Original Research Paper

Strategy implementation for small and medium enterprises in Zimbabwe

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This paper investigated how operators of Manufacturing Small and Medium Enterprises (SMEs) in Zimbabwe implement business strategies to enable their organizations to survive the prevailing stiff competition within the market. The objective of the research paper was to find out whether Zimbabwean SMEs implement strategies in their business operations. The sample size of this research paper consisted of 1000 SMEs located in 5 out of a total of 10 Zimbabwean Provinces, namely Bulawayo Metropolitan, Harare Metropolitan Province, Matabeleland North, Matabeleland South and Midlands. The research instrument used was the self -administered questionnaire. Data collected was analyzed using both inferential and descriptive statistical tools. Results obtained from the study revealed that strategic management is not fully practiced in these SME organizations and the fact that strategic management is not in fully operational simply point out that strategy formulation is not done. Once strategies are not formulated it eventually means that strategy implementation is not embraced in these SME organisations. The paper recommended the use of formal strategic management processes by for the success of these SME organizations.

Key Words: Strategy implementation, strategic management, strategies

INTRODUCTION

Stahl and Grigsby (1997) define strategy implementation as those activities and decisions that are made to install new strategies or support existing strategies. Recent studies have revealed that although strategy implementation is an integral part of the strategic management process, it has taken a back seat to strategy formulation (Bigler, 2001). Consequently, it has been observed of late that most organizations are in a position to formulate comprehensive corporate strategic plans but encounter serious problems during the subsequent implementation stage.

Emphasizing the importance of strategy implementation, (Carrols, 2000) indicates that organizational success depends not only on designing strategies that are appropriate for external and internal environments but on implementing those strategies successfully. Poor strategy implementation practices have been blamed for a number of failed attempts at changing the strategic direction of organizations.

According to Thompson and Strickland (2003) strategy implementation is the least charted, most open ended part of strategic management. According to (Wheelen and Hunger, 2003: 15) strategy implementation involves putting in place platforms, through the development of programmes, budgets and procedures under which the strategies should operate from. Lynch (1997) defines strategy implementation as the process by which the organization’s chosen strategies are put into actions and entails converting the organization’s strategic plan into action and finally into results.

Literature review

Strategy implementation has received increasing attention in literature (Bourgeois and Brodwin, 1984, Alexander, 1991, Grundy, 1998, Noble, 1999, Beer & Eisenstat, 2000, Flood et al, 2000). However, no coherent research
paradigm seems to exist due to the diversity of perspectives that have been taken in defining the concept. Noble has carried out a large review of research in the dispersed field of strategy implementation. He combines the perspectives and having a focus on the process of implementation interpretation, defines strategy implementation as communication, adoption and enactment of strategic plans (Noble, 1999).

Noble makes a distinction between structural and interpersonal process views on strategy implementation. The structural perspective focuses on formal organizational structure and control mechanisms, while the interpersonal process is about understanding issues like strategic consensus, autonomous strategic behavior, diffusion perspectives, leadership and implementation styles and communication and other interaction processes.

Bourgeois and Brodwin (1984) categorize strategy implementation into five models, which they imply to represent a trend towards increasing sophistication in thinking about implementation and also a rough chronological trend in the field.

Strategy implementation is arguably the most important stage in the process for the simple reason that without successful implementation, an organization’s strategy is really nothing more than a fantasy (Harris and Moran, 2000). Implementation according to (Katsioloutes, 2002) should not be treated as a separate part of the process. It should be explicitly considered in the formulation stage so that any resulting strategy is implementable. (Grant 2005) suggests that without effective implementation, the best laid strategies are of little use.

De Wit and Meyer (1998) notes that effective implementation can make a sound strategic decision ineffective or a debatable choice successful, it is as important to examine the processes of implementation as to weight the advantages of available strategic alternatives. The implementation of strategy comprises a series of sub-activities that are primarily administrative. If purpose is determined, then the resources of a company can be mobilized to accomplish it. An organizational structure appropriate for the efficient performance of the required tasks must be made effective by information systems and relationships permitting coordination of subdivided activities.

The organizational process of performance measurement, compensation, management development – all of them enmeshed in systems of incentives and controls – must be directed toward the kind of behaviour required by organizational purpose. The role of personal leadership is important and sometimes decisive in the accomplishment of strategy. Strategies no matter how good they are if they are not carefully implemented will not yield results. De Wit and Meyer (1998) give critical factors which affect the effectiveness of strategy formulation and strategy implementation which are listed below:-

- **Is the strategy identifiable and has it been made clear either in words or in practice?** The degree to which attention has been given to the strategic alternatives available to a company is likely to be basic to the soundness of its strategic decision.
- An absence of analysis of opportunity or actual determination of corporate strength is worse than to remain silent, or it conveys the illusion of a commitment when none has been made.
- The unstated strategy cannot be tested or contested and is likely therefore to be weak. If it is implicit in the intuition of a strong leader, the organization is likely to be weak and the demands the strategy makes upon it are likely to remain unmet. A strategy must be explicit to be effective and specific enough to require some actions and exclude others.
- **Does the strategy exploit fully domestic and international environmental opportunity?** The relation between market opportunity and organizational development is a critical one in the design of future plans.
- Unless growth is incompatible with the resources of an organization or the aspirations of its management, it is likely that a strategy that does not purport to make full use of market opportunity will be weak also in other aspects. Vulnerability to competition is increased by lack of interest in market share.
- **Is the strategy consistent with corporate competence and resources, both present and projected?** Although additional resources, both financial and managerial, are available to companies with genuine opportunity, the availability of each must be finally determined and programmed along a practicable time scale. This may be the most difficult question in this series.
- **Are the major provisions of the strategy and the program of major policies of which it is comprised internally consistent?** One advantage of making as specific a statement of strategy as is practicable is the resultant availability of a careful check on fit, unity, coherence, compatibility, and synergy – the state in which the whole of anything can be viewed as greater than the sum of its parts.
- **Is the chosen level of risk feasible in economic and personal terms?** The riskiness of any future plan should be compatible with the economic resources of the organization and the temperament of the managers concerned.
- **Is the strategy appropriate to the desired level of contribution to society?** To the extent that the chosen economic opportunity of the firm has social costs, such as air or water pollution, a statement of intention to deal with these is desirable and prudent.
- **Does the strategy constitute a clear stimulus to organizational effort and commitment?** Generally speaking, the bolder the choice of goals and the wider range of human needs they reflect, the more successfully they will appeal to the capable membership of a healthy and energetic organization.
- **Are there early indications of the responsiveness of markets and market segments to the strategy?** A strategy
may pass with flying colors all the tests so far proposed, and may be in internal consistency and uniqueness an admirable work of art. But if within a time period made reasonable by the company's resources and the original plan the strategy does not work, then it must be weak in some way that has escaped attention.

Variables that impact on strategy implementation

The variables that impact on strategy implementation in large corporations and SMEs are basically the same. These are:

- Leadership and Communication
- Role of leadership in strategy implementation
- Top management commitment to strategic values.
- Allocation of sufficient resources.
- Strategic Leadership


Strategic leadership

According to Thompson (1997:99) without strong leadership an organization is unlikely to successfully implement a corporate strategy. Emphasizing the importance of strong leadership, (Orit, Stan and Paul, 2003:42) argue that even the best formulated corporate strategies cannot succeed without ability and that means a strong management team.

The authors further observe that in nearly all organizations that have successfully implemented corporate strategies, particularly turn around strategies, the organizations concerned replace senior management who cannot perform up to organization’s standards or who fail to commit to the organization’s new strategic direction.

Galpin (1998) states what makes the difference between successful and unsuccessful strategy deployment is the way management motivates and educates its people to act on a business strategy. In support of the foregoing, (Kaplan and Norton, 2001:42) state that successful change management must be mobilized through executive leadership. These authors are of the view that without energetic strategic leaders of the process, change management and successful strategy implementation will be realized.

The responsibility of strategy formulation and strategy implementation lies with the Chief Executive Officer and his/her and top management team. According to (Quirke, 1996), if top management is not clearly united behind its mission and policies it sets, its behaviour will always act powerfully and silently to undermine the mission.

According to Sterling (2003:30) some corporate strategy implementation efforts fail due to insufficient buy-in or understanding of the strategy. (Giles, 1991), adds that strategy implementation is bound to fail if there is no ownership of the strategy. Basing his argument on interviews he conducted with several Chief Executive Officers, he persuasively argues that it is critical to involve people in the creation of the strategy, if they are to understand it.

Leadership and communication

The importance of communication in strategy implementation is also emphasized by Quirke (1996:86), who states that management must spend time communicating with staff in order to reduce the resistance normally encountered during the strategy implementation phase. Through effective communication, the strategic leader can be in a position to share his/her vision with the rest of the organization and be able to “paint a picture” of a desired future that is better than the present situation.

In support to the foregoing, Wheelen and Hunger (2003:227) note the importance and effectiveness of communication towards change management, they highlight the need for management to update the workers the reasons behind strategic changes that they would have initiated. If the employees are not informed of the changes that might have taken place, it usually causes the strategy to suffer as employees would work towards sabotaging the strategy. Successful implementation of a corporate strategy calls for the customers and staff to fully understand the strategy. Corboy and Corrubi (2002) observe that there is a tendency for Chief Executives and senior management to communicate the business strategy on a “need to know” basis and this leads to failure in strategy implementation efforts. A strategy implementation plan, according to these authors, should include a communication plan.

The communication plan should include, in addition to senior management, middle management supervisors and staff, external stakeholders like the customers and suppliers. Also emphasizing the importance of effective communication Sterling (2003:30) states that communication of the strategy and its underlying rationale, are critically important particularly when reaching out beyond the group directly involved in the development of the strategic plan.

Furthermore, organizations must also ensure that there is two-way communication between top management and the staff below. According to (Thompson & Strickland, 2003:408) organizations that ensure that ideas and suggestions of employees are valued and respected, increase employee motivation and satisfaction and thus
enhance chances of strategy implementation. In support of the need for upward communication, (Quirke 1996:15) argues that the majority of existing channels of communication are designed for effective downward communication and are wrong for a strong upward and horizontal communication. Reiterating the importance of two-way communication during strategy implementation (Beer & Eisenstat, 1996:597) state that people cannot develop realistic and implementable plans for change unless, all impediments are taken into account.

The environment in an organization that is implementing a corporate strategic plan must allow employees to highlight problems encountered during the implementation process.

The communication process should not be an event but a continuous process if it is to achieve the desired results. According to (Wilson, 2004:25), the Chief Executive Officer must use every opportunity to explain (and, if need be, defend) the nature of the culture shift, the reasons, for this shift, and the changes in personal behavior that it entails. The author strongly argues that there is no more important challenge to a CEO’s leadership than meeting this communication challenge.

**Role of leadership in strategy implementation**

Strategy implementation should be treated as a continuous process rather than a once – off event. (Corboy and Corbui, 2002) observe that in many organizations where strategy implementation was not successfully implemented, the Chief Executive Officers and senior managers in those organizations step out of the picture once implementation begins these authors point out that employees in an organization are adversely affected once they perceive that senior management are not fully committed to the corporate strategic plan.

A strong leadership, one with deep value convictions and energy, is vital for an organization that is implementing a corporate strategic plan. According to (Stahl and Grigsby, 1997:256), there are no known cases of organizations sustaining strong quality strategies and practices without the vocal and personal leadership of the organization’s Chief Executive Officer and his / her top management.

**Top management commitment to the strategic values**

The Chief Executive Officer and the top leadership must be very clear on what the quality concept entails. There is need to cultivate an internal and external customer concept in the organization. (Lings, 1999:452) states that the integral customer concept stresses the importance of building quality into every step of the service delivery process so that the external customer is also satisfied.

Top management should demonstrate their commitment to quality enhancement not only through words but deeds as well. Leadership is the most important component for launching and sustaining a quality improvement programme. (Lings, 1999:455) states that systems for measuring service quality levels should always be assessed from the point of view of the customer.

**Allocation of sufficient resources**

Some corporate strategies fail because insufficient resources are made available to those charged with the responsibility of implementing strategies. (Sterling, 2003:30) suggests that a financial evaluation be undertaken to ensure that sufficient resources will be available during the implementation phase (Lynch, 1997:680) also categorically states that resources should be channeled away from those areas that are poor at delivering the organization’s objectives towards those areas that are good.

According to Thompson and Strickland (2003:390), inadequate funding may lead organizations to realize limited success to outright failure in strategy implementation. These authors further argue that forceful actions to reallocate operating funds and move people into new organizational units signal determined commitment to strategic change.

**Relationship between structure and strategy**

Chandler’s (1962) classic argument is that to achieve the objectives of the organization, the structure has to be consistent with strategy. He concluded that changes in strategy should entail changes to the organizational structure. Structure and strategy should be related if corporate strategy is to be implemented successfully. Stahl and Grigsby, 1997) argue that the single most important requirement for organizational design concerns the degree of responsiveness of the structure to customer requirements. If the structure is not coherent to the strategy, then strategy implementation is bound to fail resulting in failure to meet the customers’ needs.

**Impact of organizational culture on strategy implementation**

Organizational culture is a vital element in strategy implementation since it affects the way employees do things in the organisation (Wheelen and Hunger, 2003). Charan (2006) emphasizes the importance of culture by stating that the greatest cause of corporate under performance is the failure to execute and the inability to take decisive action is rooted in a company’s culture. A weak organisational culture affects effective strategy implementation in the organisation since the employees would be lacking strategy coherence and direction. There would be a missing link between management and the employees which would hinder the smooth flow of the strategy.
**Role of training and development in strategy implementation**

Thompson and Strickland (2003) indicate that there is a need for an organization to have new or revised standard operating procedures in place if an organization is to successfully implement its strategy. These authors argue that prescribing new or revised operating procedures assists strategy implementation through the provision of top-down guidance to middle, supervisory and general staff on expected ways of doing work; putting boundaries on independent actions and decisions.

Wheelen and Hunger (2003) purport that promotions should be based upon current job performance as well as skills and capabilities one possesses to carry out and implement the required new strategy. Hiring and training requirements should always be reviewed following the adoption of a new strategy to ensure that these practices are compatible with the strategic direction of the organization.

**METHODOLOGY**

The research design applied was motivated by the exploratory nature of the research; both qualitative and quantitative research methodologies were applied. There are 10 Provinces in Zimbabwe and it was going to be very expensive and time consuming to carry out a study covering all the 10 Provinces. The study was limited to SMEs in 5 Provinces which were convenient and nearer to the researcher, and these were chosen through stratified random sampling technique as follows:

- Harare Metropolitan
- Bulawayo Metropolitan
- Bulawayo North
- Bulawayo South
- Midlands

A total of 1000 self administered questionnaires were sent to owner/managers and their employees who validated their responses. The response rate of 100% was achieved due to constant follow ups made by the researcher. The validity of the research instrument was validated by 5 External Experts in the field of study and reliability of the research instrument was tested by the Cronbach’s Alpha with 0.7 being reliable the research instrument was at 0.9.

**RESULTS and DISCUSSION**

Inferential and descriptive statistical tools of analysis were applied in this paper to analyze data collected from the field. Table 1 indicates that of the 1000 respondents 52% are male and 48% are women.

Table 2 suggests that in the 20-29 years age group constitute 16%, 30-39 years are 48%, whereas those in the 40-49 years age group constitute 34% and those who are 50 years and above constitute only 2%.

Table 3 indicates that 72% of the respondents are married, 22% are single and 6% are widowed.

Table 4 suggests that the sample indicated a relatively well educated sample of the respondents with 68% having done “O” Level; 26% “A” Level; 4% first degrees and 2% Masters degrees and above.

Table 5 suggests that the SMEs which had operated for a period of 1-5 years were 82%, whilst those in the 6 – 10 years were 4% and those in the 11 years and above were 14%.

Table 6 indicates that SMEs that had 1 – 5 employees constituted 76%, whilst those with 6- 10 employees were 12% and those with 11 employees and above were 12%.

Table 7 suggests that the respondents were asked whether they applied formal strategic management in their organizations. Only 6% who indicated that they applied formal strategic management in their organizations were the only ones employing strategy implementation whilst the entire 94% who did not apply formal strategic management did not employ formal strategy implementation.

The One Way ANOVA Test Statistic Results in Table 8 indicate the importance of the use of implementing strategic management plans in these organizations.

The One Way ANOVA Statistics results show that the Sum of Squares = 0.238, df = 1:48, Mean Square = 0.238, F Value = 4.433 and Significance Level = 0.040. These results support the importance of strategy formulation and implementation in SMEs if this sector of the economy has to achieve growth.

Strategy implementation has a strong bearing in manufacturing SMEs yet only 6% of the respondents apply it and 94% do not. This is not a healthy situation. Formal strategic management is vital if SME organizations have to...
flourish. It is impossible to implement strategies if these strategies are not formulated in the first place. The results are pointers to the reasons why these SME organizations are not thriving. It is therefore a requirement that these SME Organisations embrace strategic management processes.

### Conclusion

The hostile economic business environment in Zimbabwe is one of the determining factors which should prompt SMEs to formulate and implement strategies if they are to survive stiff competition from the global village as well as the
domestic Zimbabwean market. Since SMEs are the backbone of the Zimbabwean economy, it is imperative that they become much more organized, and make use of the SME frameworks put in place by government, and lobby for conducive business conditions that are ideal to operate their businesses in. Strategic management issues are fundamental and critical business issues which the SMEs have to tackle. Managers need to be trained on strategic management, to enable them to put in place strategies that can help them to outwit their opponents, and get the competitive edge over their rivals at both the international and domestic markets. SME owner/managers have to be innovative if they are to remain in business in the competitive global village. This paper encourages SMEs to adopt the application of strategic management processes.

REFERENCES


Table 7. Strategic management application

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Source: Primary Data: 2013

Table 8. One way anova statistics results summary

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