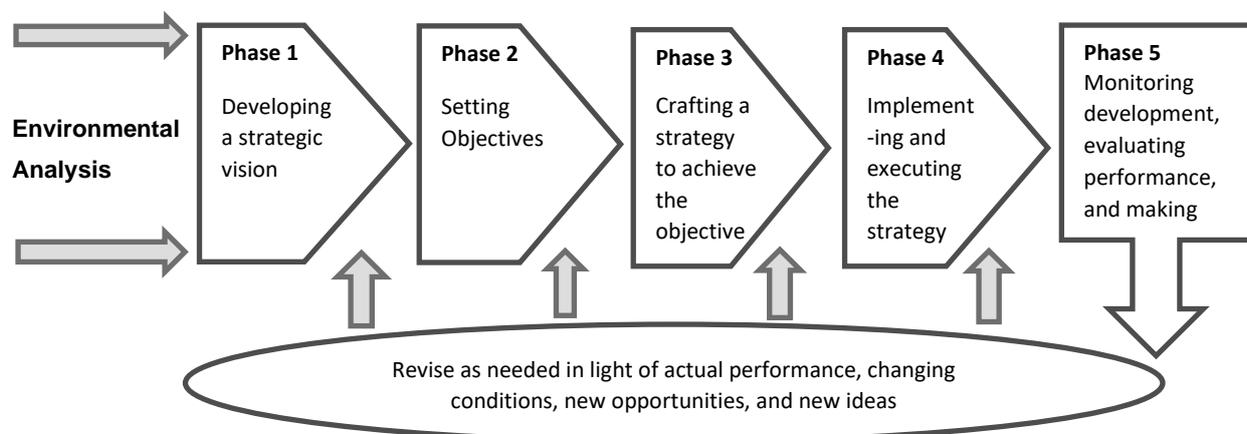


Figure 2-2 Process of Strategy Development and Execution (Hough *et al.*, 2011:19)

Hough *et al.* (2011) describe executing strategy as an action-oriented task, testing management’s ability to direct change; it is for continuous improvement as well as to

nurture a “strategic supportive culture” to meet targets. They elaborate on which factors or principal aspects they consider important for execution of strategy. These include staff with the skills, ample resources, continuous improvement practices, technology, motivation of staff, rewards linked to objectives, company culture and leadership. Also considered important is the “diligent pursuit of operating excellence”, and operating managers being successful in pushing the required changes in the organisation (Hough *et al.*, 2011).

Ivančić (2013) reviewed surveys conducted from 1980 and found that the highest factors identified in the research were, in order of importance, organisation structure, resources, leadership, time, and with the same number of findings, culture and uncontrollable factors. Ivančić (2013:11) recommends using a roadmap because without guidance, employees do what they think should be done, causing “uncoordinated and divergent outcomes”. And with no logical approach, managers do not know what to do and when to do it, resulting in failure in execution. Patten (2015) recorded similarities in findings by previous researchers – of leadership, alignment, enough technology, and a performance management system – as to what was required for effective strategy execution. Baroto, Arvand and Ahmad (2014) tested the McKinsey 7S model and the industrial organisation view and found nothing conclusive in solving the problem of implementation. Baroto, Arvand and Ahmad (2014), in their research, found inconclusive factors and suggested that future research compare unsuccessful versus successful attempts at strategic implementation, and in addition consider other variables that can influence the effectiveness of implementation.

The old linear approach of sequential strategy development is no longer viable in a changing environment (MIT Sloan Management Review, 2015). Crafting a strategy and then implementing is not ideal when execution stimulates new information, and to change the original plan is difficult (MIT Sloan Management Review, 2015). Using “strategy loops” that incorporate strategy formulation as well as execution is recommended (MIT Sloan Management Review, 2015:52). The loop is made up of “making sense of the situation, making choices, making things happen and making revision”, which is a continuous cycle as new information is brought about through actions taken in making things happen of the loop (MIT Sloan Management Review, 2015:52).

Strategy guides the actions a business must take. When these actions are implemented, it is important that learnings are taken from them to continuously change (Manning, 2017).

Not delivering on strategy execution was found to be because staff did not understand the goals that needed to be achieved (McChensey, Covey and Huling, 2012). Commitment to goals was also a problem as was accountability on progress towards the goal (McChensey, Covey and Huling, 2012). The execution of strategy is mostly about the staff in the business and change management is important to “empower them to act” (Ungerer, Ungerer and Herholdt, 2016:221).

Obstacles to strategy implementation include: unclear direction; moving resources is time consuming and not a quick exercise; staff see strategies as being unchangeable and feel unable to suggest improvements; doing is seen as secondary to the actual strategy formulation; planning first is seen as more important than moving fast and changing as things get done; trying to implement all at the same time; staff are scared to make mistakes as thinking is that learning is time consuming and costly; and lastly, competition within the organisation is a factor (Ungerer, Ungerer and Herholdt, 2016).

## **2.4 Method/Processes for Strategy Execution**

The execution gap is largely caused by a business being unable to capture strategy and incorporate it into the day-to-day activities for implementation (Hasset, 2018). According to McChensey, Covey and Huling (2012), the challenge is that business needs to execute the normal day-to-day activities whilst still executing important strategy. Execution should be treated as a project using principles of project management, in that it must be disciplined and systematic, with everyone understanding and sticking to the plan (Manning, 2017). This is also suggested by Ungerer, Ungerer and Herholdt (2016), who believe that working in a project mode is helpful for implementing strategy. Keeping deadlines short creates a sense of urgency and tasks should be broken into 30-day chunks (Manning, 2017). Manning (2017:160) calls this “fast cycle strategy” in that it enables goals to be turned into actions faster and enables faster learning and adaption. When objectives are not clear and are at a high level, they do not appeal to employees in the organisation (Hasset, 2018). When executing, Manning (2017) suggests that management must always look at how time

is spent and whether time is best spent this way. They should look for volunteers and employees that believe in the strategy and use this as development to promote as a learning opportunity (Ungerer, Ungerer and Herholdt, 2016). There must be feedback loops from middle management and employees to higher levels in the business (Hasset, 2018). Leaders must assist to address challenges employees face on the ground and engage both the mind and the heart of the employees to execute strategy effectively (Hasset, 2018).

Introduced under the section strategy was a “strategy loop” that incorporates all processes required during strategy development and execution but places them as interlinked. These are listed below as noted in MIT Sloan Management Review, (2015:54-58):

**Making sense of a situation** – review of data. With open minds, leaders should stimulate conversation incorporating divergent views, even appointing someone in the team to stimulate different points of view.

**Making choices** – select a few simple rules to guide decisions. This helps to eliminate some decisions and makes it easier to make difficult decisions on what should not be done. This requires open discussion and decisiveness.

**Making things happen** – done through getting employees to commit, through promises which must be “public, negotiated, voluntary, explicit” and linked to the strategy.

**Making revision** – identify patterns. Actions are experiments to be analysed, to review the choices made. Revision is used after an achievement of a goal through “making things happen”.

Several guidelines, identified below, provided some form of process to follow when executing change/strategy in an organisation.

Flawless Execution started in military aviation and the author and creator James Murphy has tested its use with fighter pilots. Three elements must be in place for flawless execution to take place – leadership, an execution engine, and foundation (Murphy, 2006:9).

1. Leadership – strategic planning conducted by leaders in terms of vision, strategy, and intent.
2. Execution Engine
  - Plan – tactical planning.
  - Brief – communication/involvement of all.
  - Execute – use of tools provided, such as checklists, data, and buddy systems.
  - Debrief – evaluation of what went right/wrong, lessons learnt.
3. Foundation – standards, ongoing training, and the right people.

Ordal (2016) provided a framework for executing strategy as follows: identifying objectives clearly and acting to achieve these objectives, then assessing if they have been achieved, and finally taking corrective action.

The Four Disciplines of Execution by Covey, McChesney and Huling (2012:17) focus on:

1. Focusing on the wildly important goals – focus only on one or two goals instead of focusing on too many goals and achieving less.
2. Act on lead measures – gaining clarity by looking at the activities most important to achieve the goals.
3. Keep a scoreboard – engaging everyone so that they know where they are in achieving the objectives. If people are not engaged, they become bored.
4. Create a tempo of accountability – accountability of everyone to the team.

Maclennan (2015:87) has found that developing a hypothesis on strategic execution “is complex to construct” and instead believes in five key things, which he calls 5Cs, that are important to achieve:

**Causality** – in that any activities that are undertaken must cause the achievement of the objective.

**Criticality** – focus must be on what is critical to achieve the goals, reducing complexity to a focus on what is important as some activities are more important than others.

**Compatibility** – activities and controls must be compatible otherwise achievement of goals will not be attained. An example provided is of a company that requires

innovation but has a prescriptive/restrictive performance management process; therefore, there is no compatibility between what the company needs and its controls.

**Continuity** – systems of the organisation must be entrenched to ensure continuity in the long term.

**Clarity** – employees need to understand why they must do what is asked of them in that this guides them in bigger picture thinking and what they personally are doing to help achieve the bigger picture. There must be involvement of employees from all different levels and units throughout the organisation.

In addition to this, they need to understand how, in terms of the 5Cs, their own actions will cause the achievement of objectives (causality), and the most important activities to prioritise (criticality) (Maclennan, 2015). They must also not be pulled in different directions/confusions (compatibility) or become disengaged through “failing structures and systems” (continuity), and lastly, clarity over the other four must be achieved. It can be seen from the above that there needs to be planning, focus on the right activities to achieve goals, alignment of staff and accountability, debriefing (continuous improvement) and keeping the focus on what has gone right or wrong in order to rectify, and focus on systems and processes that aid the execution (Maclennan, 2015:87). Many of the suggestions are very similar in nature. Celebration of success embeds the change (Dick et al., 2018).

Allen (2016) suggests simplifying the complexity of strategy and concentrating on a few easy-to-understand themes. Sticking to priorities that will achieve the end goal is critical in execution of strategy (Allen, 2016). Tasks should be broken into 3-day pieces. Short pieces create an urgency and make the tasks more manageable for the staff and the leaders. It also provides a quicker review for recognition and reward and identifying and managing non-performers; in this way leaders can quickly see what is not working and make changes. It also facilitates learnings (Manning, 2017).

Manning (2017) suggests sticking to a few basic things, keeping things simple, not using buzzwords as these confuse people, continuing to move fast and innovating and improving, enlisting peoples’ imaginations and their spirits, and not encumbering people with methods that end up hindering rather than assisting in implementing the strategy. Discipline is important because if people feel there is no direction or urgency

to get things done, they miss deadlines, and if excuses are accepted, complacency becomes normal behaviour (Manning, 2017).

Ungerer, Ungerer and Herholdt (2016:237-249) recommend that for strategy to become a reality, a leader should:

1. Consolidate the strategy into a one page summary of the goals – strategy map.
2. Identify the goals that will make 80% significance, choosing two to three goals and highlight these in the strategy map. These goals should be linked to a balanced score card which has the perspectives of finance, customers, internal processes, and resources. In addition, identify six to nine concepts.
3. Taking each goal, identify initiatives or projects that will ensure goal achievement and that can be implemented within a year.
4. Mobilise employees by ensuring they understand why the change is required and what the goals are, what the future looks like, and the personal development opportunities for them.
5. Review weekly and use for continuous learning. This keeps the “momentum and enthusiasm” by using weekly updates, discussions, and decisions (Ungerer, Ungerer and Herholdt, 2016:246).
6. Ensure the strategy is converted to an operational level, with goals per business unit and individually.

Kirchmer (2017:5-9) suggests that in execution of any change there needs to be information, communication and training as well as change management, and these should be managed using the following processes:

1. Change management is used to ensure the change is controlled and structured.
2. Ask for feedback from employees and then make sure there is a period of intense communication and then train employees on the changes.
3. Information, communication, and training should be structured in process type architecture such as ARIS maps.
4. Using business processes assists in ensuring functions are in sequence for implementation. By focusing on the process, a business can react quickly to changes.
5. Initiatives must be launched as end-to-end processes.

Processes increase the discipline of daily execution and provides clarity on direction and the related actions.

Strick (2014) believes a change should be:

1. Project managed by drawing a mind map, having milestones, responsibilities, and deadlines, just as in project management, resulting in a work breakdown structure (WBS).
2. Having a stand-by person is important and identifying key employees to guide other staff is suggested (Strick, 2014). Learn from “trial and error”, “ready, fire, aim” (Strick, 2014:84).
3. Planning is important, but the action must be there to ensure execution – “execution is the strategy” (Strick, 2014:244).
4. The leader must ensure employees know the goals and objectives and must be kept accountable to these.
5. Must keep focus on the important day-to-day work that must be done.

Effective execution of strategy only takes place if the plan is clear and well communicated and understood by all, and should include ongoing change and correction (Collis, 2019).

Galpin (2018) believes too much planning causes execution problems, and that it is far better to execute using a structured and integrated process. This is referred to as an agile execution plan. Galpin refers to execution as a path that a climber takes. The path itself must not be the management priority, but rather being able to adapt to the conditions the climber is faced with along the path. Managers only require 80% information to decide, implement and then adjust (Galpin, 2018).

Galpin’s (2018) important steps are as follows:

1. Identify goals.
2. Map three to five priorities.
3. Implement committees/task forces across organisation.
4. Weekly review meetings of task forces.
5. Celebrate quick wins.
6. Use one-pager for progress dashboards.

7. Incorporate learnings into future execution planning.

Geraldi and Stjerne's (2018) process includes the following:

1. Create a sense of urgency in employees. Make the strategy a priority, but at the same time allow employees time to reflect, and let them get used to the new ideas.
2. Hold a balance between sticking to a sequence of activities but being prepared to test and adjust as the implementation goes along.
3. Allow things to get done without too much interference and meetings, which can destabilise the traction of the execution.

Sallie, Dosunmu and Wilson (2018) suggest that preparation is important to ensure employees are ready for the change; this must be done as per the process below:

1. Communicate the reason for the change – current versus the future view. The message must be clear, simple, and appealing.
2. Identify key leaders as well as which stakeholders will be impacted.
3. Put a change management team in place who are responsible for a blueprint implementation plan. The plan should include a communication strategy, evaluation design, and how the change will be sustained whilst addressing resistance.
4. During execution, the change management team importantly must motivate employees through rewards and recognition, keeping employees informed with ongoing communication.
5. Measure results through feedback, interviews, and observations of employees. Take lessons learnt for implementation.

There are seven aspects important for strategy execution (McGrath and MacMillan, 2005):

1. Agenda – strategies that need to be executed must always be on the agenda of every meeting. It must be on the management calendar either in talking or activities that get the focus. People can only focus on seven things at a time,

and it is best to choose five of the seven most strategic issues, not operational and urgent issues. It is important to be consistent.

2. Norms – require values and behaviours so as not to have to follow up, and check on staff when implementing change. This includes, for example, personal accountability, feedback and making staff feel the need to give their views so that learning in the organisation can take place.
3. News – make sure data is available and current. The right information must be collected and once collected, the decision must be made on how to communicate it.
4. People structures and processes – spend time with people, in selection, development, task management and monitoring. Basic people management rules must be in place.
5. Resource allocation – depending on the strategy, a disproportionate budget may need to be allocated.
6. History – it is important to look at which elements still have value or have no value any longer or need to change.
7. Leadership – must use different management styles for different uncertainties. Leaders must be able to stop processes where something is not happening, or a strategy no longer makes sense to invest in.

## **2.5 Communication**

Communication is an art and is critical for any project's success because it brings change, drive, urgency, and winning desire (Pandar, Kumar and Rahamadulla, 2015). When there is change, it is best for there to be “good old-fashioned thinking and talking (Ertel and Solomon, 2014:166). A business must have a communication strategy because using communication effectively can predict the success of the business (Argenti, 2017). “Channels of communication” are important to ensure the strategy is understood by all staff, ensuring they have clear guidelines on what they must and must not do (Yang, 2019). Kaplan and Norton (2001) state that before employees can assist in implementing any strategy, they need to understand the strategy. The authors suggest using communication processes or programmes to educate employees, then testing for understanding, finally, checking if employees themselves consider the strategy as implemented and if they are teaching others about it. Manning (2017)

suggests that conversation determines the outcome of the strategy that a business has decided on. Communication is the number one tool for work to be done, and the best leaders recognise this and work on their ability in this (Manning and Curtis, 2012).

Latif, Gohar, Hussain and Kashif (2013) established that to remove barriers in implementation of strategy, it is necessary to provide clear communication regarding tasks and roles, and then to focus efforts. The entire process of change needs to be managed, to reduce productivity loss and ensure that there is employee involvement. The last two factors found to be important were regular checks and accountability. Effective communication with any change can reduce the “uncertainty and fear” (Brown, 2014:128). Effective communication can be used to empower and calm employees during times of change, address concerns and motivate (Arganti, 2017). A communication plan should be designed when there is a large change (Dick *et al.*, 2018). Constant and smaller reminders are more effective, preventing employees from becoming overwhelmed and can assist with reducing resistance to the change (Dick *et al.*, 2018).

Brinkschröder (2014) found in research on the 5 P’s Paradigm that communication and consensus established from communication was the most dominant as a factor, with communication the instrument to reach consensus. Suggestions on good communication include employees being able to speak their opinions without fear, short and quick communication, codes of conduct and financial rewards. It was also found that involvement of employees is important as well as implementation teams. The more communication the better, thus it is important to develop a communication plan by looking at the audience, key outcomes, reason for the communication, how it will be delivered by group, electronic means, one-on-one communication, who will communicate the message, timelines, and how evaluation of effectiveness will be done (McGrath and MacMillan, 2005). Brinkschröder (2014:29) warns that no factors should be seen in isolation in that implementation is a “complex, dynamic and changing task for organisations”.

Manning and Curtis (2012:165) found the top communication preferences people prefer, starting from most important were:

1. Immediate supervisors.
2. Small group meetings.

3. From top executives.
4. Written communication.
5. Orientation programmes.
6. Newsletters.

Manning (2017) suggests that often there is no strategy because no-one knows what the strategy is, it is blurry, and nothing fits together; and then it is changed, creating “rat-tat-tat” (Manning, 2017:19) of random unclear mixed messages that undermine understanding, morale and performance.

Dick *et al.* (2018) provides several communication suggestions for leaders:

1. Create open communication channels as these help to resolve issues as they take place and assist with learning.
2. Communication should first be done by managers, face-to-face with employees, to facilitate questions and answers.
3. Identify key influencers, especially in the early stages of the change.
4. Set difficult goals with fast timelines and gain personal commitment during communication sessions.

Argenti’s (2017) findings on effective communication strategy indicates that the communication must be:

1. Clear, communicated well and often to a wide audience, through various methods.
2. Intended to deliberately try to develop a culture.
3. Personally, delivered by leaders, as this proved a key factor.

All employees should be able to repeat the strategy. Over communication, transparency and encouraging feedback make it personal for employees (Argenti, 2017).

Radomska’s (2014) research into the Eight “S” model found that the factors in this model appeared to have a minor impact on execution. Radomska (2014) recommended that strategy execution should include informal communication and indicated that involvement of employees in the process was important. Shimizu (2017) suggested that managers should look at their communication when they find they cannot implement effectively. With the increase of easy digital communication tools,

managers prefer using these to send messages; however, they end up not sharing information, but rather exchanging information instead (Shimizu, 2017).

Of relevance to this research is an article focusing on CEOs in which it was said that top CEOs focus on four things: communication, communication, communication, and resource allocation (Allen, 2016). According to Allen (2016), the main priority in execution of strategy is communication; the message must be communicated over and over until it is embedded into the daily routine of the business. This is referred to as “execution by communication” (Allen, 2016:6). This repeated communication assists management to learn what is and what is not working (Allen, 2016). Communication is the first step to rouse employees so that strategy implementation becomes a movement by the entire company (Hough *et al.*, 2011).

In Banks-Hall’s research (2017), it was found that when asked about communication, participants supported weekly information sharing on the objectives of the company, problems being experienced at their department, and recognition. They also wanted informal sessions in which staff could express themselves freely on challenges. Ethical leadership was considered important. It was found that fewer mistakes took place when information had been shared and provided an opportunity for staff to check their understanding. Leaders must review their strategies for communication on how they share “organisation goals, workplace strategies and business processes” (Banks-Hall, 2017:116).

Guidelines to communicate change initiatives are provided by Kirchmer (2017). These include: segmenting the audience; using different channels to communicate; use different people to message the communication; be clear and honest; help staff understand what the change will mean for them specifically; and facilitate feedback from staff who know what impacts changes may have (Kirchmer, 2017).

Kernbach, Eppler and Bresciani (2014) found, in their research into communicating strategy effectively in a business environment, that communication was usually in the form of slide presentations; however, these were inadequate in that there was not enough recollection of the information. They proved that bulleted lists were ineffective in the learning process and that communication through diagrams or images was effective. A person’s perception was found to be two-thirds better in understanding a message that was visual rather than a text message. Preferred diagrams found

effective were visual metaphors or temporal diagrams/roadmaps to reduce complexity. Ertel and Solomon (2014) also found this, and suggest creating experiences for participants in meetings. Instead of pumping out information that a speaker personally feels is important, rather look at what the audience will experience from the content. Think like a “screenwriter or deejay” (Ertel and Solomon, 2014:137). Communication of strategies needs to be “felt as personally meaningful and compelling” by the people who will have to “adopt new behaviours to execute them”. To change behaviour, a desire must be created, not goal direction (Ertel and Solomon, 2014:137).

Manning (2017) provides several reasons for the disconnect between strategy and results achieved, with the main being communication; not many leaders are good at communication, and communications are easily misunderstood. In addition, Manning (2017) recognises that because change is taking place so fast in business, often managers and staff do not see nor are able to change quick enough. Consistent communication with the opportunity to give feedback helps employees feel “a part of the conversation” and become engaged (Argenti, 2017:156).

The preliminary research conducted shows that communication is important in effective execution. It should be open and include the involvement of all employees. Notably, due to the ease of communication through increased technology, managers should be cautious in their decision on what form of communication to use. It is difficult to execute strategy if the staff executing it are not included in the strategic conversation (Ertel and Solomon, 2014). When communicating to staff during execution of strategy, speaking was found to be the most important skill, then listening, with writing the least effective (Panda, Kumar and Rahamadulla, 2015). Pictures are an effective way to communicate; people recall as much as 65% from a presentation with pictures, and 10% of an oral presentation, 72 hours later (Ertel and Solomon, 2014). Visual elements include using slides, posters, handouts, templates to guide through steps, drawings, flip charts and mind mapping (Ertel and Solomon, 2014). Critical communication that has the most influence is face-to-face between line managers and their reports (DeVries, 2017). Top management should provide line managers with “briefing cards” that have answers to questions their reports may ask them (DeVries, 2017). Once the message has been given by line managers, top management can then reinforce it (DeVries, 2017). Making use of stories and characters can be used as a building block in culture change to persuade people (DeVries, 2017). Experiential learning has more

impact than standard meetings and learning with sessions that include “shared learning experiences” prove more effective (Ertel and Solomon, 2014:9). Strategic conversations should be based on the challenge; for example, if the situation is purely a technical challenge, then a standard meeting will be enough. Thought should be placed on the type of conversations to be held (Ertel and Solomon, 2014). When designing communication, do not only consider output but rather what staff need to remember when they leave a meeting – what is the story? (Ertel and Solomon, 2014).

## **2.6 Leadership**

Leadership is using influence to change the behaviours of employees and must therefore be able to appeal to both the emotional and rational intellect of their employees (Dick *et al.*, 2018). A “new generation of leaders” is required, not managers or operational leaders that can manage the status quo. Leaders can deal with a VUCA environment whereas managers “surrender to it” (Bennis, 2015:365). Due to the complex problems that face organisations, strategic leaders are required that lead by being able to challenge without causing dissent, can change course if they see it is heading in the wrong direction, lead with inquiry and advocacy, engagement and command, and at the same time are humble and respectful of everyone (Leitch and Lancefield, 2016). A leader needs to enjoy change; those who see it as an opportunity are “insurgent leaders” and can turn staff into an “insurgent force” (Miller and Morey, 2016:109). VUCA requires leaders to engage with more people with different ideas, and make decisions without certainty; and this needs to be done faster (Solomon and Ertel, 2014). Leaders have the “ability to rally others to a great cause and have a vision of a better future” (Miller and Morey, 2016:109). “Leadership is a social influence. It is initiating and guiding, and the result is change” (Manning and Curtis, 2012:2). Banerjee (2017:32) likens being a leader in business to that of a “leader of a jazz band”; it requires adaptive leaders that can “pass on the baton of leadership to whoever picks the rhythm best, joins in on the music with humility and appreciates the fact that performances in the current environment will be live with no pre-set time for extensive rehearsals”. People in a business are the “mind and the heartbeat of every activity” (Manning, 2017:3).

For the execution of strategy to be effective, the strategy formulation should include the involvement of middle management (Ramgulan, 2014). Mannin (2017) believes that the performance of a business is dependent on the management, and that middle management should be trained on how to implement strategy – leading change and obtaining buy-in from their staff. By their ideas and what they do, leaders show the way and influence the behaviour of others (Manning and Curtis, 2012). Middle management also need to be supported by the organisation in terms of change and communication processes so that staff understand the overall strategy; this should include alignment of performance goals and a rewards programme (Ramgulan, 2014). Middle management play a pivotal role in the execution of strategy because they are close to the production and where the strategy gets implemented. Therefore, top management must ensure they communicate the strategy well to middle management, so they understand and are able pass this information to the staff that implement (Yang, 2019). Management is a key influencer in the attitude of staff (Yang, 2019).

Mahlomotja (2018:102) found that leadership in a VUCA environment must include emotional intelligence, communication skills, and “order and structure”; and leaders must be transformational. In a VUCA environment, adaptive leadership is required. This means not providing solutions and being the problem solver, but rather making use of the “collective intelligence of employees across all levels” (Banjerjee, 2017:34). Leaders must pose tough questions instead of “pretending to have all the answers”, and “need to complement strengths and diversity in teams” (Banjerjee, 2017:34).

Leaders can influence the execution of strategy to produce results, however they struggle with the execution (McChensey, Covey and Huling, 2012). Behaviour change strategies are very difficult, and often getting employees to do something different requires behaviour change (McChensey, Covey and Huling, 2012). Leaders must create a sense of urgency among staff, as the longer employees have time to speculate, the more resistance is created (Brown, 2014). Management and employees are the main reason why any change fails (Sallie, Dosunmu and Wilson, 2018).

According to Manning (2017), execution of strategy is a social process in that staff must understand the purpose, situation and challenges, goals, and how to achieve them. The ‘who’, ‘what’, and ‘by when’ must be identified. Managers need to be able to motivate staff to understand and embrace the need for change (Manning, 2017).

This was also found by Manning and Curtis (2012) who write that leadership has a social influence and results in change. Leaders show their followers the way and influence their behaviour (Manning and Curtis, 2012).

Managers face high risk situations and will only be able to excel if they are able to cope with change (Brown, 2014). If there is ineffective leadership, employees will flounder in navigating strategic execution. There is a need for leaders that are agile, knowledgeable and who empower their employees (Patten, 2015). Leaders have a “strong drive for responsibility and completion, vigour, persistence in pursuits of goals” (Manning and Curtis, 2012:5). As stated earlier, before employees can assist to implement any strategy, they need to understand the strategy. Thus it is essential to effectively communicate, educate employees, test their understanding, and check if they consider the strategy implemented and whether they are teaching others about it (Kaplan and Norton, 2001). Kaplan and Norton (2001:5) propose the key to successful implementation are the employees of a business. Good relationships between employees and leaders is important; it has been proven in high performance teams that businesses need not educate employees on the details of a change before implementing it (Dick *et al.*, 2018).

Bregman (2017) proposes that the problem with execution is that people are not focused on specific actions, but more are broadly focused. Focus is critical for strategy to be successful. Radomska (2014) conducted research on the role of the manager in implementation and found that the competency of the manager had no impact on the effectiveness of the implementation of strategy, but rather implementation was dependent on competency in delegation and change management. This reduced the resistance of employees and encouraged their involvement. A designated person to oversee the process was also found important (Radomska, 2014). For strategy execution to be successful, change management is not enough; leadership is required (Bawant, 2016). This is because any change requires people who have emotions, and these emotions are expressed in behaviours which can be an issue. It is therefore important to consider people as part of strategy execution, not only the process (Bawant, 2016).

Hough *et al.* (2011:248) state that there is “no definitive managerial recipe” for all situations of execution. They suggest eight components, one of which is strong

leadership, to drive execution forward and keep on improving whilst achieving operational excellence as rapidly as is feasible. Further, it requires managers to think about what their part in the strategic plan is and how and what they need to do in order to achieve the objectives “effectively and efficiently” (Hough *et al.*, 2011:247).

Managers’ competencies have no impact on the effectiveness of implementation (Radomska, 2014). However, these outcomes do not rule out the need for knowledge and experience, even though this did not emerge as key in the research (Radomska, 2014).

The following factors were found important for managers:

- Possessing delegation powers
- Involvement of employees
- Appointment of a team or a team member to monitor implementation

It can be seen from the above research that there are conflicting findings. Some researchers have found that leadership is very important, and others have found that leadership is not so important. What did come out as important was the experience that leaders have, what the experience was, and the process the manager follows to implement the strategy.

Kanter (2017) found that successful leaders focus on five things when implementing strategy. These are:

- Question everything by not believing in one’s own solutions, but rather seek guidance from others.
- Move fast by not waiting for each step to be completed but rather work on various steps at the same time.
- Inform everyone and choose champions to move the strategy forward and use these champions to share successes.
- Keep close to the people on the ground and avoid having rigid rules and processes.
- Change quickly when something is not working rather than sticking rigidly to the initial plan.

According to Bonchek (2017), thinking styles in leadership are important to consider. The person who usually creates the strategy thinks of the big-picture and destination, whereas the people who execute the strategy are thinking of the detail of the processes and how to put them into action – the reality of the execution. The latter's questioning for clarity is considered resistance to the strategy by the strategist, whose focus then turns to defending the strategy. Relationships, instead of being collaborative, become adversarial. This is purely because of the strategists thinking style versus the implementers thinking style. The solution is for the strategist to unlearn some things and shift the thinking of the implementers. Further, Bonchek (2017) identifies that by including stakeholders in the early stages, they are more likely to defend the strategy themselves as they will have a sense of ownership. Another gap is measurement in that there is often a mismatch between what is being measured and the strategy. This can then distort focus to the metric being measured and not the strategy. In conclusion, when developing strategy, according to Bonchek (2017), consider the thinking styles of who will be implementing the strategy and involve them to learn from them, and ensure measurements are designed to guide behaviour and focus of the strategy itself. Strategic leaders distribute responsibility, thereby empowering and developing others. They are transparent with information, allowing staff to challenge and propose their own ideas. They allow for different channels that staff can funnel their ideas through, they allow staff to fail, and they provide platforms for shared learnings (Leitch and Lancefield, 2016).

Homkes (2016) found that challenges for successful execution of strategy include coordination between the different business units within an organisation. Research found that 90% of respondents believed they could not rely on other departments. Further, strategy must be clear on what is and is not negotiable. Failure can be attributed to being unable to make the tough decisions and communicate them to the business (Homkes, 2016). Execution is not done by the top management teams but rather the leaders on the ground distributed throughout the company. They are needed to solve the problems.

Homkes suggests 5 approaches to effective execution.

- Executives and leaders within the business must be aligned to what is and what is not working.

- Everyone must have clarity on the strategy.
- There must be the right focus on what will create the most value for the strategy achievement in terms of resources, time, and energy.
- The organisation must embrace a learning organisation culture, and
- Access good data that reflects “current reality” (Homkes, 2016:37).

According to Hough *et al.* (2011), there is no recipe for all situations in which execution is required and therefore managers must have an action agenda based on judgement of the specific situation. They however recognise that there are certain components that must be completed for all situations.

Manning and Curtis (2012:5) believe that leaders display:

- “Venturesomeness
- Originality in problem solving
- Self-confidence and sense of personal identity
- Willingness to accept consequences of decisions and actions
- Readiness to absorb interpersonal stress
- Willingness to tolerate frustration and delay
- Ability to influence peoples’ behaviour
- Capacity to structure social interaction systems”

As Sull, Homkes and Sull (2015:221) state, “strategy execution is largely about people” and change management is essential to empower them to act.

## **2.7 Conclusion**

Strategy must be kept simple, and when executing, it is important to excel in the basics whilst still looking for innovations (Manning, 2017). There is a great deal of evidence to indicate that execution and not bad strategy impedes growth in business, with corporate leaders considering this to be their number one challenge (Manning, 2017). According to Manning (2017), the root cause is that leaders think execution is a simple process, and that all it entails is communication, clarifying goals and roles and responsibilities, providing resources, tracking progress and rewarding and recognising; however, this is not the case. Strategy is achieved only if there is a

balance between “control and conformity with freedom to dissent and experiment” (Manning, 2017:154). The process that is followed and the communication of the strategy as well as the leader who executes the strategy with their employees are all important in ensuring that execution excellence is achieved, as indicated by the research in this chapter. The methodology of how the research was conducted follows in the next chapter.

## **CHAPTER 3: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter details the research methodology used in the primary research conducted on the topic. The qualitative methodology of non-probability sampling was used, with semi-structured in-depth interviews conducted to collect the data. Data was collected from branch managers in top and bottom performing branches to identify any differences in their approach to strategy execution. In addition, it was to compare if what they were doing was any different from what was found in the secondary research conducted. Qualitative research assists in understanding “human experiences, situations, cultures, beliefs and values” and is helpful when the research being conducted is not easily measured using quantitative research (Kalu and Bwalya, 2017). Semi-structured interviews allow for adjustment of questions in line with the interview. They also promote conversation and rapport between the interviewer and interviewee (Ponelis, 2015).

### **3.2 Research Design**

Research design is the “blueprint” of collection, measurement, and analysis to get answers to the questions of the topic (Sekaran and Bougie, 2016:95). The exploratory research approach was used because there is not a lot of secondary literature on strategy execution compared to strategy development. Sekaran and Bougie (2016) refer to exploratory research as research done when not much is known about the subject being researched. Sekaran and Bougie (2016) suggest using exploratory questions when there is not enough information on the topic to develop a theoretical framework. This is used when quantitative methods cannot be used (Sekaran and Bougie, 2016). Therefore, this research was conducted using exploratory research.

### **3.3 Research Strategies**

The research strategy used was case study. A case study is where information is collected on a specific “object, event or activity” (Sekaran and Bougie, 2016:98). In the case of this research, Nedbank Retail Banking KwaZulu-Natal and the strategic execution methods used in branches, and whether these have any relationship to

previous research findings, was researched. Case study methods are used in many disciplines and gain insights into real life situations (Ponelis, 2015). Access to target audiences can be challenging and personal networks are vital to gain this access, otherwise conducting the research can be challenging and time consuming (Ponelis, 2015). The researcher was able to gain access to interviewees as the researcher works for the institution. Requests were sent to the line managers for all the branch managers in KwaZulu-Natal to nominate their top and lower performing branch. There were seven regions, and this therefore provided a sample of 7 top performing branches and 7 of the lower performing branches.

### **3.4 Research Approaches**

Qualitative research was undertaken using in-depth interviews. “Qualitative research is a naturalistic approach that seeks to understand phenomena within their own context-specific setting” (Gray, 2014:160). In quantitative research, “systematic and mathematical techniques are used” (Gray, 2014:689). In the qualitative approach, people’s experiences allow the researcher to identify issues from the perspective of the participants (Hennink, Hutter and Bailey, 2020). This is done using several different research methods such as “in-depth interviews, focus group discussions, observation, content analysis, visual methods and life histories or biographies” (Henning, Hutter and Bailey, 2020:10). Qualitative data works with “small numbers of participants selected purposively (nonprobability sampling)” (Henning, Hutter and Bailey, 2020:16).

### **3.5 Research Site**

The study site is Nedbank Retail Banking KwaZulu-Natal, which consists of retail branches all based in the province KwaZulu-Natal South Africa.

### **3.6 Target Population**

A target population is explained by the elements and geography of the research (Sekaran and Bougie, 2016). The objective and the scope of a study guides the researcher on the target population (Sekaran and Bougie, 2016). The target population

of this research were the individual branch managers of the branches in Retail Banking KwaZulu-Natal. There was a total of 84 branches as at April 2017. An element is a single member of the population (Sekaran and Bougie, 2016). In the research there were 84 elements in the population; each element was a branch manager of the 84 retail branches of Retail Banking KwaZulu-Natal.

### **3.7 Sampling strategies**

Because this research used the qualitative method, non-probability sampling was utilised. The non-probability sampling design chosen was purposive sampling. Sekaran and Bougie (2016:248) describe purposive sampling as sampling that is purposive, in which information is obtained from “specific target groups” and not from the most convenient available. In the research, the top (7) and lower performing (7) branches were purposely chosen as the sample subjects.

The sampling frame that was to be used to identify the sample subjects was the Nedbank Retail Banking Branch Performance Ladder which rated all branches against each other on both sales and operations performance, from top to bottom. Since the initial research proposal, this was no longer available as a sampling frame and the researcher therefore, with guidance from the researcher’s supervisor, agreed that requesting a top performing and bottom performing branch from each of the seven regions in KwaZulu-Natal would be a good second option. An email request to each of the seven regional managers was sent requesting this information. The names of the branches have not been published within the research document to maintain anonymity.

### **3.8 Sample Size**

Sampling size was based on the “rule of thumb” determination in Sekaran and Bougie (2016:264) in which an appropriate size for majority research is greater than 30 and smaller than 500. In addition, the recommendation is that where the samples are going to be broken down into subsamples, such as in this research (top and bottom performers) then the minimum size should be 30. Using 7 of each as a target provided two good comparative sample groups.

### **3.9 Sampling Matrix**

Number of Main Branches – 84

- Top performing branches sample size – 7 branches
- Lower performing branches sample size – 7 branches

It was agreed between the researcher and the researcher's supervisor that 14 branch managers were enough of a sample to interview and that any more would not add any further value in the primary research. The option remained open that should this prove not to be enough that the sampling size would be relooked at. There was found to be sufficient information gathered from the sample not to have to conduct any further interviews.

### **3.10 Sample**

The sample is the subgroup of the population (Sekaran and Bougie, 2016:237). In this research the subgroup is 14 out of 84 main branches.

### **3.11 Data Collection Methods**

In-depth interviews objectives are to detect the individual's personal beliefs, experiences, and perceptions (Hennink, Hutter and Bailey, 2020). This was therefore the reason for the choice of an interview guide as the personal strategies the branch managers use were of importance to this research.

The Nedbank Retail Banking gatekeeper was asked for permission to conduct the research using the University of KwaZulu-Natal request form, and a letter was provided to the researcher giving permission to conduct the research. The permission letter was included in the Ethical Clearance request to the University of KwaZulu-Natal for the researcher to conduct primary research on the topic under research. The primary data collection method comprised questions posed to respondents using semi-structured in-depth interviews through the medium of Skype for Business. Telephone interviews are used when participants are based in different geographic areas and are the best method to use where the participants are dispersed widely, and there are structured interview questions (Sekaran and Bougie, 2016). It was necessary to use Skype for Business due to the vast distances between where

responders were based. This form of communication is widely used by all responders in their normal course of business, and they were therefore comfortable with it. The questions were designed around factors that were identified as important in strategic execution and were controllable by branch management. The interviews provided a platform from which to ask probing questions, depending on the answers received.

Interview schedules were used with interviews conducted via Skype for Business; due to the geographical spread, the researcher would be unable to travel to each manager to interview him/her personally. The topic and the background to the interview was explained to each manager prior to the interview.

The interview schedules were tested with two managers in the same role as the responders, to test relevance and understanding of the questions. Two branch managers were randomly chosen by the researcher, not in the sample of names provided by the regional managers. Interviews were set up with and the same introduction done, and questions were posed to them to ensure that the questions that would be posed to the interviewees were understandable. Both interviews went well, with a lot of interaction and sharing from both the branch managers and the researcher, who shared what had been found in the secondary research conducted. This did extend the time taken to conduct the interviews but was of value to both sides. This was not done in the actual interviews. Two questions needed to be rephrased: section A number 8 and section C question 3. No additional questions needed to be added. Recording on Skype for Business was tested and was found to be in order. The process the researcher chose to follow for the interviewees was to start off with an introductory email sent to these branch managers, sensitising them to the interview. The interviews were then set up with the consent form included, and the requirement that it be sent back to the researcher prior to the interview.

### **3.12 Data Quality Control**

The findings of any research need to be reliable and valid (Sekaran and Bougie, 2016). Providing detailed information of the research conducted enhances validity in that anyone reading the research findings can judge themselves if it is relevant in their own context (Sekaran and Bougie, 2016). Reliability is often challenging in the qualitative method because they are often social cases. This can be improved by more than one

researcher comparing findings or by using computer programmes in data analysis (Gray, 2014). The researcher considered these recommendations and was to investigate NVivo to code and provide detailed information of the research conducted to ensure the research findings were as reliable and valid as they could be. At the time of the analysis, the researcher had no access to NVivo, and manual thematic analysis was undertaken by the researcher. There was not another researcher available to compare findings with.

### **3.13 Reliability and Validity**

Reliability is “the degree to which an instrument will produce similar results in a different period” (Gray, 2014:690), and the extent to which the measure is unbiased (Sekaran and Bougie, 2016). Data validity is “the degree to which data in a research study are accurate and credible” (Gray, 2014:692).

To improve the validity and the reliability of the interview guide, it was pre-tested with two random branch managers in KwaZulu-Natal in the same roles as the participants who were to be interviewed in the semi-structured in-depth interviews. The in-depth interviews were conducted in the exact same manner via Skype for Business. In addition, to prevent any bias the interviewer in the pre-testing and the in-depth interviews did not provide any input or opinions. The answers by the participants were what they had reflected on and provided at the time of the interviews. The use of the interview guide ensured that all participants answered the same questions. The interviews were recorded and transcribed, adding to the reliability and validity of the data.

The researcher, on reflection when consolidating the data, realised that more probing for information may have added more learnings. This was due to the inexperience of the researcher in interviewing. The researcher however does not consider that this impacted the validity and the reliability but rather the depth of information that may have been uncovered.

### **3.14 Data Analysis**

In Gray (2014:602), it is said that there are no “widely accepted rules” on how data analysis should be done and that it is generally approached inductively with data coding. Thematic analysis identifies patterns/themes in the data and tries to capture “meaning within the data” (Gray, 2014:609). Quantitative analysis is easier than qualitative analysis because in qualitative analysis there are less “commonly accepted rules and guidelines” (Sekaran and Bougie, 2016:332). Content analysis is used to analyse text and to identify “words, concepts, themes and sentences” when analysing media material or interviews that have been recorded (Sekaran and Bougie, 2016:350). Narrative analysis is used to analyse stories people tell and attempts to identify behaviours, relationships, and responses (Sekaran and Bougie, 2016). The researcher chose thematic analysis for this research. In thematic analysis, a theme captures what is important in relation to a research question and represents “meaning within the data” (Gray, 2014:609). Thematic analysis was used to analyse the data by coding and categorising into common themes based on the responses and then comparing them to the secondary research.

### **3.15 Ethical Consideration**

Ethical considerations should be based on the principles of informed consent and confidentiality protection. In addition, the purpose of the research must be advised as well as how much of the responders’ time will be needed. The responders’ identification must be protected, the sampling frame list/s kept confidential, and no pressure should be placed on the responders (Gray, 2014).

Based on this, the researcher firstly obtained informed consent from the Nedbank gatekeeper at the time, the Provincial General Manager for Retail Banking KwaZulu-Natal. Permission was also obtained from the branch managers of the top performing and bottom performing branches that were asked to partake in the questionnaire. Both the Nedbank gatekeeper and the branch managers provided signed permission forms. The reason for the research was explained and commitment to the branch managers was provided by the researcher in writing that all answers were confidential and reported in total, not individually, to provide answers to the research topic. No names were required, and complete anonymity was guaranteed to the responders.

The process undertaken fulfilled the requirements as stated by Hennink, Hutter and Bailey (2020):

**Informed consent** – must be provided with enough information for the participant to decide whether they want to participate or not.

**Self-determination** – each participant has the right to refuse participation.

**Minimisation of harm** – the researcher must not harm or place any participant at risk.

**Anonymity** – all participant's identity must be protected.

**Confidentiality** – all data records must be secure.

As guided by the above process, the Interview Invitation Letter (appendix 1) was sent to the branch managers in advance of the interview as well as the Consent Form (appendix 2), by the researcher. Prior to the interview, the researcher ensured the consent form had been signed and received from all the participants. The participants had a choice not to participate before the interview, and again, prior to the interview, the researcher explained the process and what the interview was about and that it was completely anonymous (appendix 3). None of the information was shared in any other format other than how it is presented in this research, with complete anonymity and confidentiality.

### **3.16 Process of Data Collection**

The below process was completed by the researcher to collect the data.

1. Set-Up - consent form and introductory preamble were developed ready for the interviews.
2. Test – the researcher tested the interview schedule with two experienced branch managers based at Nedbank KwaZulu-Natal to ensure there would be an understanding of the questions.
3. Preparation –all participants were emailed with information on the research being conducted, why and how they fitted into the research. The email advised all participants that the interview was not compulsory and that they could refuse to participate. It also advised the participants their responses would be anonymous. Attached to the email was the consent form each participant was required to sign and send back to the researcher. On receipt of the consent

form, individual interview sessions were set up with the participants aligned to their diary.

4. Interview – at the onset of the interview the introductory preamble was explained to each participant again, that they could decline the interview, that their answers would be confidential with no names provided, and that they would be numbered. They were thanked for agreeing and consenting to the interview and asked permission for the interview to be recorded.
5. Record – interviews were recorded on Skype for Business and consent forms saved as well as interview schedules stored.

### **3.17 Limitations of Study**

In the secondary research conducted, several factors influencing strategy execution were found, yet none were found as conclusive. The researcher identified only those factors that could be influenced by middle management, and therefore factors such as the way employees are performance managed, targeted, and formally rewarded were not researched. The research focused on process/method, communication, and leadership. In addition, the research did not look at the individual staff who execute the strategy based on middle management expectations. The research was limited to Nedbank Retail Banking in KwaZulu-Natal.

### **3.18 Conclusion**

The research design chosen was an exploratory approach with a case study strategy. Qualitative research using in-depth interviews on a target population of 14 branch managers employed at Nedbank Retail Banking KwaZulu-Natal was used to conduct the primary research. The chapter details the process of data collection undertaken by the researcher using Skype for Business to conduct the in-depth interviews.

## **CHAPTER 4: DISCUSSION OF PRIMARY RESEARCH RESULTS**

### **4.1 Introduction**

Chapter 4 summarises and presents the results of the primary research conducted through in-depth semi-structured interviews with 14 respondents. Questions were based on the secondary research conducted on what was found to be the best methods/processes, communication and leadership required for strategy execution.

### **4.2 Thematic Analysis**

The researcher conducted thematic analysis on the data. According to Kalu and Bwalya (2017), the researcher must explain to the reader how the process was conducted in terms of data analysis and the techniques used to do so. The process below describes the way the researcher conducted thematic analysis.

#### **4.2.1 Identification of Themes**

Braun and Clarke (2006) cited in Gray (2014:609) provide six phases to conduct thematic analysis:

- Phase 1 – Familiarise yourself with the data.
- Phase 2 – Generate initial codes.
- Phase 3 – Search for themes.
- Phase 4 – Review Themes.
- Phase 5 – Define and name the themes.
- Phase 6 – Produce the report.

The researcher went through these phases as detailed below:

- Phase 1 – the researcher read through the answers transcribed on the interview schedules that the researcher had written down as the respondents had answered during the interviews. This was to ensure the researcher had an overview of all the interview answers. The researcher then separated the top and lower performing managers' answers, to have each in their own batch. The answers were then written down to identify similar answers, and in doing so, find codes and themes within the answers.
- Phase 2 – all the questions were then analysed to identify codes. The researcher transcribed the answers for each question under the headings top

and lower performing respondents. The answers were recoded into codes. For example, in question 1 of the process questions, Meeting was a code chosen. These codes were then reviewed in terms of how many times this was common amongst responders. Meeting with Staff was one process that the managers used, for example, to execute strategy. This was a theme chosen under question number 1 to be included in how the process was managed.

- Phase 3 – the researcher searched for common themes by reviewing how many times within the codes a respondent answered the same. Main themes were selected by the number of times the code was chosen. Any answers less than 2 were excluded due to insufficient data to support as a code.
- Phase 4 – the researcher compared the themes chosen to the secondary research.
- Phase 5 – the themes were then placed into Excel and graphs created to prepare the findings report. Top and lower performing respondents were compared.
- Phase 6 – the primary and secondary research was compared to identify any best practices or bad practices the respondents provided to the researcher and then compared to the secondary research.

Sekaran and Bougie (2016:333) suggest a three-step process for qualitative analysis: “data reduction, data display and drawing and verifying conclusions”. This is the same process that the researcher has articulated above, in which the data was reduced to find patterns of what managers did in the lower performing and top performing branches. The data was displayed in graphs in this chapter 4 with conclusions drawn in chapter 5 after comparison to the secondary research findings.

### **4.3 Discussion**

Respondents were selected using purposive sampling. Each branch manager was purposively chosen as a manager of either a top or lower performing branch to be interviewed. The names of the branches were provided by the seven regional managers who were asked to provide their top and bottom performing branches to the researcher. Based on this information, the researcher then arranged the interviews with the relevant branch managers of these branches. The 14 respondents were

interviewed through a Skype for Business session lasting approximately one hour each using an interview guide (appendix 3). Each interview was recorded via scribing by the researcher during the interview as well as a digital recording of the interview on Skype for Business.

Interviews were conducted randomly with no specific order of the top or lower performing branches. Appointments were based on the availability of each respondent. The researcher had not recorded whether the researcher was interviewing a branch manager of a top or a lower performing branch. The consent form (appendix 2) was gathered prior to each interview. This was done using email with an introduction of the intention of the interview and for the consent form to be sent back to the researcher prior to the interview (appendix 2). At each interview, another introduction and explanation on the research and why the respondent had been chosen (appendix 3) was provided. The respondents were advised by the researcher of the confidentiality of their answers as well as permission obtained to record the interview and thanked for consenting to be interviewed.

Thematic analysis was used to identify common themes and learnings from the answers provided by the top and the lower performing branches based on each section of the interview guide – process, communication, and leadership.

**Table 4-1: Research Respondents**

Respondent Number	Role	Top/Lower or Performing Branch
1	Branch Manager	Top
2	Branch Manager	Lower
3	Branch Manager	Top
4	Branch Manager	Lower
5	Branch Manager	Lower
6	Branch Manager	Top
7	Branch Manager	Lower
8	Branch Manager	Top
9	Branch Manager	Lower
10	Branch Manager	Top
11	Branch Manager	Lower
12	Branch Manager	Top
13	Branch Manager	Lower
14	Branch Manager	Top

Interviews were conducted over an 8-week period due to work commitments of the researcher and the respondents. The gathering of evidence was conducted by asking each respondent to envisage a time when they had to implement a strategy change in their own branch. The interview guide was divided into three sections based on the research questions, with leadership and experience of the leaders included in one section under leadership.

#### **4.3.1 Research Questions**

1. How does the process that Nedbank Retail Banking managers use influence strategic execution?
2. How do the communication practices of Nedbank Retail Banking managers influence strategic execution?
3. How does the knowledge and/or experience of the Nedbank Retail Banking managers influence the way they execute changes or strategy?

4. How does the leadership style of the Nedbank Retail Banking managers influence their strategic execution?

#### **4.3.2 Process Undertaken to Execute Strategy**

This section of the interview guide consisted of eleven questions. The questions were based on best practices found in the secondary research conducted. The purpose of the questions was to identify if there was a difference in the process that the top performing branches followed to that of the lower performing branches. In addition, it sought to identify if there was anything else significant that these branches used that was not found in the secondary research conducted. Common themes were identified from the answers given.

In the secondary research conducted, the main areas of importance in the process of execution excellence that the researcher based the interview schedules on to compare to the secondary research were:

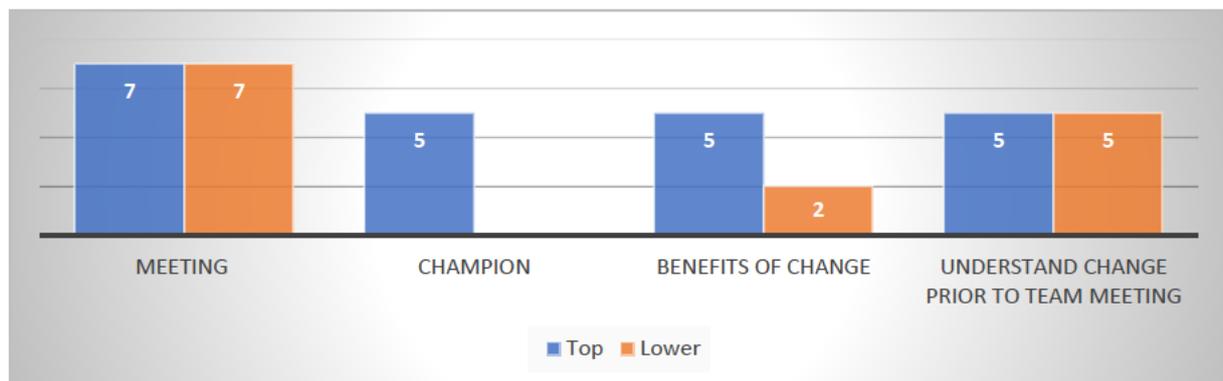
1. Making use of volunteers, key employees, and task forces (Ungerer, Ungerer and Herholdt, 2016; Strick, 2014; Galpin, 2018; Sallie-Dosunmu and Wilson, 2018).
2. Ensuring feedback loops and involvement of employees (Hasset, 2018; MacLennan, 2018; Kirchmer, 2017).
3. Sticking to the most important goals, with short deadlines and focusing on a few key themes (Covey, McChesney and Huling, 2012; Ungerer, Ungerer and Herholdt, 2016; MacLennan, 2015; Manning, 2017; Allen, 2016; Strick: 2015; Galpin, 2018).
4. Ensuring accountability and disciplined processes (Manning, 2017; Strick, 2014; McGrath and MacMillan, 2005).
5. Monitoring progress through revision, debriefs, assessment of results and corrections. Making use of scoreboards/dashboards. Weekly reviews and encouraging continuous learning (Hasset, 2018; Murphy, 2016; Ordal, 2016; Ungerer, Ungerer and Herholdt, 2016; Sallie-Dosunmu and Wilson, 2018; Galpin, 2018).

**Question 1: How do you execute any changes? Please explain the process you follow with your team.**

This question was asked to establish an overall view of the process managers follow. Both top and bottom performing managers always had a meeting with their staff when starting the execution of a strategy. All the respondents used a meeting to introduce and implement a change to their teams. Five out of seven respondents of both lower performing and top performing ensured they first understood the strategy prior to their meeting with their team. Five of the top performing branch managers explained the benefits of the change to their team whereas only two of the lower performing branch managers did this. Four of the top performing branch managers selected champions as ambassadors who embraced change, that others in the team could refer to, whereas none of the lower performing branch managers did this. An ambassador who embraced the change. During the secondary research it was identified that line managers discussing strategy and change to their teams, as well as champions to drive the change, were important in successful strategy execution. Managers tended only to answer on how they explained the initial strategy to their teams and did not expand on what they did after this to ensure their message had been effective. Probing should have been undertaken by the interviewer. None of the respondents detailed their process they always follow when executing strategy. Two of the top performing respondents mentioned testing for understanding, observations, and following up with an email after the initial meeting with their team. There was nothing additional from the lower performing respondents except one who advised observations were performed on their team after the initial meeting to ensure implementation was effective.

The process that was highlighted by the managers was the way they communicated to their employees, and only the use of a champion/key employee was relevant in terms of the secondary research conducted. It was clear though that all felt it important as management that they understood the change prior to meeting with their employees. The use of the champion was to guide other employees on the change. As identified by Strick (2014), there was a need to identify key employees to guide others.

**Table 4-2: Process of Execution of Change**



**Question 2: How do you monitor and control progress of any changes?**

This question was to gain insight into how the manager ensured momentum of the strategic change and implementation. Interestingly, each manager used their own personal methods with no specific process coming out strong in the top performing managers. Yet in the lower performing managers, six of them said that they used observations on their team to ensure effective implementation. They had however not mentioned this in question number one. Three in both groups of respondents used the management information provided to them to manage gaps in their implementation. There were no overwhelming themes identified in this question, with each respondent giving different methods they use. What was obvious was that the top performing managers used more different methods than the lower performing managers. No clear comparisons could be made between the top and lower performing managers. The lower performing managers noted observations, coaching, management information provided and additional meetings. The top performing managers were divided in their answers with observations, involvement of champions, staff commitment by signature, feedback from individuals, use of management information, additional meetings, use of other staff to drive the change, learning from experts in other branches or regions, hands on, and building in own controls. There were no high numbers of specific controls that all of them did that could indicate a best practice.

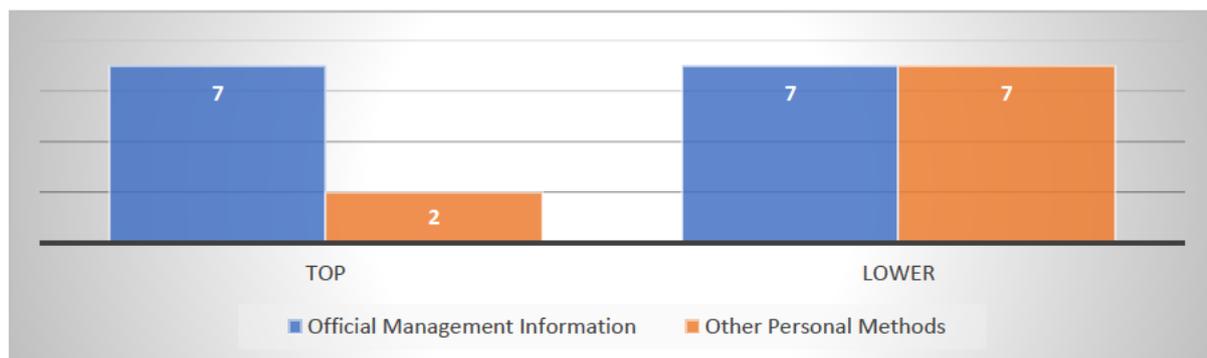
**Question 3: Do you have any measurement or tools you use to check that changes have been made? Please explain them.**

This question was intended to identify if any managers had their own methods of tracking progress or they relied only on what they were provided by the company.

In the lower performing managers, 100% of them were using the management information provided to them, with two of the managers using their own checklist and their own observations. In the top performing managers, they were also all using the management information provided to them, however five of them were also using several different personal initiatives – own manual data, testing their teams themselves, whiteboard reminders to ensure focus and a monthly discussion to maintain focus in the team.

It was clear therefore that managers used management information to measure the success of their strategy. This is in line with the secondary research which indicated the need for revision of results, and corrective action (Ordell, 2016; Jasset, 2018). The researcher failed to prompt the question of what tools are used for measuring the success of execution, which may have added value to this research. For example, are there dashboards? Since both top and bottom performers used the management information provided, why then did the top performers do better if they used the same information to drive their employees to achieve the strategy? The top performers used their own tools which may be the edge they have in achieving their goals. This was only two of the top performing respondents and the researcher therefore cannot conclude on this as a best practice.

**Table 4-3: Management Information Tools**

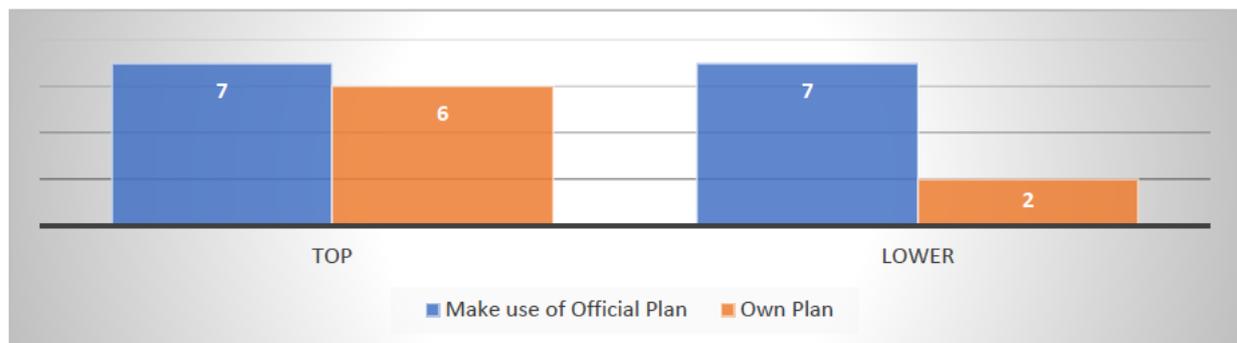


**Question 4: Do you ever draw your own plan when initiating changes – if so how?**

This question was designed to identify if the top performing managers use the plan provided to them and if they also draw up their own plan, and if this was any different from the lower performing managers. Six out of the seven top performing respondents answered that they do implement their own plan in conjunction with the rollout plan

officially provided to them. They did checklists on who should do what and by when, as well as drew up their own written plan with their team. One of the responders used pop quizzes to test if the plan is working and if the information has been understood. Another created maps and splits the plan into days. Only one of the lower performing responders used their own plan, with the rest of the seven responders relying on the official plan provided without adding their own tactics. Both top and lower performing all confirmed making use of the official plan. Involvement of employees and understanding how they achieve the bigger picture is important (MacLennan, 2018). Therefore, one can see that this is being used effectively by top performers when they make use of checklists, quizzes, and maps, so that their employees get to understand the big picture and what they need to do to achieve it.

**Table 4-4: Strategic Plan**



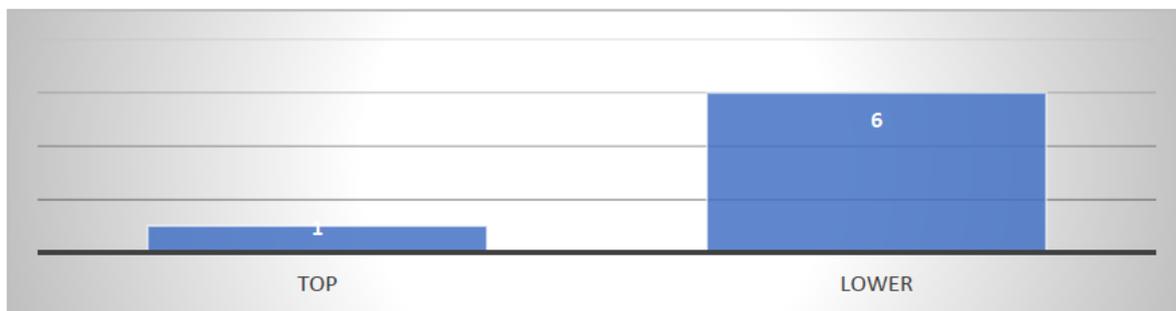
**Question 5: Do you assign an individual as a champion in your branch when there are changes or do you implement on your own? If yes, please elaborate.**

One of the key factors recommended in the execution of strategy is to have a champion to drive the implementation. This was therefore designed as a specific question to obtain a clear indicator of the relevance of this.

In the top performing respondents, six out of the seven preferred to implement on their own without making use of a champion to execute on the strategy. In the lower performing respondents, it was the opposite, with six of the seven using another team member to drive the change. Only one did not do this. This is contradictory to the secondary research conducted. Does this mean that the more hands on and involved the leader is the more effective strategy execution is, and does it mean that the lower performing respondents are abdicating their responsibility as a leader to another individual? Or did they not brief their champion on what their role was? If one refers to

question 1, however, 5 of the 7 top performing branch managers did advise that they used champions. One can therefore see that the managers implement on their own, however they do make use of key employees for other employees to refer to and guide them. The top performing respondents all said they used a champion in question 1, yet in question 5 they did not assign a champion when rolling out. Therefore, it is clear that the top performing respondents ensure they are fully involved in the rollout of any strategy but do have a champion that other employees can go to that is available to guide them.

**Table 4-5: Champion Included in Execution of Strategy**



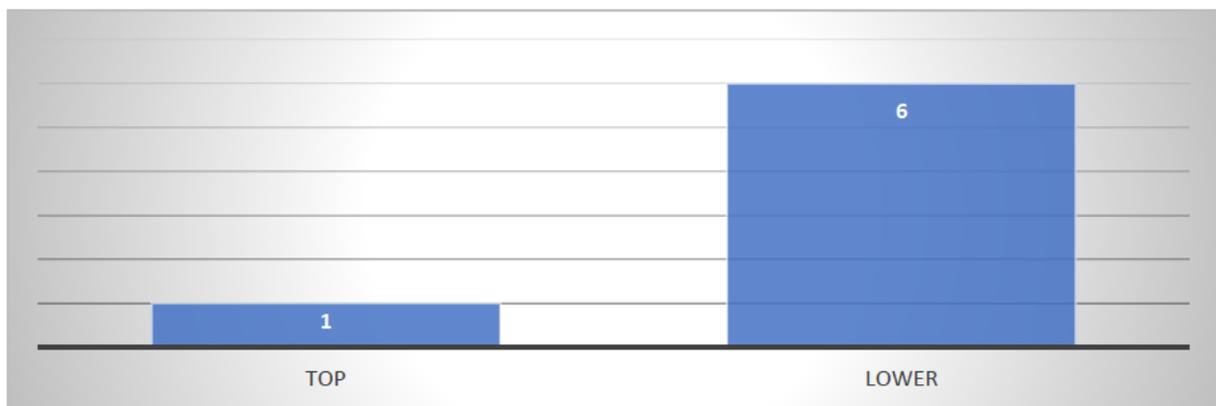
**Question 6: Do you have your own strategy you follow when implementing changes?**

This question was to identify if the respondents had their own strategy they use when implementing. The interviewer should have asked for this to be detailed to identify if they tend to follow the same process each time or if they randomly choose a strategy each time.

All the top performing respondents answered that they did have their own strategy they followed. Five of the lower performing respondents answered that they did not have their own strategy and two were not sure if they did or did not.

In this question the researcher should have probed further to find out what the manager's own strategy was. This may have provided practices not found in the secondary research conducted.

**Table 4-6: Managers' Personal Strategy**

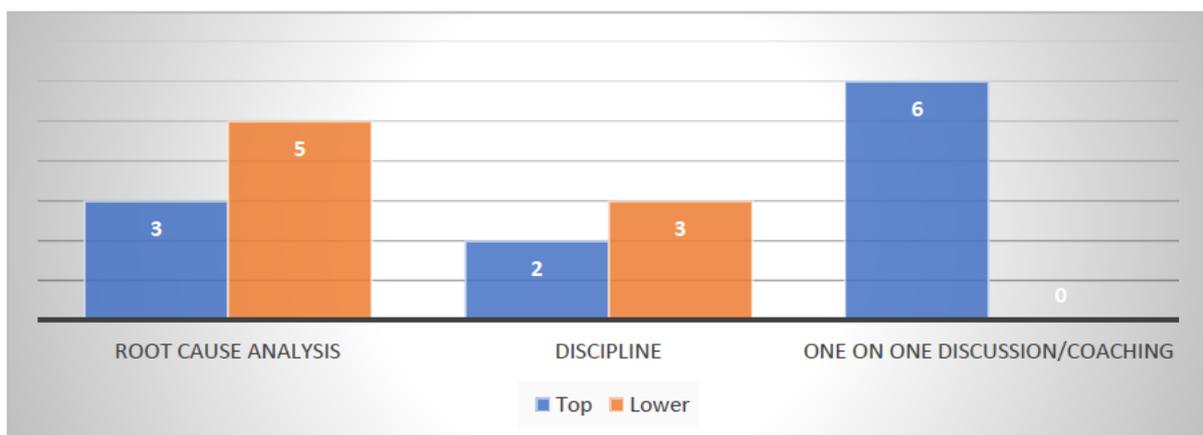


**Question 7: How do you handle instances where your staff do not put into practice what you have communicated to them?**

This question was intended to find out when results are reviewed, what do the respondents do when they have not achieved what they were accountable for? The reason was due to their staff not putting into practice what was communicated.

The lower performing respondents answered that they tried to identify the root cause and then would resort to discipline. The top performing respondents answered that they would themselves conduct discussions with their staff as well as coaching. Three responded that they conducted root cause analysis to identify what had happened.

**Table 4-7: Management of Failures**



**Question 8: Do you use the lessons learnt document? Do you find it valuable to ensure continuous improvement/learning, and how do you use it?**

All respondents did not know what this was.

**Question 9: Do you make use of the Flawless Execution Model? If yes, how do you use it, and if no, why do you not use it?**

Five of the top respondents did know what this was and referred to the model as revisiting the plan, debriefing and then revisiting again. Two of the top performing respondents confirmed knowledge of the model but answered that its use was dependent on the extent of the change. Two lower performing respondents confirmed using the model. It can be concluded that the model does assist, considering that all the top performing respondents did make use of the model.

**Question 10: Have you heard of the 4 Disciplines of Execution and how do you use this as a guide?**

None of the respondents recalled this, which may indicate that they have incorporated this into their day-to-day activities without realisation.

**Question 11: How do you maintain focus?**

This question was not included in the researcher's research proposal but was added after the interview schedule had been tested with two managers in a pilot. These two managers were interviewed to test only and were not included in the fifteen respondents. It was intended to capture any best practices that respondents may use.

There were varying responses between the top and the lower performing respondents. Top performing respondents used a variety of methods to ensure staff were reminded and remained on track to execute. No common theme was evident though with top performing respondents using group Skype for Business chats, daily reminders, follow ups, and returning to the strategy by the respondents. The lower performing respondents answered that they use more meetings and monitor performance more.

**Table 4-8: Focus Initiatives**

<b>Top Performer Respondents</b>	<b>Lower Performer Respondents</b>
Skype Chat Groups	Daily Updates
Daily Reinforcement	Monitoring Performance
Prioritisation	Incentives
Observations	Observations
Coaching	Meetings
Daily Process Discipline	One on Ones with Individuals
Daily Tracking	To Do List
Clear Expectations of Team	
Follow Up Meetings	
Email Reminders	
Maintaining Performance Tracking	
Keep Going Back to Strategy	
Prepare Team	

### **4.3.3 Communication**

This section of the interview guide consisted of 6 questions based on the best communication practices found during the secondary research conducted by the researcher. Communication was found to be overwhelmingly one of the most important aspects of effective strategy execution. Preference regarding the best type of communication was when conducted by the line manager in small group meetings, with visual communication the best in terms of employees recalling the message. Written communication was found to be least effective. An effective communication process was the message delivered by top management to line managers, then line managers delivering to their employees, and then top management reinforcing the message to all employees. The answers provided by the respondents were analysed for common themes using the number of times or frequency that the same answer was provided. This analysis of each question and the response continues below. Interview schedule questions were based on several key areas identified as important in communicating effectively when there is a strategic change:

1. Constant and small reminders are most effective (Dick *et al.*, 2018).
2. Immediate supervisors to give the message (Manning and Curtis, 2012).
3. Communicate until the message is embedded into day to day routine (Allen, 2016).

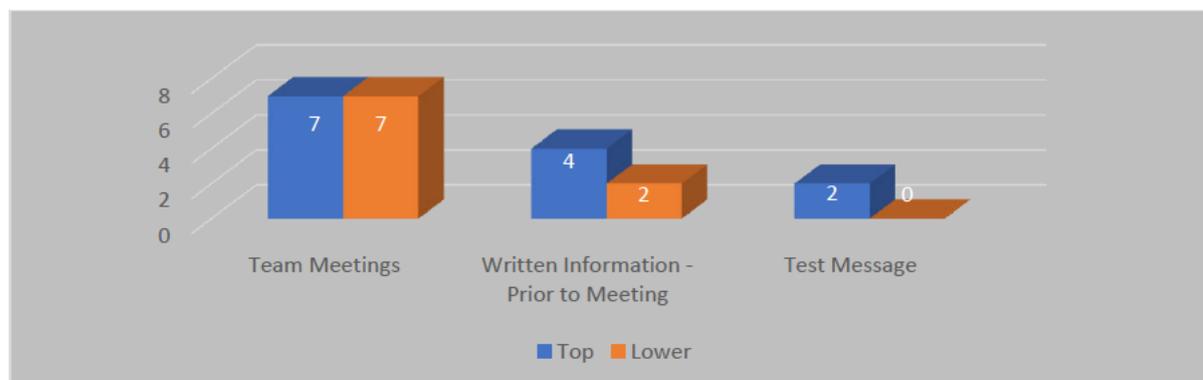
4. Allow staff to check for understanding (Banks-Hall, 2017), involvement of employees (Ertel and Solomon, 2014), and open communication (Kirchmer, 2017; Banks-Hall, 2017).
5. Speaking as the most effective form of communication (Pandur, Kumar and Rahamadulla, 2015), and face-to-face (Kernbach, Eppler and Bresciani, 2014).
6. Pictures and visual presentation suggested as the best form of presenting when communicating to employees (Ertel and Solomon, 2014). Too many bullet points and written words were not as effective in an audience recall of the information (Ertel and Solomon, 2014).

**Question 1: How do you communicate?**

The question was intended to obtain a general understanding of each segment’s (top and lower performing) branch managers’ most preferred method of communication to their employees.

Team meetings had the highest frequency for both segments. There is therefore no difference in how the top performing and lower performing branches’ employees are communicated to by their line managers. The top segment however used a method of providing information via email to their staff to read up on in order to be prepared for the meeting. Even if the employees did not understand the information, they were aware of what was to be discussed and were required to be prepared to ask any questions. This meant that they did not come into the meeting unaware of the contents. The other difference found was that the top segment had some managers who tested for understanding of the message during the meeting.

**Table 4-9: Form of Communication**



## Question 2: What form of communication do you make the most use of with your team?

This question was intended to test if there was any difference to what the secondary research had established, that verbal communication was the best method compared to written communication and other forms of communication. Communicating through speaking is the most effective form of communication (Panda, Kumar and Rahamadulla, 2015). Face-to-face communication was recommended by Kerbacj, Eppler and Bresciani (2014).

The majority in both segments made use of verbal communication; however, it was found that the top performing segment made use of other forms of communication more than the lower performing segment. In the secondary research it was found that more than one form of communication is required to be effective. This therefore confirms previous research. Not many branch managers in both segments made use of the option of Skype for Business groups to stay connected during the day and for employees to bounce ideas or questions off each other.

**Table 4-10: Main Method of Communication**



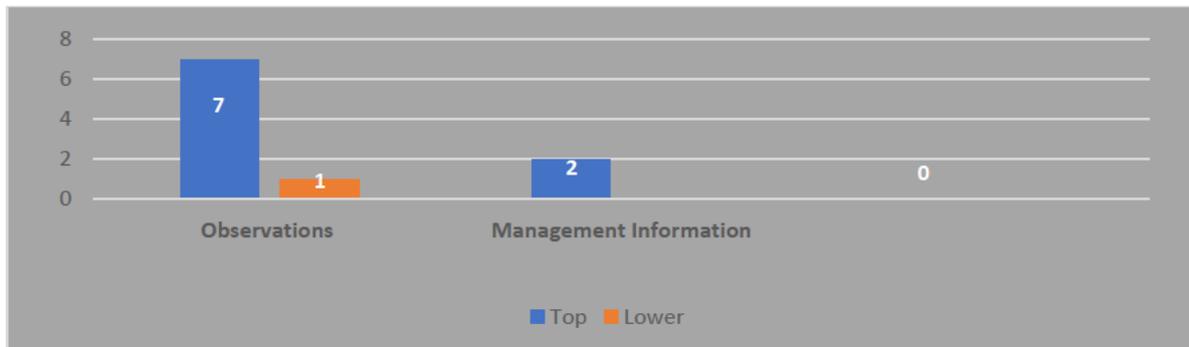
## Question 3: How do you ensure consistency of your message?

This question was intended to establish any methods that managers used to ensure their message had been understood by all their employees in the same way.

The top segment used observations of staff and monitoring of management information data received from the organisation to ensure that their employees had understood the message and were applying the learnings from their meetings and written communication. The management information was used to identify where something was going wrong and then an observation would be done to identify why there was a problem. The lower segment had no consistency in what they did to ensure

consistency. Two used their lower management staff to check, and another waited for staff to advise if they did not understand.

**Table 4-11: Consistency of Message**

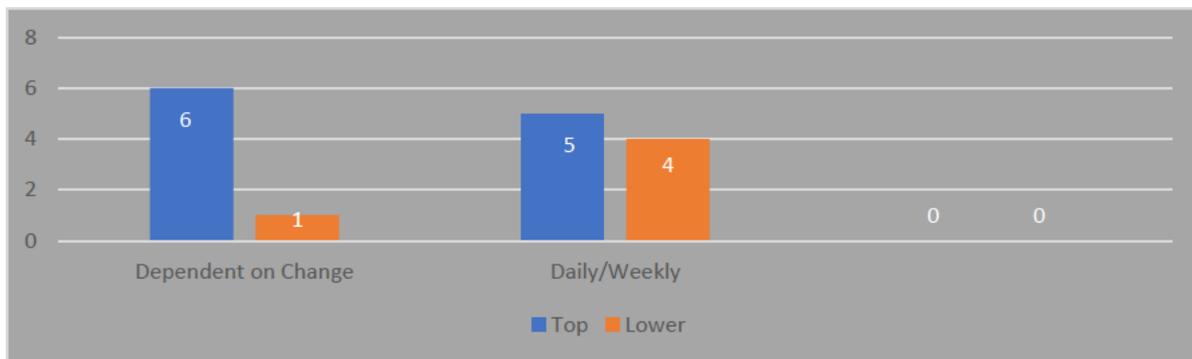


**Question 4: When there is a change in strategy how often would you hold communication sessions – please explain?**

This question was intended to identify whether the top managers' focus was more on communication as a journey rather than a once off meeting with employees implementing and thereafter no further communication.

The top segment was more consistent in how many communication sessions they held with their staff. Their decisions were based on the change itself, and the extent of the change. This indicated a more strategic approach rather than wasting valuable time on communicating more than is required. In the lower segment, only one respondent looked at the specific change as being dependent on the number of times they would communicate a message. There was no significant difference in when sessions would be held with most of the respondents in both categories, using daily or weekly sessions. Suffice to say that the top segment would either do daily or weekly meetings dependent on the change, whereas the lower segment chose specific days of the week to communicate only.

**Table 4-12: Number of Communication Sessions**



**Question 5: Do you allow for open and honest discussion and how do you do this?**

The reason for this question was to establish if staff were provided the opportunity to clarify and question their understanding of the strategy as well as to be able to openly challenge decisions made. To ensure the message is remembered, engagement is required, and to obtain the engagement, staff need to be involved in the communication process. Engagement also assists with learning and fewer mistakes, as found in the secondary research conducted. The involvement of employees in open and honest communication assists in the communication process for effective strategy execution (Ertel and Solomon, 2014; Kirchmer, 2017; Banks-Hall, 2017).

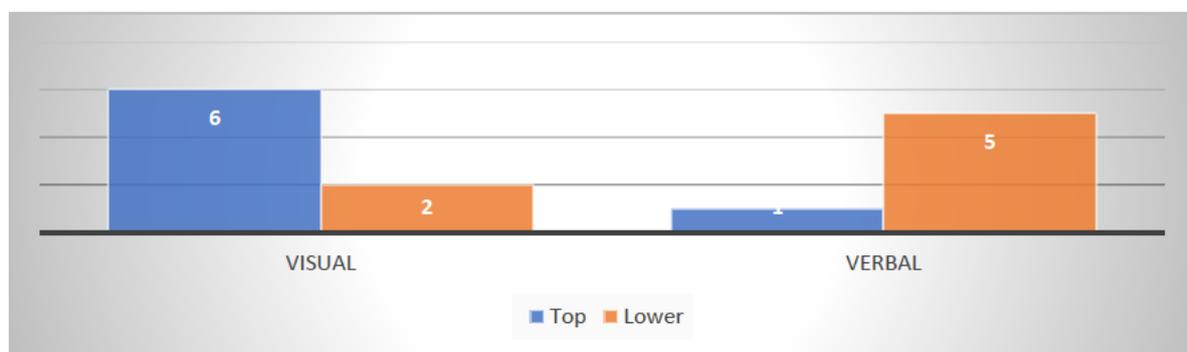
This question added no insight in that all the top performing and lower performing managers felt they had open and honest discussion. One manager in the top performing group explained that a bowl was used with the names of the team, and this was used to choose a team member to talk or question or reflect on what is being discussed. All other managers said they allowed staff to give open feedback, however there was nothing specific on how they do this. The interviewer realises now that probing should have been done.

**Question 6: How do you present information when communicating?**

During the secondary research it was found that visual presentation with pictures is more effective than presentations with bullet points in that people remember more from visual than purely oral presentations (Ertel and Solomon, 2014). The question was therefore included to establish whether the top versus the lower performing branch management did something different when presenting information to their teams.

It is clear from the results that the top performing managers use more fun and visual ways to present to their teams than the lower performing who use verbal explaining of the information to their teams. Some examples provided in the interviews were the use of diagrams, charts, visual explanation on white boards, fun scenarios, and motivational videos. Pictures and visual have been found to be the most effective for memory of a message (Ertel and Solomon, 2014). This proves relevant in terms of the top performing managers using this style of communication versus the bottom performing managers.

**Table 4-13: Presentation of Information**



#### 4.3.4 Leadership

In Radomska (2014), it was found that competencies had no impact on execution effectiveness, but that knowledge and experience may have. Because the researcher could not find anything conclusive on this in the secondary research, this was included. The questions in the interview guides were based on whether knowledge and experience were important for the managers to be effective when executing strategy.

Question one and question two have been placed into a table to depict the answers. The questions were intended to identify if there was any correlation between the experience that a respondent had and the way they managed their branch to achieve results.

The top performing respondents had an average of nineteen years' banking experience and thirteen years' management experience. The lower performing respondents have slightly more banking experience of twenty-five years, but the same management experience of thirteen years. Three of the lower performing respondents

have more than thirty years' banking experience, however there are also some respondents with fifteen or less years of experience.

**Table 4-14: Respondents Leadership and Banking Experience**

Respondent Number	Top or Lower Performing Respondent	Number of Years' Experience in Banking	Number of Years' Experience in Managing People
1	Top	19	9
2	Bottom	40	15
3	Top	26	17
4	Bottom	43	15
5	Bottom	24	18
6	Top	23	15
7	Bottom	10	4
8	Top	9	5
9	Bottom	15	10
10	Top	15	18
11	Bottom	13	10
12	Top	28	24
13	Bottom	32	21
14	Top	16	11

**Question 3: Do you involve all staff in changes, and if so, how do you do this?**

It is important to keep to the people on the ground (Kanter, 2017). Banerjee (2017) suggests making use of all employees at all levels to garner collective learnings. This question was to find out if an entire team is involved in a change or just those that it impacts directly.

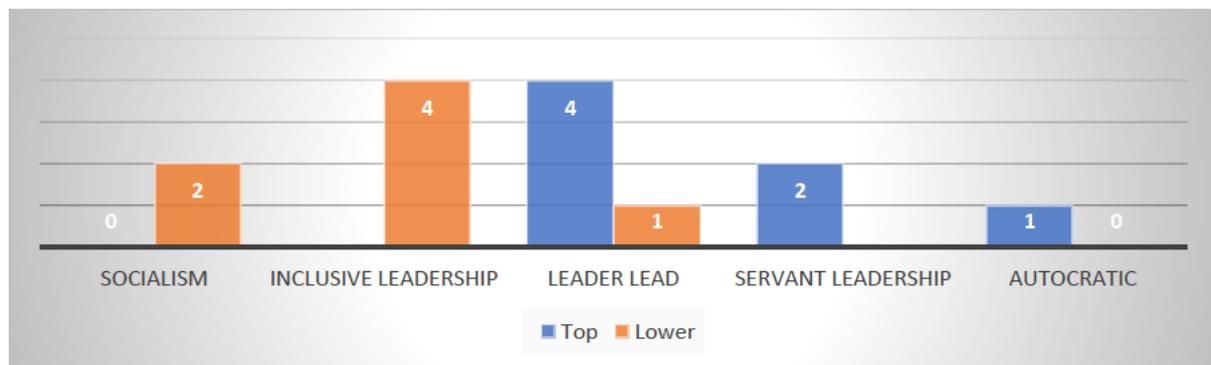
All the top performing respondents answered that they include all the team and not just those staff that are impacted directly. In the lower performing, only one said that they kept the meeting only with those directly impacted.

**Question 4: What do you believe your overarching leadership style is? In other words, how do you like to lead/treat your staff?**

This question was intended to find out if any specific leadership style leads to enhanced execution of strategy. Secondary research was inconclusive as to the type of leader required in a VUCA environment, with various suggestions observed. The

VUCA environment requires leaders, more than operational managers (Bennis, 2015). Transparency of information, allowing staff to propose their own ideas, and sharing of learnings was suggested by Leitch and Lancefield (2016). Leaders need to be able to change direction quickly (Kanter, 2017; Leitch and Lancefield, 2016). Mahlomotja (2018) suggests that leaders need to be transformational leaders, and Banerjee (2017) suggests adaptive leaders need to be able to adapt quickly in a VUCA business world. In the top performing respondents, there were more leaders who lead by example and through servant leadership versus most of the lower performing who referred to their leadership style as inclusive leadership.

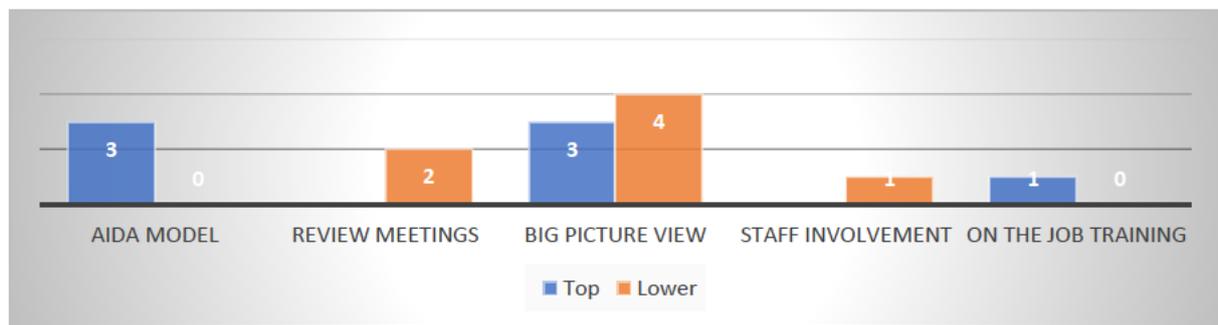
**Table 4-15: Leadership Style**



**Question 5: How do you influence your team to implement changes?**

Leadership is about influencing employees (Dick *et al.*, 2018). Leaders need to be able to challenge without causing employees to be unhappy (Leitch and Lancefield, 2016). Transparency of information, allowing staff to challenge and propose their own ideas, and sharing learnings creates a good environment for strategy execution (Leitch and Lancefield, 2016). How to influence was not the topic of this research and the question was asked to gain learnings from the managers. There was no significant difference between the top performing and lower performing respondents except that three of the top responders answered that they used the AIDA Model to influence their team. AIDA stands for – attention, interest, desire, and action. Other than this, both groups used the benefits of the strategy to influence their team.

**Table 4-16: Influencing the Team**



**Question 6: How do you ensure your team commits to what is required?**

This question was to gain information on commitment from the employees for the manager, and how the manager obtained the commitment. This question is based outside of the process but rather on the people and therefore was included in the leadership section. Managers need their employees to embrace change (Manning, 2017). The involvement of employees is important (Radomska, 2014). From the answers tabled above for question six, the top performing branches had a wider range of ways they used to ensure commitment by their staff. There was only one factor that was the same across top and lower performing branches and that was obtaining commitment through a signature; the team signed to confirm they understand what needed to be done and were committed to getting it done.

**Table 4-17: Team Commitment**

Top Performer Respondents	Lower Performer Respondents
Create Scenarios	Team Sharing Sessions
Team Influencer	Observations
Feedback session	Root Cause Analysis
Work with Team	Create Competition
Drive Team During the Day	Commit Through Pledge/Signature
Encourage Suggestions	
Ensure the Value is Understood	
Commit Through Pledge/Signature	

### **4.3 Conclusion**

In the review of the interview questionnaires, experience in the role and experience of management of staff did not have an influence on the outcome of the execution of a strategic change. No definitive correlation could be found. The researcher was unable to establish a leadership style, and specific research would need to be conducted on this as a separate research topic. What came out as important was that top managers ensured they understood the change prior to disseminating the change to their teams. Managers needed to plan their strategic implementation, plan their meetings and how many meetings to have that would ensure effective implementation. Depending on the amount of change, choosing champions to be the go-to person for the team was found to be important. Included in the plan, coaching and/or observations were needed to ensure execution was done. Meetings needed ideally to be visual rather than pure verbal communication. Information to manage performance was important, to visually see the change taking place or not taking place. Without information, it would be difficult to manage the change and managers would have to rely purely on observations. Measurement was found important across both top and bottom performing branches. In summary, planning and preparation, communication, tracking, observations, coaching, learning from mistakes, and adjusting were found to be effective implementation strategies.

## **CHAPTER 5: FINDINGS, RECOMMENDATIONS AND CONCLUSION**

### **5.1 Introduction**

This chapter summarises key findings of previous chapters and provides recommendations.

**Chapter one** was an introduction to strategy execution and the importance of this in the phases of strategy. It brought in the difficulty of managing the execution of strategy, compounded in a VUCA world. Paten (2015) stated that many businesses are competent in strategy formulation but are unable to execute their strategies effectively. The chapter brought into focus the gap in the execution of strategy that exists and why it was important to conduct this research.

**Chapter two** presented the literature reviewed in which it was identified that leadership, communication, and the process followed to execute strategy all feature prominently as critical in the execution of strategy. It explored a VUCA environment and how it complicates the environment that businesses operate in. Strategy was reviewed and these key factors' contribution to execution excellence.

**Chapter three** detailed the research methodology and why it was used for this specific research.

**Chapter four** presented the findings from the primary research conducted. The research questions were broken down using graphs and words to explain the findings.

### **5.2 Findings and Recommendation for Strategy Execution Excellence**

The business environment has become more difficult to operate in and therefore requires strategy to be executed quickly and effectively. Strategy execution ensures that a business achieves the strategy it has developed. The achievement of strategy is only achieved through employees and the management of those employees. The findings of the four objectives of this research are summarised below.

#### **5.2.1 Objective 1: The Process for Strategy Execution**

This objective explored what process or processes need to be followed to achieve execution excellence in a business.

**Literature Findings:** Several key findings were evident in the research conducted. For any execution of strategy to succeed, management needs to ensure that they make the strategy simple and understandable for their employees. In most of the literature reviewed, the processes found to be critical in strategy execution were concerned with focusing on the most important goals. Too many goals create confusion. Once these goals are agreed upon, the activities most important to achieving these goals need to be done. Having short deadlines to achieve the goals creates an urgency for getting things done, and for employees to see quick results. All employees need to know and understand the goals. Reducing complexity for employees is important to ensure clarity of focus. Identifying key employees to guide others on the strategy is important. Key leaders, volunteers that believed in the strategy have proven to make a difference in execution. Accountability through using measurements, dashboards and reviews ensure that employees focus on the right things. Using a scoreboard was found to be important in ensuring the focus is placed on the right activities. Discipline in meeting deadlines was also proven to be important. Personal accountability and involvement of all employees with feedback loops and shared learnings must be in place to ensure engagement and buy-in of employees. Feedback to employees and review of how the execution is going must be communicated to all employees. Recognition, reward, and celebration of successes are an important part of the process that must be implemented, and for learnings. The use of key employees or champions were found to be important and ensure accountability.

**Primary Research Findings:** When it came to the process that Nedbank managers followed, they overwhelmingly ensured that they understood the strategic change. Then they would have a meeting with their employees to brief them, with only some managers using champions to drive the change. Nothing came out as a best practice regarding the monitoring of progress, with the majority making use of the management information provided to them by the business. Having their own rollout plan and using checklists came out strong in the top performing respondents. Interestingly, the top performing managers implemented themselves and did not make use of champions initially. However, they did have a key employee that other staff could refer to for assistance, someone whom they considered as a person who could guide the rest of their employees. Several initiatives were used to keep the focus, such as Skype for

Business group chats, observations and coaching, reminders, follow up meetings and daily tracking. Therefore, keeping the focus on the strategy was found to be critical in the process, for effective execution to take place. Involvement of management was seen in the top performing respondents, with engagement directly with employees, with observations and follow ups to ensure execution excellence. More engagement with employees was also conducted through more communication sessions, depending on the size of the change. This ensured employee paid attention to the change and that it was not forgotten; this continued until it was embedded into the day-to-day work.

**Recommendations:** The process followed to ensure execution of strategy is critical. Managers must ensure they understand the strategy clearly before they disseminate it to their employees. They need to make the strategy easy to understand using maps and clear plans. They must identify the most important goals as too many goals cause confusion. These goals must be broken down in smaller quick deadlines. Key employees must be utilised to guide other staff, as someone they can refer to when unsure of something. Accountability and discipline of meeting agreed deadlines must be enforced through measurements, dashboards, and reviews. These reviews must include celebration and rewards for success, and learnings for improvements and/or change of plans. The involvement of all employees is critical, and this must be ensured by open communication channels and feedback loops to management. Hands-on execution is required by leaders, even when making use of champions. Champion use is an added resource a leader has available to assist, not to abdicate duties. This was identified as important in both the primary and secondary research. The researcher recommends that management at Nedbank are specifically trained in the process of strategy execution.

### **5.2.2 Objective 2: The Influence of Communication on Strategy Execution**

Within the process of strategy execution, communication plays an important role in that the goals and strategy must be understood, and the staff minds and hearts must see the big picture.

**Literature Findings:** Communication in the execution of strategy was found to be extremely important. For employees to understand the strategy to execute on it, communication must be clear and easily understood by them. It was found that

communication must be delivered by the leaders in a business, but most importantly, by immediate supervisors first. Constant and consistent communication given in bite-sized pieces helps with the understanding as it makes the strategy more understandable and does not overwhelm the employees. Communication must be open, with a two-way conversation and employees able to give feedback. The involvement of employees and the identification of key influencers adds to effective execution of strategy. The inclusion of employees is critical. A communication plan must be prepared for any strategic change which should include the audience, outcomes required, reason for the change and how the communication will be delivered. The way communication is delivered was found to be critical, with slides and bulleted lists not effective. Visual diagrams and pictures are more effective in ensuring the message is understood and remembered. In addition, speaking rather than the written word was found more effective in communication delivery. The information and communication of strategy and goals need to be structured and understandable for employees to be able to implement. Communication must continue until the strategy is effectively embedded into the everyday work.

**Primary Research Findings:** Team meetings were used in all cases to communicate. Top managers prepared in advance of these meetings and provided written communication to their teams prior to the meeting, expecting their team to have gone through the material and to be more informed than if they heard it for the first time in the meeting. This ensured better understanding and facilitated more conversation as the employees had time to reflect on the material. Verbal communication was most preferred, with top managers using Skype for Business and email as well. Observations were found to be key in ensuring that the communication had been understood. The number of communication sessions were dependent on the extent and type of change so as not to waste time over communicating where it was a small strategic change. All managers confirmed that they encourage open and honest discussions, and this appeared to be the norm across both the top performing and lower performing respondents. The use of visual communications was well used amongst the top performing respondents. None of the managers in the top or lower performing branches appeared to have a specific plan or would devise one at the time. They tended to stick to the same communication process they always used. Verbal face-to-face meetings were the most frequent communication

**Recommendations:** A communication plan must be devised depending on the extent of the change or strategy, and in both the primary and secondary research this was prevalent. Businesses must ensure their managers understand that communication is key to the success of any strategy. Communication must be in bite-sized chunks and continue until it is embedded. Immediate managers should be the ones to give the communication. Within the communication plan would include the listeners of the message and the method of communication. The top method of communication is verbal communication, and when presenting verbally, visuals and pictures must be used as bulleted slides have proven to be ineffective. Employees must be given the opportunity to openly challenge, and for there to be two-way conversations. All the Nedbank managers should break down a strategy into easy-to-understand points as the top performing respondents did. They should make use of different communication types, not only reading out of information, as in the case of the lower performing respondents.

### **5.2.3 Objective 3: The Influence of Leadership Knowledge and Experience in Strategy Execution**

In this objective, the knowledge and experience of a leader on being an effective strategy executor was compared to the secondary research and the literature review.

**Literature Review Findings:** In the research conducted, it was established that the competencies of a manager do not influence how effective they were in the execution of strategy. However, it was noted that knowledge and experience may still be important for managers to have (Radomska, 2014).

**Secondary Research Findings:** When comparing experience and knowledge in banking between the top and the lower performing branch's managers, there was no indication that this made a difference in their execution of strategy. The top performing respondents had an average of nineteen years' banking experience and thirteen years' management experience. The lower performing respondents had slightly more banking experience, twenty-five years, but the same management experience of thirteen years. Three of the lower performing respondents have more than thirty years' banking experience, however there are also some respondents with fifteen or less. If the researcher focuses the on the banking experience, this does not indicate that experience assists with executing strategy more effectively. However, one could

question, would the same apply to a branch manager with one year's experience? The research was based on lower and top performing branches, and the years of experience was not considered in the selection of the respondents. This would require further investigation if more experience in a specific role is a disadvantage in a VUCA world.

**Recommendations:** There is no clear indication that experience in banking and/or experience in the management of staff assists or hinders in the execution of strategy. The secondary research conducted indicated that experience may be important in the execution of strategy. The researcher concludes that this is not an indicator and may only be an indicator if the experience in the role is very limited, which was not tested. It is recommended that management should not be excluded from leading strategy execution based on lack of experience; there are other factors which may ensure a manager is a good executor of strategy. Leadership is a critical factor in execution and a leader must be developed to execute effectively. This was beyond the scope of the research and was only established after the primary research was conducted. As indicated, there is far more to an effective leader than years of experience and years in a management role.

#### **5.2.4 Objective 4: The Influence of Leadership Style on Strategy Execution**

A leader ensures that change takes place by winning the hearts and minds of their employees. The objective reviews what type of style is important in a manager, to ensure they can execute their given strategy effectively.

**Literature Review Findings:** The reason why the execution of strategy often fails is due to both the management and employees of a business. Management is important in the execution of strategy. They lead the changes and are important in obtaining the buy-in from employees. They do this through their influence and are at the forefront of where execution takes place. Important factors found for a leader to have include emotional intelligence, communication skills, able to have a structure in place when executing, agility, knowledge, able to cope with change, ability to get buy-in from employees, and delegation capabilities. Successful leaders ask for guidance from others, move fast and do not wait for all steps to be completed before moving to other steps. They choose champions and have no rigidity in their process, they keep close to the people on the ground and when something is not working, and they change

quickly. They share responsibility, empower, develop, are transparent with information, allow staff to challenge, and share learnings. The research found that it is important to be a transformational leader and a strategic leader, as well as an adaptive leader. There was no specific style that was common among the papers researched that the researcher could draw conclusions from. Most of the literature was on what a leader needs to do and not an overall style. This may imply that no one style of leadership encompasses all that a VUCA strategic leader or manager requires.

**Secondary Research Findings:** Importantly in the top performing branches, the manager included all the team even if they were not directly impacted; this therefore indicates that a connected team is important. The type of leader did not indicate an overwhelming type of leader, except that the lower performing felt they were more of an inclusive leader and the top performing felt they were leader-led. This may indicate that the lower performing managers do not lead by example and may not be providing enough direction to their employees on what is required to be done. This would need more research to be conclusive. When it came to the manager influencing their employees, the top performing all focused on getting their attention and buy-in by using the big picture view through the AIDA principle and other means. To obtain commitment, a pledge or signature came out strong in the top performers.

**Recommendations:** Managers and leaders need to focus on ensuring they get buy-in from their staff. The Nedbank top performing managers used a tool for this and much of the primary research refers to getting the buy-in from staff. A leader needs to be agile, responsible, persistent, and able to change direction quickly without all the information being at hand. Managers must include all their staff when communicating a strategic change and allow for two-way open conversation. As soon as reviews have been conducted as recommended in the process of strategy execution, the manager must be able to change direction quickly. The impact of a manager in the execution of strategy has been mentioned often in this research as being critical. A manager needs to be a leader who can bring along employees and get their continued commitment. Managers need to be leaders for a VUCA environment (Bennis, 2015). Leaders rally their employees (Miller and Morey, 2016). The researcher refers to this and recommends that managers need to be trained to be leaders. It can be concluded that experience in an industry does not indicate effective strategy execution. This may infer

that managers need training on the execution of strategy. This was out of the scope of the research conducted.

### 5.2.5 Summary of Recommendations

The figure below provides an overview of the research findings from the primary and secondary research on what is required in strategy execution. This is summarised by the researcher under four headings for ease of reference. Making use of this process, which includes communication, may ensure execution excellence. Communication was separated as a factor of its own in the research, as the researcher found from the literature review that communication forms a major role in execution of strategy. It is however required in the entire process of the execution of strategy and therefore it is included in the below figure. Leadership drives the process of the execution of strategy and was found to be an important factor to ensure that the strategy is effectively executed. Leaders gain the commitment of their employees, for them to execute diligently. Leaders drive the process embedded in the figure below.

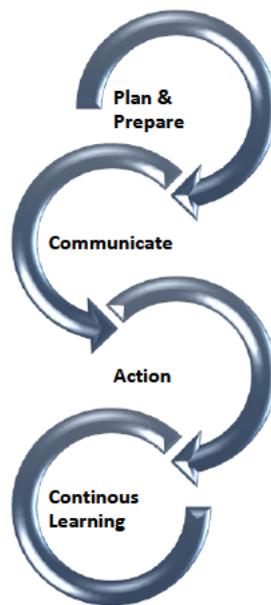


Figure 5-3: Strategic Execution Framework

Author: 2021

Strategy execution requires a leader who, on receiving a change to be executed, is able to plan and prepare, then communicate the changes, then put actions into real-time, ensure there are reviews, and implement continuous learning to change activities quickly, if they are not working to achieve the goals.

## **1. Plan and Prepare**

- Review to understand the changes.
- Decide on the focus areas, activities, and goals.
- Structure a communication plan – how much communication is required, what type of communication, when and to who.
- Identify measurements and dashboards and prepare these.
- Identify individuals as champions to support other employees.

## **2. Communicate**

- Communicate to the team as per the planned communication strategy designed in the first step.

## **3. Action**

- Use measurement to drive execution of changes through analysis and communication to stakeholders.
- Implement key individual and introduce to the team.
- Implement coaching and observations as well as checks and tools to guide the teams and to check for consistency of implementation.
- Ensure communication continues until the activities are embedded into daily work.

## **4. Continuous Learning**

- Two-way open feedback loops to ensure continuous learning.
- Implement and share changes.
- Change direction immediately from learnings gained.

Continuous diligence is needed in following through on the process, and communication and more communication, until a change has been implemented into the day-to-day work of employees. Leadership is not included in the above, however it has already been concluded that management and the employees are critical to the execution of strategy. Without leadership inspiring their employees and ensuring they are committed; the strategy will fail.

## **5.5 Conclusion**

In terms of the process undertaken, the use of key employees or champions as found in the secondary research added value to the execution of strategy, as the individual was there for other employees to go to if they needed guidance. In the primary research, the top performing and lower performing managers made use of champions; however the top performing did not include this as part of the process but rather as an additional resource for themselves. The use of scoreboards did emerge as an important management tool, providing information that was used to drive the change and to retain focus. The use of checklists and sharing of learnings was found to be important in ensuring focus on the goals. Nedbank lower performing and top performing respondents all made use of management information. The researcher suggests that the lower performing respondents may not be using the information in the same way as the top performing respondents. Managers need guidance on how to disseminate information to their teams and this could be in the form of a guidance document on the changes, broken into small bite-sized pieces so that teams are not overwhelmed. This would prevent managers from emailing all the changes to their teams and would help them to guide their teams through the changes effortlessly. Providing key cards or key notes, particularly with big changes, would assist. Training of managers on how to prepare their own implementation plan, including a communication plan, would assist. This is in light of the research finding that experience in banking may have assisted to a certain extent, but how the message was delivered, and the process managed to ensure complete implementation of execution was more important.

In leadership, the experience and process followed was found to be critical in the secondary research conducted; however the experience was not an indicator of the performance of a branch lead by a top performing manager or lower performing manager. Sharing, collaboration, transparency and learnings were important, and were confirmed in the primary research in that top performers used these to improve the execution of strategy.

Important for communication was two-way communication, inclusive of all employees, team meetings, and visual communication with less written communication and more verbal communication by line managers. This came out strongly in both the primary and secondary research conducted.

## **5.6 Recommendation for Future Studies**

Future studies should include project and change management and their impact on the execution of strategy. Further studies to take the interest of strategy execution to the employees who through their leaders execute on strategy. Do organisations train their managers on how to execute strategy? A look into the attributes of a successful strategic implementer would add value, as from the research conducted, it may be concluded that it is not about the experience of a leader but rather about certain attributes which could be developed and which are needed, far more than experience, to survive in a VUCA world. A manager would need to have project and change management training as this would guide a manager on how to present information, how to track progress, and to maintain the journey to conclusion. The researcher found that more research is required in terms of each of the critical factors found in the secondary research. Research needs to be conducted purely on the process a manager needs to take to ensure execution effectiveness and on communication. Then separate research should be carried out on what leadership skills are required. The study of the execution of strategy is complex and needs to be a subject of its own.

## **5.7 Summary**

This chapter merged the findings from the primary and secondary research conducted and provided recommendations for leaders in business and at Nedbank. It confirmed that the process a leader follows in executing a strategy is critical for effective execution. The process includes the communication of the strategy to their employees, and consistent communication until the strategy becomes a day-to-day activity for the employees. A leader is important in the role as the communicator, in ensuring employees are engaged, in maintaining focus, and in making a strategy easy to follow and execute by employees.

Nedbank can improve strategy execution in their branches by training their managers in the application of strategic execution. The managers require a full process to follow and how to communicate a strategy effectively. They need to be schooled on how to develop their own strategy to implement the Nedbank strategy. This can be in the form of formal training on strategy and should include change management and project management. This will develop the lower performing managers and uplift the performance of the top performing.

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## APPENDICES

### Appendix 1: Interview Invitation Letter to Respondents

Dear respondent

I, **Cheryne Scott**, am a part time postgraduate student of the University of KwaZulu-Natal in South Africa. I am in the Faculty of Management in the School of Management, Information Technology and Management based at the Pietermaritzburg campus. I am undertaking a research project titled: The Execution of Strategy at Nedbank Branches in KwaZulu-Natal, South Africa. This project is being supervised by Dr Abdulla Kader and co-supervised by Professor Maxwell Phiri of the University of KwaZulu-Natal.

I am writing to invite you to consider participating in this study of strategy execution. The aim and purpose of this study is to explore prior strategy execution research undertaken and compare it to what branches in Nedbank Retail Banking are doing to achieve execution excellence. Fourteen (14) managers are expected to take part; seven (7) top performing branches and seven (7) lower performing branches specifically to compare if there are any differences in how you execute strategy and if there are any factors that contribute to effectiveness or ineffectiveness. Your participation however in this study is purely voluntary but you are assured that your anonymity will be protected by the researcher.

This study will involve a discussion in the form of an interview that will last approximately one (1) hour during which I will be asking a range of questions on your experience and management of three themes; the process or method you use to execute strategy, your communication methods, and your leadership. The questions will be open-ended and non-judgemental, allowing you to elaborate on your experiences and learnings. The interview will be audio-recorded on agreement with you, the participant, to ensure I have an accurate record of what is said. Interview transcripts will remain confidential and short extracts will be used to generate findings that will form the basis of my Master's dissertation.

It is my hope that this study will assist in identifying what works and what does not work in terms of strategic execution and in doing so help businesses to compete more effectively by executing on the strategy they devise.

This study has received ethical approval and clearance by the UKZN Humanities and Social Sciences Research Ethics Committee (approval no HSS/0971/01817). As the researcher I undertake to cover any direct costs involved in this study.

All data, both electronic and hard copy, will be securely stored during the study and archived for 5 years. After this time, all data will be destroyed.

Please contact **Cheryne Scott** if you have any questions about the study or would like more information.

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Humanities and Social Science Ethics (HSSREC) Research Office,

Govan Mbeki Building, Westville Campus, Private Bag X54001, DURBAN 4000

Tel: 031 260 8350 [Snymanm@ukzn.ac.za](mailto:Snymanm@ukzn.ac.za)

Thank you in advance for your cooperation with this research exercise.

Yours sincerely

Cheryne Scott

## Appendix 2: Informed Consent Form

**Title of research project:**

The Execution of Strategy at Nedbank Branches in KwaZulu-Natal

**Name and Position of Researcher:**

Cheryne Scott, Postgraduate student, School of Management, IT and Governance, University of KwaZulu-Natal.

### INFORMED CONSENT FORM

I, \_\_\_\_\_, confirm that I have read the information sheet that describes this study and have had an opportunity to ask questions to understand the purpose of the study.

I understand that my participation is **voluntary** and that I am free to withdraw at any time without giving any reason.

I understand that I do not have to answer all the questions if I **do not** wish to and may take a break or leave the interview at any time.

I understand that if I have any questions or concerns about my rights as a study participant, or if I am concerned about an aspect of the study or the researchers then I may contact:

**Mrs. Mariette Snyman**

Humanities and Social Science Ethics (HSSREC) Research Office,  
Govan Mbeki Building, Westville Campus, Private Bag X54001, DURBAN 4000  
Tel: 031 260 8350 [Snymanm@ukzn.ac.za](mailto:Snymanm@ukzn.ac.za)

I am aware that any information I provide will be treated in the strictest confidence.

Please tick box

**Yes**      **No**

I agree to take part in an audio-recorded interview.

<input type="checkbox"/>	<input type="checkbox"/>
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I give permission for brief extracts of my interview to be used for research purposes with strict adherence to anonymity.

<input type="checkbox"/>	<input type="checkbox"/>
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**Signature of participant:** \_\_\_\_\_ **Date:** \_\_\_\_\_

## Appendix 3: Interview Questionnaire

### In- depth Interview guide

#### Preamble:

- Morning/Afternoon – I am Cheryne Scott
- Thank you for agreeing to the Skype-for-Business meeting.
- You will have received my email in which I explained the purpose of the interview, I will repeat this though. I am doing research on strategy execution for Master in Commerce: Management through UKZN. I have chosen you as a participant either because your branch is a top performing or lower performing branch provided to me by your regional manager. Your answers will add to the existing knowledge on what works and what does not work in strategy execution. Please be honest in your feedback. All answers will be completely confidential, and no interview results will be shared with anyone. The results will look for common themes from 14 managers and will not be individualised in anyway. You have my personal assurance of complete anonymity.
- It is your experiences and opinions I am seeking and encourage you to express yourself openly on how you manage strategy execution in your retail branch.
- You have a right to confidentiality and anonymity, and **do not** have to answer all questions.
- I need to record this interview on Skype so that I can check that I have understood the message. Test the recording device.
- Do you have any questions?
- Thank you for receipt of the **signed** informed consent form

#### INTERVIEW SCHEDULE

**Scenario:** Managers will be asked to think about a time when he/she had to implement/execute a change in strategy or process and then reply to the below questions which will be posed to them. (FICAA Changes, Core+, Eclipse)

#### A. Method/Process Undertaken

- 1 How do you execute any changes? Please explain the process you follow with your team.
- 2 How do you monitor and control progress of any changes?
- 3 Do you have any measurements or tools you use to check that changes have been made? Please explain them.
- 4 Do you ever draw up your own plan when initiating changes – if so how?

- 5 Do you assign an individual as a champion in your branch when there are changes or do you implement on your own? *If yes, please elaborate.*
- 6 Do you have your own strategy you follow when implementing changes?
- 7 How do you handle instances where your staff do not put into practice what you have communicated to them?
- 8 Do you use the lessons learnt document and do you find it valuable to ensure continuous improvement/learning and how do you use it?
- 9 Do you make use of the Flawless Execution Model? If yes how do you use it and if no, why do you not use it?
- 10 Have you heard of the 4 Disciplines of Execution and how do you use this as a guide?

## **B. Leadership**

- 1 How many years of experience do you have in banking?
- 2 How many years of experience do you have in managing people in banking?
- 3 Do you involve all staff in changes and if so, how do you do this?
- 4 What do you believe your overarching leadership style is in other words how do you like to lead/treat your staff?
- 5 How do you influence your team to implement changes?
- 6 How do you ensure your team commit to what is required?

## **C. Communication**

- 1 When there is a change how do you communicate with your staff?
- 2 Which form of communication do you make the most use of with your team – verbal, email, Skype, group sessions or individual sessions
- 3 How do you ensure consistency in your message?
- 4 When there is a change in process/strategy how often would you hold communication sessions? Please explain.
- 5 Do you allow for open and honest discussions and how do you do this?

Are there any suggestions or insights you have found to aid in strategy execution from your experience that may not have come up in the interview?

## Appendix 4: Ethical Clearance Letter



07 August 2018

Mrs Cheryne Jane Scott (214568809)  
School of Management, IT & Governance  
Pietermaritzburg Campus

Dear Mrs Scott,

Protocol reference number: HSS/0971/018M  
Project Title: The Execution of Strategy at Nedbank Branches in KwaZulu-Natal

### Approval Notification – Expedited Application

In response to your application received 24 July 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

  
.....  
Professor Shenuka Singh (Chair)

/ms

Cc Supervisor: Mr Alec Bozas  
Cc Academic Leader Research: Professor Isabel Martins  
Cc School Administrator: Ms Debbie Cunyngame

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Humanities & Social Sciences Research Ethics Committee  
Professor Shenuka Singh (Chair)

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Website: [www.ukzn.ac.za](http://www.ukzn.ac.za)

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