

**AN INVESTIGATION INTO STRATEGY IMPLEMENTATION: THE CASE OF
THE ZIMBABWE MINING DEVELOPMENT CORPORATION**

by

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DECLARATION

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ABSTRACT

The aim of this research was to investigate the challenges to effective strategy implementation at the Zimbabwe Mining Development Corporation (ZMDC). Strategic planning is argued to have overshadowed the area of actual strategic implementation. Organisations put a lot of effort into drafting good plans, but do not put equal effort into their realisation. It was assumed that there is a big gap between strategic planning and implementation. This is what drove the researcher to go into the field and explore the situation at the ZMDC in greater depth in a bid to bridge the gap through research on the subject matter.

Literature on strategy and strategy implementation was analysed critically. The research was guided by the post-positivism research philosophy. This research paradigm enabled the use of qualitative methods, which facilitated the interaction with respondents. The case study research design was adopted, as the research sought to discover the impediments to strategy implementation and the best way forward in turning the strategies on paper into action.

The major findings were that there indeed were loopholes in strategy implementation at the ZMDC. The challenges to the strategy implementation process at the ZMDC were noted to be poor delegation, lack of training and development, poor ethical values, limited resources, low motivation of employees, poor communication and coordination, lack of control and poor teamwork. The organisation was noted to have deficient communication processes, which contributed to the challenges facing strategy implementation. The findings brought to light the fact that strategic planning starts with the executive management, hence the need for their commitment to owning the entire process of strategic planning and execution. The study revealed limited involvement of staff in the initial stages of developing strategy.

In order to enhance the implementation of strategies, it was recommended that motivational leadership at the ZMDC had to be ensured. Leadership, ownership and drive are required to compete effectively and to deliver growth. Management should adopt the 'Strategy into Action' planning approach, charting a course through performance factors, linking strategic thrusts to projects, as well as departmental and individual activity, with the ultimate goal

being to enable the ZMDC to effectively translate strategic goals into results in a clear and inclusive process. To turn strategic desires into action that drives results, the ZMDC leaders need to develop strategic thrusts and broad-based action plans, putting the vision to light, and picturing to everyone what would be viewed as strategic success and what it takes to achieve and measure the desired outcomes.

OPSOMMING

Die doel van hierdie navorsing was om ondersoek in te stel na die uitdagings vir doeltreffende strategie-implementering by die Zimbabwe Mining Development Corporation (ZMDC). Daar word aangevoer dat strategiese beplanning wesentliche strategiese implementering oorskadu. Organisasies werk hard aan die opstel van goeie planne, maar werk nie ewe hard aan die verwesenliking daarvan nie. Die aanname is gemaak dat daar 'n groot gaping tussen strategiese beplanning en implementering is. Dit het die navorser aangemoedig om die situasie by ZMDC prakties en op diepgaande wyse te ondersoek ten einde hierdie gaping deur navorsing oor die onderwerp te oorbrug.

Die literatuur oor strategie en strategie-implementering is krities ontleed. Die navorsing is gerig deur 'n post-positivisme-navorsingsfilosofie. Hierdie navorsingsparadigma het die gebruik van kwalitatiewe metodes moontlik gemaak, wat interaksie met die respondente in die hand gewerk het. 'n Gevallestudie-navorsingsontwerp is gebruik, aangesien die doel van die navorsing was om die struikelblokke tot strategie-implementering en die beste pad vorentoe om strategie op papier in aksie oor te skakel, te bepaal.

Die vernaamste bevindings was dat daar wel skuiwergate in strategie-implementering by ZMDC is. Die uitdagings rakende die strategie-implementeringsproses by ZMDC is geïdentifiseer as swak delegering, gebrek aan opleiding en ontwikkeling, swak etiese waardes, beperkte hulpbronne, lae motivering van werknemers, swak kommunikasie en koördinerings, gebrek aan beheer en swak spanwerk. Daar is gemerk dat die organisasie gebrekkige kommunikasieprosesse het, wat tot die uitdagings vir strategie-implementering bydra. Die bevindings het aan die lig gebring dat strategiese beplanning by die uitvoerende bestuur begin, en dus is hul toewyding tot eienaarskap van die algehele strategiese beplannings- en uitvoeringsproses noodsaaklik. Die studie het beperkte betrokkenheid van personeel by die aanvanklike fases van strategie-ontwikkeling getoon.

Ten einde die implementering van strategieë te bevorder, is die aanbeveling om motiveringsleierskap by ZMDC te verseker. Leierskap, eienaarskap en dryfkrag is nodig om doeltreffend mee te ding en te groei. Die bestuur moet die beplanningsbenadering van

‘Strategie in Aksie’ aanneem, wat die weg deur prestasiefaktore aantoon en strategiese dryfkrigte aan projekte asook aan departementele en individuele aktiwiteit koppel. Die uiteindelijke doelwit is om ZMDC in staat te stel om strategiese doelwitte doeltreffend in ’n duidelike en insluitende proses in resultate om te skakel. Ten einde strategiese strewes in aksie wat resultate lewer om te skakel, moet ZMDC se leiers strategiese dryfkrigte en breedgebaseerde aksieplanne ontwikkel, waardeur die visie duidelik gemaak word en almal duidelikheid het oor wat as strategiese sukses beskou word en wat dit verg om die gewenste uitkomst te bereik en te meet.

DEDICATIONS

This dissertation is dedicated to my lovely wife Makanaka, and my children Blessing, Tinashe, Grace and Olivia, who gave me total support during my research.

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The journey to completing this research was very difficult. At one time I was very excited, and at other time was on the point of giving up. Despite all that, this research is now complete, due to a number of incredibly supportive and patient people to whom I am greatly indebted.

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I wish to extend my sincere gratitude to all my friends and family – your support was wonderful throughout all the years. You have supported me through the difficult times of my life. Even though I may have not spent as much time as I would have loved to with all of you, you have been there for me. Thank you very much.

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LIST OF ACRONYMS

AIDS	Acquired Immunodeficiency Syndrome
AMZ	Associated Mine Workers of Zimbabwe
GDP	Gross Domestic Product
GNU	Government of National Unity
HIV	Human Immunodeficiency Virus
MMCZ	Mineral Marketing Corporation of Zimbabwe
MTD	Messina Transvaal Development Group
NGU	Government of National Unity
PEST	Political, Economic, Socio-Cultural and Technological
NGOs	Non-Governmental Organisations
SOEs	State Owned Enterprises
SBU	Small Business Units
ZESA	Zimbabwe Electricity Supply Authority
ZMDC	Zimbabwe Mining Development Corporation

CHAPTER ONE: INTRODUCTION

1.1 BACKGROUND TO THE STUDY

The aim of this research was to investigate the challenges that exist in the strategy implementation process within the Zimbabwe Mining Development Corporation (ZMDC). At the time of this case study, the mining industry was facing serious problems. The country was also facing very difficult macro-environment factors, and the ZMDC was not spared. These factors can be grouped into political, economic, socio-cultural, technological, legal and ecological factors. Mining industry managers (at the ZMDC especially) are faced with rapid changes in the external environment. The entrance of new players into the industry, economic policy changes, new management styles, and also new strategies, usually keep managers occupied to stay on par in a competitive environment (Prahalad & Hamel, 1990: 79-91). This leaves managers with limited time to concentrate on the strategy implementation process.

Strategy implementation can be complicated or complex, therefore this is an area that is neglected by management (Heracleous, 2000:75-86; Johnson, 1987; Pettigrew, 1985:269-318). Managers usually spend most of their time crafting strategies. This research does not intend to discourage attention being paid to strategy formulation, but attempts to raise awareness of the strategy implementation process, which is also a significant event in strategic management compared to strategy formulation (Vasconcellos, 1990:23-32). One of the key managerial skills is the ability to implement strategy (Miller, 1998). The ZMDC was given a broad-based mandate, as laid out in section 20 of the ZMDC Act, Number 31 of 1982. For the ZMDC to achieve its aims and objectives, it set up strategic plans indicating what strategies were to be applied in its operations. The ZMDC Strategic Plan focused on the following strategic areas: growth, increase in gold output, reopening of closed mines and improvement of financial performance.

Strategy formulation and implementation are separate, distinguishable parts of the strategic management process. Logically, implementation follows formulation. But formulation and implementation are also interdependent parts of an overall process of planning-executing-adapting. This interdependence suggests that overlap between planners and “doers” improves the probability of execution being successful.

The successful implementation of strategy takes more time than the formulation. Strategy implementation always involves more people than strategy formulation. This presents problems in communication in the organisation, or across different functions. The research concentrated on the implementation of the main strategies that affect the direction of the organisation.

1.2 RATIONALE OF THE STUDY

Strategic planning, especially the drafting of strategic plans, has overshadowed the area of strategic implementation. Organisations put a lot of effort into drafting good plans, but do not put equal effort into their realisation. Therefore, this researcher is of the opinion that there is a big gap between strategic planning and implementation. The researcher wished to bridge the gap through research on the subject matter. The study is important in assisting decision makers and the various managers of the ZMDC with the duty of managing the organisation more efficiently.

1.3 RELEVANCE TO OTHER PARASTATAL ORGANISATIONS

The study will highlight the major challenges in strategy implementation, since most parastatals are falling short when it comes to implementing strategies. The study will identify gaps and challenges in strategy implementation. The study will also outline the major obstacles to implementation and strive to bridge the gap between formulation and implementation. From the recommendations of this study, parastatals will gain knowledge on how to implement strategies successfully.

Other parastatals that are closely linked to the mining industry could also use this information in formulating their business models and in their long-term planning. The mining industry will benefit more, since the research will provide important information on the factors that affect effective strategy implementation in the mining industry.

1.4 RELEVANCE TO THE RESEARCHER

The researcher and other academics in the field of strategy implementation (Dessler, 1995; Vasconcellos, 1990) and its challenges will find this study to be a useful guide for future studies. The study will equip the researcher with the practical aspects of strategy formulation, implementation, monitoring and evaluation in real-life situations within organisations. Thus, the researcher will be fully conversant with strategic management principles and practical applications that will be of value to both future studies and work life.

1.5 PRELIMINARY LITERATURE REVIEW: THEORETICAL AND CONCEPTUAL ISSUES

1.5.1 General implementation issues and strategy

Various studies have been carried out on issues relating to challenges faced by companies during strategy implementation. A search of the available literature shows that little or minimum attention has been paid to the strategic implementation and challenges faced by organisations with regard to the ZMDC. Implementation is the realisation of an application or execution of a plan, idea, model, design, specification, standard or policy. Implementation is the carrying out, execution or practise of a plan, a method, or any design for doing something. As such, implementation is the action that must follow any preliminary thinking in order for something to actually happen.

Dessler (1999:147) defines strategy as “the course of action which explains how enterprise will move from the business it is in now to the business it wants to be in”. Thompson, Strickland and Gamble (2007:3) define strategy as consisting of the competitive moves and business approaches that managers employ to attract and please customers, compete successfully, grow business, conduct operations and achieve targeted objectives. Strategy is concerned with the choices that are made that will eventually have an effect on the results.

Most research concentrated more on strategy formulation and very little on strategy implementation. Most of the literature has dealt with strategy formulation and only a very minimum has been done on strategy implementation (Alexander, 1985:91-97). As a result, companies face challenges when implementing strategies. This scenario is bad for the mining

parastatal because of the little attention they receive compared to other parastatals, such as tourism.

1.5.2 Models to guide strategy implementation

1.5.2.1 McKinsey and Co.'s 7-S Framework

Waterman, Peters and Phillips (1980:14-26) developed a conceptual framework to assist in the process of strategy implementation. Whilst others, like Porter (1980), have stressed the significance of solid features such as strategy, structure and systems, Waterman *et al.* came up with four more easy actualities, namely shared values, skills, style and staff, as presented in Figure 1.1 below.

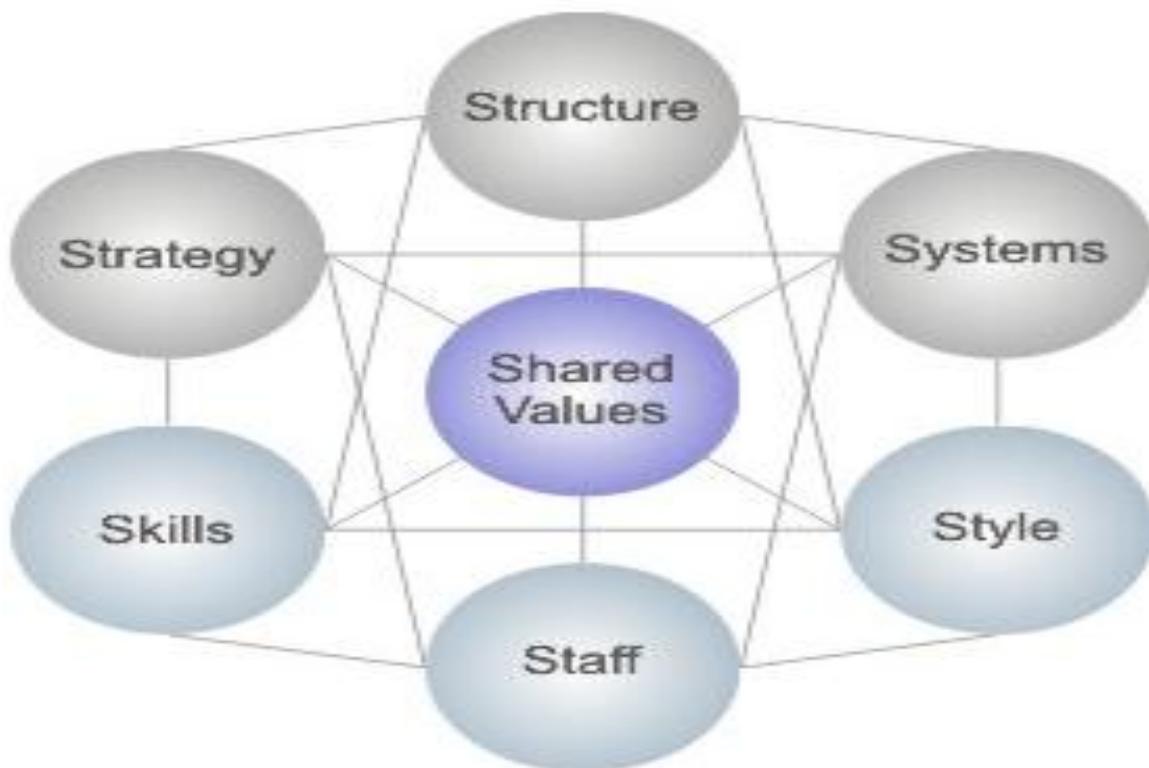


Figure 1.1: The McKinsey 7-S Model

Source: Waterman et al. (1980)

Waterman *et al.* (1980) indicate how the seven elements link and how interference can negatively affect others. This challenged the traditional management thinking that ‘structure follows strategy’. The context provided for in the model allow for questions to be asked concerning where the organisation is in terms of each element. Changes and rearrangement can then be done before the implementation process. Waterman *et al.* claimed that this enhanced the probability of success.

1.5.3 Thompson and Strickland’s eight components of implementing strategy

Strategic implementation is understood through the explanation by Thompson *et al.* (2007:38), when they state that “managing strategy implementation and execution is an operations oriented make-things-happen activity aimed at shaping the performance of core business activities in a strategy supportive manner. It is easily the most demanding and time consuming part of the strategy management process. To convert a strategic plan into action and results, a manager must be able to direct organisational change, motivate people, build and strengthen company competencies and competitive capabilities, create a strategy supportive work climate, and meet or beat performance targets.

According to Thompson *et al.* (2007:38), strategic management is an ongoing process: “Nothing is final and all prior actions and decisions are subject to future modification.”

This process consists of five tasks:

1. Developing a concept of the business and forming a vision of where the organisation needs to be headed.
2. Converting the mission into specific performance objectives.
3. Constructing a plan that will meet the targeted results.
4. Implementing and executing the chosen strategy efficiently and effectively.
5. Evaluating performance, reviewing the situation, and initiating corrective adjustments in mission, objectives, strategy or implementation in the light of actual experience, changing conditions, new ideas, and new opportunities.

1.5.4 Strategy as a competitive position

Many scholars see strategy as an economic situation that a firm follows compared to that of its rivals. Porter (1979:137-145) stressed that the prerequisite is to select the correct business and within it the most inexpensive positions. He also emphasised the significance of appreciating the powers that shape the industry, as shown in Figure 1.2 below.

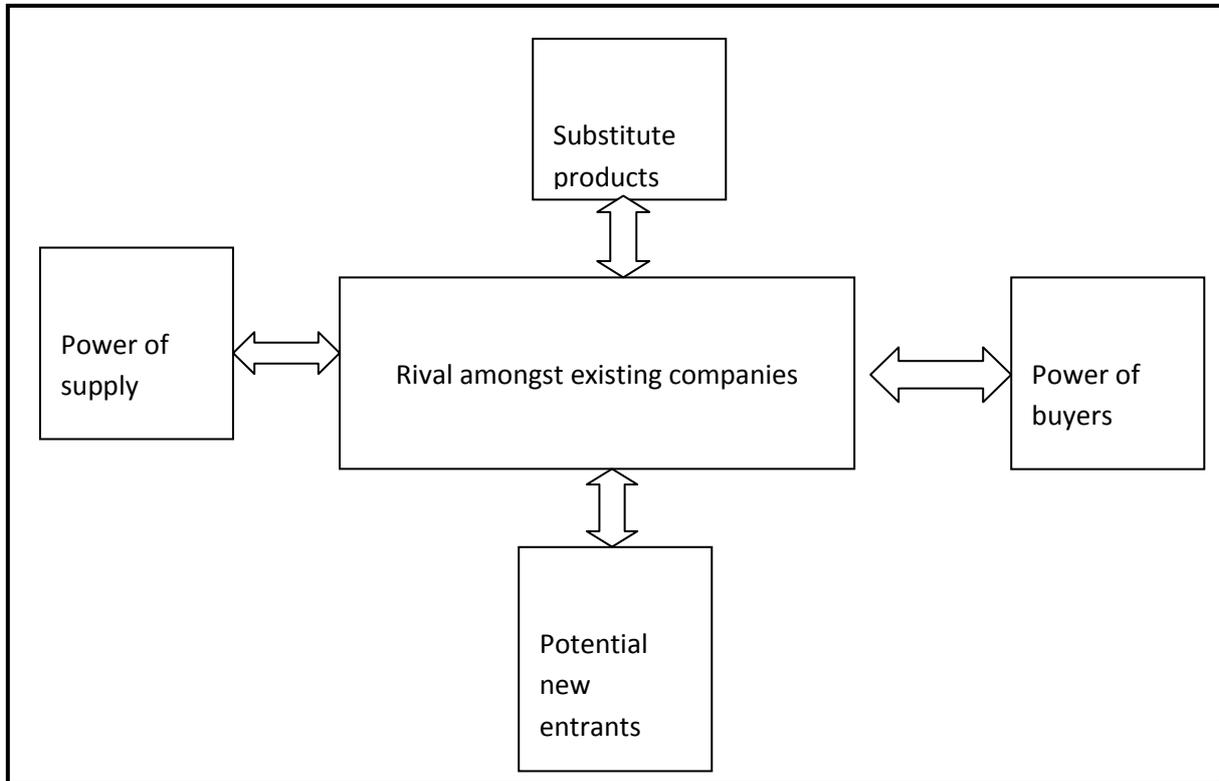


Figure 1.2: Porter's Five Forces Framework

Source: Porter (1979)

1.5.5 Mintzberg's 5 Ps

The word "strategy" has been used implicitly in different ways, even if it has traditionally been defined in only one way. Explicit recognition of multiple definitions can help people to manoeuvre through this difficult field. Mintzberg (1987) provides five definitions of strategy: strategy as a plan, ploy, pattern, position and perspective.

1.5.6 Resources as strategy

Prahalad and Hamel (1990) support a resource-based approach in which core competencies, core processes and strategic assets are emphasised. They highlight the importance of building a certain level of skill and competence in an organisation, and management's ability to use

these skills to exploit the opportunities in the market. Ansoff (1987) defined four alternative growth strategies, namely market penetration, market development, product development and diversification.

1.6 RESEARCH PROBLEM AND OBJECTIVES

1.6.1 Statement of the problem

The research is interested in identifying challenges to strategy implementation by the ZMDC that results from a reflection on their failure to complete numerous strategic projects, closing of subsidiaries, failure to unlock value through diamond mining, failure to resuscitate closed mines and the problems that the company faces as reflected in decreasing revenues and a high staff turnover. It is necessary to assess whether the organisation was implementing its strategies effectively, and to investigate the challenges facing the implementation of these strategies.

1.6.2 Research question

The aim of this research was to investigate the strategy implementation process, since all previous research on strategic management has concentrated on the strategy formulation stage (Alexander 1985; Harrington and Williams, 2004). Authors in the field of strategic management have also drawn attention to challenges that exist in the process of implementation, as these challenges encountered in the implementation process can jeopardise the success of strategies (Alexander, 1985; Beer & Eisentat, 2000; Miller, 1997). Therefore, studying the existence of these challenges would add to the study of strategy implementation and assist managers to understand these challenges. Hence, the research question for this study was:

What are the challenges that impede the implementation of strategies in the ZMDC?

1.6.3 Research objectives

In the light of the above, the main objective of the research was to gain insight into the challenges that affect strategy implementation within the ZMDC. The research objectives were:

- (1) To determine the requirements for good strategy implementation.
- (2) To analyse the ZMDC in terms of the current strategy implementation procedures.
- (3) To explore the challenges that impedes effective strategy implementation.
- (4) To offer recommendations to enhance effective strategy implementation.

1.7 RESEARCH DESIGN AND METHODOLOGY

The study is presented as a case study. The researcher used exploratory research design, and the study focuses mainly on the challenges of strategy implementation (Yin, 1989). Exploratory research seeks to find out what is happening and gain new insights in the field of study by utilising appropriate methods (Marshall & Rossman, 1989; Robson, 1983). The purpose of exploratory research is to ask questions and explore a certain phenomenon in a new light (Robson, 1993). This type of research is usually important for a researcher to investigate an area of study in which there is uncertainty (Page & Meyer, 2000). The case study of the ZMDC was used and the study thus aimed to provide insight into the subject matter. The researcher chose the ZMDC because of its strategic role in mining development and exploration in Zimbabwe since 1982.

1.7.1 Research methodology

Focus group discussions were used as the main instrument of data collection. This kind of interviewing involves participants who have been involved in a particular experience, and it allows participants to express their views and feelings. It also provides the person doing the interviewing with some control. The questions in a focused interview are structured. In addition to the interviews, the researcher also used secondary data. The secondary data came in two forms: internal and external data. The internal data included publications, press releases, reports and other forms of documents that were relevant. The researcher also looked at the following external data, such as journals and other articles with relevance to strategy implementation. The focus group interviews targeted executive managers, senior managers,

middle managers and employees of the ZMDC. The researcher used the above respondents because they have more knowledge of the organisation's operations, systems and procedures, and also because they have important roles to play in strategy implementation in the ZMDC. Employees with a minimum of two years' permanent and continuous employment participated in the study, since they had been involved in the strategy formulation process and also its implementation from the outset.

As already highlighted, the research is qualitative in nature, using a case study approach. According to Yin (1994:13), a case study can be defined as "an empirical enquiry that investigates a contemporary phenomenon and context is not clearly evident; and in which multiple sources of evidence are being used". A case study is also defined as a research project that takes into account the variety of elements that are present in the context of the study (Eisenhardt,1989). From all the case study definitions above, Robson (1993:147) simplifies a case study as a "strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence". In this study, the phenomenon being investigated was the challenges facing strategy implementation within a real-life context, which is the ZMDC, using different sources of evidence such as interviews.

By identifying themes and issues related to the research topic and question from the secondary data, the researcher is able to analyse and come up with answers to research objectives and questions. Content analysis was used to analyse the data. The researcher collated the results of the analysis into frequency tables.

1.8 OUTLINE OF CHAPTERS

Chapter 1: Introduction

Chapter 1 has provided an overview of the background to the research. The purpose of this research was to look at the challenges to strategy implementation in the ZMDC. At the time of this case study, the mining industry (and the ZMDC in particular) was facing problems.

The chapter has also analysed key theoretical and conceptual issues. This study intended to discourage focus on strategy formulation, but rather to highlight that the strategy

implementation process is very important in strategic management compared to strategy formulation (Vasconcellos, 1990).

The research approached the study of the strategy implementation process by exploring existing academic research and obtaining theoretical support from the field of strategic management and change management. The analysis of the conceptual issues in this chapter forms part of the literature review of this study.

Chapter 2

Chapter 2 presents the literature review, which forms the basis of this research. The literature review is presented in sections such as strategy implementation, an overview to provide readers with an understanding of the study of strategy implementation. An introduction to strategy formulation and its relation to strategy implementation is provided, followed by models to guide strategy implementation and a discussion of selected strategy implementation approaches that are relevant to this research.

Chapter 3

Chapter 3 uncovered the institutional context of the Zimbabwe Mining Development Corporation (ZMDC) and strategic changes that have been implemented. First was an introduction of ZMDC and the macro-economic analysis of factors affecting ZMDC. The chapter also reviewed ZMDC as an SOE, outlined the history of ZMDC as well as discussing the current mining environment in Zimbabwe. The chapter concluded with an evaluation of ZMDC's current strategy achievements and also by reviewing its current performance.

Chapter 4

This chapter provides details on the research methods used in the research. It features the research question and objectives, together with the methods used to obtain answers to the research question. The chapter also presents the research design that was employed in this research. The chapter ends with the process of analysing data collected in the case study.

Chapter 5

This chapter presents the key findings of the research. An analysis of data obtained from the interviews is undertaken and presented. Challenges identified from the case study are also presented in this chapter.

Chapter 6

Chapter 6 covers conclusions and recommendations on how the ZMDC implemented its strategies and the challenges they faced in the implementation process.

CHAPTER TWO: STRATEGIC MANAGEMENT

2.1 INTRODUCTION

This chapter provides an introduction to the significance of strategy implementation by analysing the literature available in the field of strategic management. The literature review is a body of text that aims to review the critical points of current knowledge on and/or methodological approaches to a particular topic. Literature reviews are secondary sources and, as such, do not report any new or original experimental work. The literature review interprets the available literature and sources for the subject of strategy, with emphasis on strategy implementation. The chapter will provide a brief description of strategic management. This will be followed by a presentation of the existing available literature on strategic management. A brief sub-topic of change management which is interlinked with strategic implementation is also explored. Finally, the chapter will identify the challenges to strategy implementation and the ways to overcome these challenges.

2.2 DEFINITIONS OF STRATEGY AND STRATEGIC MANAGEMENT

The study of strategic management has changed rapidly over time. There are so many areas of interest within the study of strategic management. This research will look into planning, focusing on the implementation of decisions made by the organisation (ZMDC). The definition of a strategy and strategic management will follow.

There are so many definitions and writings found on strategic management. Allio (2005:12-21) defines strategy as “the course of action which explains how organisations will move from the business it is in now to the business it wants to be in”. Atkinson (2006:44) supports the above definition, defining strategy as “a unified, comprehensive and integrated plan that relates to the strategic advantages of the firm to the challenges of the environment”. Strategy is designed to ensure that the objectives of the organisation are achieved through proper execution by the entity.

Thompson *et al.* (2007:3) define strategy as “consisting of the competitive moves and business approaches that managers employ to attract and please customers, compete successfully, grow business, conduct operations and achieve targeted objectives”.

Connolly (2006:19-22) asserts that strategic management intent to address the company’s capacity to focus on its strengths, weaknesses, opportunities and threats that affect it, develop its scope, resources, competitive advantage and synergy, and create organisational flexibility in order to respond to changes in the environment. The above explanations are in agreement with the definition provided by Mintzberg *et al.* (1998:948), which states that strategic management explains types of action that an organisation can take in order to achieve its organisational goals, vision and mission in order for it to remain in business.

Harrington (2004:306) points out that strategic management comprises the following: (i) the major intended and emergent initiatives (ii) taken by executive management on behalf of the owners, (iii) involving the use of resources (iv) to improve the organisation’s performance (v) in their external environment.

The purpose of this chapter, therefore, is to provide a brief understanding of how companies draw together these directions to achieve the overall goals of the company. This process is called the strategic management process and is broken down into three (3) processes, namely strategy analysis, strategy formulation and strategy implementation (Breene, Nunes & Shill, 2007:84-93). The three processes are very dependent on each other. Although one of the processes might be positive, it does not guarantee the success of the organisation (Collis & Rukstad, 2008:82-90).

Figure 2.1 shows the interdependence of the three processes

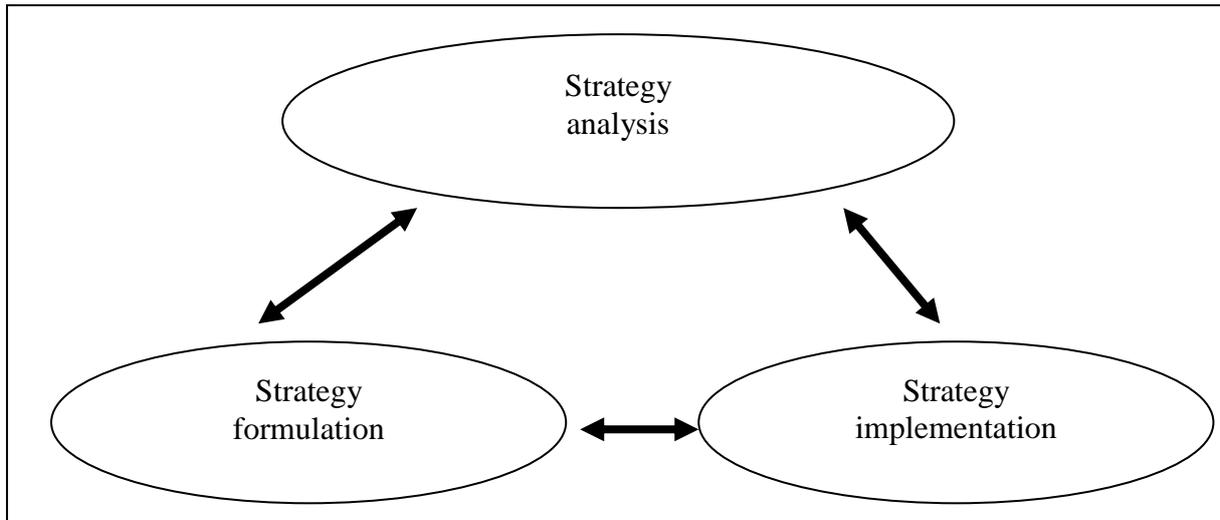


Fig. 2.1: Strategic Management Process

Source: Dess and Lumpkin (2003)

Strategy analysis is seen as the primary step in the strategic management process (Dess & Lumpkin, 2003:17-19). Strategy analysis involves the analysis of a company's goal, and their appropriateness and feasibility. Strategy analysis gives a wake-up call to the management team to know their company's requirements and needs, know the environment, and also to know and ascertain matters that need attention in order to achieve company goals and objectives (Edmondson, 2008:60-67). The strategy analysis process is also closely linked to the strategy formulation process. The strategy analysis can also be called the SWOT analysis, which refers to strengths, weaknesses, opportunities and threats. In terms of this analysis, the managers will have to examine their internal and external environment to ascertain the strengths and weaknesses of their company and also the opportunities and threats (Coon & Wolf, 2005:19-30). This process empowers managers to understand their companies and make the relevant strategic divisions to solve the issues identified in the analysis stage (Collis & Rukstad, 2008:82-90) Strategy implementation is the translation of strategies into action by managers (Frigo 2004:7-21); strategies can only be of importance and value if there is implementation (Dess & Lumpkin, 2003:20). For the implementation process to be successful, there is a need to involve the management of all other internal elements within an organisation (Dess & Lumpkin, 2003:21).

2.3 DEFINITION OF STRATEGY IMPLEMENTATION

Coon and Wolf (2005:19) assert that strategy execution is about committing resources to the strategic goals that will yield positive outcomes for an organisation. They argue that implementation hinges on converting the strategy on paper into actionable activities that achieve the desired goals. Strategy implementation is the practice that management uses to turn plans into action and make sure that tasks are done in a way that realises the plan's intended objectives (Harpst, 2008:19). Similarly, Edmondson (2008:60-67) defines implementation as "converting the strategy plan into action and then into results". Haudan (2007:37-41) argues that implementation comprises the senior-level leadership behaviours and activities that will transform a working plan into a tangible certainty. Harrington (2006:20-21) goes further and includes environment in his definition, defining implementation as a reiterative process of implementing strategies, policies, programmes and action plans that allows a company to utilise its resources to take advantage of opportunities in the competitive environment.

Assessing the above definitions, it is important to note that Haudan's (2007:37-41) definition recognises the role of top management in strategy implementation. Harrington's (2006:22) definition looks at the external environment and, most worrisome, not any of the above definitions recognises the non-managerial employees and their important roles in turning strategic plans into results. In recognition of the above definitions, the researcher will use Higgins and McAllaster's (2004:63-73) definition. Higgins and McAllaster (2004:63-73) define strategy implementation as a vibrant, iterative and difficult process that involves a number of decisions and undertakings by managers and employees, affected by various, related internal and external factors, to bring strategic plans to fruition in order to realise stated strategic objectives.

Strategic planning is important, yet formulated strategies must also be implemented, otherwise the whole planning phase becomes worthless. The planning-implementation relationship is well described by Hrebiniak (2006:14): "It is obvious that implementation of strategy is not simply as clear and understood as the formulation of strategy. Much more is known about planning than doing, about strategy making than making strategy work." Hrebiniak (2006: 14) argues that it is true that formulating a strategy is quite simple, but that executing or implementing it throughout the organisation is difficult. This is supported by

past empirical studies that report weak relationships between strategy formulation and implementation. Hrebiniak (2006:12-31) finds that less than 10% of well-formulated strategies are executed effectively. A 1999 study found that nearly 70% of strategic plans and strategies are never implemented successfully (Sterling, 2003:27-34).

2.4 ANSWERS FOR SUCCESSFUL STRATEGY IMPLEMENTATION

Commitment, credibility and communication are the main keys to successful strategic planning and implementation.

2.4.1 Commitment

Commitment refers to the total buy-in and up-front commitment of managers to stick to the full and thorough process of strategic planning. The leaders must be committed to implement the recommended strategies. The leaders should implement programmes and services and commit allocations to meet the objectives of the strategic plan at a level “double” for the organisation and level of activity.

2.4.2 Credibility

A strategic planning committee researches, gathers data/input and makes the necessary recommendations. However, it still will be up to the management of the organisation to make use of the recommendations in implementing the plans. Credibility is created and maintained by following these three guidelines: representative participation, adherence to one complete process, and clear documentation. The strategic committee should have representatives from all departments of the company and must stick to the steps of the process.

2.4.3 Communication

The strategic planning committee should keep all record of its research and activities for the strategic plan. These records should be available for all to see and evaluate. Strategic planning should not be secret, but should be transparent and available for all to review and give their inputs (Lippitt, 2007:54-57). A key concept to remember is that strategic planning is a cooperative and participatory process. Everyone should have input and, ideally, everyone should feel a sense of ownership for the final plan. Such personal commitment will facilitate the implementation process (Humphreys, 2005:96).

2.5 CHALLENGES IN STRATEGY IMPLEMENTATION

Sterling (2003:27-34) highlights a number of impediments to strategy implementation, such as unanticipated market changes, effective competitor responses to strategy, insufficient resources, communication drawbacks, lack of focus and poorly conceived business models. According to Sterling (2003:28) analysis of strategy before implementation can result in failed strategies because of delayed implementation. On the other hand, however, Lippitt (2007:55) notes that too much reliance on annual strategic reviews, procrastination, poor employee engagement, lack of attention to customer needs, poor monitoring, limited teamwork and ineffective delegation are elements leading to failed strategies. Allio (2005:12-21) points out that “implementation of a strategy depends on how the resistance to it can be diminished”. Malek and Narayanan (2008:1-8) indicate that strategy implementation failures are sometimes caused by external factors, such as competitors or changes in customer tastes. Beer and Eisenstat (2000:30-32) used organisational fitness profiling to identify the following strategy implementation barriers:

- a) Unclear strategy and conflicting priorities.
- b) An ineffective senior management team.
- c) Top-down or laissez-fair senior management style.
- d) Poor vertical communication.
- e) Poor coordination across functions, business or borders.
- f) Inadequate down-the-line leadership skills and development.

Malek and Narayanan (2008:1-8) believe in the significance of effective communication in strategy implementation, but highlighted that it is not a guarantee of effective implementation. Palmatier (2008:30-33) also point out additional reasons why organisations fail to execute their strategies:

- a) Lack of knowledge of strategy and the strategy process.
- b) Failure to hold staff accountable for execution.
- c) Lack of commitment to the planned strategy.
- d) Formulating strategic plans that staff cannot relate to their work.
- e) Failure to measure and reward staff for executing the planned strategy.
- f) Senior management failing to give strategic plans the necessary attention.
- g) Failure to articulate clear, focused and consistent strategies.

- h) Failure to consider reinforcers, such as culture, structure, processes, management systems and human resources systems.

2.6 FACTORS THAT DETERMINE STRATEGY IMPLEMENTATION

2.6.1 Strategy and leadership

The general manager is very important in strategy implementation. The general manager's total participation in and total commitment to the chosen strategy have a big influence on the commitment of his/her team of managers to strategy implementation (Ulrich & Smallwood, 2004:119-127). Nielsen, Martin and Powers (2008:60-70) note that managers have a very important strategic role to play, as they give strategic leadership to their subordinates.

Strategic leadership refers to the ability to articulate a strategic vision for the organisation, or a part of the organisation, and to motivate others to buy into that vision. The organisation's leadership should spearhead the process by giving direction, initiative and motivation. The leadership should promote team spirit and always be available to assist in the whole process of implementation. An effective team has ambitions and straightforward team goals that encourage team members to replace the priority of individual goals with that of the team one.

2.6.2 Strategy and structure

Structure is the division of tasks for efficiency and clarity of purpose, and coordination between interdependent parts of the organisation to ensure organisational effectiveness. The company's structure must be in line with its strategy that is being implemented. According to Nielsen *et al.* (2008:60-70), company structures determine or influences the type of strategy used by a company.

Any changes in an organisation's strategy will bring some internal challenges, and thereby there will be a need for a change in structure (i.e. require a new structure). The organisation's initial or basic structure usually leads to successful strategy implementation (Ulrich & Smallwood, 2004:119-127). Structure assists in highlighting the organisation's important activities and the way in which they will be coordinated to achieve the organisation's strategic response. Strategy affects structure and, if an organisation opted for a wrong choice of strategy, this will have a negative effect on its efficiency and effectiveness.

Kaplan and Norton (2008:62-77) argue that the main challenge in structuring today is not the one which most organisation designers spend their time on by dividing up tasks.

2.6.3 Strategy and organisational culture

The company's culture needs to be in line with the company's strategy that is being implemented. Top management is aware that the values and beliefs of the organisation will show how work is done in the company. Sterling (2003:28) argues that managing the strategy-culture connection requires understanding of the link to the changes required to implement the new strategy and the appropriateness of these changes in relation to the organisation's culture. According to Ulrich and Smallwood (2004:119-127), power orientation, role orientation, achievement orientation and support orientation are the four main forms of organisational cultures. Allio (2005:12-21) asserts that it is imperative for the culture of the organisation to be well matched with the strategy being applied. According to Thompson *et al.* (2007:12), there is a need to place more weight on people being respected as human beings and there is need to recognise employees. Cultures can be found in different forms, but the major forms are four unhealthy cultures that are very political, namely empire building, cultures that resist change, narrow-minded and inward-looking cultures, and cultures that are ethically unprincipled and are motivated by greed.

2.6.4 Strategy and resources

An organisation can implement its set strategy with its available resources. The available resources involve financial, human and physical resources. The organisation's strategy must be suitable for the available resources and its stated objectives. Organisational resources are important to the organisation, since they contribute to its comparative advantage. An organisation can only implement a strategy that suits the available resources, as any strategy that requires more resources than available will not be possible to implement. The organisation must have enough resources in order to implement and execute each stage of the strategic plan in order to achieve its goals (Allio, 2005:18).

2.6.5 Strategy and support systems

Organisations carry out their day-to-day business through different organisational systems, in the form of procedures, manuals, administrative systems, financial and budgeting systems,

human resources systems, training systems, and cost accounting procedures (Malek & Narayanan, 2008:1-8). Every time an organisation changes its current policies and operating procedures, it revises and does away with those that are outdated and comes up with new procedures that fit with the implementation of the new strategic setup (Thompson *et al.*, 2007:13).

2.7 FACTORS THAT INFLUENCE STRATEGY IMPLEMENTATION

Researchers have researched the challenges of implementation, especially in relation to strategy (Pfeiffer, 1996:12-13). They all agreed that implementation is one of the most difficult things being faced by today's managers in their day-to-day operations. They pointed out that a strategy is as good as its implementation. It is critical at this point to have insight into some of the literature available on strategy implementation and the challenges that affect its implementation, since the purpose of this research is to investigate the challenges to strategy implementation (Waterman *et al.*, 1980).

Strategic plans are said to be executed in a cycle (Ungerer, Pretorius & Heroldt, 2007:17). The cycle format involves four stages, namely the assessment of the current position, an understanding of the future and what the future holds for the organisation, the development of other options and choices, the formulation of a robust strategy and, finally, the implementation.

The stages that need to be followed for successful implementation and effective management are set out in Figure 2.2.

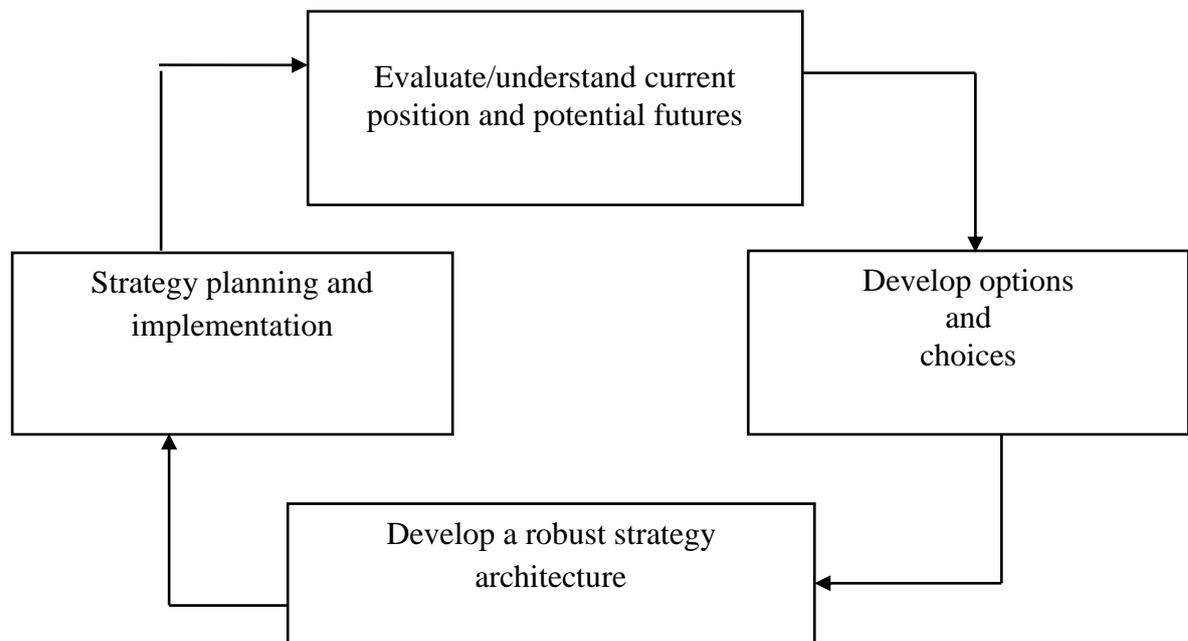


Figure 2.2: Strategic Planning Cycle

Source: Ungerer *et al.* (2007)

1. It is important to carry out an evaluation of the organisation’s current status before embarking on a strategic dialogue, since this will highlight the organisation’s present status. Historical information is important in analysing an organisation, but unfortunately it is not the only base for shaping the future of the company (Ungerer *et al.*, 2007:14). There are challenges emanating from the historical background, since it has a strong effect on today’s thinking capacity.

2. In moving forward it is not advised to continue using historical information as the only available data, since change is imperative. There is a need to stay knowledgeable of the trends in the market; and to determine the future of the organisation.

3. The following step is to build a strong strategy architecture that will affect the behaviour within that structure. The strategy architecture will include the purpose and vision of the company, the mission statement, the business model and the values of the organisation (Ungerer *et al.*, 2007:15).

4. The fourth step is strategic planning. This involves the activities that will determine the intended future position of the organisation. Strategy implementation has its own challenges.

Ungerer *et al.* (2007:12) listed the following challenges to strategy implementation:

- a) Intended direction is not clear.
- b) Lack of resources, commitment and leadership.
- c) Lack of proper planning.
- d) Strategy is only a reality for a select few.
- e) Trying to implement it all at once is also a mistake.
- f) Most managers do not want to take risk, which is costly.
- g) The life span of new ideas is getting shorter.
- h) Information is easily and freely available and accessible.
- i) Organisational structure.

2.7.1 The McKinsey 7-S model of strategy implementation

Waterman, Peters and Phillips (1980:4-5) formulated a model to help the strategy execution procedure. The premise of the model is that there are seven internal aspects of a company that need to be brought into line if it is to be successful. The researcher used this model for the company under study in order to cross check if they are adhering to this model and to assess if important issues in the internal environment have been missed.

Porter (1980:17) stressed the significance of hard features like structure, strategy and systems, and also brought out four more features, namely shared values, skills, style and staff (see Figure 2.3).

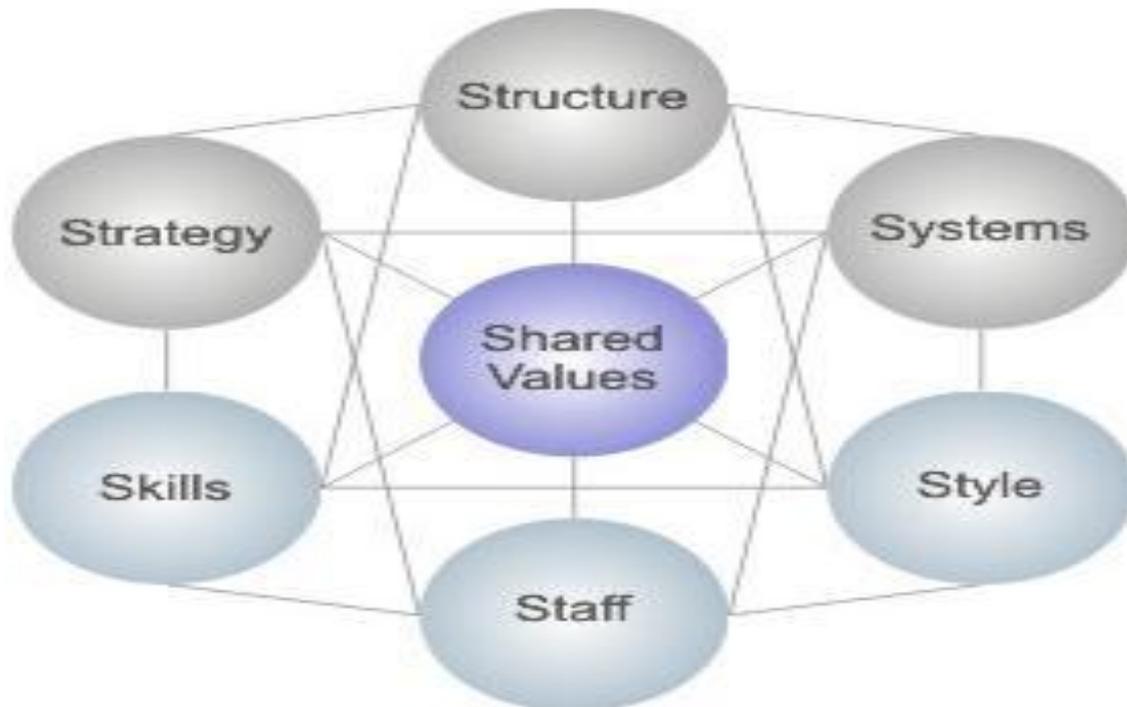


Figure 2.3: McKinsey's 7-S Model

Source: Waterman *et al.* (1980)

Waterman *et al.* (1980:14-26) depict how the seven elements are linked. Any interference in any one of the elements will affect the others, and would also have an effect on the old management thinking, which says, "Structure follows strategy". McKinsey's 7 S model helps in showing the organisation's position in relation to each element. This allows for changes before implementation. Researchers argue that this increases the chances of it being successful.

2.8 STRATEGY AS A COMPETITIVE POSITION

Many scholars see strategy as an economic situation that an organisation follows in comparison to its rivals. Porter (2008:137-145) stressed the prerequisite to select the correct business and, within it, the most inexpensive positions. He also emphasised the significance of appreciating the powers that shape the industry, as indicated in Figure 2.4 below.

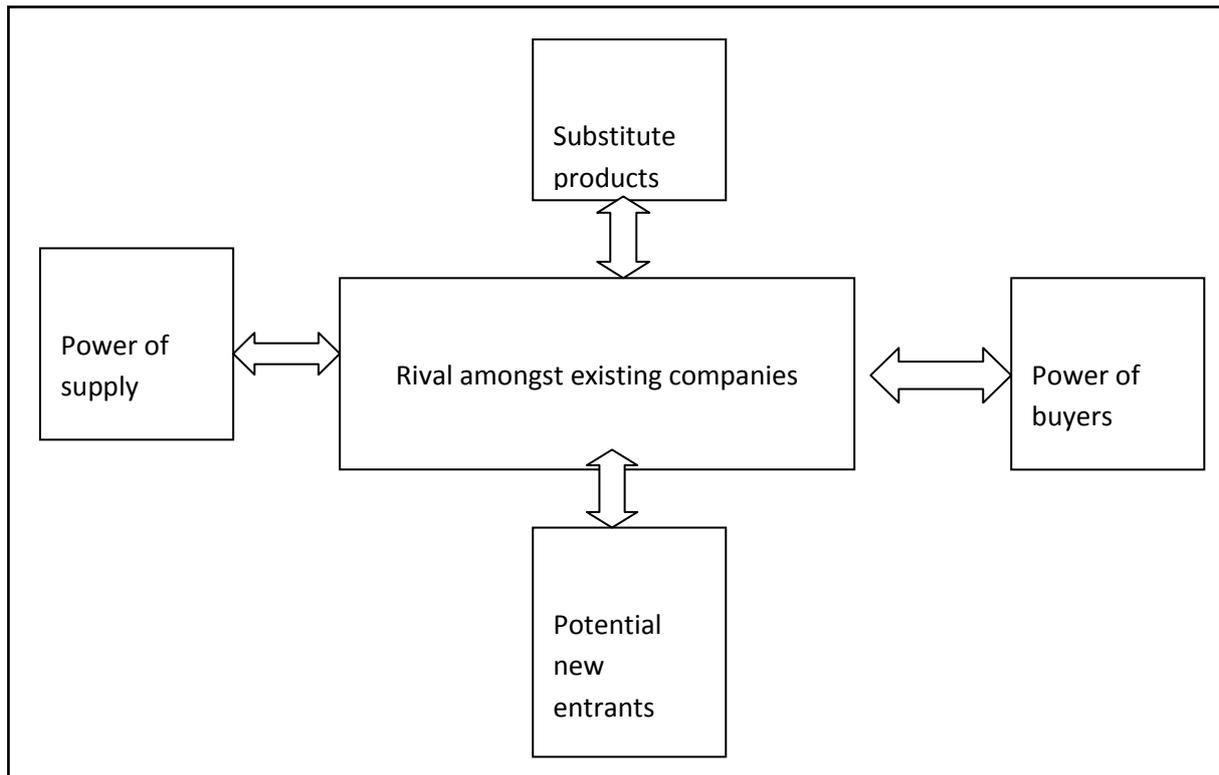


Figure 2.4: Porter's Five Forces Framework

Source: Porter (1979)

2.8.1 Mintzberg's 5 Ps

The word "strategy" has been used implicitly in different ways, even if it has traditionally been defined in only one way. Explicit recognition of multiple definitions can help people to manoeuvre through this difficult field. Mintzberg (1987:11-24) provides five definitions of strategy: strategy as a plan, a ploy, a pattern, a position and a perspective.

2.8.2 Resources as strategy

Allio (2005:18) supports a resource-based approach in which core competencies, core processes and strategic assets are emphasised. He highlights the importance of building a certain level of skill and competence in an organisation and management's ability to use these skills to exploit the opportunities in the market. Kaplan and Norton (2008:62-77) define four alternative growth strategies: market penetration, market development, product development and diversification.

The matrix of Ansoff (1987:18) below explains the four growth strategies, namely:

- a) **Market penetration** – This is when the organisation tries to increase its sales for the current products in its current market mainly through forceful marketing strategies.
- b) **Market development** – This is the situation whereby the organisation tries to increase sales of its current products by entering new markets.
- c) **Product development** – The organisation pursues an increase in sales by coming up with improved products for its current markets.
- d) **Diversification** – The organisation pursues an increase in sales by developing new products for new markets.

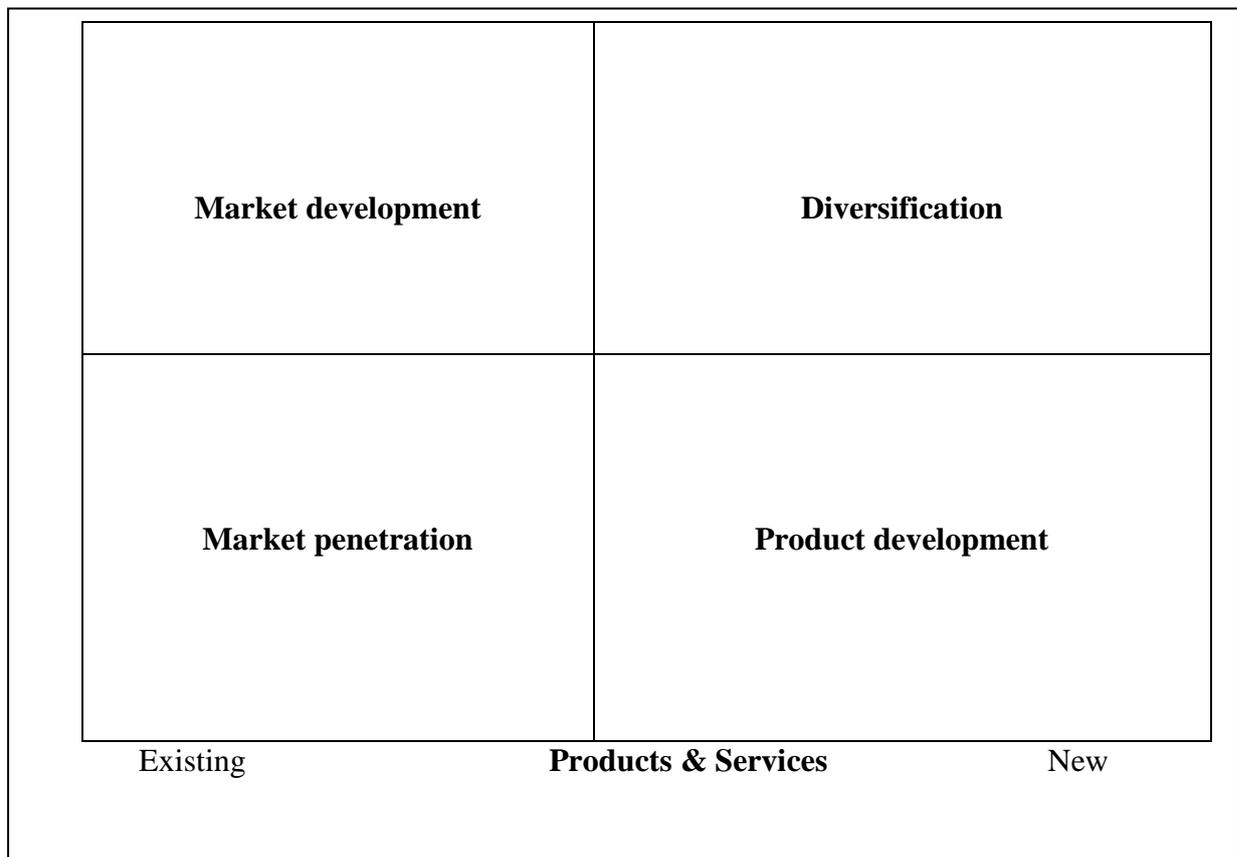


Figure 2.5: Ansoff's Matrix

Source: Ansoff (1987)

In the above matrix (Figure 2.5), each quadrant has its own level of risk, and the plan of action will always differ, subject to the company's strategic choice.

2.8.3 Strategy formulation

Strategy formulation is seen as a process that involves decisions to shape the path a company takes to meet its objectives (Palmatier, 2008:30-35). With this in mind, the implementation stage is the realisation process of the strategy that had been developed in the formulation stage. Therefore, if the formulation stage is not done well, it will have a direct impact on the implementation stage, potentially becoming a barrier to implementation.

The impact of formulation is not only in the plan that has been developed, but also in the versatility of the plan according to the environment the business is in. Sterling (2003:24-34) believes that companies that plan usually perform better than those that do not, especially in environments that are constantly changing.

2.8.4 Strategic consensus

Strategic consensus represents the concept of management from different levels of an organisation acting on a common set of objectives and achieving these based on a shared understanding of and commitment to the objectives (Ulrich & Smallwood, 2004:119-127). Most studies imply that the top management is responsible for the formulation of strategy and has the ability to charge the organisation to achieve these strategies (Lippitt, 2007:54-57). Furthermore, these approaches tend to ignore or implicitly suggest that it is important to secure the organisation's commitment to the chosen strategy. Although it is undeniable that top management plays a vital role in a company, it should not be taken too lightly.

Top management often complains that their middle or operating managers lack the ability to implement strategies successfully (Ulrich & Smallwood, 2004:119-127). More often than not, the lack of implementation lies in the abilities of the managers, and especially it is a problem of poor middle management understanding of and commitment to the strategy (Nielsen *et al.*, 2008:60-70). Guth and MacMillan (1986:313-327) suggest that, if there are differences in the goals perceived by different levels of managers, the level of commitment to the goals will differ, hence potentially causing disagreements between these managers. This would then create an unnecessary barrier to implementation.

2.8.5 Change management

Strategy implementation entails change in the organisation. Organisations have difficult social arrangements and entrenched ways of doing things – systems, behaviours and cultures (Higgins & McAllaster, 2004:63-73). It is clear that change to companies entails urging workers to change their current way of thinking, beliefs and values. They also need behavioural change to adopt new ways of thinking, and new behaviour (Frigo, 2004:7-21).

Therefore, managers are challenged and, where it affects the organisational culture, the challenges becomes extreme (Connolly, 2006:19-22). Strategic change identifies complicated issues such as political issues, cultural barriers, issues relating to the organisational structure, and the nationality of managers (Johnson, 1987:16; Pettigrew, 1985:8). These challenges, as well as other possible challenges, relate to the strategy itself, and how it was developed, or the management of the change process makes realising strategy a difficult task (Humphreys, 2005:96). Change management challenges are almost the same as the problems relating to strategy implementation.

Strategic management studies are concerned with changes in the environment and how the organisation will adapt (Ansoff, 1979:42-59; Schendell & Hofer, 1979:12). The researcher has provided the definitions of strategy formulation and implementation, and these definitions suggest change. The suggested change is both internal and external (Ginsberg, 1988:13). Change and strategic management are interrelated, so strategies may require significant change to the process, structures and, sometimes, cultures of the organisation (Forster & Browne, 1996: 186).

Change is regularly executed to enhance an organisation, but unfortunately it also brings about problems for managers. Changing the existing structure of a company is viewed by employees as a difficult process, mostly when there are no clear road maps for the company on how they are to drive the change process (Porras & Robertson, 1988: 91). In order for change to be successful there is a need to manage the human elements, and its link with strategy, technology and other related process of the company (Nielsen *et al.*, 2008:60-70). Another problem of change is that people simply do not like change; they simply do not want to move out of their comfort zones (Leonard *et al.*, 1997:21-22). On the other hand, change is

a significant process that an organisation cannot afford to avoid when the environmental demands are changing (Johnson, 1988).

Most companies try to manage change so that they can attain their set goals/objectives. For this study the researcher is restricting change only in relation to strategy implementation, despite the fact that change relates to many areas. The purpose of restricting change to strategy implementation is to demonstrate to interested parties the link between change and strategy implementation.

2.9 OVERCOMING OBSTACLES TO EFFECTIVE STRATEGY IMPLEMENTATION

When the challenges to strategy implementation are known, it is important for the managers to look at ways to overcome these barriers in order to make sure that strategies are implemented successfully. Although the literature in the area of strategy implementation does not label its findings as ways to overcome barriers to implementation, the different implementation approaches used provide suggestions to ensure successful implementation that could be used as a guideline for this research.

Nielsen *et al.* (2008:60-70) offered a model that asserts that a well-articulated strategy is the first important ingredient of the implementation process. This is followed by the design of a primary organisational structure, establishing operating-level objectives, the design of operating structures and, finally, the creation of proper incentives and control mechanisms that support the implementation. In implementing strategies based on the described process, organisations therefore constantly switch between planning and organisational design, starting at the top organisational levels and then moving down to lower hierarchical levels. Organisations successful at strategy implementation effectively manage six key supporting factors.

2.9.1 Action planning

Companies that have successes in implementing their strategies are those that have a well-detailed action plan in place, a list of steps or tactics to be followed that supports their strategies. The action plans are assigned to a particular person who will be responsible for their accomplishment. The person will be given a due date, and the resources estimated to accomplish each of the action plan steps. This means that the broad strategy has been divided into a number of work assignments.

2.9.2 Organisational structure

Companies that succeed in implementing strategy believe in the importance of organisational structure. The organisation observes whether the proposed strategy is appropriate to its current structure.

2.9.3 Human resources

The human resource factor is an important component that organisations recognise when strategy implementation is successful. The human resource factor is crucial for the organisation's communication needs and also for how employees will react to a new strategy. The organisation can respond to employees through the introduction of training, by growing through experience or by hiring new employees (Hrebiniak, 2006:16).

2.9.4 The annual business plan

Organisations successful at implementation are aware of their need to fund their intended strategies. They begin to think about the necessary financial commitment early in the planning process. They estimate the financial requirements when they first develop their strategy. Later, when developing their action plans, they "firm up" that commitment. In that way they link their strategic plan to their annual business plan (and their budget). They thus eliminate the "surprises" they might otherwise receive at budgeting time.

2.9.5 Monitoring and control

The monitoring and controlling of the plan will involve periodic review of the plan to assess if the company is achieving its intended objectives. If the strategy is off track, the company will consider the best options to bring it back on track, if it means changing the entire schedule to change the tactics, or changing the strategy and objectives.

2.9.6 Linkage – the foundation for everything else

Most companies successfully establish the above five supporting factors. They develop action plans, consider organisational structure, take a close look at their human resource needs, fund their strategies through their annual business plan, and develop a plan to monitor and control their strategies and tactics. Despite all this they still fail to successfully implement the strategies and tactics. The reason in most situations is the lack of linkage. Linkage is simply the tying together of all the activities of the organisational resources with the purpose of going in the same direction.

2.10 SUMMARY

The above literature review has shown that there are quite a number of different perceptions about strategy. The literature review has also shown that there are important subjects that are common in most of the perceptions, for example internal and external environments, goals and objectives, business models, resources and organisational structure.

The literature review also has highlighted that much more focus and resources have been committed to the strategy formulation process than to the strategy implementation process. Several factors that influence strategy implementation were discussed and put forward. Some ways of overpowering the challenges to effective strategy implementation also were discussed.

CHAPTER THREE: THE INSTITUTIONAL CONTEXT OF THE ZIMBABWE MINING DEVELOPMENT CORPORATION (ZMDC)

3.1 INTRODUCTION

The objective of this research was to investigate the challenges that affect strategy implementation in the Zimbabwe Mining Development Corporation (ZMDC). It is crucial for the researcher to highlight in brief the institutional context and strategic changes that have been implemented in the ZMDC. A brief company history will be provided, including a discussion of the current mining environment in Zimbabwe.

3.2 ZIMBABWE MINING DEVELOPMENT CORPORATION (ZMDC)

The ZMDC is an entity owned by the Government of Zimbabwe. It was established by an act of parliament, the “Zimbabwe Mining Development Corporation Act” (Act 31 of 1982), now Chapter 21:08. Its mandate, as espoused by the Act, is:

- a) To invest in the mining industry in Zimbabwe on behalf of the State;
- b) To plan, coordinate and implement mining development projects on behalf of the State;
- c) To engage in prospecting, exploration, mining and mineral beneficiary programmes;
- d) To render assistance to persons engaged in and about to engage in mining;
- e) To advise the Minister on all matters connected with corporate investments in the mining industry and make recommendations for the proper co-ordination of all investment programmes.

The ZMDC is a conglomerate company comprising owned subsidiaries, partly owned companies, joint ventures and investments. The ZMDC employs over 10 000 people. The ZMDC business portfolio includes gold mining, diamond mining, emerald mining, and the mining of platinum group minerals, consultancy services to persons entering the industry, exploration services and development, and coal and asbestos mining. These activities are spread all over Zimbabwe. Of the above minerals, diamonds and gold contributed the highest percentage to the corporation’s annual production per year. In 2011, the ZMDC adopted a growth strategy initiative underpinned by the need to quantify and unlock the mineral value of the nation to result in the sustainable development and exploitation of the deposits to their

full economic potential. The corporation has, in its portfolio, a wide variety of aspects of economic mineral potential that are run by strategic business units grouped into precious stones, precious metals, base minerals and fossil fuels.

The ZMDC has been in existence since 1982 and has grown a lot over the last 30 years, from being a small parastatal to a conglomerate with joint ventures with Chinese, Russian and South African mining companies. For the purpose of this research, the researcher will limit the focus to the Zimbabwe operations.

3.3 MACRO-ENVIRONMENTAL ANALYSIS

The macro-environmental factors affecting the ZMDC are grouped into political, economic, socio-cultural and technological (PEST) factors.

3.3.1 Political factors

The political factors/activities during and after the referendum/elections in June 2008, such as political rallies, campaigns and political violence, posed problems to various mining operations. Operations were disrupted, employees could not manage to go to work due to political activities, and thereby production time was lost. In 2011, Jena Mine lost an average 300 production hours per day (Jena Mines Third Quarter Report, 2012:11).

In recent political developments in Zimbabwe, a joint statement from the opposition parties and non-governmental organisations (NGOs) rejected the election results. The African Union observer team also expressed 'grave concerns'. The United Kingdom and the United States of America also had a negative perception of the elections. At the moment the scale and implications of the problems remain unclear. The Crisis Group Africa Briefing, no. 95, of 29 July 2013, says a Zanu-PF win would lead to political isolation and economic deterioration for Zimbabwe.

3.3.2 Economic factors

Zimbabwe's recent economic developments under the Government of National Unity (GNU) from 2009 to 2012 show some positive signs of growth. The economic rebound from 2009 to 2011 was very rigorous. Although there have been some positive developments, there is still a long way to go to recover lost ground. It also now seems that the recovery is fading, as growth in 2012 moderated to 4.4%, and the 2013 growth is projected to decrease to 3%, caused mainly by:

- Low performance by key sectors of the economy
- Low investment
- Policy uncertainty
- Concerns about the indigenisation laws.

The outlook for 2014 and beyond is for a slowing down in growth, and uncertainty is very high. The economic factors have had a negative effect on both sectors of the economy, and the manufacturing sector; and most industries remain stressed and largely focused on the domestic market. The manufacturing sector continues to be affected by low investment, declining competitiveness, tight credit conditions and energy constraints.

The mining sector recorded a stronger growth from 2009 to 2011, although mining growth was expected to slow down in 2013, mainly due to a decline in commodity prices (platinum and gold), rising production costs, a shortage of long-term financing, and electricity. Diamonds presented strong dynamism, with 12 million carats in 2012 and 15 million carats exported (some from stockpiles) (Kimberly Process Report, 2013:24).

The cost of capital is even higher, which means that the ZMDC cannot secure enough borrowings/capital to finance operations. This is aggravated by the unavailability of capital. Finance institutions are not able to provide capital due to failure to secure enough deposits and support from the Central Bank. The shortage of finance has a negative effect on the recapitalisation of the mines.

The ZMDC operates different mining ventures that require electricity. Mining is a continuous process that requires efficient and effective utilisation of energy. During the period under review, the Zimbabwe Electricity Supply Authority (ZESA) failed to provide electricity to

power mining operations. Power outages are experienced on a daily basis, resulting in severe loss of production time. Machine downtime is severe and breakdowns have increased due to problems of power outages. Sabi Mine estimated that 10 kg of gold was lost monthly in 2012 due to power outages (Sabi Mines Annual Report, 2012:16).

3.3.3 Social factors

The labour shortage of skilled manpower to power the organisation's growth and to reduce the skills gap is widening. Workers' committees that were seen by the Government as supporting the opposition party, the ruling party wanted to see the rural people being unoccupied. The ruling party accused mine workers of influencing the rural people, so they used intimidation and violence on the mine workers, their union (the 10 000-strong Associated Mine Workers of Zimbabwe – AMZ), mining compounds and the nearby villages. The mine workers suffered more direct and unambiguous forms of injury. These attacks led to the displacement of mine workers, mostly to urban areas.

Corruption is rampant in Zimbabwe and within ZMDC itself. This is evident in the suspension and dismissal of the chief executive officer and his entire executive management team in 2009 for being engaged in corrupt activities. Various press reports suggest that the former Chairman of the ZMDC and his colleagues were involved in a USD\$6 million diamond bribery scandal.

The acquired immunodeficiency syndrome (AIDS) pandemic has wreaked havoc nationwide, and the ZMDC as a whole has not been spared. Human immunodeficiency virus (HIV) prevalence rates at mining operations are high, resulting in high death rates, which in turn result in lost production hours.

3.3.4 Technological factors

Equipment and machinery at ZMDC subsidiaries such as Jena, Sabi and Elvington Gold Mines are now outdated and obsolete. This is causing challenges, as breakdowns are frequent, causing disruption in production. Sabi Gold Mine estimates that about 18 kg of gold is being lost every month due to machine breakdown (Sabi Mines Quarterly Report, 2013:11). The ball mill at Jena Mine is worn out and needs about US\$200 000 to be refurbished. The primary and secondary crushers at Sabi Gold Mines need to be replaced. The replacement of

these crushers will amount to US\$500 000. The conveyer belts at Jena, Sabi and Elvington are worn out and need to be replaced. The machinery and equipment upgrading and replacement at Jena Mine require US\$3.5 million, and Elvington requires US\$2 million (ZMDC First Quarter Technical Report, 2012:16)

The ZMDC has not been undertaking much-needed research and development at its mining entities. The mines have failed to do significant underground development due to the unavailability of funds and also due to factors such as a lack of skills and unavailability of equipment (Jena Mine Annual Report, 2012:8).

3.4 THE GENERAL ROLE OF STATE-OWNED ENTERPRISES (SOE's) IN DEVELOPING COUNTRIES

State-owned enterprises (SOEs) are institutions that were established mostly to provide support. The support is targeted mainly at the consumers, the government and the workers. The support comes in various forms; for the consumers it comes through better products and services at a lower cost; SOEs provide support to workers through the payment of salaries and meaningful employment. For the government, support comes in the form of revenues. SOEs are very important national assets, which should be productive and contribute to the development of the country.

SOEs have an important role to play in developing countries by promoting economic development. SOEs in developing countries are involved in the provision of important infrastructure and other connected services that are important to the effectiveness of the economy, such as mines, electricity and transport systems, for example railway and bus systems.

SOEs have mostly played bigger roles in the economics of developing countries compared to developed countries. General studies on the performance of SOEs have shown that they yield negative results, and also that SOEs are taxing on the developing countries, as they are subsidised by their governments in order for them to remain viable.

SOEs play an important part in the provision of infrastructure. They are also important in developing countries, since they are employers of first choice and provide employment to a large number of citizens. SOEs in developing countries have made a big contribution to economic and social development, especially in the provision of critical infrastructure and services, and also in skills development and promoting entrepreneurship. The SOEs in developing countries are involved in different activities, such as transport, energy infrastructure, forestry, communications and health.

SOEs generally are the providers of basic and important public goods and also provide some commercial service activities, such as airlines and banks. In Zimbabwe, SOEs are used as a vehicle for stabilising the economy. Generally, SOEs are categorised as follows:

- a) Public services, e.g. water, communications and transport.
- b) Basic goods companies, such as steel, coal and oil.
- c) Financial services, e.g. banks, insurance companies and social security administrators.
- d) Social services, e.g. health and education.

3.5 THE ZMDC AS A STATE-OWNED ENTERPRISE

The ZMDC is a state-owned enterprise that was formed through an act of parliament. It is one of the strategic government-owned enterprises in the country. The ZMDC wholly owns the following subsidiary companies: Sabi Gold Mine, Jena Gold Mine, Sandawana Mines, Marange Resources, Protea Court (Pvt) Ltd, Mining Promotion Company, Elvington Gold Mine and ZMDC management services. The ZMDC also has joint-venture companies, such as Mbada Diamonds, and Anjin Diamond Mining Company (ZMDC Act, 1982).

The Zimbabwean Government is not directly involved in the mining of minerals or the management of mining projects of local or foreign companies in the private sector. The government's participation is through the ZMDC and the Mineral Marketing Corporation of Zimbabwe (MMCZ). The ZMDC was formed in 1982 in order to represent the government of Zimbabwe's involvement in the mining sector and also to assist mining companies that were threatened with closure. The ZMDC's mandate, among others, is active in exploration, mining and giving assistance to cooperatives (ZMDC Act, 1982).

3.6 STATE-OWNED ENTERPRISES IN ZIMBABWE

SOEs in Zimbabwe fall under the Ministry of State Enterprise and Parastatals, which is a government ministry mandated to supervise all SOEs in the country. In its attempt to raise revenue and at the same time provide critical services to its people, the Government of Zimbabwe runs a number of SOEs, which are categorised as set out in Table 3.1.

Table 3.1: SOEs

<p>Mining</p> <p>Minerals Marketing Corporation of Zimbabwe (MMCZ)</p> <p>Hwange Colliery Company</p> <p>Zimbabwe Mining Development Corporation (ZMDC)</p>	<p>Commerce</p> <p>Consumer Council of Zimbabwe</p>
<p>Agriculture</p> <p>Pig Industry Board (PIB)</p> <p>Grain Marketing Board (GMB)</p> <p>Tobacco Research Board (TMB)</p> <p>Agricultural and Rural Development Authority (ARDA).</p> <p>Cold Storage Company (CSC)</p> <p>Agribank</p> <p>Agricultural Research Council (ARC)</p> <p>Tobacco Industry and Marketing Board (TIMB)</p>	<p>Science and Technology</p> <p>Science and Industry Research and Development Centre (SIRDC)</p> <p>Research Council of Zimbabwe</p> <p>Bio – Technology Authority of Zimbabwe</p>
<p>Transport</p> <p>Civil Aviation Authority of Zimbabwe (CAAZ)</p> <p>Central Mechanical and Equipment Department (CMED)</p> <p>Air Zimbabwe Holdings</p> <p>ZUPCO Private Limited</p> <p>National Railways of Zimbabwe (NRZ)</p> <p>Zimbabwe National Road Administration</p>	<p>Sports and Arts</p> <p>State Lotteries and Gaming Board</p> <p>National Gallery of Zimbabwe</p> <p>National Library and Documentation Services</p> <p>Industry and Trade</p> <p>Printflow Private Limited</p> <p>Urban Development Corporation</p> <p>ZISCO Private Limited</p>

<p>(ZINARA) Traffic Safety Council of Zimbabwe (TSCZ)</p>	<p>Industrial Development Corporation (IDC) ZITF Company Zimtrade</p>
<p>Telecommunications ZIMPOST ZARNET NETONE Pvt ltd Postal and Telecommunication Regulatory Authority Tel One Transmedia</p>	<p>Financial Services IDBZ POSB National Indigenisation and Economic Empowerment Fund Zimbabwe Revenue Authority (ZIMRA) SEDCO National Social Security Authority (NSSA) State Procurement Board (SPB) State Enterprises Restructuring Agency (SERA) Competition and Traffic Commission Zimbabwe Investment Authority CBZ ZABG Agribank</p>
<p>Health National Pharmaceutical Company (NATPHAM) National Aids Council of Zimbabwe (NAC) Zimbabwe National Family Planning Council (ZNFPC) Medicines Control Authority of Zimbabwe (MCAZ)</p>	<p>Energy Rural Electrification Authority (REA) National Oil Company of Zimbabwe ZESA Holdings</p>
<p>Environment Parks and Wildlife Management Authority Allied Timbers Private Ltd Environmental Management Authority (EMA) Forestry Commission Company (FCC)</p>	<p>Education Zimbabwe Schools Examination Council (ZIMSEC) Zimbabwe Institute of Public Administration and Management. (ZIPAM)</p>

<p>Information</p> <p>New ZIANA Broadcasting Authority of Zimbabwe (BAZ) Zimbabwe Broadcasting Holdings (ZBH)</p>	<p>Tourism</p> <p>National Museums and Monuments of Zimbabwe Zimbabwe Tourism Authority (ZTA)</p>
	<p>Water</p> <p>Zimbabwe National Water Authority</p>

Source: Government of Zimbabwe, 2013

The SOEs in Zimbabwe have been facing viability challenges for a long time, most of which have been caused by the political and economic challenges faced by the country. Contributing factors are a lack of commitment among workers and management. In Zimbabwe, six SOEs recorded a loss of US\$46.9 million in the first six months of 2011 (Zimbabwe Broadcasting Corporation, 2013). SOEs have been described as the missing link in the country's economic turnaround, as they have become perennial loss makers, despite big allocations of funds from Treasury.

The government continuously needs to assist the majority of SOEs, since it is quite difficult for most of them to get a strategic partner. The chairman of the parliamentary Portfolio Committee on Parastatals and State Enterprises said that the failure by SOEs to perform positively was caused mostly by the disregard of good corporate governance (Zimbabwe Broadcasting Corporation, 2013)

Economic commentators such as Eric Bloch says that the current challenges faced by SOEs are policy related, as current policies that govern SOEs are crippling the operations of most of these entities. The Ministry of Finance says that if these SOEs are properly managed they can contribute about 40% of the country's gross domestic product (GDP) (Zimbabwe Broadcasting Corporation, 2013). The Ministry of State Enterprises introduced a corporate governance framework, which is anticipated to improve operations and ensure commitment from both workers and other shareholders towards the turning around of parastatals. Zimbabwe has over 70 state-owned entities. After the 31 July 2013 elections, the government

of Zimbabwe identified 11 state enterprises for privatisation, namely the National Oil Company of Zimbabwe, the Grain Marketing Board, the fixed-line telecommunications provider TelOne, Air Zimbabwe and Agribank, to name a few. The privatisation process is intended to reduce government involvement in various enterprises (Dube, 2010)

3.7 THE HISTORY OF THE ZIMBABWE MINING DEVELOPMENT CORPORATION

The ZMDC is a state-owned enterprise that was formed by an Act of Parliament in 1982, because prior to Zimbabwean independence the exploitation of mineral wealth was carried out by privately owned multinational conglomerates such as Rio Tinto, Lonhro and individual small mining companies, which had government licensing that allowed them to carry out mine explorations, development mining and subsequent marketing of the mining ore and by-products. Whilst the government was benefiting from the exploitation of the resources by these conglomerates through tax and royalties, the Zimbabwean government saw it fit to actively participate in the mining industry through explorations development acquisition of mines resuscitation of closed mines, hence the creation of the ZMDC to spearhead government interest in the mining sector of the economy.

In 1984, the ZMDC started its mining operations by acquiring Messina Transvaal Development Group (MTD), which had the following mines: MTD Mhangula Limited (now Mhangura copper mines), Merits Limited (Lomagundi Smelting and Mining Pty (Ltd), MTD Management Services (now ZMDC Management Services), incorporating Sabi Consolidated mines, Jena Gold mine, and Bar20 Gold Mine, which was closed in 1988.

Mining has remained an important cog in the Zimbabwean economy through creating jobs, where mining has been a direct employer of up to 60 000 people, with numerous others in support industries, earning foreign currency and diversifying the economic base (Chamber of Mines, 2009:16). Mining activities also stimulated the development of towns such as Kamativi, Mhangura and Kadoma, and were a catalyst in the development of basic infrastructure such as road, rail and telecoms.

The ZMDC falls under the Ministry of Mines and Mining Development. The Ministry, as the parent Ministry for the ZMDC and in line with the provisions of the enabling Act that created the ZMDC, appoints the board in terms of section 4 of the ZMDC Act (Chapter 21:04). The provisions of the enabling Act provide for the appointment of a unitary board that comprises eight non-executive directors and one executive director, who also is the general manager and chief executive officer of the corporation. In line with the ZMDC's mandate, it is a requirement that the board takes cognisance of the direct co-relation between good governance and the creation of shareholder value and meeting stakeholder expectations. In this regard, the board and ZMDC management should be dedicated to upholding the values of integrity, commitment, accountability and innovation by which the corporation is guided.

The directors are tasked with the role of controlling the corporation. The board therefore meets regularly, with a minimum of one scheduled meeting in every quarter of the year, to monitor and evaluate the ZMDC's strategic direction and strategy implementation, review policies accordingly and assess overall performance.

Over the last 30 years, the ZMDC has developed into a big mining house, with its operations now extending across the whole country. The ZMDC owns a 100% shareholding in Marange Resources, which is engaged in diamond mining in Chiadzwa, Mutare in the eastern part of Zimbabwe. Diamond mining has contributed significantly to the foreign currency earnings of the country (ZMDC Company Profile 2012)

The fall in mineral prices on the international market in 1985 affected the operations of Kamative tin mine and the Mhangura copper mines. This led to the closure of the two mines in 1994 and 2000 respectively. The current ZMDC strategic plan has strategies to resuscitate operations at these two mines. Since 2005, the ZMDC has entered into joint venture agreements with different international companies to form the following companies: Anjin Investments, Global Platinum Resources (Pvt) Ltd, Todal Mining (Pvt) Ltd, Afro-Sino Mining Corporation (Pvt) Ltd, Diamond Mining Corporation (Pvt) Ltd, Northridge Platinum, Zimbao Mining Ventures, Mbada Resources and Star Mining Resources. The ZMDC's latest strategic plan was for the period 2005 to 2009, although the strategic plans usually are drawn up every five years in workshops.

The plan is supposed to be translated into action through annual departmental operational plans, after which the business plan's objectives and strategies are operationalised and implemented at various strategic business unit levels in order to achieve the set goals of the organisation. Implementation is monitored by the board, which meets regularly, with a minimum of one scheduled meeting in every quarter of the year, to monitor and evaluate the ZMDC's strategic direction and strategy implementation, and to review and assess overall performance. The executive management team – the general manager, company secretary, chief financial officer, chief operating officer and business development executive – are accountable for the overall implementation of the strategic plan.

In 2011, the corporation appointed a new general manager. Upon his appointment, the general manager highlighted the need to take note of major changes in the mining industry and the external environment that needed to be dealt with immediately. Over the years, the ZMDC had been concentrating on exploration and mining without joint ventures with the international market. The general manager noticed that the corporation was coming from the harsh economic and political environments that the country was facing. This situation affected the organisation so that it could not meet most of its obligations, such as employee salaries and payment of creditors. Most of its operations were put into care and maintenance due to the literal collapse of the economy.

Dollarization of the economy in February 2009 brought some hope and life to the organisation. The new general manager attempted to rebuild the corporation to its rightful position and acknowledged the changes in the external environment. Some major competitor's or new mining companies in the platinum and gold, diamond mining started operations, Mimoso Mining invested heavily in the Platinum mines. There was a growing ban on Zimbabwe diamonds on the world market that is putting pressure on the corporation.

3.7.1 ZMDC group structure

Over the years, and since its incorporation, the ZMDC has acquired several mining entities and also entered into a number of joint ventures with different investors, mostly foreign.

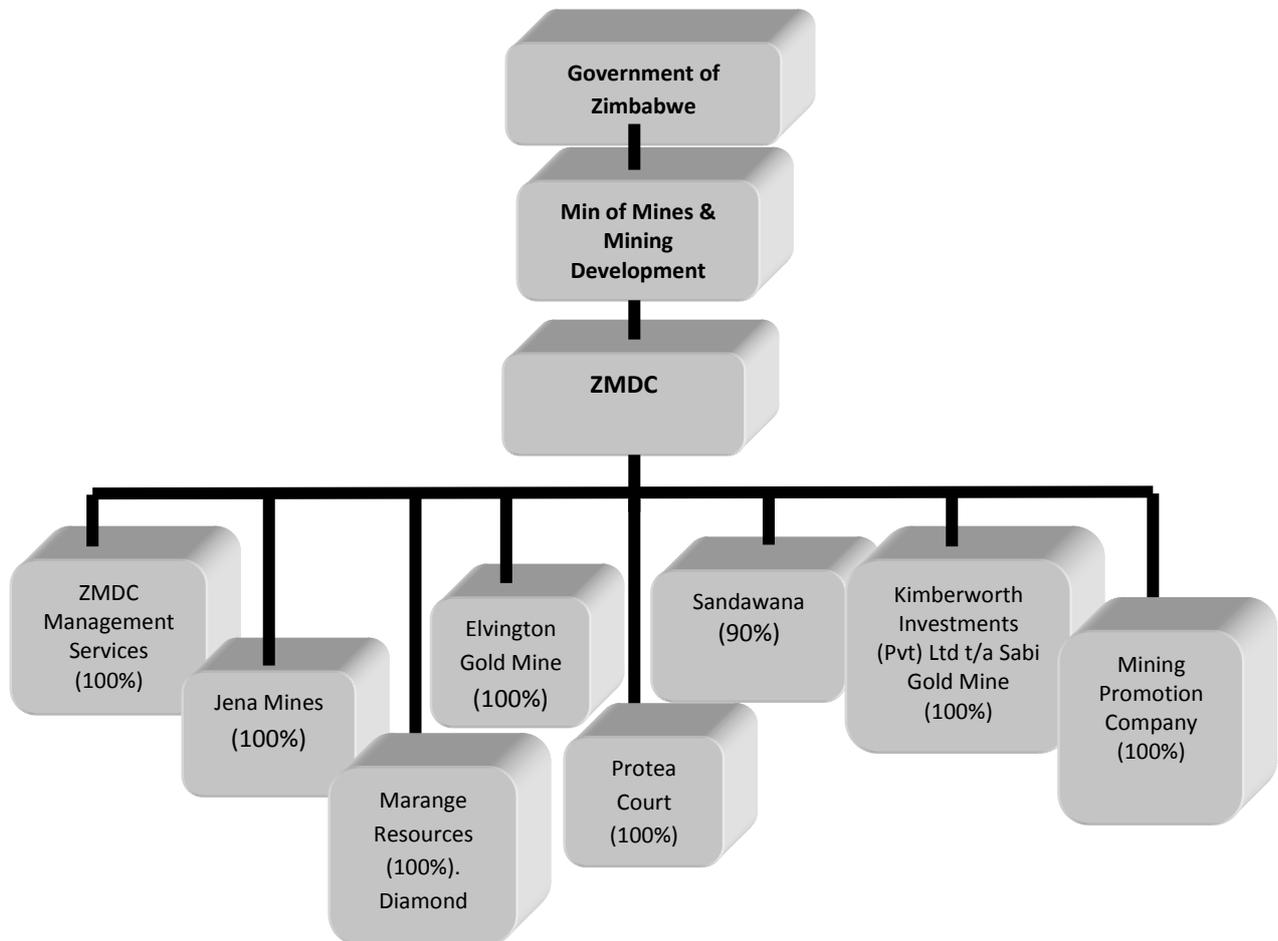


Figure 3.1: ZMDC Group structure

Source: ZMDC Strategy Plan Document, 2012

ZMDC GROUP OPERATIONAL STRUCTURE

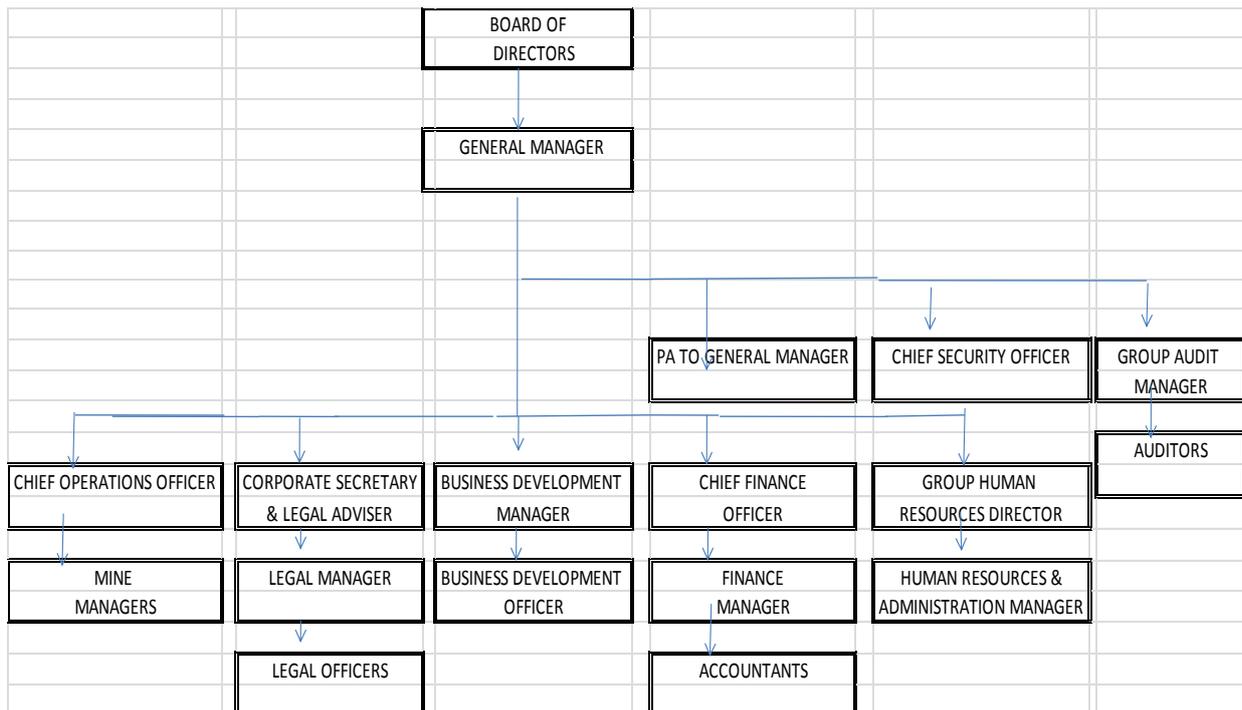


Figure 3.2: ZMDC Group Operational Structure

Source: ZMDC Strategic Plan Document (2012)

In January 2012, the general manager called for a strategic workshop in Nyanga. The strategy workshop included the board of directors and senior executive managers. The strategic workshop also includes mine managers, mine secretaries and senior geologists from the subsidiaries companies. The general manager shaped the organisation’s strategic intent and new business model.

3.7.2 ZMDC strategic intent

The ZMDC wishes to be a professional, production-oriented and profitable organisation involved in the exploration and exploitation of the nation’s mineral resource in a sustainable manner. Pursuant to this aspiration, the corporation shall work on:-

- Quantifying and unlocking the mineral value for the nation and ensuring resource utilisation for posterity.
- Continuing to improve in joint venture negotiations and management.
- Growing the business through building competencies and a strong financial base in order to increase market share and expand lines of business, e.g. mineral beneficiation and increase revenue.

- Improving systems, controls, risk management and good corporate governance to ensure operational efficiencies.
- Improving operational profitability and sustainability through adequate mineral resource generation, development, exploration and the use of modern technology.
- Ensuring effective internal communications, and fostering teamwork and cooperation (ZMDC Strategic Plan 2012:5).

3.7.3 Business model

The ZMDC is a mining house endowed with a wide variety of minerals that are exploited through strategic business units. This defines the ZMDC as a holding company of various subsidiaries running individual mines. The structure comprises a head office and small business units (SBUs) (ZMDC Strategic Plan 2012:9).

At the end of the workshop, a new strategic business plan was developed and agreed on. The business plan has the following strategic thrusts: growth strategy, increase in gold output, re-opening of closed mines and improvement of financial performance. The strategy is in line with the company's mandate. These strategies have been such that the corporation builds on the strengths it already possesses, remedy its weaknesses that have an effect on the business, exploit its opportunities and combats the threats that may impact on its mandate. In the era of a changing macro-economic environment, the ZMDC set growth as a strategy so that it could survive. The achievement of growth was to be realised through internally and externally based activities, like generating new ore reserves through development and exploration.

The ZMDC crafted strategies to increase production at its major mining houses. The gold price was firming and the corporation took advantage of this to make profits. The ZMDC outlined an increase in gold output through capacity utilisation. The ZMDC had, in its portfolio, redundant assets that were closed due to viability problems. These mines were closed down due to the lack of viability stemming from depressed international tin prices and falling grades. The price of tin has firmed to above USD 9 100 and continued on an upward trend. Given the increase in prices, the ZMDC crafted strategies to start production at its closed mines. Three teams were formed and were given the mandate of looking at the agreed strategic thrust within three months for these to be approved by the executive management

committee and the board of directors. Workshops were held during which the strategy was introduced and presented to the employees.

3.7.4 Strategic thrust and intents

The ZMDC has the following vision in its strategic plan: “to exploit mineral resources in a cost effective, profitable and sustainable manner to benefit employees, shareholders and the nation” (ZMDC Strategic Plan Document, 2012:10).

3.7.5 ZMDC strategic thrust

The ZMDC’s strategies are in line with the company’s mandate. These strategies are such that the corporation builds on the strengths it already possesses, remedies its weaknesses that have an effect on the business, exploits its opportunities with all it has, and combats the threats that may impact on its mandate. The ZMDC intends to grow the business through building competencies and a strong financial base in order to increase market share, and expand lines of business.

3.7.6 Growth strategy

In the era of changing macro-economic environment, the ZMDC set growth as a strategy so that it could survive. The achievement of growth was to be realised through internally and externally based activities, like generating new ore reserves through development and exploration.

3.7.7 Internal growth

In the corporate plan of 2011 it was stated that on-site exploration should be intensified to enhance mine life. At every mining operation, 10% of turnover was to be dedicated to mine development and exploration. In order to attain growth, the rate at which new ore reserves are generated should have been twice the rate of depletion. To date, exploration is taking place at most subsidiaries and little or no new ore reserves have been generated. This, according to the ZMDC (2012:18), company profile has seen the northern part of Sabi Mine and the eastern part of Jena Mine not yet exploited. Research therefore is necessary on why the strategy is not being implemented.

3.7.8 External growth

The ZMDC set itself to channel exploration funds through the Mining Promotion Company (Pvt) Ltd, which was created to facilitate the exploration activities of the Corporation. These activities were to be concentrated on areas that the corporation has mining rights. To achieve this, the holding company set itself to contribute 3% of administration fees receivable towards the exploration fund. Although the organisation has been receiving the administration fees from its subsidiaries, it has not been channelling the funds to the Mining Promotion Corporation (Pvt) Ltd, hence the need to do research on why the organisation has not been able to implement the strategy.

3.7.9 Increase in production

The ZMDC crafted strategies to increase production at its major mining houses, such as Jena mines and Sabi gold mines, through quantifying and unlocking the mineral value base for the nation and resource utilisation for posterity. Although there were strategies to increase output production, figures show a decline in output since 2011(ZMDC Annual Report, 2012:43)

3.7.10 Improvement of financial performance

Through its strategic thrust, the ZMDC planned to improve the financial performance of the organisation by improving operational profitability and sustainability through adequate mineral resource generation, development, exploration and the use of modern technology, improving systems, controls, risk management and good corporate governance to ensure operational efficiencies.

3.7.11 Resuscitation of closed mines

In its portfolio, the ZMDC had redundant assets that were closed due to viability problems. These are Mhangura copper mines, Lomagundi Smelting and Mining (Pvt) and Kamativi tin mine. Given the increase in mineral prices, the ZMDC crafted strategies to start production at Kamativi mine. Capital requirements for the resuscitation of Kamativi mine were estimated at USD\$15 000 000.00. Production was estimated to be 60 tonnes per month by the end of 2012. To date no work has been done at Kamativi to resuscitate the mine (ZMDC Annual Report, 2012:21).

3.7.12 The vision, purpose, mission and values

The abovementioned strategic thrusts of the ZMDC are in line with and also support the vision, mission, purpose and values below. The strategic thrust is said to be in line with and also support the mission, vision, purpose and values, since it intends to grow the business through building competencies and a strong financial base in order to increase market share and expand lines of business.

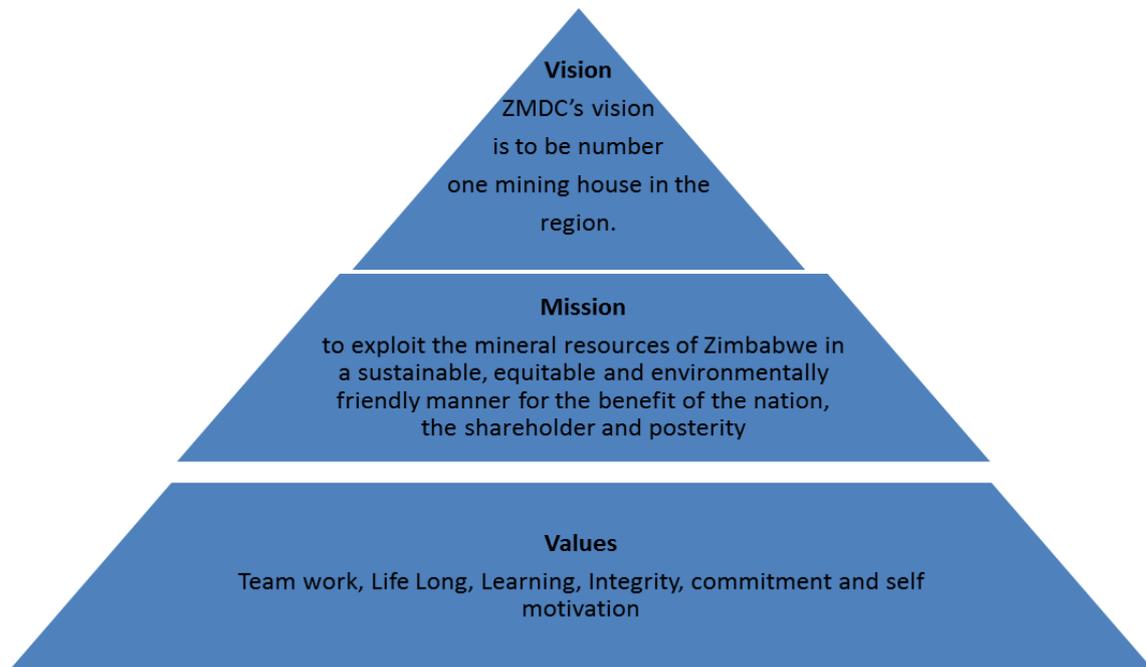


Figure 3.3: ZMDC vision, purpose, mission and values

Source: ZMDC Strategic Plan Document (2012)

1. Vision

The ZMDC's vision is to be the the number one mining house in the region. This will be measured by the following criteria: that the ZMDC wants to be the employer of choice in the mining industry, competing with other big mining companies. The ZMDC also has in its vision to be recognised as a partner of choice and this will be in the form of the various joint ventures formed.

2. Core purpose

The core purpose is to undertake efficient and sustainable exploration and exploitation of mineral resources on behalf of the State.

3. Mission statement

The mission is to exploit the mineral resources of Zimbabwe in a sustainable, equitable and environmentally friendly manner to the benefit of the nation, the shareholders and posterity.

4. Values

The ZMDC values teamwork, in which the ZMDC employees and board members will cooperate fully with each other to achieve their set goals. Through teamwork, the ZMDC believes that each member of the team has something to contribute and therefore will allow innovativeness.

Lifelong learning is one of the values of the ZMDC, as this contributes to continuous, effective, competitive and innovative improvements of operations. The ZMDC also values integrity. Integrity shall not compromise on honesty and integrity at all times and it will uphold professionalism, trust, honesty, transparency, responsibility and ensuring safety, security and environmental care.

Through commitment as a value, the ZMDC is committed to selfless dedication to productivity and set targets in order to achieve its goals and objectives. The organisation also values self-motivation as an inspiration to exceed its expectations.

In conclusion, it is through the above vision, mission statement and values that the ZMDC will be guided in order to achieve its set objectives and goals.

3.7.13 Evaluation of the ZMDC's current strategy achievements

The ZMDC launched its new strategy in 2012, and the current results are not impressive, although the strategy seems to be appropriate even if it is not being effective. By the end of 2012, the new general manager called for answers to why the strategy was not being implemented effectively.

Table 3.2: Progress report in reference to the key strategic thrusts

STRATEGIC INTENT	PROGRESS TO DATE
Growth strategy, internal and external growth	To date, exploration is taking place at most subsidiaries and little or no new ore reserves are being generated. An exploration company mining promotion corporation has been formed and started its operations in February 2013.
	In the 2012 annual report, the ZMDC chairman acknowledged that ZMDC had not been able to achieve most of the plans it had set itself to achieve by 2012.
Increase in gold output	Decline in output.
Resuscitation of closed mines	No work has been done to resuscitate the closed mines. Shaft sinking at Elvington started in March 2013, very much behind target.

Source: ZMDC Strategic Review Workshop (2013)

3.7.14 ZMDC performance review 2011 to 2012

3.7.14.1 Gold division

The performance of the ZMDC is reviewed on a mineral-by-mineral basis.

At ZMDC's three gold-producing mines, Jena Mines, Sabi Mines and Elvington Mines, the production in kilograms was below budget on a year-to-year basis. Table 3.3 outlines each mine's production against its budget.

Table 3.3: Gold production budget and actual figures (2011 to 2012) in kilograms

	2011		2012	
	Budget	Actual	Budget	Actual
Jena	300	245	300	253
Sabi	300	213	300	204
Elvington	50	39	50	34

Source: Adapted from individual mine's annual audited reports (2011 – 2012)

3.7.14.2 Diamond division

Diamond production was 30 000 carats per month more than the budgeted figure of 20 000 carats per month. The diamond division is operating profitably up to date.

3.7.14.3 Emerald division

The ZMDC procured Sandawana Mines in 2004, when production was 400 000 carats of emeralds per month. In 2006, production figures dropped significantly to 120 000 carats per month. This was caused by depleted resources and a lack of exploration and mine development. Sandawana's last big sell of emeralds was in 2008. Total sales for the year 2008 amounted to US\$345 000. No sales were recorded in 2010 and they only managed to sell emeralds worth US\$9 400 in 2011. A lack of market has made it difficult for Sandawana to continue operating (ZMDC, 2010 Board Paper). It is against this background that the study investigates the effectiveness of strategic implementation in the mining sector.

3.8 SUMMARY

The chapter started by giving a brief institutional context of the Zimbabwe Mining Development Corporation and strategic changes that have been implemented. In relation to this institutional context, a brief company history of the ZMDC was discussed, along with the current mining environment in Zimbabwe. The chapter also discussed the macro-environmental factors affecting the ZMDC, which are political, economic, social and technological factors. The chapter gave an introduction to SOEs and discussed why governments in developing countries are resorting to SOEs. The chapter also discussed the SOE landscape in Zimbabwe, outlined the various types, and provided an outline (see table

3.1). Various challenges were also discussed briefly and reasons for the failure of the SOEs were discussed.

The chapter also discussed the ZMDC as a state-owned enterprise, how it was formed and the reasons for its formation. The ZMDC's growth history from 1982 to date was discussed. The ZMDC group structure and the organisational chart were discussed and shown. The ZMDC's strategic intent, business model, strategic thrust and vision, purpose, mission and values were set out. The chapter concluded by evaluating the ZMDC's current strategy achievements and also by reviewing its current performance.

The focus of the next chapter will be on discussing the research methodology used in line with the research question.

CHAPTER FOUR: METHODOLOGY AND FINDINGS

4.1 INTRODUCTION

The research problem highlighted in section 1.6.1 of chapter 1 included issues that are difficult to quantify. Some of the different features of the research problem are processes, perspectives and experiences. The study calls for the researcher to look at different themes that will show up in the discussions, and therefore the researcher only used a qualitative and quantitative approach. Qualitative research refers to collecting, analysing, and interpreting of data by observing what people do and say. Whereas, quantitative research refers to counts and measures of things. According to Saunders, Lewis and Thornhill (2007), the qualitative approach seeks to understand and explain an occurrence instead of looking for outside cause or important laws. The main thrust of the qualitative approach is to look at events, actions, norms and values from the perspective of the people who are being studied.

The researcher used both semi-structured and unstructured interviews (see Appendices C to F) since they can be explored in detail in order to gain a better appreciation of the responses. The interviews were recorded by audio recording and note taking. The researcher used questionnaires in order to capture different views from the respondents.

4.2 INTERVIEWS AND INTERVIEW SAMPLE

The researcher carried out a pilot study to try to establish the time needed to carry out the interview and also assess the appreciation of the questions. The trial phase was done using two head office managers and three employees from the ZMDC, one manager and two employees from Jena mines, one manager and three employees from Sabi mine, one manager and one employee from Sandawana mine, one manager and two employees from Elvington mine, and one manager and two employees from Marange Resources. These employees and managers did not participate in the research.

The trial phase allowed the researcher to simplify most of the questions. The target population for the research was 95 managers and 120 employees who were at grade B5 and above, and who had been with the organisation for the period under study and had knowledge of the subject area. The total target population therefore was 215, as tabulated below:

Table 4.1: Target Population

Sampling frame	Number of individuals
Managers \geq grade D1	95
Employees \geq grade 5	120
Total population (tp)	215

The researcher chose the population from grade B5 and above based on the assumption that these people have knowledge of the subject area and, as for the managers, they had to fulfil some of the following conditions:

- They had to be managers with subordinates and also be involved in strategy implementation.
- They had to have been managers at the ZMDC head office or any of its mines for a minimum of three (3) years.
- They had to be experienced in strategic issues and have been involved in the ZMDC's current strategy plan.

Since the target population was 215, and the researcher sought to gather accurate information on the subject area, the researcher included a sample of 150 objects in the research.

Table 4.2: Sample size distribution

Sampling frame	Number of individuals
Managers \geq grade D1	30
Employees \geq grade 5	120
Total sample size	150

4.3.1 Method of analysis

Content analysis was used to analyse the data and the researcher collated the results of the analysis into frequency tables, pie charts and graphs.

4.3 CHAPTER SUMMARY OF RESEARCH SUGGESTIONS

From the literature review in Chapter 2, and also from the institutional context discussed in Chapter 3, the researcher developed some suggestions in order to found and investigate the challenges that affect strategy implementation at the ZMDC. These suggestions will be verified by means of the outcomes of the in-depth interviews.

4.4.1 Proposition 1

Effective communication supports strategy implementation

The literature review shows that effective communication assists the quicker grasping of what is supposed to be done, when it needs to be done, why it has to be done and how it will be carried out. If all employees are aware of their company's strategy, they will support its implementation, other than if they were not aware of the strategy.

In order for the implementation to be successful there is a need for periodic feedback or updates on the progress with implementation to date; this will stimulate the employees and allow them to have a better focus. There is also a need for a two-way communication system; this promotes a quicker flow of information in the organisation.

4.4.2 Proposition 2

Strategy and leadership commitment by top leadership contributes to the successful implementation of the strategy

The literature review shows that buy-in and up-front commitment by the leaders is needed and they should stick to the full and thorough process of strategic planning. The leaders must be fully committed to implementing the recommended strategies. The literature also shows the importance of the general manager in strategy implementation. The top management's participation in and commitment to the chosen strategy have an influence on other or junior managers and staff member's commitment to strategy implementation. Managers have an important strategic role to play, as they give strategic leadership to their subordinates.

4.4.3 Proposition 3

There is a strong connection between organisational structure and strategy implementation

From the literature discussed in Chapter 2 it is clear that the organisation needs to be structured in a way that it supports the organisational strategy. There is also need for continuous reviews of the structure to make sure things are in according to plan, and also to make sure the departments or subsidiaries are still working as a team, rather than other foundation. The structure also manages internal squabbles, which can cause negative effects on the effective implementation of the strategic plan.

4.4.4 Proposition 4

Many challenges affect strategy implementation; these challenges need to be known and overcome in order for implementation to be successful

Strategy implementers come across many challenges during the implementation process. The literature review identifies challenges such as lack of resources, commitment and leadership, lack of proper planning, trying to implement it all at once, most managers do not want to take risk, the costs involved, unclear strategy and conflicting priorities, an ineffective senior management style and poor coordination across functions, business or borders. Management spent little time on drawing up implementation plans. There is a culture of leaving the implementation process to junior managers, who mostly do not have the required experience and technical knowhow.

4.4.5 Proposition 5

Managers and employees have a big contribution to make in strategy formulation, not only in implementation

According to the review of comments from the interviewed employees, junior managers and other senior employees are not involved in strategy formulation. Executive managers see strategy formulation as being for the very few executives only. Managers and other senior employees know their operational activities well, since they are involved in the day-to-day running of the mines. The executives must use them positively during the strategy development phase. This will encourage junior staff to quickly support the strategy and take ownership of the strategy.

4.4.6 Proposition 6

Employees lack understanding of the organisation's strategy.

The literature review showed that most managers and employees do not understand the organisation's strategy. The literature review showed a lack of involvement in the earlier stages of strategy development as the major contributing factor. The executives only recognise the employees as implementers.

4.4.7 Proposition 7

Resources available contribute to the success of the strategy

Building from the review of the literature, it is clear that, for strategy implementation to be successful, resources should be available in the form of financial, human and physical resources. The organisation's resources must be suitable for the available projects, in line with the desired strategic objectives.

4.5 DATA PRESENTATION AND ANALYSIS

4.5.1 Introduction

The researcher processed the raw data and then presented it in a simplified manner. This also assists conclusions to be drawn. The participants' answers were compared and examined, and the results are presented in the form of graphs and tables.

4.5.2 Participation

The employees who participated were selected on the basis that most of them formed part of the strategy formulation and implementation that the ZMDC undertook in 2012. All the managers and employees approached agreed to participate in the research. The researcher used interviews for head office managers and employees, and the questionnaires were used for mine managers, heads of departments and employees. The head office managers included executive management and senior managers for the various departments, all of whom have subordinates. The sample comprised 25 men and 5 women. Sample teams alternated in size from 2 to 12, and they had been in their current positions for between 3 months and 15 years, while their period at the ZMDC ranged from 10 months to 33 years.

Generally, most of the managers had at least a first degree, with two being engineers (see Appendix B, list of participants).

4.5.3 Head office management and employees' opinions

The questions below were asked to the General Manager so that the researcher correlate his answers with those from other senior managers and employees.

- What is the ZMDC's current strategy?

- What is the role of senior managers and employees?
- What skills do you think these managers and employees should have in order for them to be able to drive the ZMDC's strategy into action?
- How do you measure their performance?

The general managers' answers were as follows:

- The ZMDC's strategy is to increase mineral revenue to value add in diamonds as well as to improve planning for mineral resources development.
- The ZMDC has to create a structure that ensures its oversight role in all joint ventures and subsidiaries.
- To achieve this strategy, the ZMDC has put in place the following strategic thrusts: quantifying and unlocking the mineral value base for the nation and resource exploitation for posterity, review and implementation of investment structures to ensure viability and improve operational profitability and sustainability through adequate mineral resource generation, development, exploration, beneficiation and the use of appropriate technology.
- Senior managers and employees are very important in the strategy implementation process.
- The senior managers generally are the drivers of the process through giving direction to their subordinates.
- Senior managers and other senior employees are team leaders in their departments in order to grow the business through building competencies, expanding lines of credit and increasing revenue.
- In order to achieve the above, these managers have to be good planners, and results-based managers, efficiency and effectiveness are key to achieve business growth.
- They also need to have confidence in themselves, have the best communication skills and the ability to analyse situations, and must be hard working.

4.5.4 HEAD OFFICE MANAGERS AND EMPLOYEES' UNDERSTANDING OF STRATEGY

The participants were asked to give their understanding of strategy. Their responses are summarised in Table 4.3.

Table 4.3: Head office managers' and employees' understanding of strategy

RESPONSE	FREQUENCY
1. It's the route organisations follow so that they can accomplish their goals?	20
2. It's a manager's plot to run a company?	4
3. It's a way to get there?	2
4. A well-planned idea indicating the means to be used to attain the stated goals?	15
5. It's a tactic of attaining outcomes?	8
6. It's an organisation's plan?	12

4.5.5 ZMDC STRATEGIC AIMS

The participants were requested to describe the ZMDC's current strategy and its strategic intents. The researcher wanted to verify if these senior managers were aware of the organisation's strategy.

The Head Office managers' responses are summarised in Table 4.4 below.

Table 4.4: ZMDC strategic aims

RESPONSES	FREQUENCY
<ul style="list-style-type: none"> • Increase mineral revenue value addition on diamonds 	21
<ul style="list-style-type: none"> • Create a structure that ensures its oversight role 	17
<ul style="list-style-type: none"> • Quantifying and unlocking the mineral value base for the nation's resource exploitation for posterity 	15

4.5.6 HEAD OFFICE MANAGERS' AND EMPLOYEES' ROLE IN STRATEGY IMPLEMENTATION

The managers and employees who participated were asked to give their own opinion with regard to their part in strategy implementation. Their responses are summarised in the Table 4.5 below.

Table 4.5: Head office managers' and employees' role in strategy implementation

RESPONSES	FREQUENCY
1. We assist in the implementation	10
2. Very correct, we play a big part in the implementation process	25
3. We inspire other employees in doing their day-to-day jobs	15
4. Managers are the drivers of organisational goals	15
5. We provide guidance to the subordinates in relation to strategy implementation	10
6. Increase in production figures	13
7. Guide subordinates in achieving company strategic objectives	16
8. Managers are responsible for the overall strategy implementation in line with the current budget.	14

4.5.7 RESPONSES TO STRATEGY REVIEW

The researcher asked the participants to give their own opinions in relation to progress to date by the ZMDC in implementing its current strategy. Table 4.6 below summarises the responses given.

Table 4.6: Responses to strategy review

RESPONSES	FREQUENCY
1. The progress to date is very good	10
2. The plan is going well, we have to maintain it	8
3. There is need to make an evaluation of the strategy in order to align it with the changes in the market	5
4. We are achieving our objectives	12

4.5.8 MAJOR BARRIERS ENCOUNTERED IN IMPLEMENTING STRATEGY

The respondents were requested to state the barriers they encountered during the strategy-implementation process. The responses are set out in Table 4.7 below.

Table 4.7: Major barriers to strategy implementation at the ZMDC

RESPONSES	FREQUENCY
1. Executive management are very slow in making decisions and this cost the company	15
2. Budget constraints	17
3. Too much of our time was spent on internal and external politics rather than on production	14
4. Aim kept on shifting	7
5. Staff resignations affect the rhythm	13
6. Lack of teamwork	16
7. Repetition of the same questions	11
8. Unworkable objectives and anticipations	13
9. Unequal distribution of incentives	15

10. How they overcame the barriers: supervisors all the time assist me when I face problems	15
11. Training assisted me in dealing with any challenges	12
12. I depend on employees with vast experience to assist me	13
13. Self-belief, I-can-do-it principle	4

4.5.9 FACTORS THAT ASSISTED THE EXECUTION PROCESS

The participants were requested to state the factors that helped them in the execution process.

Table 4.8 below summarises the responses.

Table 4.8: Factors that assisted the execution process

RESPONSES	FREQUENCY
1. Industry experience assist me a lot	5
2. Team commitment	9
3. Senior executive support was good	11
4. Team spirit was wonderful	5
5. Clear strategy definition and ownership	9
6. Continuous updates motivate the team	6
7. Incentives motivate me	13

4.5.10 SKILLS

The participants were requested to state what they think were their main skills and how these had assisted successful in strategy implementation. The responses are set out in Table 4.9 below.

Table 4.9: Skills

RESPONSES	FREQUENCY
1. Diagnostic skills	13
2. Intellectual skills	8
3. Efficient area supervision	9
4. Working under pressure	12
5. Personal belief	5
6. Better leadership skills	21

4.5.11 COMMUNICATION AS AN EFFECTIVE TOOL FOR STRATEGY IMPLEMENTATION

The participants were asked to comment on the importance of an effective communication system in order to have effective strategy implementation at the ZMDC. Their answers are summarised in Table 4.10.

Table 4.10: Communication as an effective tool for strategy implementation

RESPONSES	FREQUENCY
1. Communication is crucial	20
2. Employees must know why there is need for change in order to buy in	8
3. Communication must be simplified and effective	13
4. Employee buy-in	3
5. Consistency in format of communication	7
6. Top-to-bottom communication	15
7. Well-communicated strategy to avoid failure	12
8. Communication management	9
9. Communication must be appropriate and easy to understand	7

4.5.12 CHANNELS OF COMMUNICATION

The participants were requested to comment on the channels of communication available at the ZMDC and also which channels they found to be the most suitable. The responses are summarised in Table 4.11 below.

Table 4.11: Channels of communication at the ZMDC

RESPONSES	FREQUENCY
1. Morning brief with my immediate manager	19
2. Monthly departmental meetings	13
3. Weekly section meetings	15
4. Quarterly reviews and meetings with general manager	7
5. Target meetings	20
6. Use of emails	16

4.5.13 ZMDC REMUNERATION AND APPRECIATION

The researcher asked the participants if the remuneration policy was crucial for strategy implementation. They were also requested to comment on how the policy affected implementation and if it backed strategy implementation. Table 4.12 below summarises their responses.

Table 4.12: Remuneration

RESPONSES	FREQUENCY
1. Remuneration policy is critical	20
2. There is no need for it	4
3. Employees need to be recognised	16
4. Employees need to be motivated to work extra hard	12
5. Money drives employees to work hard	9

4.5.14 PERFORMANCE MEASUREMENT

The participants were requested to say how their performance was measured at the ZMDC, and their responses are set out in Table 4.13 below.

Table 4.13: Performance measurement

RESPONSES	FREQUENCY
1. Production targets	17
2. Budget targets are within the budgeted amount	14
3. Balanced scorecard	16

4.5.15 PARTICIPATION IN STRATEGY FORMULATION

The participants were requested to comment on their involvement in strategy formulation. Table 4.14 below summarises their responses.

Table 4.14: Participation in strategy formulation

RESPONSES	FREQUENCY
1. We are never involved	3
2. To a very minimum extent	15
3. I have never been part of strategy formulation	7
4. We just implement other people's strategy/decisions	10
5. We only participated in strategy workshops once before	8

4.5.16 ROLE IN STRATEGY FORMULATION

The participants were requested to comment if they thought they had a role to play in strategy formulation. Table 4.15 below summarises their responses.

Table 4.15: Role in strategy formulation

RESPONSES	FREQUENCY
1. I do understand the mining industry	5
2. We have a big role in strategy formulation	16
3. I assume I have a big role on the initial stages of strategy formulation especially the how side of strategy	22

4.5.17 RESPONSES FROM QUESTIONNAIRES

The second stage of the research was conducted via questionnaire. These were sent to the mines and other joint venture companies.

Response rate

In order to ensure there is legitimacy and dependability in research, it is crucial that respectable feedback or answers should be obtained, as this defines the quality of the surveys.

Table 4.16 below shows the response rates.

Table 4.16: Responses from questionnaires

	Managers	Employees
Number of questionnaires sent	30	120
Number of questionnaires returned	20	100
Response rate	67%	83%

4.6 DEMOGRAPHICS

4.6.1 Participants' position

The participants were asked what position they held in the organisation. Figure 4.1 depicts their responses.

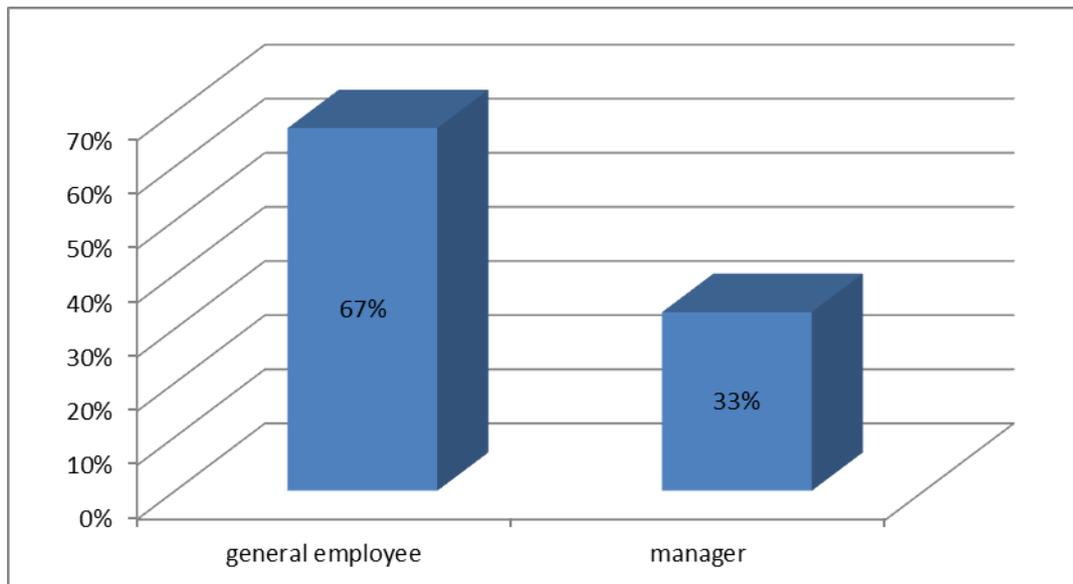


Figure 4.1: Participants' position

4.6.2 Participants' years of service

The participants' number of years of service was considered to be crucial, especially those with five years of service or more, as they were considered to be more experienced. Their responses, in percentage, are set out in Table 4.17.

Table 4.17 Years of service

	< 5 years	5 – 10 years	11 – 15 years	16 – 20 years	Over 21 years
Managers	7	11	5	4	3
Employees	35	28	30	15	12

4.6.3 Participants' qualifications

The participants' qualifications were grouped as follows:

- Certificate and below
- Diploma
- Degree
- Postgraduate and professional qualification

These are set out in Figure 4.2.

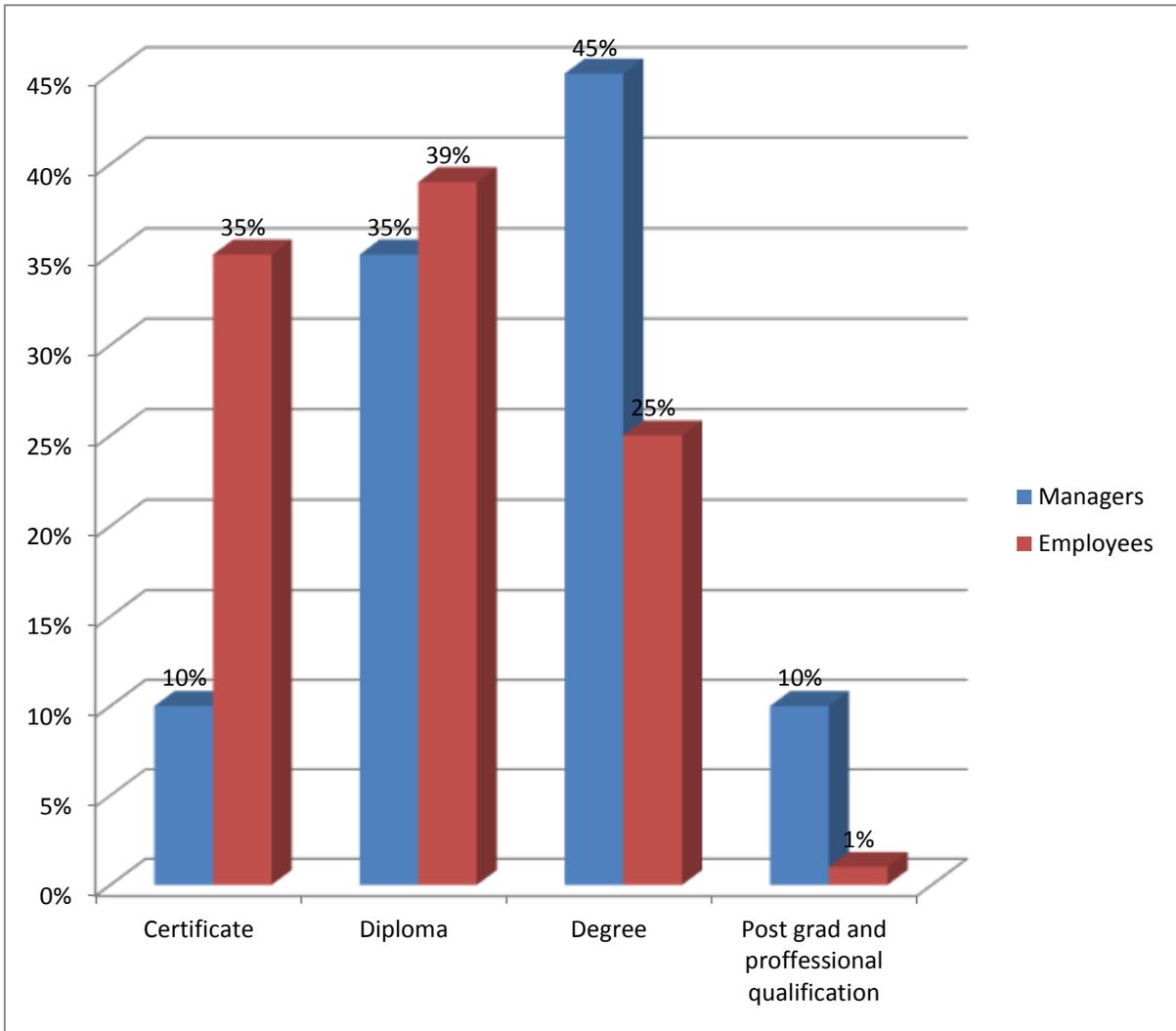


Figure 4.2: Participants' qualifications

4.6.4 BEST APPROACH TO STRATEGY IMPLEMENTATION IN AN ORGANISATION

The participants were asked if they were involved in the formulation of strategies in the organisation. The common responses were as follows:

- Approximately 64%, the majority of the staff and management, agreed that they were not involved, while 36% noted that they were involved (see Figure 4.3).

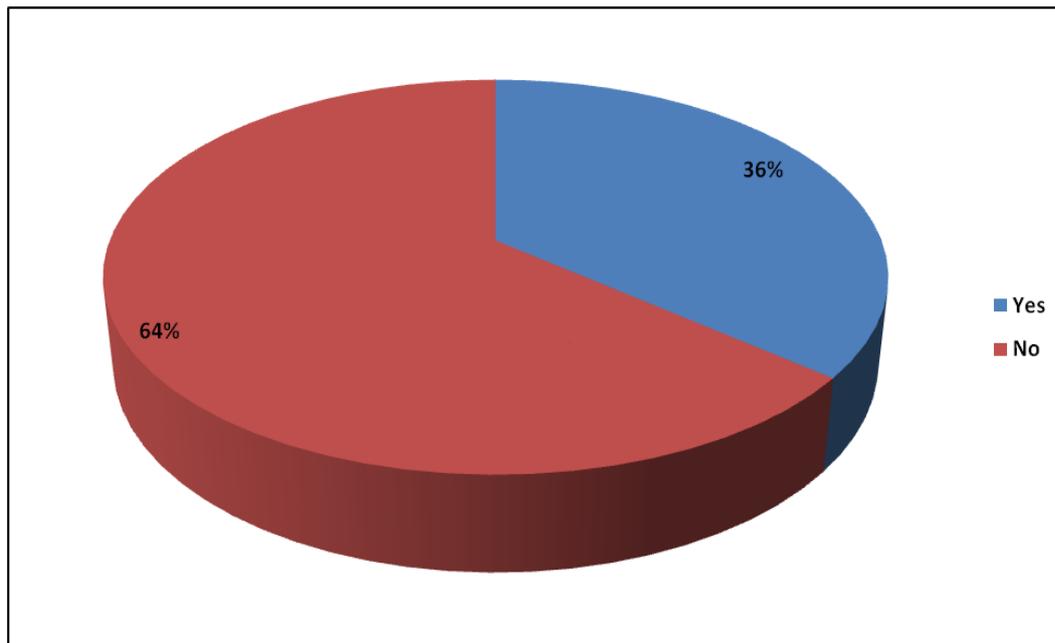


Figure 4.3: Staff involvement

4.6.5 MANAGEMENT HAS ADEQUATE LEADERSHIP SKILLS TO DRIVE THE COMPANY TO ACHIEVE ITS GOALS

The participants were asked to comment if management had the requisite skills to drive the organisation towards the achievement of its set goals. The following is the most common answers, as set out in Figure 4.4.

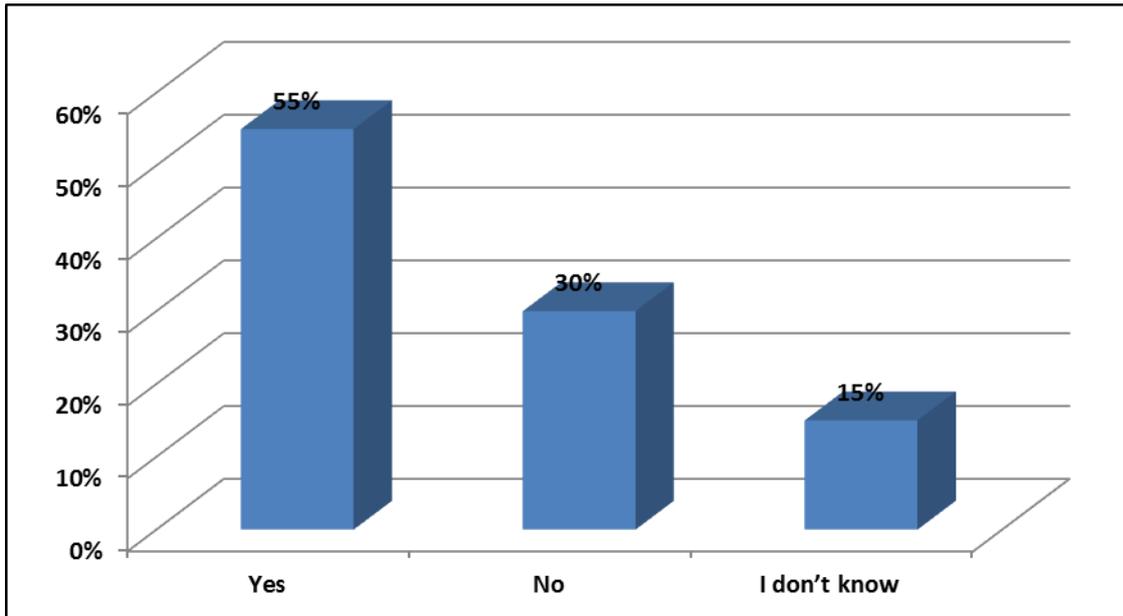


Figure 4.4: Skills to drive company to achieve goals

4.6.6 SKILL LEVEL AND EXPERTISE AT THE ZMDC AND ITS SUBSIDIARIES

The respondents were asked to comment on the skill levels and expertise at the ZMDC and its subsidiaries. Their answers are set out in Figure 4.5.

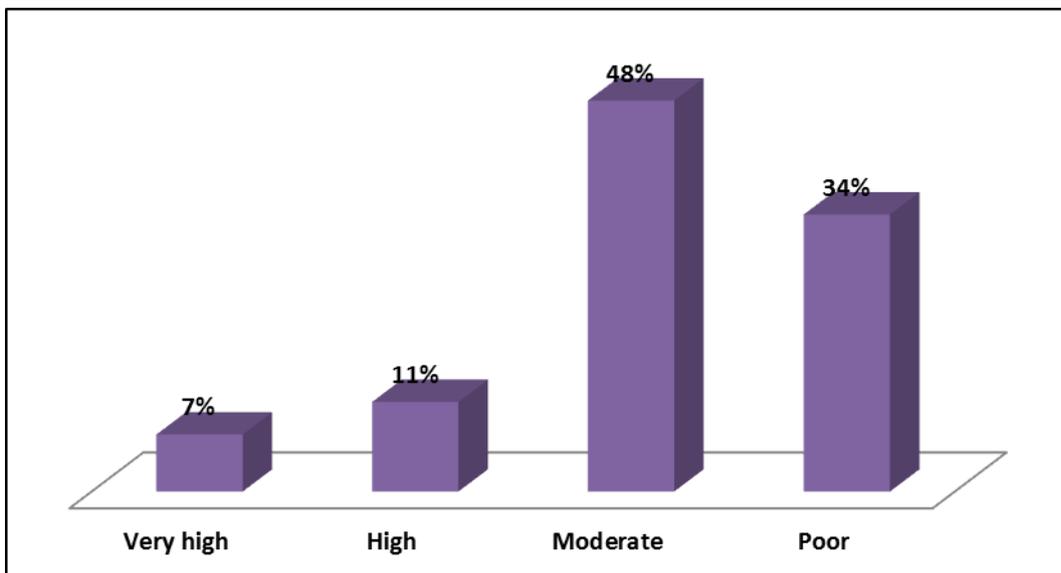


Figure 4.5: Skill levels and expertise

4.6.7 LEVEL OF DELEGATION WITHIN THE ZMDC AND ITS SUBSIDIARIES

The participants were asked to share what they thought to be the levels of delegation within the company and its subsidiaries. Figure 4.6 below shows their responses in percentages.

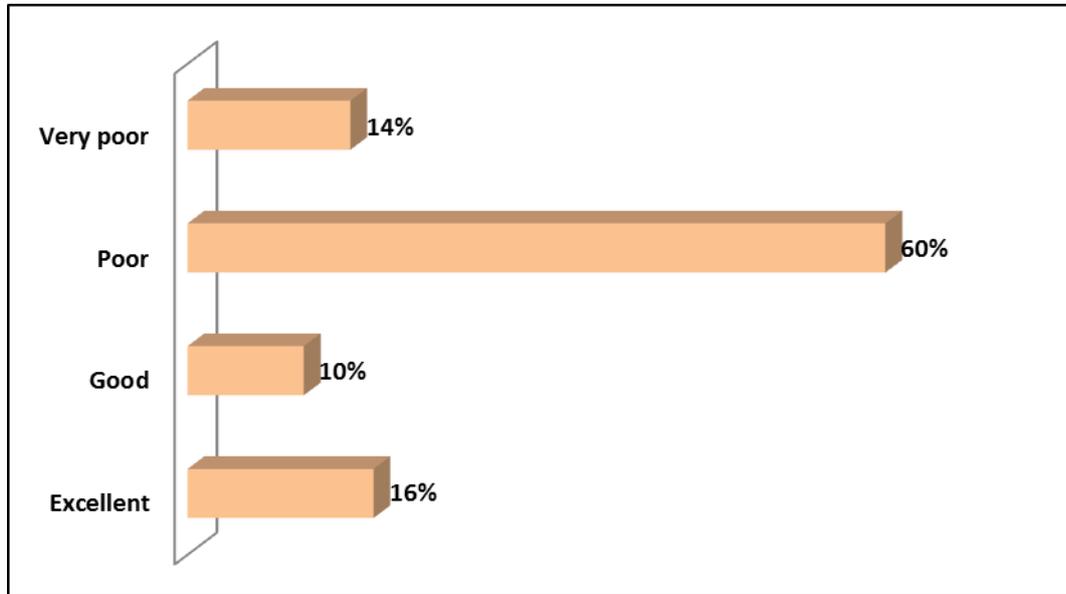


Figure 4.6: Level of delegation within the ZMDC and its subsidiaries

4.6.8 CHALLENGES TO EFFECTIVE STRATEGY IMPLEMENTATION FOCUSING ON INTERNAL FACTORS

4.6.8.1 Teamwork

The participants were asked to comment if teamwork existed at the ZMDC. Their answers are depicted in Figure 4.7.

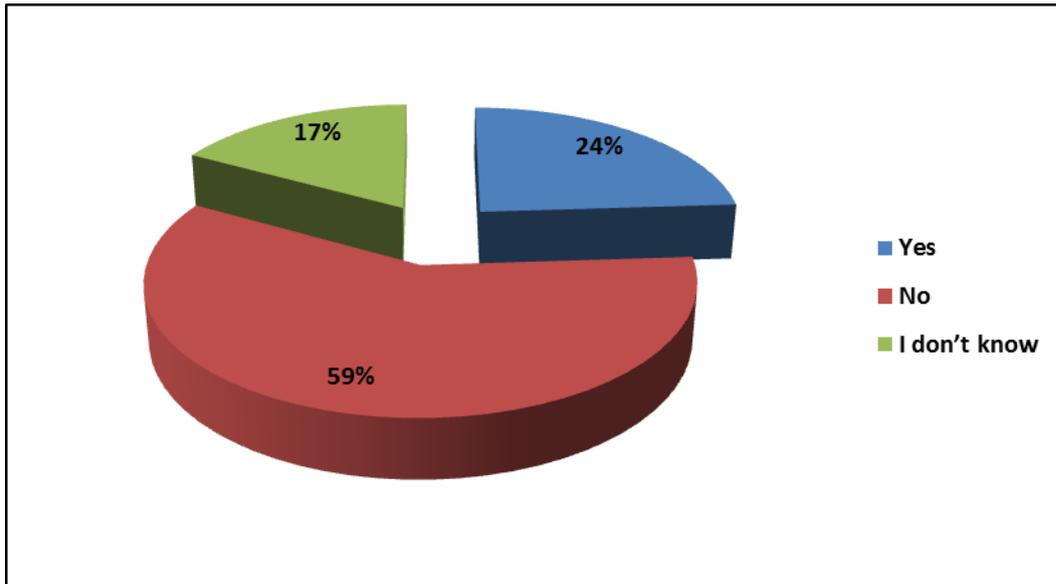


Figure 4.7: Teamwork

4.6.8.2 Poor teamwork as a challenge to strategy implementation

The participants were asked for their views with regard to poor teamwork as a challenge to strategy implementation. Their responses are shown in Figure 4.8.

- Yes, poor teamwork is a challenge to strategy implementation (82%)
- No (8%)
- I don't know (10%)

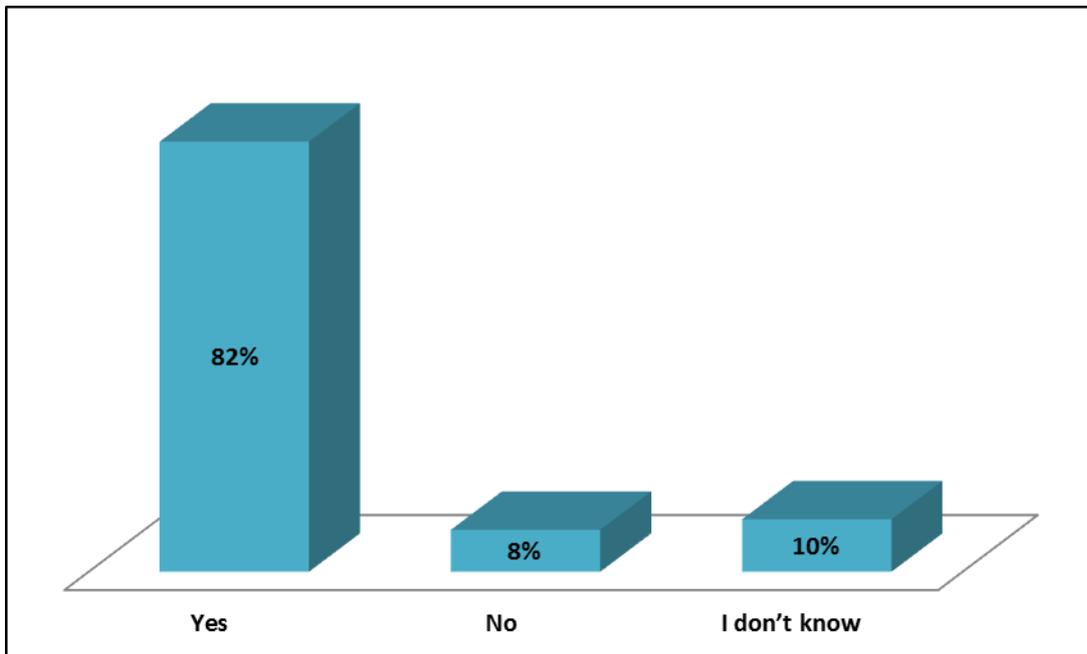


Figure 4.8: Poor teamwork as a challenge to strategy implementation

4.6.9 CHALLENGES CONTRIBUTING THE MOST TO POOR STRATEGY IMPLEMENTATION AT THE ZMDC

The participants were asked their opinions in relation to the main challenges to poor strategy implementation at the ZMDC. The following were the answers given (Table 4.8).

Table 4.18: Challenges to poor strategy implementation

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Lack of control	29%	35%	18%	10%	8%
Ambitious goals	17%	53%	16%	14%	Nil
Poor team management	13%	40%	17%	15%	15%
Threats and punishment of employees	22%	38%	13%	8%	19%

4.6.10 COMMUNICATION AS A BARRIER TO STRATEGY IMPLEMENTATION

The researcher asked the participants their opinions on communication as a challenge to strategy implementation at the ZMDC and its subsidiaries. Figure 4.9 below summarises the responses given.

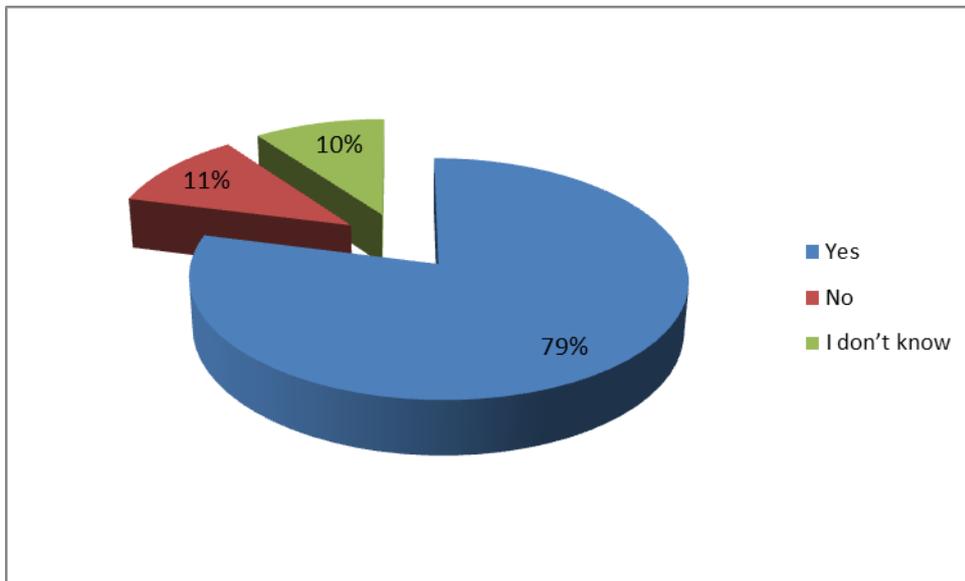


Figure 4.9: Communication as a barrier to strategy implementation

4.6.11 MOTIVATION AS A CHALLENGE TO STRATEGY IMPLEMENTATION AT THE ZMDC

The participants were asked for their views on motivation as a challenge to strategy implementation. Figure 4.10 below shows their responses.

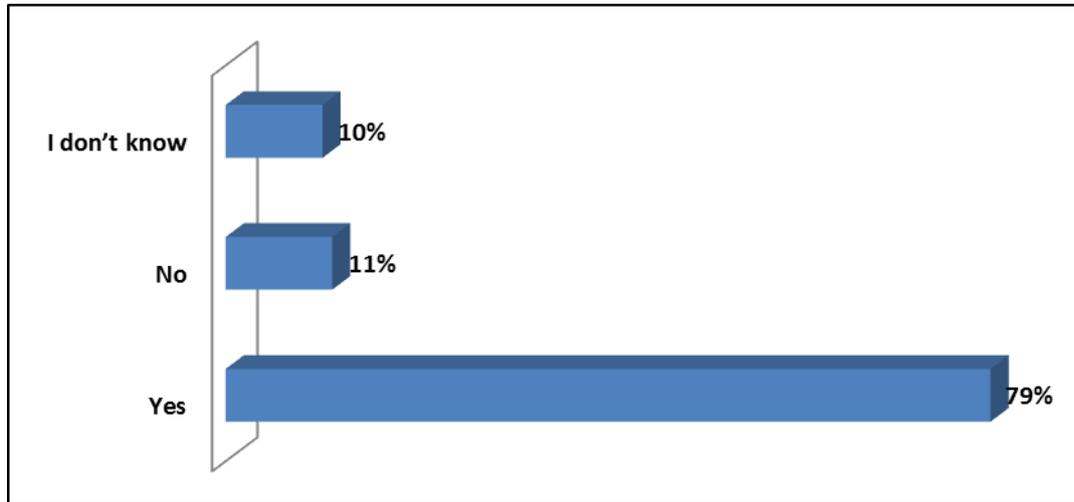


Figure 4.10: Motivation

4.6.12 STAFF ELEMENTS AS CHALLENGES TO STRATEGY IMPLEMENTATION

The participants were asked which staff elements act as contributing barriers to strategy implementation. Their responses are summarised in Table 4.19.

Table 4.19: Staff elements as challenge to strategy implementation

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Poor attitude	29%	60%	11%	Nil	Nil
Lack of commitment	10%	65%	12%	11%	2%
Poor knowledge in implementing strategies	15%	15%	17%	40%	13%
Lack of skills	22%	40%	13%	17%	8%

4.6.13 SUITABLE ORGANISATIONAL STRUCTURE TO SUPPORT STRATEGIES

The participants were asked whether the ZMDC has the proper organisational structure to support its strategy. The responses given are shown in Figure 4.11.

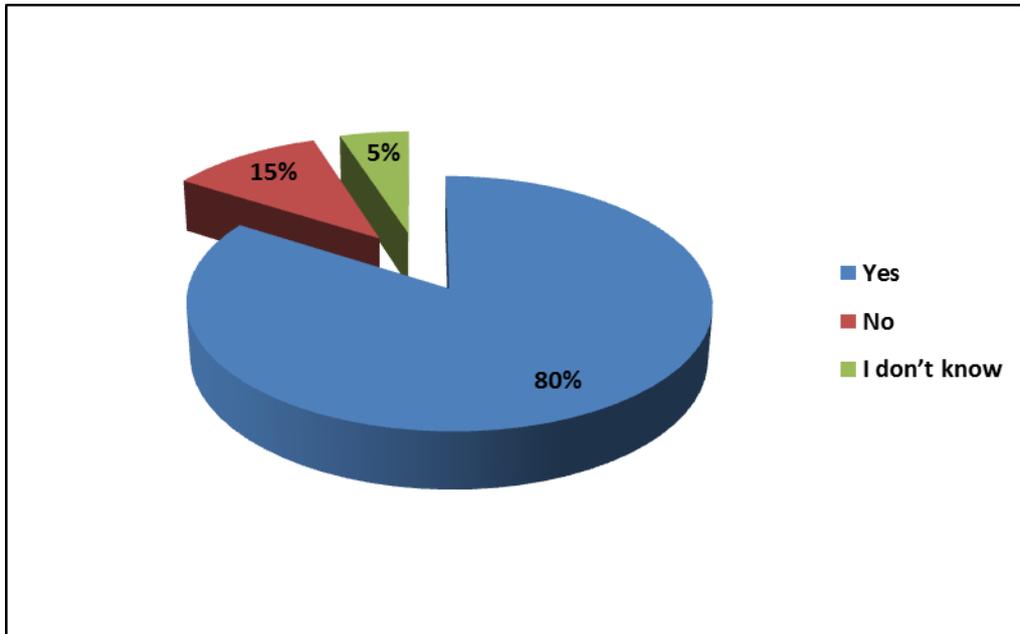


Figure 4.11: Suitable organisational structure to support strategies

4.6.14 SPAN OF CONTROL AFFECTS THE WAY STRATEGIES ARE IMPLEMENTED AT THE ZMDC AND ITS SUBSIDIARIES

The participants were asked for their views on whether span of control has any effect on strategy implementation. Their responses are shown in Figure 4.12.

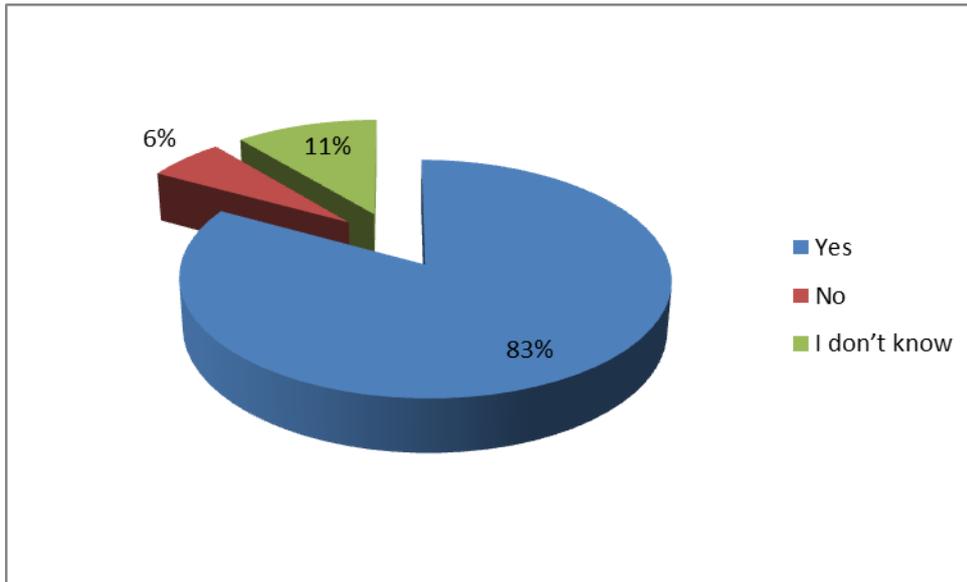


Figure 4.12: Span of control affects the way strategies are implemented at the ZMDC and its subsidiaries

4.6.15 ADEQUATE LEVEL OF EDUCATION AND QUALIFICATION AMONG ZMDC STAFF TO ACHIEVE EFFECTIVE STRATEGY IMPLEMENTATION AND SET GOALS

The participants were asked whether the level of education and qualification of ZMDC staff was adequate to foster effective strategy implementation and achievement of goals. The responses are shown in Figure 4.13.

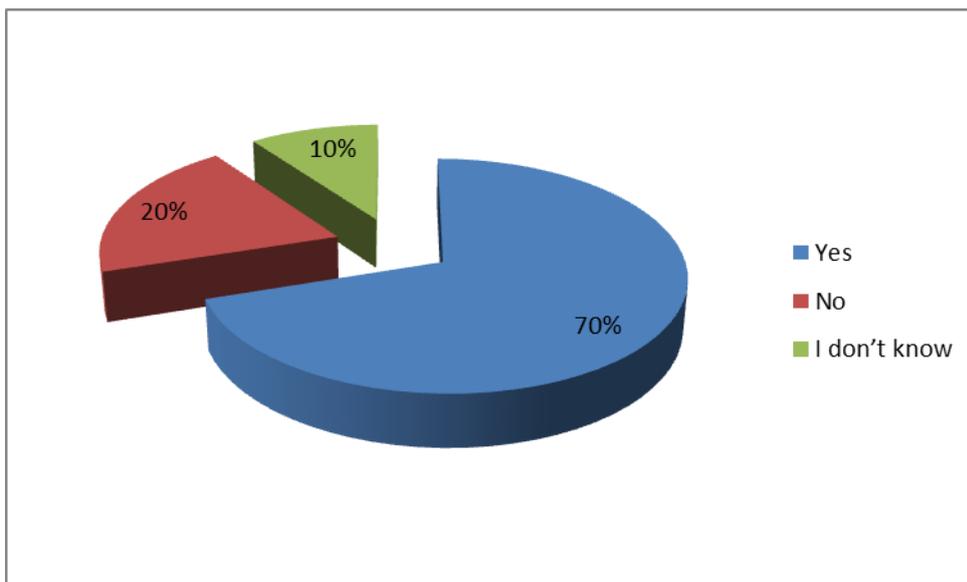


Figure 4.13: Adequate level of education and qualification

4.6.16 LACK OF TRAINING AFFECTS THE WAY STRATEGIES ARE IMPLEMENTED AT THE ZMDC

The participants were asked about the effects of training on strategy implementation. Their answers are shown in Figure 4.14.

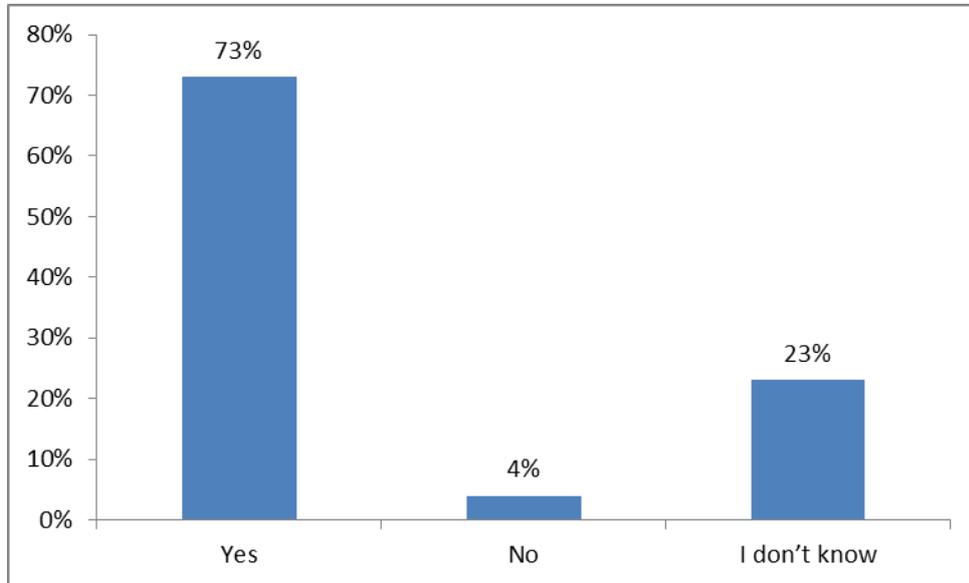


Figure 4.14: Lack of training affects the way strategies are implemented

4.6.17 SOLUTIONS THAT CAN BE USED TO OVERCOME THE CHALLENGES

4.6.17.1 The management of the ZMDC should set a due date and estimate the resources required to accomplish each of their action steps in strategy implementation

The participants were asked whether the ZMDC has set a due date and if they have an estimate of the resources required to accomplish each of their action steps in strategy implementation. Below are their responses.

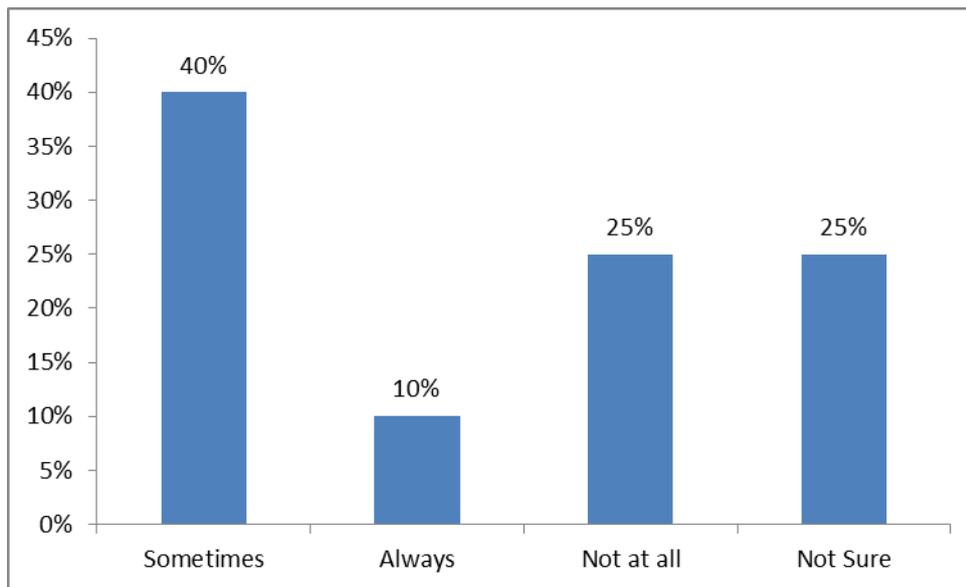


Figure 4.15: Set a due date and estimate the resources required to accomplish each of their action steps in strategy implementation

4.6.18 IS THE ORGANISATION'S CURRENT STRUCTURE APPROPRIATE TO THE INTENDED STRATEGY?

The participants were asked for their views on the adequacy of the current organisation structure in relation to the intended strategy. The responses are set out in Figure 4.16.

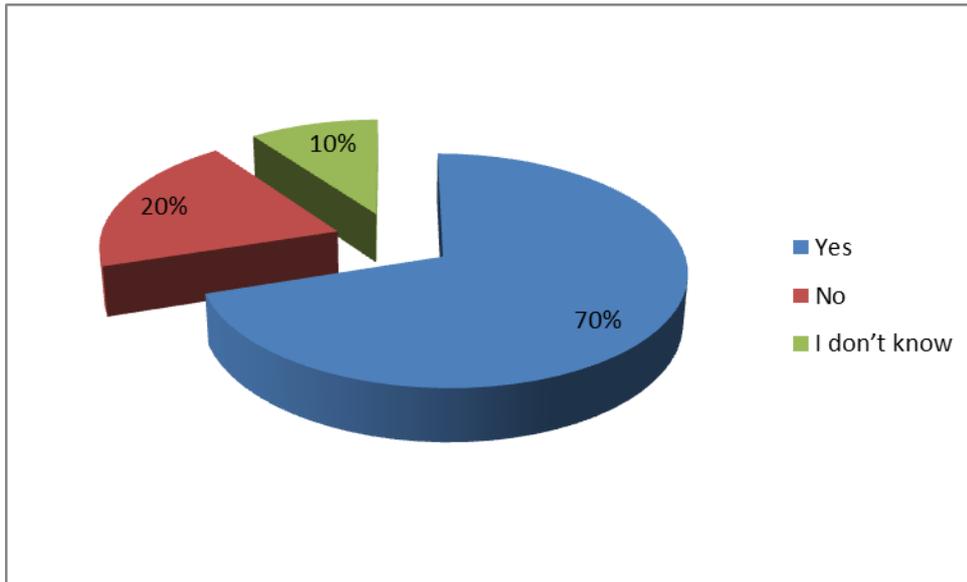


Figure 4.16: Organisation's current structure appropriate to the intended strategy

4.6.19 RATING OF THE MONITORING AND CONTROL OF IMPLEMENTED STRATEGIES AT THE ZMDC

The rating of the monitoring and control of the implemented strategies at the ZMDC by the staff and management are presented in Figure 4.17.

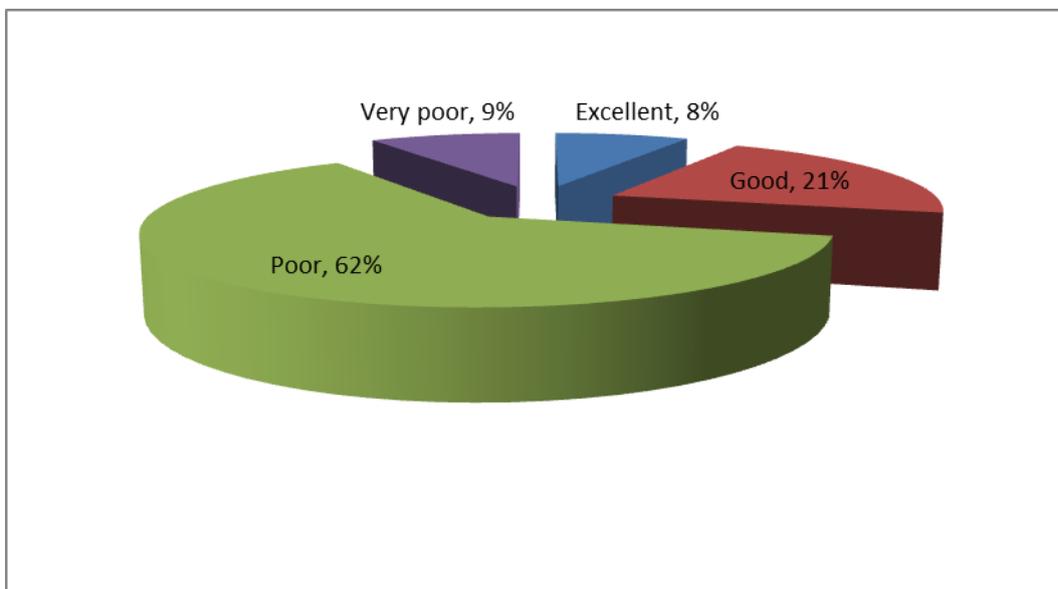


Figure 4.17: Rating of the monitoring and control of implemented strategies at the ZMDC

4.7 SUMMARY

This chapter identified the research methodology, research design and research instruments that were used by the researcher. The chapter also provides a summary of the research propositions that the researcher developed (from the literature review in Chapter 2 and also from the institutional context discussed in Chapter 3).

The researcher processed the raw data and presented the data in a simplified manner for ease of understanding, and this assists in the conclusions to be made. The researcher used tables, pie charts and bar graphs to present the results. The next chapter (5) will present the discussion and evaluation of the results. The discussion will interpret the findings in terms of the literature and policy frameworks, pointing out the similarities and gaps between what should be and what is reality.

CHAPTER FIVE: ANALYSIS OF RESULTS

5.1 INTRODUCTION

This chapter presents the analysis of the outcomes and the suggestions for improvement against the outcomes. It also offers an evaluation of the findings obtained through the primary and secondary data and an analysis and discussion of this data in line with the research objectives outlined in the literature review in Chapter 2 and the organisational context provided in Chapter 3. The formal strategy implementation at the ZMDC is also referred to.

5.2 SECTION A: ANALYSIS AND EVALUATION OF RESULTS FROM MANAGEMENT INTERVIEWS

5.2.1 Proposition 1

Effective communication supports strategy implementation

A number of related questions were asked in line with this proposition. The study participants said that effective two-way communication is crucial in the formulation and development of strategy. The organisation was noted to have deficient communication processes, which contributed to challenges in strategy implementation. Harrington and Williams (2004:81-85) pointed out that strategic management should be anchored in sound communication principles in order for all team members to pull in one direction.

5.2.2 Proposition 2

Strategy and leadership commitment by top leadership contributes to the successful implementation of the strategy

The findings brought to light that strategic planning starts with the executive management, hence the need for their commitment to owning the entire strategic planning and execution process. This tallies with the views of De Wit and Meyer (2004:81), who found that the strategic management process can be separated into three processes: strategy analysis, strategy formulation and strategy implementation, all which require the involvement of top management. A review of the actual formal strategy documents and processes at the ZMDC confirm this shortcoming, which leaves room for improvement. This was picked up in the participants' repeated mention of limited participation in workshops.

5.2.3 Proposition 3

There is a strong connection between organisational structure and strategy implementation

The research found a strong relationship between the nature of a company's structure and its success or failure in implementing strategies. The questions are discussed in view of this proposition. Management highlighted that structure affects the costs of doing business, as well as efficiency issues related to approval processes and protocol to be followed before the execution of projects. Dess and Lumpkin (2003:4-5) have a similar view to this when they point out that strategy analysis involves the analysis of a company's goals, their appropriateness and their feasibility for the company. They emphasised the need for a strategic fit with company structure. This was also among the findings of this case study. The emphasis was that the operational structure of ZMDC should be in line with strategic objectives so as to ensure that structure supports strategy. Waterman *et al.* (1980:3) showed how strategy links to structure. Any interference in any one of the elements will affect the other. This also relates to the old management thinking, which says "Structure follows strategy".

5.2.4 Proposition 4

Many challenges affect strategy implementation; these challenges need to be known and overcome in order for implementation to be successful

The outcomes of the case study from interacting with management through interviews exposed the following:

- i. Executive management were very slow in making decisions, with detrimental costs to the company.
- ii. The budget constraints to budget allocation were insufficient to finance the targets to be achieved.
- iii. Too much of the employee's time was spent on internal and external politics, rather than on production. This resulted in a serious negative effect on the overall organisational performance.
- iv. Staff resignations at junior levels affected the stability and continuity of projects.
- v. Lack of teamwork frustrated employees because people concentrated on their departments, ignoring their impacts on other departments and resulting in people operating in silos.

- vi. There was limited teamwork, which led to a disjointed approach to strategy implementation.
- vii. Incentives and reward structures were noted to have imbalances. This contributed to low employee morale in certain sections of the organisation.

The challenges to the strategy implementation process at the ZMDC which were mentioned frequently by the participants were as follows: poor delegation, lack of training and development, poor ethical values, low motivation of employees, poor communication and coordination, lack of control, and poor teamwork. The participants highlighted the following as the determinants of poor strategy implementation: lack of adequate funding, leadership crisis, lack of teamwork and different cultural backgrounds. Employee resignations were high, and this had a negative impact on strategy implementation. Training of new employees was time consuming, resulting in a negative effect on scheduled work. Beer *et al.* (1990:158-166) confirm that there are impediments to the successful implementation of strategy in organisations and highlight that, if carried out well, senior-level leadership behaviours and activities will transform a working plan into a tangible certainty. Hill and Jones (2001:10-12) concur that managers have an important strategic role to play, as they give strategic leadership to their subordinates.

Budget constraints affect employee incentives, since not all employees were given incentives, thereby brewing frustrations. Executive management were said to be too slow in making decisions, and this affected managers and led to lost production time. Most participants pointed out the importance of training, since it equipped people in their jobs. In conclusion, the participants' responses during the interviews confirmed the existence of barriers to the strategy implementation process. The responses highlighted the need to understand the challenges and know the best way of addressing them. Therefore, the researcher can conclude that the research supports the proposition that challenges to strategy implementation exist at the ZMDC, as noted in the discussions above.

5.2.5 Proposition 5

Managers and employees have a big contribution to make in strategy formulation, not only in implementation

The majority of staff and management of the ZMDC (64%) agreed that they were not involved in strategy formulation, although they believe they had a role to play in the formulation process. This result implies that staff at the ZMDC was not actively involved in the formulation of strategies. The research outcome was not in line with the stated proposition. Forster and Browne (1996:5-6) argue that the implementation stage is the realisation process of the strategy that had been developed in the formulation stage. Therefore, if one formulation stage is not done well, it will have a direct impact on the implementation stage, potentially becoming a barrier to implementation. The study's outcome corresponds to the views of Okumus (2001:327).

5.2.6 Proposition 6

Employees lack understanding of the organisation's strategy

The responses from the participants revealed that very few people understand the organisation's strategy. It was noted that some organisational members even failed to reflect on these strategies, as they also failed to give a good account of the strategic intents of the organisation. They cited lack of training and proper communication as the major barrier. The finding thus shows that the managers and employees do not have a clear understanding of the organisation's strategy and supports the suggestion that employees lack understanding of the organisation's strategy. Guth and MacMillan (1986:313-327). Also, if there are differences in the goals perceived by different levels of managers, the level of commitment to the goals will differ, hence potentially causing disagreements between these managers. This would then create an unnecessary barrier to implementation.

5.2.7 Proposition 7

Resources available contribute to the success of the strategy

The responses from the participants exposed a lack of financial resources, and a shortage of appropriate skills, such as diagnostic skills, intellectual skills and better leadership skills, as having a negative effect on the successful implementation of the strategy. The study also confirmed that the availability of resources contributes to the successful implementation of strategy. Alexander (1991:75) also stresses the importance of resources in driving strategy.

5.3 SECTION B: ANALYSIS AND EVALUATION OF RESULTS FROM QUESTIONNAIRES

The research propositions, as noted in Section A, also form the basis for discussion in this section. The questions that formed part of the interview were also used in the questionnaires. These were the key pillars that influenced the research questions during the study.

5.3.1 Staff involvement in the development of strategies

The study revealed limited involvement of staff in the initial stages of strategy development. The participants were asked if they were involved in the formulation of strategies in the organisation and they responded as follows: A significant proportion (64%) of the staff and management agreed that they were not effectively involved in the formulation of strategies. Only 36% confirmed that they were involved. This outcome revealed that management and staff all need to be involved in order for strategy to be implemented effectively. This drives motivation and commitment to attain set organisational goals. Thompson *et al.* (2005:3) share this view when they assert that effective strategy consists of the competitive moves and business approaches that managers employ to attract and please customers, compete successfully, grow business, conduct operations and achieve targeted objectives by involving all members of the organisation.

5.3.2 Management skills to drive the organisation

From the discussion on whether management has the requisite skills to drive the organisation towards the achievement of its set goals it was shown that 55% agreed that management had the relevant and adequate skills, while 30% doubted that management could lead the company and achieve the stated objectives. Those who were not sure constituted 15%. The general view, however, was that although the majority felt skills were present, the effective application of skills in sync with strategy was noted to be lacking. As noted in the discussion above, it came out clearly that skills are integral to the sustainable implementation of strategy. Harrington and Williams (2004:81-85) pointed out that strategic management encompasses the application of resources, including human capital skills. People skills were noted to be key in driving success in companies.

5.3.3 Level of skills across the organisation

Coming to the issue of the level of skills across the organisation, the participants were asked to comment on the skill levels and expertise at the ZMDC and its subsidiaries. From the interviews and questionnaires it was evident that only 7% noted that the skills levels were very high, 11% said they were just high, while 48% revealed that they were moderate. The levels were rated as poor by 34% of the participants. Dess and Lumpkin (2003) also emphasised the essence of an adequate skills pool for the productive drive of strategy. However, Alexander (1991:73-96) argued that not only skills were critical in strategy implementation. He cited motivation and staff engagement as being key factors. It was highlighted that the organisation would be better placed to put strategy into action if the following skills were prevalent and put to effective use: diagnostic skills, intellectual skills, efficient area supervision, working under pressure and self-determination.

5.3.4 Evaluation of the effectiveness of delegation at the ZMDC

As projects operate in line with strategy, a lot of work is involved and this calls for delegation of duties. The participants were asked to share their views on the levels of delegation within the company and its subsidiaries. Of the respondents, 14% rated the level as very poor, 60% saw it as poor, 10% felt that it was good, while just 16% referred to the levels as excellent. It was highlighted that poor delegation resulted in missed deadlines and project fallouts, all which led to failed strategy implementation. This view goes along with assertions by Kaplan and Norton (2008:65), who argue that a key principle to remember is that strategic planning is a cooperative and participatory process. Everyone should have input and, ideally, everyone should feel a sense of ownership over the final plan through effective delegation processes. Such personal commitment will facilitate the implementation process.

5.3.5 Challenges to effective implementation of strategies at the ZMDC

Coming to the challenges of effective strategy implementation, the participants were asked to comment if teamwork existed at the ZMDC. A small proportion of the participants revealed that teamwork existed within the organisation. A greater share noted that there was no teamwork. Successful organisations are driven by coherent teams. The dominating primary finding was that there was minimal teamwork. The findings from the case study show that the limited teamwork derailed the successful execution of strategy. Beer and Eisenstat (2000:29-40) differ from this view, saying that strategy implementation barriers are unclear strategy

and conflicting priorities, an ineffective senior management team, a top-down or laissez-fair senior management style, poor vertical communication, poor coordination across functions, business or borders, and inadequate down-the-line leadership skills and development.

The participants were asked their opinions in relation to the major challenges to poor strategy implementation at the ZMDC. As noted from the findings, more than 35% of the participants agreed that lack of control, ambitious goals, poor team management, threats to and punishments of employees all contributed to the collapse of strategic projects and dented the success of the corporation in attaining set strategic endeavours. The views of Thompson *et al.* (2007:145) are similar to the major one from this study, since they highlighted that there is a need to put more weight on people being respected seriously as human beings rather than merely resources. Ungerer *et al.* (2007:150) also concur that lack of control misdirects the organisation and this, coupled with unrealistic goals, demotivates staff, leading to failed teams.

5.3.6 The impact of poor teamwork on the implementation of strategy

The study involved an assessment of the impact of poor teamwork. The respondents were asked their views with regard to poor teamwork as a challenge to strategy implementation. The interview sessions and questionnaire output revealed that 82% noted that poor teamwork had a negative impact on strategy implementation, while 8% shared the view that limited teamwork did not have a bad impact. Those who were not sure, amounted to 10%. The need for the members of the organisation to work as a team in order to achieve the desired results was emphasised strongly. Hill and Jones (2001:4-6) also emphasised the need for managers to play a very important strategic role in strategic leadership to their subordinates as team leaders, where cooperation and support are achieved in teams. On the other hand, Lippitt (2007:54) stressed the role played by company structures in determining or influencing the success of a strategy adopted by a company.

5.3.7 Communication as a key enabler in strategy implementation

On the issue of communication as a key enabler in strategy implementation, the research participants were asked their opinions on communication as an enabler or challenge to strategy implementation at the ZMDC and its subsidiaries. A significant share of 79% agreed that communication is a vital tool to turning strategy into action. Those who disagreed

amounted to 11%, while 10% were in between or not sure. This research outcome falls along similar lines to the views of Kaplan and Norton (2008:63), who argued that the strategic planning committee should keep record of all its research and activities for the strategic plan. These records should be available for all to see and evaluate. Strategic planning should not be a secret. It should be open and available for all to review and give their inputs. Allio (2005:12) asserts that the implementation of a strategy depends on how the resistance to it can be diminished through effective communication.

5.3.8 An assessment of the level of motivation and its role in strategy implementation

In order to drive people towards attaining company goals, leaders ought to ensure that people are motivated. The study carried out interviews and involved the answering of questionnaires on this discussion area. Of the respondents, 78% agreed that motivation was a key ingredient to strategic success, while 10% disagreed. Approximately 12% were not sure. Apart from just motivation, Breene *et al.* (2007:84) point out additional reasons why organisations fail to execute their strategies, such as lack of knowledge of strategy and the strategy process, failure to hold staff accountable for execution, and lack of commitment to the planned strategy. The main conclusion that can be drawn from the Expectations Theory of Motivation is that people will only act when they think that they have a good chance of getting what they want (Hellriegel, D. & Slocumm, J.W. 2011). Managers must take a cue from the provisions of Expectations Theory by analysing what employees expect as key motivation drivers at work, and then work on improving the work environment for the best results to be obtained (Porter, 1980:35-40).

5.3.9 Human resources related elements of strategy implementation

People-related qualities are also key to driving strategy. The participants were asked to comment on the people elements that contribute as barriers to strategy implementation. In excess of 40% of the respondents agreed that poor attitude, lack of commitment, poor knowledge and implementation strategies, and a lack of skills contributed to strategic failure at the corporation. The major highlight was that the factors noted fed into staff motivation and commitment. The elements were noted to have a direct link with organisational performance. Breene *et al.* (2007:92) share the same sentiment and believe in the significance of effective people qualities in strategy implementation. According to Lippitt (2007:55),

besides people aspects, company structures also determine and influence the type of strategy used by a company and its implementation.

5.3:10 The relationship between organisational structure and strategy

Through personal interviews and questionnaires, the participants were asked whether the ZMDC had the proper organisational structure to support its strategy. Results show that 80% agreed that the structure was in place. Approximately 15% disagreed. Of these participants, 5% were not sure. Although the structure was noted to be in place, strategic alignment to the structure resulted to be a major drawback. According to Pearce and Robinson (1997:2), structure assists in establishing the organisation's important activities and the way in which they will be coordinated to achieve the organisation's strategic intent. Strategy affects structure and, if an organisation opted for a wrong choice of strategy, this will have a negative effect on its efficiency and effectiveness. This concurs with the study outcomes. From another standpoint, Allio (2005:13) argued that good performance within a company is the result of correct interaction of business management with its internal and external environment.

The relationship between company structure and strategy was discussed further using personal interviews and as part of the questions in the questionnaire. The participants were asked their views on the current organisation structure in relation to the intended strategy. Seventy percent of the respondents confirmed that the structure was not appropriate for the intended strategy, while 20% disagreed. Ten per cent were not sure. According to McKinsey's 7s Model, structure is crucial in determining strategic success. The study also exposed a direct link between structure and strategy in the sense that the absence of an appropriate structure led to huge operating costs and inefficiencies, which led to strategic failure at the corporation. Camillus (1997:7), however, views strategic management as looking at the company's capacity to evaluate its strengths, weaknesses, opportunities and threats, develop the scope, resources, competitive advantage and synergy, and create organisational flexibility in order to successfully respond to change in the environment.

5.3.11 Leadership style and span of control and their impact on strategy implementation

Leadership style and span of control were noted to be related to strategic success or failure. The participants were asked their views on whether span of control had any effect on strategy implementation. Eighty-three percent of those interviewed and the participants in the questionnaire survey revealed that there was a link between span of control and effectiveness of strategy. A mere 6% disagreed, while 11% were not clear. In contrast, Frigo (2004:8) argues that an internal analysis is a key factor when carrying out strategic implementation. From an internal analysis, a company strategically picks out its competencies that enable managers to establish where the company stands in terms of strengths and weaknesses. These may include efficient processes, robust equipment, or old technologies. An internal analysis thus assists a company to maximise on strengths and minimise on weaknesses as it incorporates such elements in its strategies.

5.3.12 Adequacy of staff education and level of qualifications

When it came to the level of staff education and qualifications, the participants were asked if the level of education and qualification of ZMDC staff was adequate to foster effective strategy implementation and the achievement of goals. The discussion also assessed whether the level of education had a bearing on the fate of the corporation's strategy. A major section (70%) of the participants noted that the level of education and qualifications did have a bearing on strategy outcomes. About 20% were not in agreement, as they cited other elements such as resources levels. Those who were unsure accounted for 10% of the pool.

According to Thompson *et al.* (2010:5-6), a company's strategy is management's action plan for running the business and conducting operations. For an organisation's strategy to be well-conceived, it must be matched to taking advantage of its internal strengths, while defending against its weaknesses. This view diverges from the role played by educational qualifications when driving strategy. Human capital development was noted to be deficient in the organisation. Participants were asked the effects of training on strategy implementation. Approximately 73% agreed that training was key to achieving strategic goals and that the absence of such would contribute to failure. Four percent of the respondents disagreed, while 23% were not sure. Lippitt (2007:55) also emphasised the role played by training in organisational success. However, Frigo (2004:9) stressed communication and argued that a well-articulated strategy is the first important ingredient of the implementation process.

5.3.13 Evaluating the timing and management of strategic projects

A major weakness was noted in the timing and management of strategic projects. The participants were asked whether ZMDC sets due dates and if they have an estimate of the resources required to accomplish each of their action steps in strategy implementation. Responses varied, with 40% commenting that this was sometimes the case, 10% agreed that this always happens, 25% disagreed and highlighted a deficiency, while 25% were neutral. This resource-based review is supported by Breene *et al.* (2007:90), who stress that, in order to generate sustainable competitive advantage, a company must be in a position to generate economic value while at the same time capitalising on the timing and adequacy of resources.

The participants expressed concern over the limited existence of ongoing monitoring and control of strategic projects. When asked to rate the monitoring and control of implemented strategies at the ZMDC, the staff and management responded as follows: Only 8% rated it as excellent, while 21% said it was good. A significant group, comprising 62%, rated it as poor, and 9% expressed their discomfort by rating it to be very poor. Kaplan and Norton (2000:2) support the views discussed above. According to Kaplan and Norton (2000:3), the internal analysis and ongoing monitoring and controlling of strategic paths allows an organisation to create a unique market position. This helps in building core competencies or value propositions, which are the things that the business does better than its competitors, are hard to replicate, and are valued by customers. This is said to build successful organisations.

5.3.14 Way forward on effective strategy implementation at the ZMDC

A remarkable percentage of participants (70%) agreed that there was room for improvement in current strategy implementation approaches at the ZMDC. They argued that the corporation traditionally had been caught up in failed projects owing to a lack of forecasting techniques and dynamism in managing strategic variables. This group of respondents recommended timely and solid strategic clarity, internal analysis, business profiling, market analysis, trend forecasting, expectations and delivery gap analysis, simulation approaches and sensitivity analysis as survival strategies in a competitive business market. It was stressed that the senior management and executives needed to consult extensively with organisational members on policy formulation and implement and analyse potential negative effects of policy shifts before moving forward, as this led to a number of strategy formulation challenges for the organisation. The participants called for the establishment of dedicated,

well-resourced and effective strategy division and management teams that work closely with fully constituted project committees for timely and effective strategy definition, the identification of enterprise-wide opportunities and business control.

Approximately 20% of the interviewees and those who responded to the questionnaires stressed that little improvement was needed in the current system of developing and implementing strategies at the ZMDC. This respondent class came from a selection of participants with the belief that solid strategic management strategies, systems and policies were in place. About 10% of the respondents were neutral. Their responses neither went for a revamp in strategic management activities, nor went along with current practices. The group constituting 70% of the participants outlined the need for the ZMDC to divert from traditional strategic management approaches, given the limited activity in the company's mining projects. They called for innovation towards dynamic organisational leadership and aggressive driving of strategy elements from a people and resources point of view.

5.4 SUMMARY

Chapter 5 has been concerned mainly with the evaluation and analysis of the results as presented in Chapter 4. The results were analysed by making reference to related literature from Chapter 2, the institutional context in Chapter 3 and the actual strategy policy for the corporation. This was in line with the need to outline the nature of responses as guided by each major objective. The findings were further discussed in relation to the main objectives and research questions. This exercise resulted in the production of clear areas where the research outcome summed up the findings of the research. An evaluation of the achievement of objectives will be done in the final chapter. The chapter will also give provide recommendations for future research.

CHAPTER SIX: CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

This chapter concludes the research by way of drawing conclusions on the findings from the field and the references to the literature.

6.2 BACKGROUND TO THE ZMDC

The objective of this research was to investigate the challenges that affect strategy implementation at the ZMDC. In order to set the platform for the research, the researcher begins this chapter with a highlight of the institutional context and strategic focus at the ZMDC. The ZMDC is a state-owned enterprise that was formed by an Act of Parliament in 1982, the Zimbabwe Mining Development Act, Chapter 21:04. Prior to Zimbabwe's independence, the exploitation of its mineral wealth was carried out by privately owned multi-national conglomerates such as Rio Tinto, Lonhro and individual small mining companies through government licensing, which allowed them to carry out mine explorations, development mining and subsequent marketing of the mining ore and by products. Whilst the government was benefiting from the exploitation of the resources by these conglomerates through tax and royalties, the new, independent Zimbabwean government saw it fit to participate actively in the mining industry through the exploration, development and acquisition of mines, and the resuscitation of closed mines, hence the creation of the ZMDC to spearhead government interest in the mining sector of the economy.

In 1984, the ZMDC started mining operations by acquiring Mesina Transvaal Development Group (MTD), which included the following mines: MTD Mhangula limited (now Mhangura copper mines), Merits Limited (Lomagundi Smelting and Mining (pvt) ltd), MTD Management Services (now ZMDC Management Services), incorporating Sabi Consolidated mines, Jena gold mine, and Bar20 gold mine, which was closed in 1988 and its assets sold.

Mining has remained an important part of the Zimbabwean economy by creating jobs, as mining is a direct employer of up to 60 000 people, with numerous others in support industries, earning foreign currency and diversifying the economic base (Chamber of Mines

Newsletter, 2009:16). Mining activities also stimulated the development of towns such as Kamativi, Mhangura and Kadoma, and was a catalyst in the development of basic infrastructure such as road, rail and telecoms.

The ZMDC falls under the Ministry of Mines and Mining Development. The Ministry, as the parent ministry of the ZMDC, and in line with the provisions of the enabling Act of ZMDC's creation, appoints the board in terms of sec. 4 of the ZMDC Act (Chapter 21:04). The provision of the enabling act of ZMDC provides for the appointment of a unitary board that comprises eight non-executive directors and one executive director, who is also the general manager and chief executive officer of the corporation. In line with the ZMDC's mandate, it is a requirement for the board to take cognisance of the direct co-relation between good governance, and the creation of shareholder value and meeting stakeholder expectations. In this regard, the board and ZMDC management should be dedicated to upholding the values of integrity, commitment, accountability and innovation by which the corporation is guided.

The directors are tasked with the role of controlling the corporation. The board therefore meets regularly, with a minimum of one scheduled meeting in every quarter of the year, to monitor and evaluate the ZMDC's strategic direction and strategy implementation, review policies accordingly, and assess overall performance.

6.3 STRATEGY AND STRATEGY IMPLEMENTATION

Thompson *et al.* (2005: 3) define strategy as consisting of the competitive moves and business approaches that managers employ to attract and please customers, compete successfully, grow business, conduct operations and achieve targeted objectives. Strategy formulation and implementation are separate, distinguishable parts of the strategic management process. Logically, implementation follows formulation; one cannot implement something until that something exists. But formulation and implementation are also interdependent, part of an overall process of planning-executing-adapting. This interdependence suggests that overlap between planners and "doers" improves the probability of execution success.

6.4 ACHIEVEMENT AND JUSTIFICATION OF OBJECTIVES

This chapter contains statement of objectives, conclusions and recommendations. The study was guided by the following objectives, as noted in Chapter 1:

- a) To determine the requirements for good strategy implementation
- b) To analyse the ZMDC in terms of the current strategy implementation procedures
- c) To explore the challenges that impede effective strategy implementation
- d) To offer recommendations to enhance effective strategy implementation

The main aim of this research was to investigate the challenges that exist in the strategy implementation process in the ZMDC. The researcher aimed to establish the issues and related challenges of strategic initiatives and projects at the ZMDC, and their subsequent effects on the sustainable running of the corporation. The study also sought to expose the nature of strategic processes and systems at the ZMDC in a bid to probe for opinions and ideas on best strategic management approaches in the organisation.

The research objectives as stated above were achieved to a larger extent, given that the distribution of responses confirmed the answers to the research questions linked to the objectives. Interacting with the related literature and ensuring valid and reliable data collection outcomes supported the achievement of research objectives. The nature of the population sample used in the study also gave assurance of the success of the research, given that informed participants who had a high level of involvement in management and the formulation of strategic matters formed a significant share of the respondents. The emerging views from the findings as presented in Chapter 4 also cemented the conclusion that the key objectives of this study had been achieved. The consultation of related literature also laid a foundation for the attainment of the research objectives, as this became a reliable source of secondary data.

6.5 CONCLUSION ON THE REQUIREMENTS FOR GOOD STRATEGY IMPLEMENTATION

Building on the consultation of the relevant literature and the outcomes of the case study, the researcher concludes that there are prerequisites for effective strategy implementation. The corporation should carry out a thorough internal analysis to identify strengths, weaknesses

and opportunities, and also to pick core competences. Communication and ongoing review of the company situation were highlighted. The treatment of key strategic initiatives as projects with clear Gantt charts, resource schedules and time lines is crucial. Clear vision, mission and operational strategies to achieve the desired end was shown to be among the major requirements for the corporation to attain the effective and efficient implementation of its strategies.

6.6 CONCLUSION ON THE ANALYSIS OF THE ZMDC IN TERMS OF THE CURRENT STRATEGY IMPLEMENTATION PROCEDURES

A review of business processes, projects and related strategic initiatives at the ZMDC exposed a significant gap from best practice. The literature review acted as a basis for the conceptual best approaches, while the findings from the case study indicates organisational deficiencies to do with inefficient structure, lack of a project approach to strategy, and failure to meet deadlines. The company was noted to have missed key strategic milestones and had ineffective joint ventures without clear mandates.

6.7 CONCLUSION ON THE CHALLENGES THAT IMPEDE EFFECTIVE STRATEGY IMPLEMENTATION

Coming to the impediments to effective strategy implementation at the ZMDC, the case study concludes that challenges do exist in the organisation that require attention if success is to be realised. Major highlights of the conclusion are limited communication and communication systems and processes, low involvement of all people in crafting and rolling out of strategic projects, lack of accountability and not viewing the business from an input and output perspective. Limited resources comprised another pronounced challenge. The institution also displayed limited training programmes and unclear training plan for staff development and human capital capacitation.

6.8 CONCLUSIONS ON WAYS TO ENSURE EFFECTIVE STRATEGY IMPLEMENTATION

The discussions held with management and the output from the questionnaires revealed that, despite the experience of many organisations, it is possible to turn strategies and plans into individual actions that are necessary to produce great business performance. However, the conclusion is that this is not easy. The study exposed that the company repeatedly failed to motivate its people to work with enthusiasm, and together, towards the corporate aims. In most cases the strategic team knew their businesses and the strategies required for success. However, as seen at the corporation, the struggle was to translate the theory into action plans that would enable the strategy to be implemented successfully and sustained. The major recommendations were centred on considering the key pillars of effective strategy implementation, as follows:

Motivational leadership - concentrating on achieving sustained performance through personal growth, values-based leadership and planning that recognises human dynamics.

Turning strategy into action - entails a phased approach, linking identified performance factors with strategic initiatives and projects designed to develop and optimise departmental and individual activities towards attaining ZMDC strategic goals.

Performance management - involving the construction of organisational processes and capabilities necessary to achieve performance through people delivering results.

6.9 RECOMMENDATIONS TO ENHANCE EFFECTIVE STRATEGY IMPLEMENTATION

In order to enhance the implementation of strategies it is recommended that motivational leadership, ownership and drive are ensured at the ZMDC to compete effectively and deliver growth. Organisational members look to leaders to bring meaning, to make sense of the pressure for results and the need for individuals to find purpose and value in the organisation. Leadership is the common thread that runs through the entire process of translating strategy into results, and is the key to engaging the hearts and minds of employees at the corporation. Whether management are distilling strategy to achieve clarity of intent, engaging the people to drive the strategy into action process or performance managing the resulting actions, effective leadership will make the difference if success is to be realised at the ZMDC.

It is also recommended that management adopt the “strategy into action approach”. Strategy into action planning is a phased approach defining a path through performance factors, and linking strategic thrusts to projects as well as to departmental and individual activity. The ultimate goal is to enable the corporation to effectively translate strategic intent all the way through to results in a clear and powerful process. The main aim of this approach is to creatively and systematically unfold the strategy, bringing it to life by creating integrated action plans across the ZMDC that ensure all functions and divisions are aligned with it.

The details of the rollout of this approach are provided in the following section. At the initial level, the challenge to management is to make sure that they break down the business strategy to achieve clarity of intent and ask themselves what it is that the strategy seeks to achieve. It is also key to establish what it means for each operational strategic business unit within the organisation.

To turn strategic desires into action that drives results, the ZMDC leaders must develop the strategic thrusts and broad-based action plans provoked by asking themselves what the few important themes are that need to be worked on to deliver the strategy, as well as looking at the subthemes. They must put the vision to light, picturing to everyone what would be viewed as strategic success and what it takes to achieve and measure desired outcomes.

It is also fundamental to cascade downwards the detailed work plans clarifying how individual unit efforts are supposed to add to the bigger picture. Management must be bothered with how the projects will be led and resourced, and who will lead the key teams and work to align individual tasks with the end result that is to be met. Associated with the highlights above is the need for a clearly outlined time frame and schedule of review processes to ensure activities are in line with strategic intent. Timely review ensures immediate adoption of corrective measures.

Having adopted and effectively rolled out the approaches noted above, organisational members can map how to deliver the vision in the corporation’s strategic plan. Based on the outcomes from the case study, it is highlighted that involving the right people is essential to making the right decisions on priorities, and to creating action plans that are clear and aligned

when implementing strategies. The objective is for everyone in the organisation to understand the strategy, and specifically how what they are doing will contribute to overall delivery.

One of the key pillars in effective strategy implementation is performance management. In order to avoid the risk of great strategic plans remaining ‘plans’ on paper, there is a need to harness the energy and enthusiasm generated during the planning process and minimise impediments from the weight of day-to-day operational issues.

To make the strategy alive, everyone in the organisation needs to be engaged to take action. It is crucial to ensure that the strategy drivers are communicating the strategic intent, thrusts and action plans. Management must use rigorous project management principles to deliver the change agenda associated with bringing strategy elements into actionable items. In order to operationalise the strategy, team leaders must be engaged in setting individual targets and work plans aligned to the strategic priorities. In order to track performance and have consistency in the coordinating efforts to realise strategic intent, there is a need to consistently measure progress while assessing and giving feedback about performance.

Performance management is a key factor in getting all at the ZMDC aligned and mobilised to reach higher and work together collaboratively to deliver results. The performance management process must possess certain characteristics, as noted in the section to follow. The system must clearly enunciate the desired strategy. It is paramount to ensure that performance measurement is done in real time, and all activities must be coordinated in a project system approach that integrates project management capabilities. One important element is for the system to acknowledge and enable the linking of individual motivation and efforts to realise organisational plans. People must be motivated to own the strategy.

This emotional contracting element is commonly overlooked by organisations, and then they wonder why the people have ‘failed’ to do what the organisation expected and asked them to do. Emotional contracting (also referred to as ‘the psychological contract’) is the crucial and powerful link between the organisational intent, and the motivations, values and aspirations of the people and the organisation.

Follow up and review of communicated and implemented strategies is important. Management must be on the lookout for business results and progress in the delivery of targets and key performance indicators. They ought to look for signs that employees have grasped the corporate message and have taken it to heart, own it and embrace accountability.

To successfully execute an organisation's strategy, it must be the focus of every person in that organisation. It is up to the leaders to create, monitor and reward that focus as it is expressed. Building from the consultation of the related literature the 3Cs concept of clarifying, communicating and cascading ZMDC strategy is recommended as follows:

The first principle is for management to clarify ZMDC strategy: In most situations, strategies are expressed as high-level statements that resonate with the board and executive levels but fall flat with mid-level and frontline officials. Unfortunately, if people do not understand the strategy, they are unable to connect with it and own it. The first step is to clarify the organisation's strategy in a way that people in the corporation can rally to support its implementation. Done well, this strategy will tie together the desired goals and objectives and explain what is set to be achieved.

The second principle is for executives to communicate ZMDC strategy: Communication was noted to be low, with limited interaction between the senior managers who formulate the strategy and those who are supposed to drive action through projects in order to obtain results. It is crucial to communicate the essence of ZMDC strategy at every level of the organisation using multiple media. It is recommended that management make use of internal blogs and message boards, brown bag luncheons, podcasts and department meetings to communicate what the strategy is and how everybody's work is informed by that strategy. This will bring a sense of ownership, cement accountability and create the tension to achieve greatness in work output. Discussions must occur at each level, translating the corporation's strategy into understandable and contextualised action items, which connect to the work of individuals in project teams. Communicating the strategy provides the "connective tissue" throughout the organisation that helps people understand the big picture and focus their energies to translate goals into practical output.

Another key approach in ensuring effective strategy implementation is to ensure that executives and policy drivers cascade ZMDC strategy: In order to ensure that the company's strategy is implemented well, it is paramount to cascade it throughout the organisation and get to the practical and tactical components of people's jobs every day. The approach entails involving the company's managers. Middle-level managers must then help to translate the elements of the strategy of the organisation into their own functional areas. Doing this allows them to develop and own the process of cascading the strategy and designing implementation plans with a high likelihood of execution. Cascading strategy helps to improve organisational clarity. The bulk of the work in implementing strategy is done at this stage. It is the team meetings, the one-on-one coaching, the process improvements, the customer meetings, and the responses to the market that, in alignment with an organisation's strategy, can make a difference for the ZMDC.

6.10 LIMITATIONS OF THE RESEARCH

The study encountered some limitations, as noted below. Although it is important to highlight the limitations, the researcher managed to find a way around the setbacks.

Firstly, some respondents were reluctant to provide information on work-related matters and strategic issues. However, the researcher took advantage of working in the same organisation. Colleagues from the company and peer industry players provided support.

Some respondents were unreliable. However, the researcher targeted specific informants who were likely to be up to speed with strategic issues and developments associated with the area of study. The researcher was fully engaged as a senior manager and time constraints were an issue. It took an effort to schedule the research activities and achieve a balance between family, work and research.

6.11 AREAS FOR FUTURE RESEARCH

This case study focused on a review of strategic planning and the implementation of strategy at the ZMDC. The areas covered include an investigation of the impediments to strategy implementation, the role of structure and communication in strategy implementation, and

seeking ideas on the best way forward in ensuring the implementation of strategic goals in business action that yields results.

There is room for further research along the lines of establishing a statistical relationship between employee motivation and the strategic success of a business. The research adopted a qualitative approach. There is an avenue to adopt a quantitative approach using mathematical models to prove the relationship between employee motivation and organisational success.

6.12 SUMMARY

Chapter 6 provided a summary of the case study by highlighting the conclusions of the research based on what was found from the primary and secondary data. The outcomes of the data analyses of the interviews and questionnaires fed into the conclusion and recommendations provided in Chapter 6. Building from the methodology used and the focus area, areas for further study were provided.

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COVER LETTER

30 October 2013

Dear Sir/Madam

I am conducting research for my Master's in Public Administration (MPA) with the Stellenbosch School of Public Leadership, in Cape Town, South Africa, and would like to invite you to participate in this research.

The research is an exploratory study to investigate the strategy implementation challenges within the Zimbabwe Mining Development Corporation (ZMDC). The research will focus on the process of strategies in general.

The research is based on questionnaires and in-depth interviews with some managers and employees who are involved with strategy implementation. I would be very grateful if you can give me a chance to discuss the issues related to the study with you. Roughly, the discussion will take one and a half hours of your time, and the researcher also will greatly appreciate it if you could assist by completing and returning the attached questionnaire on or before the 5th of November 2013.

This is purely an academic research undertaking and the information received will be treated in the strictest confidence. No personal information such as names or titles will be included in this research, and there is no data that will be linked to any specific participant. You are most welcome to request a summary of the project should you wish.

The research will be carried out by me, Ostern Watungwa, as an MPA student under the supervision of Professor Kobus Muller, who is a lecturer at the University of Stellenbosch, School of Public Leadership, Cape Town, South Africa.

If you have any questions about this project, either now or in the future, please feel free to contact the researcher.

I will be contacting you shortly to arrange an appointment.

I would like to thank you in advance.

Yours Sincerely

Ostern Watungwa

E-Mail: watungwa@gmail.com

Supervisor: Prof. Kobus Muller

Cellphone: +263772 515 647

APPENDIX B**LIST OF PARTICIPANTS**

NAME	POSITION	SIZE OF TEAM	YEARS IN POSITION	PERIOD AT ZMDC	EDU QUAL	PROF BOARD
Jetro Ndlovu	General Manager	12	1 year 11 months	1 year 11 months	Yes	MASTER'S
Bertha Muzangaza	Company Secretary	4	10 months	10 months	Yes	LLB
Charles Zishumba	Chief Operating Officer	5	3 years	3 years	Yes	HONS
Sherpherd Gaihai	Business Development Manager	4	3 years	3 years	Yes	MASTER'S
Clopas Makonese	Group HR Director	7	15 years	36 years	No	-
Wilson Chinzou	Acting CFO	6	3 months	8 years	Yes	MASTER'S
Daniel Chatora	Business Development Executive	5	4 years	4 years	Yes	HONS
Garikai Chimhina	Human Resources Development Manager	1	2 years	7 years	Yes	MASTER'S
Tinashe Chiparo	Legal Manager	2	2 years	7 years	Yes	LLB
Kudzai Chiweshe	Group Electrical Eng.	4	7 years	7 years	Yes	Engineer
Emmanuel Jinjika	Finance Manager	3	4 years	8 years	Yes	HONS

Chiedza Chakamanga	Human Resources Manager	2	3 years	7 years	No	
Tapiwa Gorongu	Accounting Manager	3	5 years	12 years	Yes	HONS
Oliver Nyamukondiwa	Procurement Manager	2	10 years	33 years	No	-
Lovemore Nehanda	Mine Manager	5	12 years	22 years	No	-
Prosper Chimunhu	Mine Manager	4	5 years	11 years	Yes	Engineer
Tinashe Nengomasha	Mine Manager	3	15 years	26 years	No	-
Thomas Masvanyange	Mine Manager	5	9 years	16 years	Yes	HONS
Tinashe Ngorima	Finance Manager	3	6 years	11 years	Yes	HONS
Luis Ncube	Mine Manager	4	5 years	14 years	Yes	HONS
Paul Dube	Geologist	5	9 years	19 years	Yes	HONS
Saul Chirunga	Resident Geologist	3	8 years	17 years	Yes	HONS
Peter Kanyezi	Metallurgist	2	4 years	8 years	Yes	HONS
William Moyo	Human Resource Executive	4	3 years	3 years	Yes	IPMZ

APPENDIX C

GENERAL MANAGER'S INTERVIEW SCHEDULE

1. What is ZMDC's current strategy?
2. What is the role of senior managers and employees?
3. What skills do you think these managers and employees should have in order for them to be able to drive ZMDC's strategy into action?
4. How do you measure their performance?

APPENDIX D

INTERVIEW QUESTIONS

1. Can you explain how you understand strategy?
2. Can you explain ZMDC's strategy, strategy intents?
3. Do you think you have a part in strategy implementation?
 - If your answer is yes, what do you think is the main role in strategy implementation at ZMDC?
4. What's your comment on the progress to date by ZMDC in implementing its current strategy?
5. What are the major barriers you encountered in implementing your strategy?
 - How did you overcome these challenges?
6. What factors helped you during execution?
7. What do you consider to be your main skills?
 - How have these skills assisted you in your implementation process?
8. How did you develop these skills?
9. Is there any link you noticed between the structure and the implementation of the strategy in the organisation?
 - Did the organisational structure of ZMDC have any effect on your efficiency?
 - Do you have any recommendation, in relation to the structure, which can aid your effectiveness?
 - What drivers the other: structure or strategy?
10. Do you have any comment that is structure related?
11. How do you see communication as an effective tool for effective strategy implementation at ZMDC?
12. Can you describe the communication channels in practice at ZMDC?
 - Can you comment on the effectiveness of the channels in use at ZMDC?
13. How do you see the relationship between reward policy and effective implementation?
 - Does the reward policy have any impact at ZMDC?
14. How does ZMDC measure your performance?

- What can you say are the possible effects of not aligning the reward policy and company strategy?

15. Have you at any time been involved in strategy formulation at ZMDC?

16. Do you think your involvement in strategy formulation will have a significant impact on ZMDC?

- If you are to be involved, what role would best reflect your participation?

APPENDIX E

INTERVIEW PROCEDURE

Respondent's information:

Name of employee:

Designation :

Number of subordinates :

Number of years at ZMDC :

Number of years as mine manager:

Date:

Time:

Duration of interview:

5.2 Introduction

Thank you for your participation in this research. Let me assure you that your contribution will remain anonymous and no mention of your name will be linked to the research.

I am researching the challenges affecting strategy implementation. The study gives answers to suggestions set below.

Suggestion 1 – Effective communication supports strategy implementation

Suggestion 2 – Strategy and leadership commitment by top leadership contributes to the successful implementation of the strategy.

Suggestion 3 – There is a big connection between organisational structure and strategy implementation

Suggestion 4 – So many challenges affect strategy implementation; these challenges need to be known and overcome in order for implementation to be successful

Suggestion 5 – Managers and employees have a very big contribution to make in strategy formulation, not only in implementation

Suggestion 6 – Employees lack understanding of the organisation's strategy

Suggestion 7 – Resources available contribute to the success of the strategy

4.6 Semi-structured interview schedule (see Appendix C)

4.7 Concluding remarks to respondents

I would like to thank you so much for your time. Your contributions are quite important.

Once the results of the research are out, I will make sure you get a copy for review.

Thank you

APPENDIX F

THE RESEARCH QUESTIONNAIRE

SECTION A: DEMOGRAPHIC QUESTIONS

1. How long have you been working for ZMDC or any of its subsidiaries?

1-5 years	6-10 years	11-15 years	16 years and above
-----------	------------	-------------	--------------------

2. What is your work position?

Manager	General employee
---------	------------------

3. Your qualifications

- (a) Postgraduate degree
- (b) Degree
- (c) Diploma
- (d) Certificate and below

SECTION B: BEST APPROACH TO STRATEGY IMPLEMENTATION IN AN ORGANISATION

4. Who should be involved in the formulation of the strategies within the organisation or division?

5. Have you ever been involved in the formulation of strategies?

Yes	No
-----	----

6. Do you think the ZMDC management have adequate leadership skills to lead their organisation towards the achievement of their objectives?

Yes	No	I don't know
-----	----	--------------

7. How is the level of skill and expertise at ZMDC and its subsidiaries?

Very high	High	Moderate	Poor
-----------	------	----------	------

8. How is the level of delegation within ZMDC and its subsidiaries?

Excellent	Good	Poor	Very poor
-----------	------	------	-----------

SECTION C: CHALLENGES TO EFFECTIVE STRATEGY IMPLEMENTATION

FOCUSING ON INTERNAL FACTORS

9. Do you think teamwork existed at ZMDC during this period?

Yes	No	I don't know
-----	----	--------------

10. From 6 above, do you think it was a challenge to strategy implementation?

Yes	No	I don't know
-----	----	--------------

11. Which of the following leadership elements do you think were the most contributing challenges to poor strategy implementation on a scale of 1 to 5, 1 – Strongly agree to 5 – Strongly disagree?

- (a) Lack of control
- (b) Ambitious goals
- (c) Poor team management
- (d) Threats and punishments

12. Do you think motivation was a challenge to strategy implementation at ZMDC ?

Yes	No	I don't know
-----	----	--------------

13. Are strategies formulated by management communicated down to lower levels of the organisation ?

Yes	No	I don't know
-----	----	--------------

14. Do you think communication is a challenge to strategy implementation at ZMDC?

Yes	No	I don't know
-----	----	--------------

15. Which of the following staff elements do you think were the most contributing challenges to poor strategy implementation on a scale 1 to 5; 1 – Strongly agree to 5 – Strongly disagree?

- (a) Poor attitude

- (b) Lack of commitment []
- (c) Poor knowledge of strategies []
- (d) Lack of skills []

16. Do you think ZMDC has a proper organisational structure to support its strategies?

Yes	No	I don't know
-----	----	--------------

17. Do you think the span of control affects the way strategies are implemented at ZMDC and its subsidiaries?

Yes	No	I don't know
-----	----	--------------

18. Do you think the level of education and qualification among ZMDC staff is adequate to foster effective strategy implementation and achievement of goals?

Yes	No	I don't know
-----	----	--------------

19. Do you think lack of training adversely affects the way strategies are implemented?

Yes	No	I don't know
-----	----	--------------

20. How is the skills gap within ZMDC?

Very wide	Wide	Narrow
-----------	------	--------

**SECTION D: CHALLENGES TO EFFECTIVE STRATEGY IMPLEMENTATION
FOCUSING ON EXTERNAL FORCES**

21. For the following, please use Likert scale 1 = strongly agree, 2 = agree, 3 = neutral, 4 =disagree, 5 = strongly disagree.

- (a) ZMDC failed to secure enough capital to finance operations, hence this has negatively affected strategy implementation ? []
- (b) Equipment and machinery at ZMDC subsidiaries is now outdated and obsolete and this is causing a challenge to strategy implementation ? []
- (c) ZMDC has not been undertaking the much-needed research and development at its mining entities hence strategies are implemented poorly ? []

- (d) HIV prevalence rates at mining operations are high, resulting in high death rates, which in turn result in lost production hours ?

22. List any external factors you think have negatively affected the implementation of ZMDC's strategies?

.....
.....
.....
.....
.....
.....
.....

SECTION E: SOLUTIONS THAT CAN BE USED TO OVERCOME THE CHALLENGES TO STRATEGY IMPLEMENTATION.

23. Does the management of ZMDC set a due date and estimate the resources required to accomplish each of their action steps in strategy implementation?

- (a) Sometimes
(b) Always
(c) Not at all
(d) Not sure

24. Is the organisation's current structure appropriate to the intended strategy?

- (a) Yes
(b) No
(c) I don't know

25. Are the human resources elements consulted in the strategy implementation process?

- (a) Yes
(b) No
(c) I don't know

26. How do you rate the monitoring and controlling of implemented strategies at ZMDC ?

