**Gordon Institute
of Business Science**
University of Pretoria

Middle management, enablers or inhibitors, of incremental innovation & agility

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Abstract

This qualitative exploratory study was intended to ascertain the enabling abilities of middle managers to facilitate innovation and agility in an organisation in order to achieve competitive advantage. This research indicated the importance of middle management in the organisation and the facilitative role they fulfil. This case study research was conducted in the Halfway Group. The enablers of incremental innovation was of particular interest for the dealerships as they are seen as first movers in the South African context. The motivation for this study is that the researcher found inadequate academic literature focusing on the enabling abilities of middle management in order to continuously improve and in doing so gain a competitive advantage in an ever changing environment. It was the researcher's supposition that this research would aid dealerships to attain a more thoughtful understanding of how they could enable middle management to facilitate the desired innovation and agility to gain the sustained competitive advantage in the market.

A sample of eight middle managers in the Halfway Group was selected and semi-structured in-depth interviews were conducted with them as the data gathering method. The research proposals guided the coding and organising of the data. The analysis, discussions and results were structured to answer the research proposals.

This research revealed that middle managers are the likely enablers of innovation and agility in the organisation through the facilitation of the incremental innovation process. Continuous improvement enhances products and services to provide an organisation with a competitive advantage in the market. Resultantly, the dealerships are likely to gain reputational benefits of being 'continuous improvement leaders', which contributes to the value proposition offering. However, the dealers have to continuously innovate as their competitors are quick to imitate any successful innovations to stay relevant in the market. Various middle management and business recommendations were made to dealerships in the study to aid them take advantage of the enabling abilities they can unlock in middle management to facilitate incremental innovation and agility in the organisation.

Keywords

Middle management, Innovation, Agility, Enablers, Lean

Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Phlippie Viljoen

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Chapter 1: Introduction

1.1 Research Title

Middle management, enablers or inhibitors, of incremental innovation & agility

1.2 Introduction To The Study

The function fulfilled by middle management is one of facilitation regarding innovation and strategy and, therefore, not one of execution but of interpreting the strategy (Ahearne, Lam, & Kraus, 2014a; Schmidpeter, 2013). Middle management is uniquely positioned in an organisation to facilitate the process of innovation by taking the strategic direction from senior management and attain the buy-in from the lower employees (Aalbers & Dolfsma, 2014; Drew, 2014; Raelin & Cataldo, 2011; Geografica, Barton, & Ambrosini, 2013). The research were based on three constructs and discussed below, middle management, innovation and organisational agility.

1.2.1 Context of the study

Middle management

The performance of the organisation is profoundly dependent on the contribution by the middle management, but little consideration is given to this hierarchical position of the organisation (Geografica et al., 2013). Middle managers are positioned to facilitate the change process and promote teamwork within the organisation. The research conducted by Raelin and Cataldo (2011) indicated that when middle management is disempowered they become non-receptive to change. When middle managers feel disempowered, they lose confidence and assume the standard position of being inhibited by senior management (Raelin & Cataldo, 2011; Lucas & Goh, 2009). The disempowerment leads to distrust, resistance and failure, therefore an inhibition to facilitate innovation.

When the organisation is cognisant of middle management and their aspirations to develop their careers further, the organisation can leverage from the position strength and enforce a feeling of empowerment by establishing communication channels and sharing of knowledge (Casimir, Lee, & Loon, 2012; Harding, Lee, & Ford, 2014; Kleinbaum & Stuart, 2014). The ambitions of middle management will naturally encourage a robust inclination to drive innovation and the continuation of the process to obtain a competitive advantage (Aalbers & Dolfsma, 2014).

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When an organisation is risk-averse, the management will assume the same position and, therefore, unlikely to respond in a desired manner when exposed to disruptive or adaptive innovation (Lucas & Goh, 2009).

Competency is a vital construct when assessing the importance of middle management in the implementation of innovation. The competitive advantage of the organisation will arise from the successful strategic change implementation, and, therefore, the positioning of middle management in the organisation is invaluable because of their enabling ability (Geografica et al., 2013).

The academic literature made little reference to the measurement of middle management and the effectiveness in the facilitation of innovation and agility in the organisation. Liker and Convis (2011) mentioned that the way you measure management will determine the way in which they perform. Pakdil & Leonard, (2014) suggested the Leanness Assessment Tool (LAT) to measure the organisations Lean effectiveness. Leanness Assessment Tool (LAT) measures the following: time effectiveness, quality, process, cost, human resources, delivery, customer and inventory, however, there is no measurement of the effectiveness of middle management in the process of incremental innovation and, therefore, difficult to quantify.

Innovation

The organisation requires sustainability, Alexander & Knippenberg, (2014) argued that innovation form an intricate part in this pursuit. The continuously improving products and services will improve the value proposition of the organisation and, therefore, improve the financial position of the company (Brunsman, DeVore, & Houston, 2011; Vaccaro, Jansen, van den Bosch, & Volberda, 2012). Innovation can be seen as new products or services, but a change in management style within an organisation is seen as management innovation (Vaccaro, Jansen, van den Bosch, & Volberda, 2012). Lean practices are an example of management innovation and incremental innovation (Vaccaro et al., 2012; Alexander & Knippenberg, 2014). Lean originated from the Toyota Production system and has since been adopted by several industries to improve their operations (Womack, Jones, & Roos, 2008; Pakdil & Leonard, 2014). Innovativeness has been identified as a sustainable approach to ensuring long-term viability and growth (Kumar, 2014). Therefore, middle managers form a critical part of any innovation process because of their positioning in the organisation and the ability to facilitate the process (Geografica et al., 2013).

Organisational Agility

The sustainability of an organisation has significant dependence on its capacity to respond quickly and effectively to change (Weber & Tarba, 2014). In the context of the study, the strategic agility is directly correlated to the agility of the workforce (Alavi, Abd. Wahab, Muhamad, & Arbab Shirani, 2014). Sensing the environment and organisational design form the fundamentals for organisations strategic agility. The rate of change is constantly shifting, and the only way to sustain a competitive advantage is with agility (Weber & Tarba, 2014). A flat organisational structure enhances agility by dispersing decision-making and, therefore, making strategic implementation and acceptance easier (Alavi et al., 2014).

1.3 The Importance Of The Study

The aim of the study is to ascertain the pivotal leverage that middle management performs within the organisations performance (Geografica et al., 2013). Middle management interprets the strategic direction of an organisation and translates it into the task to be performed by the employees to achieve the strategic objective(Franken, Arnoud; Edwards, Chris; Lambert, 2009; Johnson, Gerry Yip, George S. Hensmans, 2012; Weber & Tarba, 2014).

The business will benefit from the study by exploring the facilitation abilities of middle managers while managing different types of staff, or in conditions governed by the pursuit of profit through innovation and agility (Harding, Lee, & Ford, 2014). Establish the enabling factors for middle managements to facilitate successfully and contribute to innovation and agility within an organisation to obtain a competitive advantage (Vaccaro et al., 2012). Ahearne, Lam, & Kraus, (2014) identified that an academic gap exists with the theoretical explanation and empirical support for the effect of middle management on the strategy implementation and performance.

1.4 Research Problem

The basic premise of the stated research is to bridge the knowledge gap while attaining a deeper understanding of the extent to which middle management are enabled to facilitate the process of innovation and agility in the organisation.

Weber & Tarba (2014) argue that the economic climate is volatile, unpredictable and always changing. Therefore, for an organisation to succeed it would require innovation and agility to gain a competitive advantage and to be sustainable in the future (Vaccaro et al., 2012). Successfully formulated and implemented strategies will mean the difference between sustainable profits in the future or absolute failure. While the most research focused on the

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role of executive leaders in strategy formulation, the critical role of middle managers in implementing such strategies has not received similar attention. Middle management form a pivotal lever in the implementation and their contribution cannot be underestimated. Middle management will contribute significantly to the sustained competitive advantage of the organisation (Geografica, Barton, & Ambrosini, 2013).

One of the practices implemented by organisations seeking to be innovative and agile is lean practices. Lean practices are relevant to organisations because they are considered as the primary improvement methodology across several industries (Pakdil & Leonard, 2014). For an organisation to fully understand what contributes to sustained competitive advantage, a deep understanding of Lean implementation, the context of the organisation and continuous improvement opportunities are required (Saurin, Marodin, & Ribeiro, 2011).

Middle management is a meticulously documented research topic. However, there is little-published research on the middle management, innovation and agility research area (Geografica et al., 2013). The research problem is: To what extent can middle management be categorised as enablers of incremental innovation and agility. The aim of this study is to extend the theory of middle management and the effect they have on the strategic implementation of Lean practices. The research will be conducted on the Halfway dealership network as a case study. Beer & Eisenstat (2000) argued that a gap exists between management knowing what to do during strategy implementation and doing it. This research would give managers of business a deeper understanding of the complexities surrounding lean implementation (Camacho-Miñano, Moyano-Fuentes, & Sacristán-Díaz, 2012).

The key question the research is trying to answer is:

What are the enabling or inhibiting factors affecting middle management for them to facilitate innovation and agility in an organisation?

1.5 Research Scope

The study focussed on a sample of eight dealers in the Halfway group. The Halfway vehicle dealers are the first to adopt Lean practices within the South African motor industry and, therefore, has more experience with Lean methodology. The Lean methodology focuses on the elimination of waste by continuously improving the current products and processes within an organisation. The Lean methodology is derived from the Toyota Production System and widely implemented throughout the world to improve organisations (Womack, Jones, & Roos, 2007). Inferences should not be made lightly or without careful consideration. A case study should be used to support a theoretical argument (Siggelkow, 2007).

The research considered the perceptions of the respondents but individual perceptions of the respondents may vary and. Therefore, the results might not befittingly reflect the views of all members of the included population. The research also sought to observe these aspects at the point in time when the semi-structured in-depth interviews were conducted.

Chapter 2: Literature review

The evaluation of associated literature will expand the introduction and background information offered in Chapter 1 and formulated an argument for the research. This chapter contains concepts relevant to the research problem, a historical synopsis of the research, current trends associated to the research problem, and necessary research published about the problem. The identified gap in the academic literature on incremental innovation are then discussed.

2.1 Introduction

Lean thinking is built on the fundamentals of the Toyota Production System (TPS) as discussed by Womack, Jones, and Roos (2008). The Lean methodology is focussed on the continuous improvement of processes and products to obtain a competitive advantage by improving efficiencies (Jasti & Kodali, 2014). Taiichi Ohno has been widely considered to be the father of the Toyota Production System and were later used as the foundation for the Lean methodology (Jasti & Kodali, 2014; J. K. Liker & Morgan, 2006; Womack et al., 2007). Taiichi Ohno originated the concept shortly after World War two in an attempt to reduce waste in the process while maintaining the quality and, therefore, reducing the cost while improving the profit of the organisation (Womack et al., 2008).

Weber and Tarba (2014) noted that the turbulence of the current economic environment requires innovation and agility to be sustainable. In a continuously changing environment, innovation will provide the competitive advantage the organisation to be self-sustaining and agile (Feigenbaum & Feigenbaum, 2005; Porter, 1990). The ability to formulate and implement new strategies speedily and efficiently will mean the difference between the company succeeding and failing (Weber & Tarba, 2014). The strategy will only be deemed successful if it is combined with a well-executed implementation phase (Beer & Eisenstat, 2000).

This literature review will look at the literature on Lean methodology and how it facilitates innovation and agility and, therefore, the key constructs related to the establishing factors that enable or inhibit middle management to successfully facilitate innovation and agility in an organisation.

2.2 Definition of topic or background discussion

2.2.1 Middle management

Management has been an extensively researched and discussed topic in both the business and academic literature. Authors like Drucker (1993), argued that technical capabilities be meaningless without managerial capabilities to extract the required success from them and, therefore, to ensure the longevity of the organisation.

Baye & Beil (2006); Koontz (2010) argued that management is the process of arranging and organising actions and people to attain well-defined common objectives. The pertinent themes with regards to the definition of management were obtained from the scholars in the field, they referred to management as the process of organised and aligned common goals (Farndale, Pai, Sparrow, & Scullion, 2014; Franken, Arnoud; Edwards, Chris; Lambert, 2009; Weber & Tarba, 2014)

Additional key traits that were identified included: motivating, sharing knowledge obtained, distribution of resources, talent improvement and balancing external populations (Farndale et al., 2014; Hamel, 2006). These traits all significant to the role performed by middle management within an organisation.

Doh, Smith, Stumpf, & Tymon, (2011); Vaiman, Scullion, & Collings, (2012) noted that research were done on management as a function of people centricity and, therefore, continuously building the relationship between various stakeholders, employees and senior management in order to align the stakeholders to achieve the required strategy. Ahearne, Lam and Kraus (2014b) argue that managers need to exemplify the required skills of people centricity and management, these are deemed to be key traits of management. Middle management needs to excel at these traits because it enables the upwards and downward managing they need to perform (Ahearne et al., 2014a, 2014b; Harding et al., 2014; Raelin & Cataldo, 2011).

The value from competent employees and especially management cannot be underestimated within any organisation. The role fulfilled by middle management cannot be undervalued; they are a vital link between successful strategic change implementation and ultimately generating superior competitive advantage (Geografica et al., 2013).

Middle management role is unique in the organisation because they are positioned under senior management and above the junior staff, therefore they implement the strategy received from senior management and ensure alignment of the junior staff (Harding et al., 2014).

Cognisance needs to be taken that middle management can be a barrier to the implementation of innovation and should be addressed (Harding et al., 2014). Middle management contribution to an organisation is the adaptability they provide to the operation (Ahearne et al., 2014b). A correlation exists with middle managements downward guidance by facilitating agility in the organisation (Ahearne et al., 2014b).

Middle management will have the support from the top management of the company and the employees underneath them when they have obtained the fundamental traits of management (Marin-Garcia & Bonavia, 2014): communication, dependent remuneration, buy-in, and training.
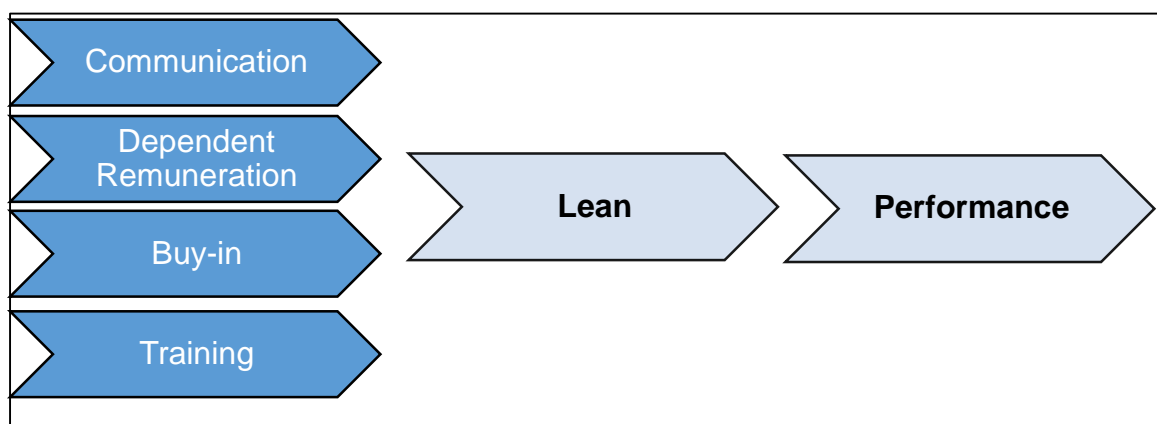
Fig 1: Theoretical Model (Marin-Garcia & Bonavia, 2014)

2.2.1.1 Buy-in

Casimir, Lee, & Loon (2012); Javalgi & Todd (2011) found that when individuals such as senior management embark on sharing the knowledge they instil trust and, therefore, commitment. In turn, this will enable an organisation that is not only a knowledge-creating organisation but also very competitive within the market.

Affective commitment (Casimir et al., 2012) from middle management, will result in a compulsion to exceed expectations and will inevitably sustain this performance over an extended period (Aalbers & Dolfsma, 2014; William J. Wales, Vinit Parida, & Patel, 2013).

Geografica et al., (2013) identified that middle managers are less dependent on up-to-date information to buy-in on the strategy and, therefore, no significant relationship exist between updates and middle management commitment to strategy, the inverse of this is, however, true for low levels of management. Lower-level managers, if provided with up-to-date information

and strategy, can apply their judgement if they know the strategic direction of the organisation (Beer & Eisenstat, 2000).

Aalbers & Dolfsma, (2014) recognised that a significant relationship exists between a person's position on the corporate ladder and the implementation and continuation of innovation. Therefore the higher the position on the corporate ladder the lower the probability of resistance against the strategic direction and the facilitation of innovation. Senior and middle management are more susceptive to this kind of influence due to their career aspirations and, thus more inclined to facilitate the process of innovation.

Organisations continuously struggle with the allocation of resources between the current running of operations and the development of future capabilities and innovation to be competitive in the market (Franken, Arnoud; Edwards, Chris; Lambert, 2009). Middle managers have a different approach to the allocation of resources because they have a different objective to that of the organisation (Arrow, 1962; Hamel, 2006; Mollick, 2012). Middle managers interpret the strategy and facilitate the process of innovation to achieve the objective and, therefore, would allocate resources to achieve the current objective and less cognisant of the long-term strategic direction (Brunsman et al., 2011; Shenkar, 2010).

Ahearne et al., (2014a) found that managerial support, from middle management to the employees regarding supporting their innovative ideas and behaviours, resulted in the subordinates identifying with the required work and stronger commitment to the strategic direction of the company. Research has also indicated that excessive change can result in subordinates underperforming and less inclined to support the strategic leadership of the business (Ahearne et al., 2014a; Alexander & Knippenberg, 2014).

In conclusion of the affective buy-in from middle management, the literature noted that it will result in a compulsion to exceed expectations and, therefore, will contribute to sustained performance over an extended period (Casimir et al., 2012)

2.2.1.2 Remunerations

Remunerations not only has a positive offshoot regarding commitment towards the company's goals but also enables a smoother implementation phase (Marin-Garcia & Bonavia, 2014). Marin-Garcia & Bonavia (2014); Tortorella, Marodin, Fogliatto, & Miorando (2014) argued that group-based incentives enable a greater sense of alignment between the subordinates and the organisation's goals.

Middle management is seen as knowledge workers (Jayasingam & Yong, 2013) because they utilise knowledge to fulfil their obligations. Jayasingam & Yong (2013) furthermore found that sufficient remuneration did not guarantee commitment by management. Instead, consideration should be given to the knowledge worker's experience and the strategy to obtain the required commitment, therefore, enabling an innovative and agile organisation.

Innovation competences are built with various human resource management (HRM) practices. The various HRM practices enable company specific innovation capabilities (JĄ́rgensen, Becker, & Hyland, 2015). Different remunerations structures are utilised for both management and subordinates depending on the desired innovation capabilities or objectives.

Schreurs, Guenter, Schumacher, Van Emmerik, & Notelaers (2013) found that remuneration is not only a measure of economic value but more importantly about a person's self-esteem and standing. Management experience more job gratification, affective commitment and are less likely to leave the company if they feel they are duly compensated for the work that is performed by them (JĄ́rgensen et al., 2015; Schreurs et al., 2013).

Liker & Morgan, (2006) identified the human resource as one of the 14 principles of Lean management. Management should be developed to embellish the company's philosophy and teach it to the other employees. Lean operations can only be managed by skilled human capital.

Management, executive and middle management, need to be cognisant of the fact that although remuneration can be used as an enabler it is not the only variable that will deliver desired innovation (Almeida Marodin & Saurin, 2014). Teamwork forms another crucial element for successful Lean practices because it forms significant learning opportunities between management and employees in the organisation (Pakdil & Leonard, 2014).

In conclusion, middle management is inclined to work for longer periods, have a greater affective commitment to the organisations strategic objectives and work satisfaction if they feel they are sufficiently compensated for their contribution (JĄ́rgensen et al., 2015; Schreurs et al., 2013). Remuneration is a variable that contribute to affective commitment of management to facilitate innovation but is not sustainable over an extended period (Almeida Marodin & Saurin, 2014).

2.2.1.3 Communication

Mahajan, Bishop, & Scott, (2012) identified that employee attitudes are positively affected by communication from Top-management. The positive employee attitude is a clear indication of the dependability and honesty of management. A causal relationship, between the deficiency of communication and a lack of commitment, were identified by Almeida Marodin & Saurin (2014). The identified deficiency made it apparent that open communication channels enabled and did not inhibit the management process.

Middle managers can upward manage senior management with open communication channels. They can take innovative ideas from the subordinates and persuade senior management to reconsider the current strategic tactic to remain competitive in the market (Ahearne et al., 2014a; Mol & Birkinshaw, 2009).

Established communications channels within an organisation will enable middle managers to transfer successfully complex knowledge and experience across organisation unit boundaries (Aalbers & Dolfsma, 2014). Marin-Garcia & Bonavia (2014) found in their research that companies achieve the greatest success by focussing on communication and training of the employees. Remunerations did not achieve the same job satisfaction over a sustained period. The variables: communication, remuneration and training lead to a commitment from the subordinates and management and, therefore, enabling middle management to facilitate an innovative and agile organisation (Gunasekaran, 1998; Raelin & Cataldo, 2011; Weber & Tarba, 2014).

Organisational agility is aided by sufficient communication channels (Gunasekaran, 1998). Communication aid the commencements of actions that lead to a solution of change related problems and continuous improvements in the organisation (Sherehiy & Karwowski, 2014). Middle management needs to be conscious of the various methods of communication: verbal, electronic media, graphs, notes and non-verbal (Drew, 2014; Gunasekaran, 1998). The complexity of an organisation further inhibit the establishing of communication channels and, therefore, limiting the innovative scope of the employees (Vaccaro et al., 2012).

Middle management needs to exercise their discretion when delegating work or communicating within the organisation (Nielsen & Cleal, 2011). The detail should be determined by the developmental level of their subordinates or senior management. The behaviour is indicative of transformational leadership style (Nielsen & Cleal, 2011; Vaccaro et al., 2012), and, therefore, will enable middle management to facilitate communication to achieve the desired innovation and agility.

In conclusion, literature found that buy-in and communication are the two most important traits of management and, therefore, has significant enabling abilities for middle management to facilitate innovation and agility in the organisation (Marin-Garcia & Bonavia, 2014). The two key traits for the enabling of middle managers have established communication channels and the sharing of knowledge by senior management (Aalbers & Dolfsma, 2014; Mahajan et al., 2012).

2.2.1.4 Training

Individuals sharing knowledge within an organisation form the foundation for any knowledge-creating organisation and ensure competitiveness (Casimir et al., 2012; Mol & Birkinshaw, 2009). Knowledge can only be transferred when the communication channels within an organisation are working effectively (Marin-Garcia & Bonavia, 2014).

Jayasingam & Yong (2013) argued that middle management is seen as knowledge workers and, therefore, the knowledge should be transferred to subordinates to get the necessary commitment. The job satisfaction of employees is significantly improved when the company possess open communication channels and career management through training (Mollick, 2012; Schreurs et al., 2013).

Innovation can be derived or initiated from the knowledge available within the management structure (Ahearne et al., 2014a). The purpose of training is to teach employees new concepts and cement current processes and routines (J. Birkinshaw, Hamel, & Mol, 2008; JM Birkinshaw & Mol, 2006).

The effectiveness of training has resulted in two distinct camps, one group convinced about the benefit to the organisation and the other that it is a misappropriation of valuable resources. Diamantidis & Chatzoglou (2014) argued that employees did not recall the previous lessons learned in their respective working environment nor did they make use of the acquired knowledge. In contrast, JM Birkinshaw & Mol (2006); Quazi & Talukder (2011), found that training in the working environment significantly contributed to a greater sense of commitment in the organisation and, therefore, greater willingness towards innovation.

Management with a higher education level is more inclined to accept proposed innovation (Quazi & Talukder, 2011). On the contrary, Camelo-Ordaz (2012) argued that an entrepreneur is inhibited by his educational level and, therefore, less inclined to innovation. The research found that a negative correlation existed between education and the propensity for creativity and thus inferred that formal education is an inhibitor for innovation.

The Toyota production system is widely regarded as one of the most successful production systems in the world (Womack et al., 2008). The fundamentals underpinning their successful system on routines, organisational processes and leveraging of highly skilled individual workers (Mollick, 2012). The Toyota way is the inverse from what is considered the norm because it is their belief to invest in the human capital even though they are highly replaceable and substitutable.

In conclusion, Mollick (2012) and Schreurs et al., (2013) found that training enables the anticipated buy-in and communication because of the empowering abilities associated with it and, therefore, has a noteworthy effect on the enabling ability of middle managers in the facilitation of innovation.

2.2.2 Innovation

The fathers of innovation literature, Arrow (1962); Freeman (1974); Lundvall (1992); Nelson & Winter (1977); Pavitt (1984); Schmookler (1966); Schumpeter (1934), formulated the foundation for innovation as we know it today. Schumpeter (1934) argued that to achieve economic progress, they will have to improve continually. The argument of Schumpeter summarises the concept of innovation. Innovation is only achieved by doing things differently now to what was done in the past (Hamel, 2006). Dictionaries (2010) defined innovation as the ability to "make changes in something established especially by introducing new ideas, methods and products."
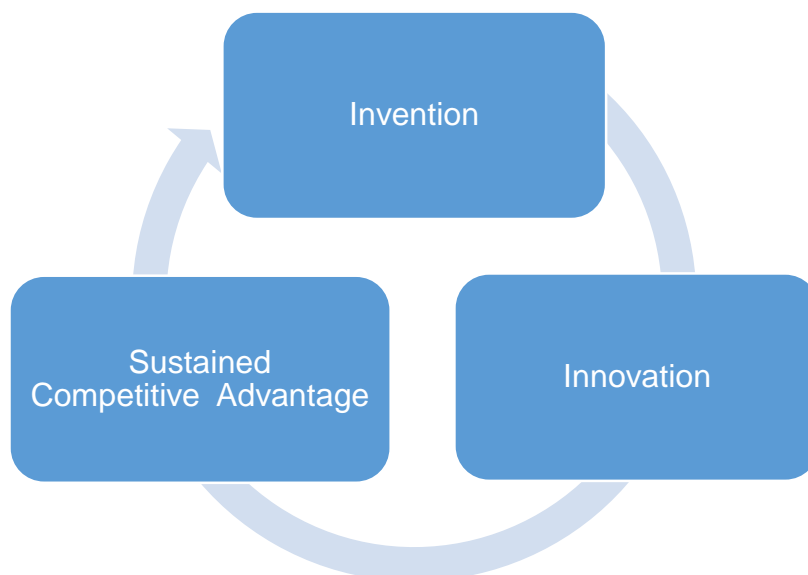

Fig 2: Innovation cycle (Dr Tasmia Ismail, MBA Lecture on Innovation)

The academic and business circles have recognised that innovation can offer sustained competitive advantage and, therefore, has enjoyed a significant amount of attention (Weber & Tarba, 2014). Innovation has created a wealth of improvement or competitive advantage in several fields including academics, sociology, medicine, management and economics (Pavitt, 1984; Porter, 1990; Schmidpeter, 2013).

Ahearne et al. (2014a); Holahan, Sullivan & Markham (2014) research found that innovation consisted of two distinctly different approaches namely radical or adaptive innovation. Radical innovation refers to something that is entirely new and have not been seen before. Adaptive innovation describes the process of analysing and improving existing ideas, which can be new to the organisation but not new in totality.

Morris (2013); Shenkar (2010) were of the view that incremental changes to existing products or services do not constitute innovation. The research considered any new product or service introduced to the organisation that constituted an innovation, irrespective of the type, whether radical or adaptive innovation (Ahearne et al., 2014a).

The comprehensiveness of innovation in the research is indicative of the importance to both business and academia alike. The research attempts to gain a better understanding of the role middle management perform in the incremental innovation and agility of an organisation.

2.2.2.1 Incremental Innovation

Incremental innovation helps sustain the short-term performance of an organisation by continuously improving the current products and services. These improvements are done on a micro level in comparison with a radical innovation that is done on a macro level. Innovations activities are centred around the management that has a significant effect on innovation (Alexander & Knippenberg, 2014).

Kumar, (2014) defines an organisations innovativeness as its openness and disposition to adopt new ideas that will result in new products and services, thus sustaining long-term growth and profitability.

Holahan et al. (2014); Morris (2013) highlight the fact that organisations need to be cognisant of the fact that ideal approaches for incremental innovation are less than ideal circumstances to cultivate radical innovation. Also, Holahan et al. (2014) also found that management and the level involved has a noticeable effect on the type of innovation. Middle management would tend to cultivate a culture for incremental innovation but a dedicated team leader could lead to radical innovation.
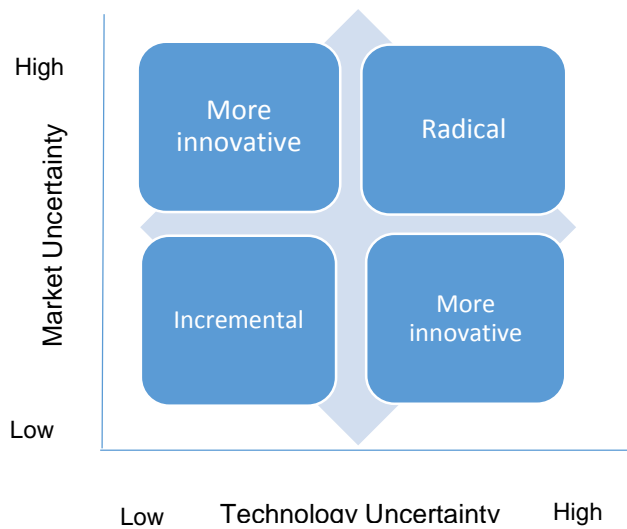
Fig 3: Uncertainty Matrix (Holahan et al., 2014)

Hoss & Ten Caten (2013) suggested that the Toyota success was due in large to the shared respect employees have for each other and management negotiates innovation with them. The Toyota production system and Lean practices are built on the fundamentals of continuous improvement ("Kaizen") and eliminating waste (Hamel, 2006; Hoss & Ten Caten, 2013; J. K. Liker & Morgan, 2006).

2.2.2.1.1 Lean practices

Vaccaro et al., (2012) classified Lean as a management innovation because of the enclosing and intricate kind of alteration to the way in which management work is carried out. Lean implementation has become synonymous across several industries as the primary improvement methodology (Pakdil & Leonard, 2014).

The emergence of Lean practice has encouraged a re-think of organisations traditional way of doing (McCann, Hassard, Granter, & Hyde, 2015). Liker & Morgan (2006); Womack et al. (2008) defends their position that Lean can be applied to any organisation.

There is a growing need to understand the lean implementation, the context of the organisation and the continuous improvement opportunities to sustain the competitive advantage (Saurin, Marodin, & Ribeiro, 2011). Lean practices have to be implemented throughout the organisation in all department, to be considered for successful implementation. Lean practices call for a cultural change within the organisation to facilitate the integration of people, processes and technology (J. K. Liker & Morgan, 2006).

Transformational and transactional leadership formulate two important constructs in management innovation but found negative correlation between leadership behaviour impact

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and the organisation size. Leaders are undoubtedly an integral part of any organisation (Vaccaro et al., 2012). Lean practices do not present a quick fix to reduce cost, improve quality and increase the profitability of the organisation (J. K. Liker & Morgan, 2006). Instead, it provides a methodology for organisations and management alike to leverage of the key traits and facilitate continuous improvement to obtain sustainability. The research will focus on Lean as an incremental innovation methodology and how middle management facilitate the innovation process.

In conclusion, innovation will be achieved by doing things differently now to what was done in the past by Hamel (2006) and openness to adopting innovation to achieve long-term sustainability. Ahearne et al. (2014a); Holahan, Sullivan & Markham (2014) cited two types of innovation namely radical and adaptive innovation. The research focussed on adaptive innovation because it consists of processing, analysing and improving existing ideas, which can be new to the organisation but not new in totality and, therefore, correlates with the Lean methodology of continuous improvement. The Lean methodology provides an innovation approach for organisations and management alike to leverage of the key traits and facilitate continuous improvement to obtain sustainability.

2.2.3 Management Innovation
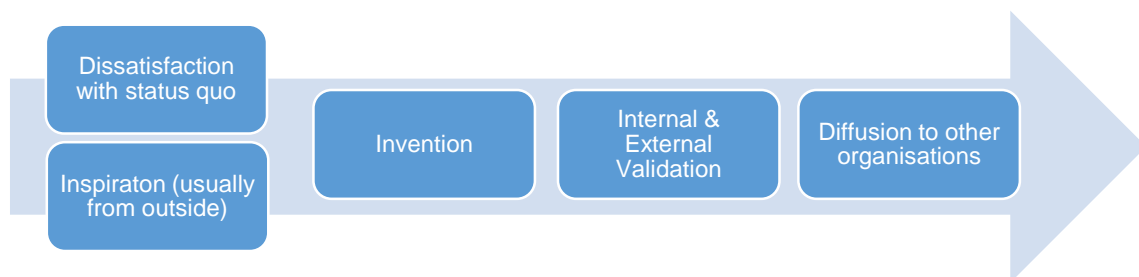
Fig 4: The Management Innovation Process (JM Birkinshaw & Mol, 2006)

JM Birkinshaw & Mol (2006) defined management innovation as the outline of management practices new to the organisation and anticipated to boost the performance of the organisation. Another definition of management innovation by Hamel (2006), describes it as clearly an identifiable departure from the normal management principles, processes and practices or parting from the accustomed organisational customs and, therefore, meaningfully changed the way management work is performed.

Management today is vastly different compared to the industrial revolution in the early twentieth century. The organisation and coordination of people and processes to achieve the organisational goals are primarily different today (Drucker, 1993; Hamel, 2006; Morris, 2013).

This has caused the complete restructuring of corporates and how employees perform their work.

The research is appropriate because of the influence from knowledge sources in the environment, both internally and externally, and the effect it has on the internal structures of the organisation through management innovation (Bhat & Jain, 2011; JM Birkinshaw & Mol, 2006; Wu, 2010).
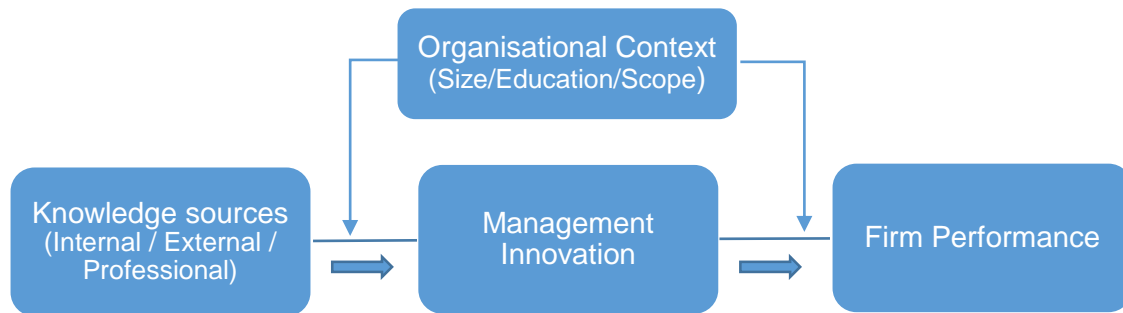
Fig 5: Management Innovation Framework (Wu, 2010)

Management innovation facilitates the relationship between knowledge sources and the performance of the organisation (JM Birkinshaw & Mol, 2006; Wu, 2010). The research will gain a deeper understanding of the role middle management fulfil within the facilitation process if any.

JM Birkinshaw & Mol (2006) found that management innovation consisted of two distinct sides that differentiated it from technological innovation. They consisted of external sources fulfilling a more significant role than in any other innovation and secondly management innovation is performed at a considerably slower pace than technology innovation because of its implicit nature (Aalbers & Dolfsma, 2014; Raes, 2011).

Similar to innovation, management innovation has created a divide in literature with regards to its nature. Some academia consider management innovation as radical because of its newness in the organisation and other consider it adaptive or incremental because of the continuous improvement nature and it newness to the organisation but not in the business world (Ahearne et al., 2014a; JM Birkinshaw & Mol, 2006; Holahan et al., 2014)

2.2.4 Agile organisations

Weber & Tarba, (2014) highlighted the fact that an organisation has to be agile to be sustainably successful. The economic climate is one filled with discontinuities and disruptions. Therefore, the organisation has to be strategically agile. Agility is not merely concerned with the two obvious traits of flexibility and responsiveness to current demands (Gunasekaran, 1998). Management need to be cognisant of the complexities that are introduced when agility becomes a focus for the organisations due to the increase in information and technologies (Sherehiy & Karwowski, 2014). Agility is an invaluable asset that consist predominantly out of two intertwined capabilities: sensing the environment (Gunasekaran, 1998; Nijssen & Paauwe, 2012; Weber & Tarba, 2014) and organisational design (Gunasekaran, 1998; Weber & Tarba, 2014).

Gunasekaran (1998) defines agility as the widespread, strategic reaction to necessary and irreversible organisational alterations that are discouraging the economic foundations of the opposition. For a firm to be considered agile, the human capital needs to be agile. Employees of an organisation can only become agile if the organisational structure and learning facilitate the process. It is for this reason that the growth of an adaptive personnel is fundamental to the organisation (Sherehiy & Karwowski, 2014). Enablement and independence in decision making are the two fundamental idiosyncrasies for any adaptive labour force (Alavi, Abd. Wahab, Muhamad, & Arbab Shirani, 2014; Gunasekaran, 1998; Sherehiy & Karwowski, 2014)

A weak formalisation structure will be conducive to motivate and commit employees; that perform their duties without doubtfulness. Knowledge sharing cultivates an environment that is conducive to learning for employees and managers; this will improve their adaptability and change readiness. A flat structure and decentralised decision-making cultivate agile human capital (Alavi et al., 2014).

In conclusion, agility is an invaluable asset that consist predominantly out of two intertwined capabilities: sensing the environment (Gunasekaran, 1998; Nijssen & Paauwe, 2012; Weber & Tarba, 2014) and organisational design (Gunasekaran, 1998; Weber & Tarba, 2014). Middle management needs to be cognisant of these capabilities and the impact they will have on the enable of innovation. The research will investigate the key traits that are essential to the agility of any workforce. The academic literature has indicated the importance of an agile organisation in the current economic climate.

2.2.5 Implementation Strategy

For an organisation to be successful over the long term, it will have to execute the strategy consistently by focussing on change programmes and attracting, allocating and managing the resources (Franken, Arnoud; Edwards, Chris; Lambert, 2009). Management is vital to the successful implementation of innovation, both radical and adaptive (Ahearne et al., 2014a; Almeida Marodin & Saurin, 2014; Beer & Eisenstat, 2000; Vaccaro et al., 2012). Unity within the workforce needs to be encouraged. Therefore, management needs to listen to the suggestion made by the workforce. The importance of managing stakeholders relationships cannot be underestimated because forms a key building block (Nelson & Winter, 1977; Schmidpeter, 2013). Literature has highlighted the importance of team structure in which middle managers and employees are meant to meet on a regular basis for the relationship to be successful (Raelin & Cataldo, 2011; Raes, 2011).

Incremental innovation objectives need to be derived from the organisational objective, this will ensure alignment within the organisation and will not cause disruption because of teams working towards their objective (Raes, 2011). The alignment is critical to the success of any innovation and strategic direction for an organisation (Bhat & Jain, 2011; Camelo-Ordaz, 2012; Sherehiy & Karwowski, 2014; Weber & Tarba, 2014).

Strategy implementation fails because of: 1. The constant focus on company profit, 2. Increase intricacy, 3. Challenges of managers, balancing changes and business performance, 4. The majority of managers uninvolved in initial phases of strategy implementation 5. Secure required resources (Alexander & Knippenberg, 2014).

Beer & Eisenstat, (2000) describe the factors causing the failure in strategy implementation as 'silent killers' because these are normally not public knowledge or directly addressed. The implementation will be greatly affected by the fear of middle management for rejection with their peers and seniors.

2.3 Conclusion

In conclusion, therefore, the literature review has verified the significant role middle management fulfilled in the organisation (Geografica et al., 2013; Harding et al., 2014). The significance lies in the position (Harding et al., 2014) of middle management within an organisation. They enable strategy implementation by receiving the strategy from senior management and interpreting it for the junior staff and, therefore, facilitate the implementation on an operational level (Ahearne et al., 2014b).

The literature noted that the affective buy-in from middle management will result in a compulsion to exceed expectations and, therefore, will contribute to sustained performance over an extended period (Casimir et al., 2012). Middle management is inclined to work for longer periods, have a greater affective commitment to the organisations strategic objectives and work satisfaction if they feel they are sufficiently compensated for their contribution (JÁ¸rgensen et al., 2015; Schreurs et al., 2013). Remuneration is a variable that contribute to affective commitment of management to facilitate innovation but is not sustainable over a extended period (Almeida Marodin & Saurin, 2014).

The review found that buy-in and communication are the two most important traits of management and, therefore, has significant enabling abilities for middle management to facilitate innovation and agility in the organisation (Marin-Garcia & Bonavia, 2014). The two key traits for the enabling of middle managers are to have established communication channels and the sharing of knowledge (Aalbers & Dolfsma, 2014; Mahajan et al., 2012).

The authors, Mollick (2012) and Schreurs et al., (2013) found that training enables the anticipated buy-in and communication because of the empowering abilities associated with it and, therefore, has a meaningful effect on the enabling ability of middle managers in the facilitation of innovation.

Innovation will be achieved by doing things differently now to what was done in the past by Hamel (2006) and openness to adopting innovation to achieve long-term sustainability. Ahearne et al. (2014a); Holahan, Sullivan & Markham (2014) cited two types of innovation namely radical and adaptive innovation. The research focussed on adaptive innovation because it consists of processing, analysing and improving existing ideas, which can be new to the organisation but not new in totality. Therefore, the similarities can be established with the Lean methodology of continuous improvement (J. K. Liker & Morgan, 2006). The Lean methodology provides an innovation approach for organisations and management alike to leverage of the key traits and facilitate continuous improvement to obtain sustainability.

The volatility in the current economic climate (Weber & Tarba, 2014) require innovation and agility to be sustainable. Ahearne et al., (2014) found that middle management improves the adaptability of an organisation when utilised in the desired manner. Agility is an asset that consist of two intertwined capabilities: sensing the environment (Gunasekaran, 1998; Nijssen & Paauwe, 2012; Weber & Tarba, 2014) and organisational design (Gunasekaran, 1998; Weber & Tarba, 2014). Middle management needs to be cognisant of these capabilities and the impact they will have on the enabling of innovation. The research will investigate the key traits that are essential to the agility of a workforce. The academic literature has indicated the importance of an agile organisation in the current economic climate.

There is, therefore, a need to research in the South African context, to what extent does middle management facilitate or inhibit the incremental innovation and agility of the organisation. There has been no studies done in South Africa with regards to the implementation of the Lean Methodology and the enabling abilities of middle management to facilitate innovation and agility.

Chapter 3: Research problem

3.1 Research question

To what extent can middle management be categorised as enablers of incremental innovation and agility?

The literature review indicated the substantial role middle management fulfil about successful incremental innovation and agility of an organisation. The research is aimed at understanding the enabling or inhibiting idiosyncrasies for middle management to facilitate innovation and agility in an organisation.

The literature review further revealed the significance lies in the distinctiveness of middle management within an organisation. Middle management provides the link between senior management and the workforce because of their connectedness with the operational level.
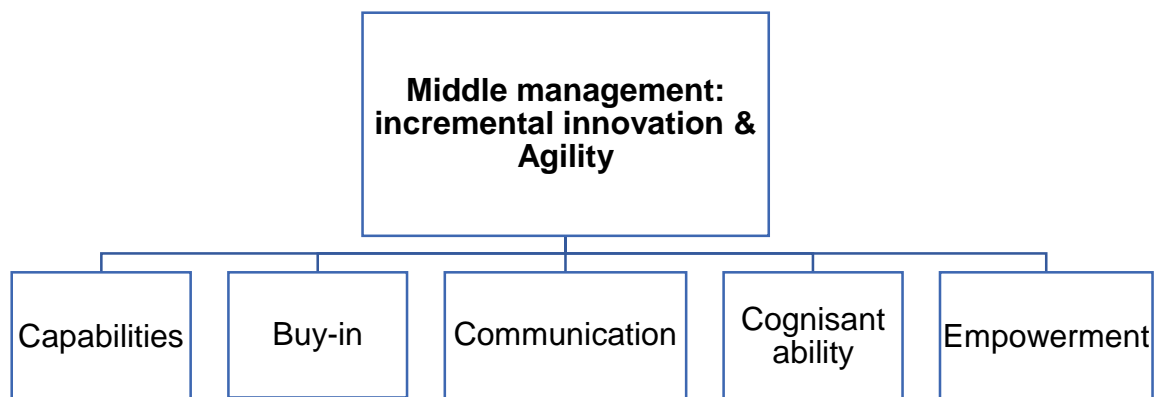
3.2 Proposition

Fig 6: A Conceptual Model of Middle Management role in incremental innovation and agility

The following propositions are formulated based on the above conceptual model:

Firstly, the research will aim to establish the key idiosyncrasies required by management to be successful with incremental innovation and agility, therefore, the first proposition:

Proposition 1 – Middle management has the capabilities required for incremental innovation and agility

Secondly, the research will seek to determine the level or extent of buy-in by middle management regarding innovation and agility within the organisation and how that contributed to their approach, which leads to the second proposition:

Proposition 2 – Middle management has bought-in on the Lean methodology strategy

Thirdly, the research aims to understand communication channels within the organisation effect the success of middle management and their incremental innovation and agility in the organisation on a daily basis, hence third proposition:

Proposition 3 – Middle management has sufficient and adequate communication with senior management and employees that is required for incremental innovation and agility

Finally, the research will look for themes about management unique cognisant abilities and differentiating factors that could contribute to the success of their incremental innovation within the organisation, therefore, the final proposition:

Proposition 4 – Middle management has the cognisant abilities required and is empowered for incremental innovation and agility

The methodology for the research will be described in chapter four. The methodology will be the basis on how the researcher will attempt answering the above-listed propositions.

Chapter 4: Methodology

4.1   Research methodology / paradigm

The study would attempt to answer the questions "how" and "why" middle management can be categorised as enablers or inhibitors of incremental innovation and agility (Yin, 2009). The sustainability of an organisation is dependent on an innovative and strategically agile management team (Weber & Tarba, 2014).

The research was intended to assist in creating richer academic knowledge around the role middle management fulfilled within an organisation, with regards to incremental innovation and agility. The case study undertook assisted in the knowledge enrichment, as it aimed to ascertain to what extent was middle management a pivotal leverage for the implementation of Lean methodology.

The research methodology was conceived with an analysis of the literature on middle management, lean management and innovation. The limited articles on economies, countries other than Japan, and the successful implementation of Lean methodology highlighted the gap in the body of knowledge.

Inferences from case studies are easier made to theoretical propositions than populations or universes (Yin, 2009). During the case study, the objective was to expand and enrich current theories and literature around the topic. Circumstantial conditions are best explored with the aid of a case study to ascertain the relevance of it to the phenomenon of study m(Yin, 2009).

It was for this reason that an explanatory study was undertaken to establish a causal relationship between key variables (Gerring, 2006). The study was performed by following an induction approach and, therefore, moved from specific observations to broader generalisations and theory (Saunders & Lewis, 2012).

Both Baxter & Jack, 2008; Myers, 2013 stated that the primary objective of the case study was to observe the particular situation in a real life context that is of close resemblance to the researcher's problem situation. Evidence from the environment was obtained with the help of interviews, observations and other sources that were available at that time. The case study approach was the preferred qualitative research strategy to answer the "how" and "why" questions.

The case study unambiguously investigated the following within the environment of the Halfway Group, the first group to adopt Lean Methodology, whether:

- Middle management has the capabilities required for incremental innovation and agility
- Middle management has bought-in on the Lean methodology strategy
- Middle management has sufficient and adequate communication with senior management and employees that is needed for innovation and agility
- Middle management has the cognisant abilities needed for incremental innovation and agility

The observed case is affected by several idiosyncrasies of implementation and should be studied in detail (Yin, 2003). The approach is therefore in line with the research and contributed to a deeper understanding of the problem statement (Crowe & Cresswell, 2011; Gerring, 2006; Yin, 2003).

The case study design provides an appropriate overview of the validity and significance of the methodology. The main purpose of the case study was to test the proposed methodology by providing motivation, inspiration and illustration (Siggelkow, 2007). As discussed by Yin (2013), the proposed case study design can be used to describe an intervention as is the case of the group under investigation.

In this study, the intervention is the change in strategic approach to the Lean methodology, and the context is the group operating in the geographical area of South Africa. The Lean methodology is predominantly practised in Japan with Toyota Production System and copied with low success rate across the world.

4.1.1 Validity

The sampling method and reliable analysing procedures ensured the validity of the conclusions. The validity of the case study was constructed by using multiple sources of evidence and a chain of proof was established (Yin, 2009). The research designed was rigorously performed to ensure that all possible threats to internal validity was identified and addressed.

The case study strategy was further augmented by doing pattern matching, explanation building and addressed rival explanations to ensure the correct inferences were made (Bryman, 2012; Crowe & Cresswell, 2011; Siggelkow, 2007).The research provided a

reasonable conclusion with the qualitative data acquire. Saunders and Lewis (2012), noted that caution should be applied to guard against the validity and reliability of data due to common interview error.

4.1.2   Reliability

Reliability was obtained by minimising the errors in the research and biases in the study (Yin, 2009). The reliability risk was further mitigated by following a case study protocol and developed a case study database (Baxter & Jack, 2008; Bryman, 2012; Drew, 2014). The database was created to track and categorise the data sources and, therefore, created an independent traceability and transparency (Baxter & Jack, 2008).

Data quality will be assessed by the completeness of data collected. Vague data indicated poor quality and was discarded in an attempt to preserve the data quality. The collected data was also compared to enhance further the reliability (Baxter & Jack, 2008). Four factors were considered during the research process: subject error, subject bias, observer error and observer bias (Saunders & Lewis, 2012; Siggelkow, 2007).

4.2   Population

The universe for the purpose of the case study is the eight Toyota dealerships (Ottery, George, Scottburgh, Malanda, Howick, Fourways, Honeydew, Maun (Botswana)) within the Halfway group that has implemented the Lean practices.

Saunders & Lewis, 2012 define the population as the "the complete set of group members." The population will consist of the following: new department, used department, workshop department, parts department and fitment centre (Ottery and Gauteng) managers in each of the dealers within the Halfway group. The geographical area covered will be Western Cape, KwaZulu-Natal, Gauteng and Botswana.

The population will exclude dealer principles, admin - and financial managers. They are excluded because Lean has not been fully implemented in the finance or admin departments. The dealer principle is deemed part of top management and do not have such a close relationship with the employees and, therefore, not entirely aware of the needs and attitudes of the employees (Alavi et al., 2014).

4.3   Sampling

The sample was conducted with the use of simple random sampling; this is a probability sampling method that is non-subjective.   None of the probability sampling methods was considered because they are subjective and would, therefore, lead to inconsistent inferences (Saunders & Lewis, 2012). Decisive sampling strategies fitting for the case study have been applied.

Semi-structured interviews were conducted with the managers that were actively practising innovation on a daily basis. Purposive sampling was used because this method stays robust even when test against random probability sampling. The sample size selected was sufficient to detect an effect (Yin, 2009).The minimum sample size was 5 participants (Creswell, 2002), a total sample size of 8 participants were obtained.

The interviews were conducted at the dealerships for the Gauteng-based management and telephonically for the managers that were geographically dispersed. The managers have all been taught within the group around Lean and continuous improvement. The managers were selected based on their positions and experience within the group to solicit the knowledgeable information from them (Saunders & Lewis, 2012). The researcher had the prior knowledge that the group had implemented the Lean Methodology to encourage and practise continuous improvement. Lean was created from the Toyota Production System, a process that has made the Japanese manufacturer an expert on the continuous improvement front (Womack et al., 2008).

4.4   Unit of Analysis

The unit of analysis in the case study was the middle managers of the Halfway group, the role they fulfil within the group by enabling or inhibiting the innovation and agility. Used the case study to obtain data to assess the key idiosyncrasies of innovation and agility within the organisation.

For the case study, interviews were semi-structured and face to face. The method of the in-depth interview provided an opportunity to gain a deeper understanding throughout the conversation to answer the research question pose (Saunders & Lewis, 2012). A key strength of case study data collection was the chance to use diverse sources of evidence. A mock interview was conducted in order to ascertain the ambiguity of the questions.

4.5 Data Collection

4.5.1 Pre-Test

A pre-test was conducted to test the validity and the ease of conducting the interview and the respondents answers to them. The questions were altered several times to ensure the right flow was achieved in the interview. The introductory information was also finalised during the pre-test phase to ensure consistency throughout.

4.5.2 Interviews

The consent was obtained from the interviewed party and the Halfway group (Crowe & Cresswell, 2011). The semi-structured interviews were conducted face to face or with Skype/telephonically due to geographical dispersion and cost-benefit aspect. The interview process lent itself to in-depth questions when the opportunity aroused.

Construct validity was enhanced with the triangulation of data. Findings in the case study were supported by other sources and not only from a single source. The data triangulation was focussed on theory and methodology triangulation. The Lean methodology was requested for perusal and daily meetings with staff were attended. The approach enabled the researcher to follow a finding from interview through to the case study conclusion. It was noted that the Halfway group make use of an expert to facilitate the training sessions within the group. He is from the Lean Institute in London. It was noted that the dealership displayed a culture of wanting to improve.

The reliability of the case study was strengthened with the creation of a database that included the recordings, case study notes, documents and analysis of the data. The recordings were for the face to face interviews that lasted for about half an hour due to the open-ended nature of the questions. The case study was underpinned by the chain of evidence that was obtained and the maintenance of it.

The researcher mitigated the common interview error by recording all interviews on an audio recorder and making additional notes on a notepad (Saunders & Lewis, 2012). The consent was obtained from the interviewee. Completeness and accuracy of the interview were further strengthened by confirming the primary notes with the interviewee after the transcription of the interview. Therefore ensuring transparency with the interview. The process ensured that the threat of not capturing all the facts during an interview because of the researcher's inability to write fast enough was negated. According to Yin (2011), an interviewer required five basic skills namely: ask good questions, a good listener, adaptive and flexible, knowledgeable on

the subject matter and unbiased. There five idiosyncrasies were practised during the research process.

If data saturation does not occur within the initial sample, the sample size will increase until data saturation occurs.

4.6   Data Analysis

Interviews were recorded, transcribed and analysed for trends and themes. The interpretation of the results would determine the inferences made. Consent was obtained before the semi-structured interviews being recorded. A detailed content analysis was performed through extracting and summarising the key themes in the responses as given by the partakers.

Coding for the analysis was derived from the propositions as set out in chapter three and five to ascertain the themes in the interviews. The respondent's interviews were carefully examined to establish themes throughout the interview and per questions posed. Careful consideration was given to ensure that no anomalies or unexpected themes would go unnoticed.

All respondents had sufficient knowledge on the subject matter to provide insight and understanding to the questions posed. Their knowledge was ascertained during the interview by the researcher. The researcher performed a comprehensive content analysis from the participant's responses by summarising key themes.

4.7   Assumptions

The made the following assumptions:

- The sample case study represents the population
- The respondents provided accurate information during the interviews
- The interviewees had sufficient knowledge on Lean methodology

Therefore, an assumption was made that the interviewees were providing their honest and unbiased views on Lean methodology.

4.8   Limitations

The limitations around qualitative studies and case studies are around:

- Hard to draw inferences from the study, the research can be inferred on privately owned groups with similar resources available.
- Provides data that is not easily quantified
- Studies consist of a small sample size of only sales, workshop, parts and fitment centre managers in the group and they are geographically dispersed. Provinces not covered are Limpopo, North West, Mpumalanga, Northern - and Eastern Cape and Free State.
- Highly subjective
- Reliance on participants, easily manipulated by participants

Managers had limited time available during working hours for research purposes. There was sufficient time available to conduct the semi-structured interviews and the managers were not distracted by their daily duties and responsibilities. Chapter 5 sets off with the discussion of the results gathered from the interviews.

Chapter 5: Research findings

5.1 Introduction

In chapter 3 the propositions were presented and chapter 4 proposed the methodology that will test the research propositions. Chapter 5 will present the results of the eight conducted interviews within the Halfway Toyota Group. The eight managers interviewed are middle managers within the group and include New Vehicle Sales -, Automark -, Parts – and workshop managers. The insight of middle management and the facilitation role they fulfil in the organisation were obtained at a deep level in a qualitative and exploratory method.

5.2 Description of sample and respondents

The sample was selected based on the Toyota dealerships that have implemented Lean methodology. The selected individuals were all middle managers within the Halfway Toyota group with relevant experience in incremental innovation and were responsible for the implementation of innovation and agility within the organisations.

A 100% response rate was obtained by forwarding eight requests for interviews and obtained eight responses by the identified middle managers. The interviews consisted of open-ended questions, semi-structured that allowed for in-depth discussions around the themes of the research. The results quantified in this research were compared to the constructs identified in the literature review and were found to be satisfactory. No unanticipated themes came out of the conversations that were not covered in the literature.

5.3 Themes of the research questions

The research questions were designed to get participants to respond in such a manner that clarity would be provided to the research propositions. The research questions were derived from the research propositions. The themes in the questions were as follows:

1. The adaptability of middle management in an organisation.
2. The extent of buy-in management has with regards to incremental innovation.
3. The empowering or inhibiting effect of communication and communication channels within an organisation.
4. The competencies management possess and need to manage successfully innovation in the organisation.
5. The training provided within the organisation and the facilitating effect regarding buy-in and consequently innovation and agility in the organisation.

6. The inhibiting consequence of cost reduction and cost versus benefits effect.
7. Remuneration and the empowering effect on the commitment of the staff.
8. The significance of the staff experience and the facilitation effect on the commitment to innovation and enabling of agility in the organisation.
9. The influence of adaptive innovation (incremental innovation) on the competitiveness of the organisation.
10. The change in culture and the acceptance of the Lean methodology to continuously approve.
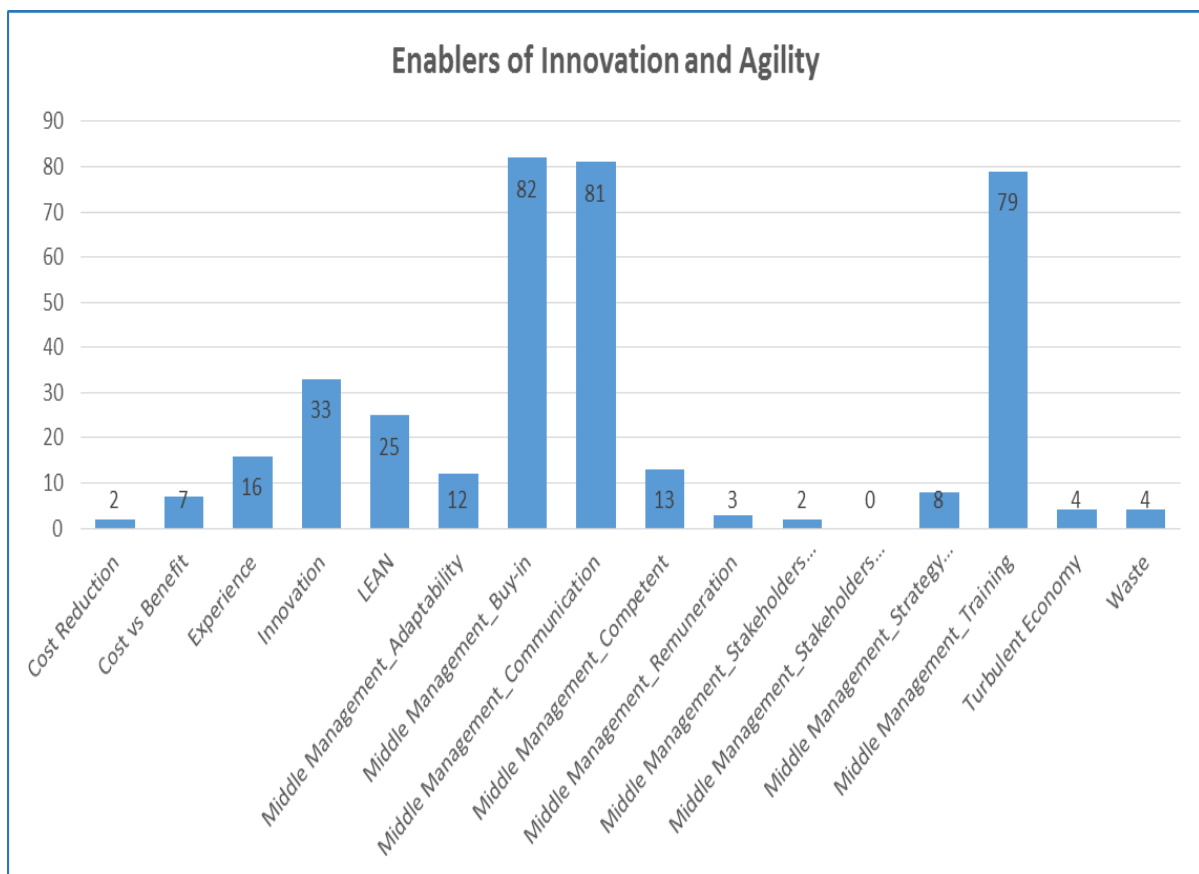

Chart 1: Bar chart indicating the enabling factors of innovation and agility, the themes derived from the research questions

5.4 The layout of the findings

The layout of the findings will be in line with the open-ended questions that were derived from the propositions as outlined in Chapter Three. The insight obtained will enable the researcher to proof the actuality or absence of the propositions defined in Chapter Three.

5.4.1 The research proposition 1:

Proposition 1 – Middle management has the capabilities required for incremental innovation and agility
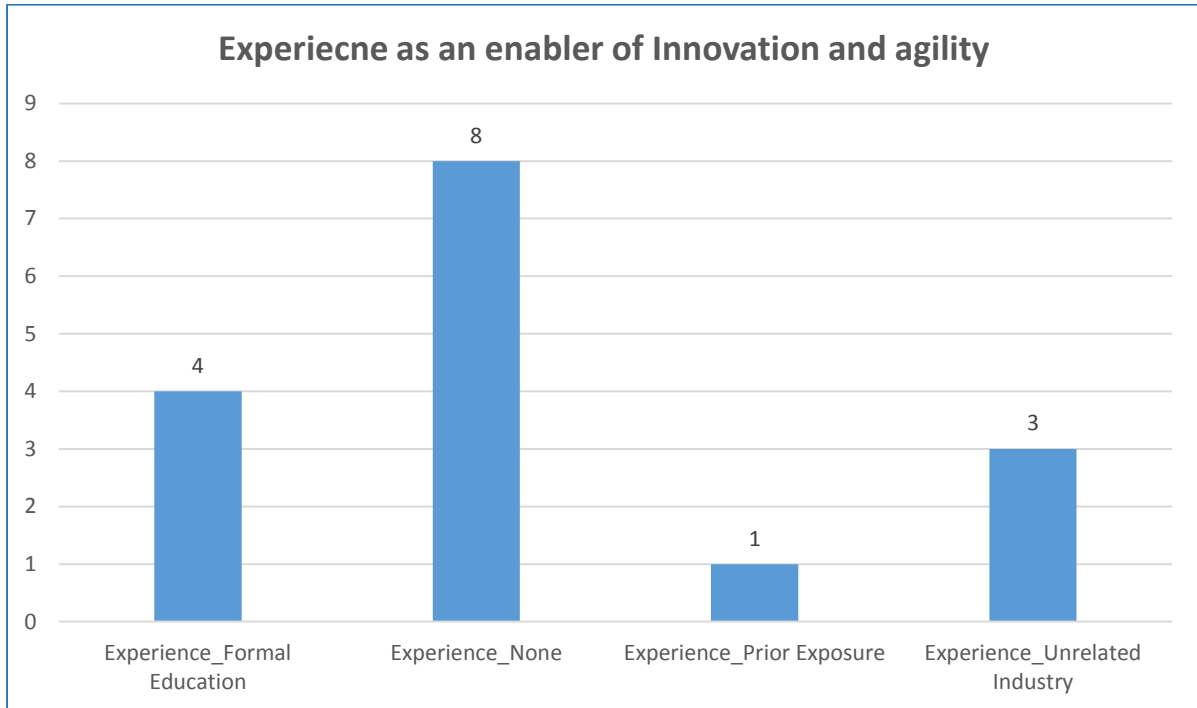

Chart 2: Bar chart indicating management experience with regards to innovation and agility

The above bar chart indicates that the Halfway group's managers are in-experienced when it comes to innovation and agility within an organisation. Drucker (1993) highlighted the fact that technical knowledge will not suffice unless, managerial capabilities are supplemented to extract the required results for the organisation to ensure sustainability.

Doh, Smith, Stumpf, & Tymon, (2011); Vaiman, Scullion, & Collings, (2012) highlighted the fact that people centricity and management are critical traits of management. These traits will enable middle management to manage up and downwards within an organisation. Halfway managers all exemplified these traits and came through during the interviews.

To what extent did you have the necessary skills to facilitate the improvement in efficiencies?

A respondent stated you required, "Leadership abilities. You cannot do this position in the current market condition without leadership or else you'll be dead in the water. You require good processes and product knowledge. But it is definitely transferable."

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The other interviewee alluded to management by saying, "My focus has shifted from short term daily objectives to what stock levels do we require in the coming months and what staff skills I need to be focussing on. The vision changed from short term focussed to longterm."

Farndale et al. (2014) and Hamel (2006) noted that successful managers require additional traits such as motivating, sharing knowledge obtained, distribution of resources, talent improvement and balancing external populations. These are secondary attributes to communication, remuneration, buy-in and training (Marin-Garcia & Bonavia, 2014) as the results will indicate.

The motivation of middle managers will facilitate the buy-in achieved with their staff, this in turn will enable innovation in the organisation. The managers are extremely focussed on the motivation level of their staff and they realise the importance of it for continuous improvement in the dealership. The managers noted that continuous improvement cannot be driven by one person, it needs to be from everyone and thus a cultural change in the organisation.

A respondent made the following statement, *"In the initial stages, I've included the staff and. Therefore, we've grown and developed together."*

Another commented, *"If I notice that a salesperson is struggling during the month I need to assist him where I can to pick him up. Where in the past we would wait until month end and see that he has not made target. Now it is a daily focus."*

The managers are highly motivated individuals and have personally seen the benefit of continuous improvement and. Therefore, no managers gave the impression that they were not convinced that Lean methodology will give them the competitive edge in the market.

A respondent alluded to personal commitment by saying, *"Continuous improvement is a good thing. You always need to strive to improve. Senior management is heavily involved. They assist with the analysis of the results. If it does not work, we try something else. There's such variety out there, what's good for me will not for the next. If it does not work, let's try something else."*

Middle management and staff benefit greatly from the sharing of knowledge obtained (Casimir et al., 2012; Javalgi & Todd, 2011). The results of knowledge sharing will be discussed in greater detail later under both buy-in and training that is part of the primary traits required by middle management in the innovation and agility process. The respondent did mention, "It started with senior management initiating the process by teaching us the points and what it

would take to get it done and gain the benefit from it. Then we continued the process with our sales staff and helped them with the process and to realise the benefit." The comment clearly indicates that knowledge sharing takes place at both senior and middle management level. Mentoring form an intricate part of the Lean methodology (Womack et al., 2008), but can only be accomplished with knowledgeable human capital.

All the managers from the group emphasised the fact that they have access to sufficient resources to facilitate the incremental innovation process. The respondent made the following remark, "Yes, we had access to adequate resources, like finances. Resources would depend on the required project or objective. But we are never held back because of resource constraints." The only constraint that was emphasised by management was financially related but also noted that this is a reality in any organisation. The respondent commented the following, "Money is always a constraint especially when the dealership is struggling'.

Talent management is another secondary trait that needs to be embedded in the makeup of any middle management. The Halfway group does not currently have talent management programmes. The management needs to manage their own staff and identify potential employees. The respondent lay emphasis on the following, "There's been continuous training, practical and group work. Staff have also been on Lean seminars and training. Not everyone had prior exposure to Lean, but everyone has now been exposed to it."

Adjacent to the before mentioned traits, management need to balance the stakeholder relationship for the group (Ahearne et al., 2014a; Bhat & Jain, 2011; JM Birkinshaw & Mol, 2006). The Halfway manager explained that "we need to manage the customer expectation and, for this reason, it is difficult to change the response from customers to new the continuous improvement methodology." Another laid emphasis on the fact that "there needs to be alignment throughout all the departments to achieve agility and fulfil the customer's expectations."

To what extent do you think, can efficiency improvements be taught or is it for a select few?

The Halfway managers were in unison about the required skills to be a successful manager and the fact that it can be transferred to any person that is willing to learn. The one respondent stated, "All the skills can be taught to the staff if there is a willingness to learn". Another underlined that "I am of the opinion that it can be taught to any person that is willing to learn. This is a critical element from Lean is the willingness to improve yourself continuously".

5.4.1.1 Conclusion on Proposition 1 findings:

All the respondents that participated in the research indicated that the skills required for incremental innovation are completely transferrable. Although only one of the participants had any prior experience in incremental innovation, they showcased the necessary skills to enable competently innovation and agility in the organisation.

5.4.2 The research proposition 2:

Proposition 2 - Middle management has bought-in on the Lean methodology strategy

The interview questions focussed on what had conventionally aided buy-in for an organisation. The following five factors were emphasised by the participants and were supported by the literature review in chapter two: support provided, managing change, resource allocation, motivation and updated information (Aalbers & Dolfsma, 2014; Casimir et al., 2012; Geografica et al., 2013).

5.4.2.1 Buy-in

Seven of the participants emphasised the importance of buy-in from the staff to successful manage an innovation process and enabled agility in the organisation. They cited buy-in to facilitate teamwork, willingness to implement and provide feedback. The participants cited the following quotes:

> *"Everyone needs to buy-in for continuous improvement to work".*

> *"It just facilitates good teamwork."*

Buy-in: Support

The participants were asked about what factors, since the introduction of incremental innovation, had installed with them and the staff the necessary commitment to enable innovation. All the participants made reference to the support from senior management and the support given to staff as the most significant trait to facilitate the essential commitment.

 How was support provided regarding theory / training and practical implementation?

One manager stated, *"Senior management in the group, Terry O' Donoghue (COO) or the Dealer principle, will continuously come and look at what I am doing and ask a question to make me think about the problem and what I am trying to achieve".*

While another noted, *"But had significant assistance from the dealer principle and the COO. Because of my lack of knowledge they've always been willing to teach me and guide me"*.

Another made reference to, *"Only from working with the staff and once they started to see the improvements, did they become more receptive to the changes and opened up."*

Buy-in: Change

All the respondents alluded to the importance of managing change within an organisation and were cognisant of the inhibiting consequences of not successfully managing this transition and change. Adjacent to the before mentioned, managers cited the slow implementation of Lean methodology (incremental innovation) as a determining factor in maintaining the performance of both middle management and the staff, while keeping the essential strategic support to achieve the organisations objective.

Will you please tell me about questions/concerns or thoughts around improving efficiencies?

The following quotes confirmed the sensitivity around change in the organisation and the potential impact it could have:

"People are afraid of Lean because they are afraid that Lean will reduce the need for their position in the dealership and, therefore, creates insecurities among staff".

"When I started in the group we had various challenges that we faced within the parts department. One of the main concerns were streamlining processes. There were no processes. Slowly but surely start introducing the changes".

"It was rolled out and implemented in stages. We have always been trying to change things without impacting on the finances too much".

"In the beginning we had to shift their mind-set. Staff were set in their ways".

Buy-in: Resource

Seven interviewees cited that the allocation of resources was crucial for the alignment of the department and facilitating the buy-in from the staff. They also indicated how resources such as finances and time repository enabled an environment that is conducive to Lean implementation and sustaining the innovation, with quotes such as:

"Yes, additional resources have been made available. In terms of Reconditioning Manager, that manages the process of reconditioning the stock vehicles. Whatever tools I need, charts, paper, there's never been any resistance from senior management. Senior management has always been willing to assist and offer time and advice: "maybe try this or maybe we should approach it more from this point of view". Good to hear the advice. They are actively involved on a daily basis with the processes."
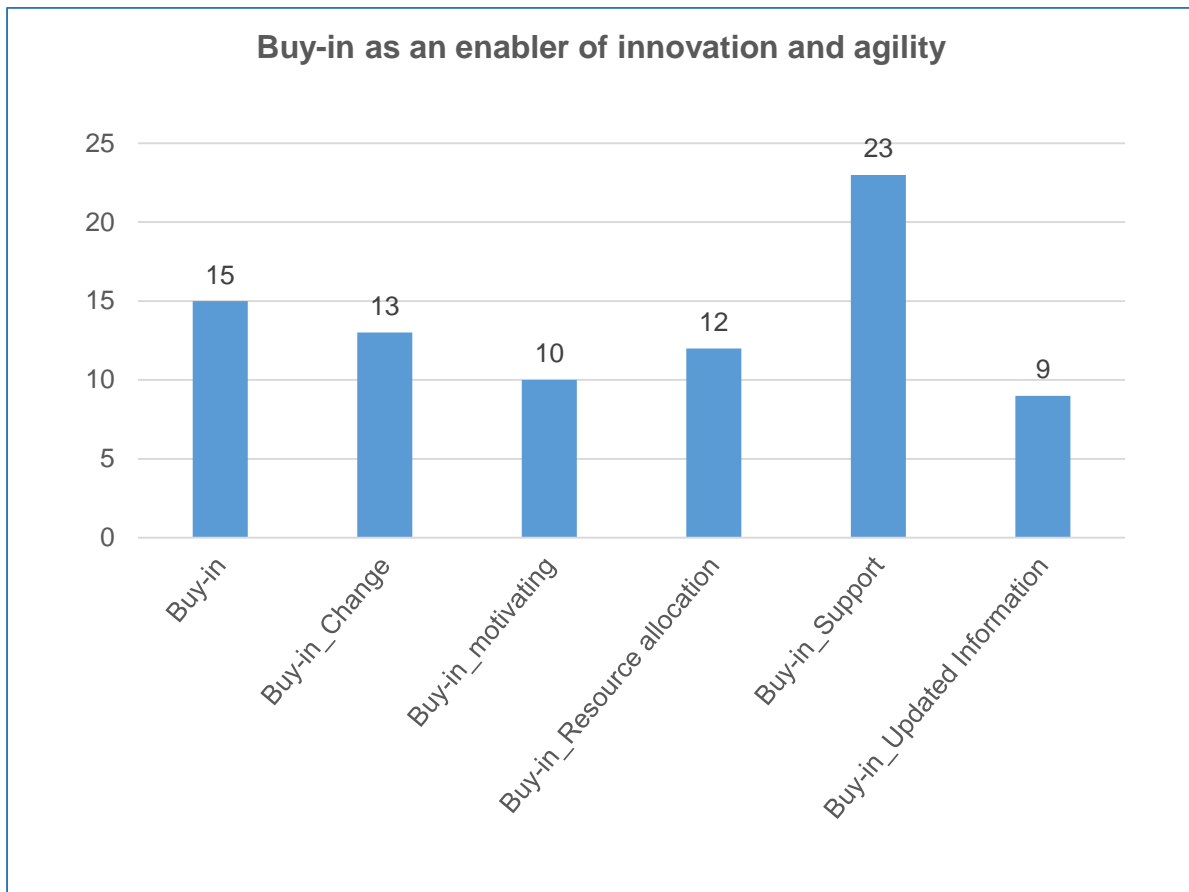

Buy-in as an enabler of innovation and agility

Chart 3: Bar chart indicating Buy-in with regards to innovation and agility

The ability to allocate resources fruitfully to maximise the gain, differ from senior to middle managers because they have different objectives. Middle management tend to be more operations orientated while senior management has a strategic approach, was mentioned by several of the interviewees:

"Financially, there isn't necessarily sufficient amounts available to completely change a process. The cost does not always provide the significant improvement to justify the money spent".

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Buy-in: Motivation

Many of the respondents agreed that Lean methodology and continuous improvement are positively impacted on the management of their departments. The participants also cited that being self-motivated had a noticeable impact on the motivation of their staff, confirmed by the following quote:

"Showing them that you can implement a process that work and thus leading by example facilitated the commitment buy-in from staff".

Buy-in: Updated Information

Five of the eight participants cited updated information as important to them to facilitate innovation and agility in the organisation through their staff compliment. They also highlighted how updating the information on a daily basis by the staff initiates an environment that is conducive to teamwork and more accommodating towards new ideas and innovation in the processes, with quotes such as:

Please tell me about your experiences in improving efficiencies since joining the Halfway Group.

"It started with senior management initiating the process by teaching us the points and what it would take to get it done and gain the benefit from it. Then we continued the process with our sales staff and helped them with the process and to realise the benefit."

"Through working with them we aligned our goals with the dealership and ensured they understood the directions that we were heading in."

5.4.2.2 Conclusion on Proposition 2 findings:

The key characteristics most middle managers perceived as enablers of buy-in for an organisation, were support provided by the senior management and the support given to staff. The other factors that were less prominently cited consisted of change management, the allocation of resources, the motivation of staff and updated information in the organisation. Through the quotes from the participants it is evident the importance of buy-in for an organisation and the significant leverage that can be obtained:

"You need the commitment from all your staff. It is simply too much for me as a manager to do on my own".

5.4.3 The research proposition 3:

Proposition 3 – Middle management has sufficient and adequate communication with senior management and employees that is required for incremental innovation and agility

All the participants emphasised the importance of communication as enabler of staff attitude towards innovation and facilitating agility of the organisation in order to stay competitive in the market, with a quote such as:

> *"Listening and communication would be the most important skills in order to improve continuously".*

To what extent has it improved communication with the staff and senior management?

> *"The new methodology of Lean and improvements, have changed the way we communicate in the dealership by creating an openness".*
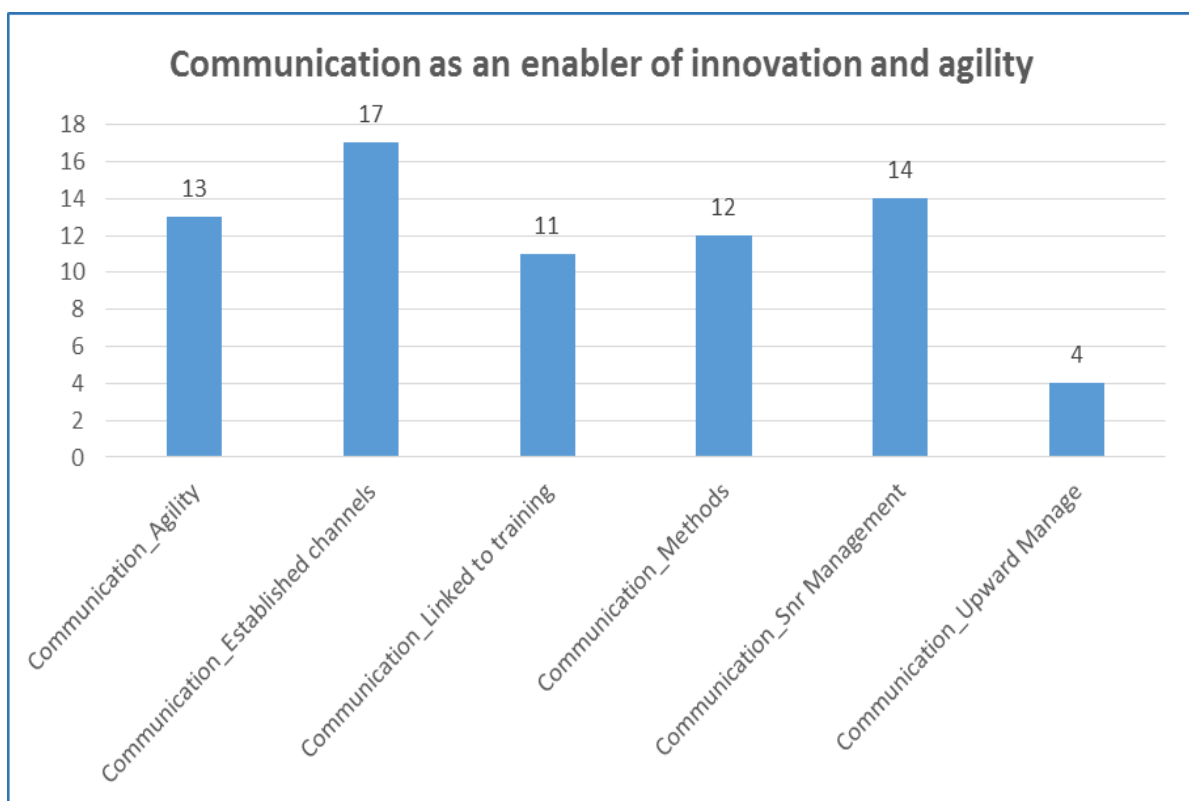
Chart 4: Bar chart indicating Communication with regards to innovation and agility

Communication: Established channels

Seven of the eight participants cited the importance of having established channels of communication within an organisation. They emphasised the enabling abilities that established communication channels provide in order to convey knowledge and experience throughout the organisation's departments, as quoted below:

"Between parts and workshop or workshop and sales, guys would always complain about the others lack of performance. Would always look at passing the buck. Now there is communication between the departments and more understanding for the process that takes place. There is a willingness to address the problem and get it resolved."

"Communication has to change because without communicating the change you will not get the buy-in from the staff. We do have sufficient communication in the dealership."

"We have daily asakai and Obeya meetings, report of GP, turnover and healthy order ratios and some internal department's measurement."

Several participants cited the importance of open and honest communication in the organisation, these are facilitated by established channels, as quoted below:

"If there is an issue, you have to be open enough to have the conversation without becoming overly aggressive. Open communication will enable them to come to you with a problem or idea. Open door policy is critical".

Another participant highlighted the fact that even if existing communication channels are in place and working efficiently, they should not be complacent because there is always scope to improve and create the competitive advantages, with a quote such as:

"Communication channels are open, but we can always improve".

Communication: Senior management

Five of the participants laid particular emphasis on the role communication with senior management has and the effect it has on the commitment and knowledge sharing within the organisation. Adjacent to this senior management communication enables employee involvement and enables commitment towards the strategic direction of the company, as quoted below:

"Senior staff in the group, Terry or the Dealer principle, will continuously come and look at what I am doing and ask a question to make me think about the problem and what I'm trying to achieve. And I talk to senior management on a continuous basis."

"There's been lot more communication on management level, senior management is consistently and daily weekly basis. Practically that is where COO comes into to a large extent, highlights shortcomings and provides a different point of view which facilitates the learning process."

A participant also made the observation that Lean has facilitated the communication process with senior management because of the established communication channels that were created, through OBEYA and daily Asakai meetings.

"But had significant assistance from the dealer principle and the COO. Because of my lack of knowledge they've always been willing to teach me and guide me. Much easier with Lean to communicate with both senior and employees."

Communication: Agility

Several participants noted that the staff are more adaptive and agile because of the empowerment they've received through clear communication and autonomy in decision making, therefore, reducing the delay in actions taken, as quoted below:

"If you are open with your staff and say that we are looking for this price on the vehicle or trade in, then they have a clear idea and can work accordingly. This process also eases a new person into a sales position."

One interviewee raised the concern that agility within the organisation will be inhibited if incremental innovation approach has not been communicated and accepted by all the departments in the organisation, as quoted below:

"Communication has not been as successful as we would like it because the other departments do not understand what we are trying to accomplish because the other departments have not had all the exposure to Lean and continuous improvement. And thus causes a bit of disjointedness."

Communication: Methods

All eight participants cited the use of visual graphs, meetings and general communication to facilitate the implementation and maintaining with regards to incremental innovation in the organisation, as quoted below:

"We have daily asakai and Obeya meetings, report of on GP, turnover and healthy order ratios and some internal department's measurements which indicate the state of the department".

"Each department has their daily asekai meeting and discussion and management has theirs".

"Communication has improved since Lean. Due to the alignment of departmental goals derived from company goals. Targets are visual and it is clear for anyone to see. Previously we are given a target but no understanding were obtained for why you made it or didn't. The new method of Lean and improvements. Have changed the way we communicate in the dealership by creating openness."

Interesting, several participants cited openness and ease of communication as an important enabler of the commitment towards innovation and agility, as quoted below:

"Communication has to change because without communicating the change you will not get the buy-in from the staff."

"The new method of Lean and improvements, have changed the way we communicate in the dealership by creating openness in the dealership".

Communication: Linked to training

Participants cited the importance of communication in the transferring of knowledge through both established and informal communication channels. Adjacent to the transferring of knowledge they noted the impact that knowledge sharing has on the staff morale and job satisfaction, as quoted below:

"Theory we had trained directly from Toyota head office. So we do have sufficient training. My staff has also subsequently been on training to equip them. Practically that is where COO comes into to a large extent, highlights shortcomings and provides a different point of view which facilitates the learning process. So I do feel management need more exposure to A3 problem solving."

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"The group has a lot of focus on continuous improvement and solving problems by creating problem solvers. The solving of problems you get improvement and thus a reduction in waste. My aim in my department is: grow the people underneath so that they can solve problems and take over from you and secondly, improve the process."

Communication: Upwards Manage

Four of the eight participants cited the ease of communication within the organisation in order to implement and continuously improve through managing both upwards and downwards in the organisation, as quoted below:

"And talk to senior management on a continuous basis, in order to assist with Kaizen improvement projects."

" We'll have open communication on problems faced. It is vary interactive. It is easy to have the conversations about problems faced or possible improvements. There is no need to schedule time for discussions with senior management or employees."

5.4.3.1 Conclusion on Proposition 3 findings:

The most prominent trait cited as an enabler for communication within an organisation was, established communication channels. Communication was undoubtedly an essential element to any successful organisation.

5.4.4   The research proposition 4:

Proposition 4 – Middle management has the cognisant abilities required and is empowered for incremental innovation and agility

All the participants noted the importance of cognisant abilities during the innovation phase and the significance of empowerment for all employees of the organisation. They indicated how training through effective communication in the organisation, did not only succeed in the accessing of the knowledge repository within the group but facilitated the buy-in from all the staff by empowering them with the necessary knowledge, as quoted below:

"It was tough to get the buy-in. But working with them, sharing ideas and thoughts made a significant difference. When I joined I was the youngest; they were battling to take orders from young managers. Only from working with them and making my intentions clear, did they start to respect me. Communications were critical in training and executing."

Training as an enabler of innovation and agility
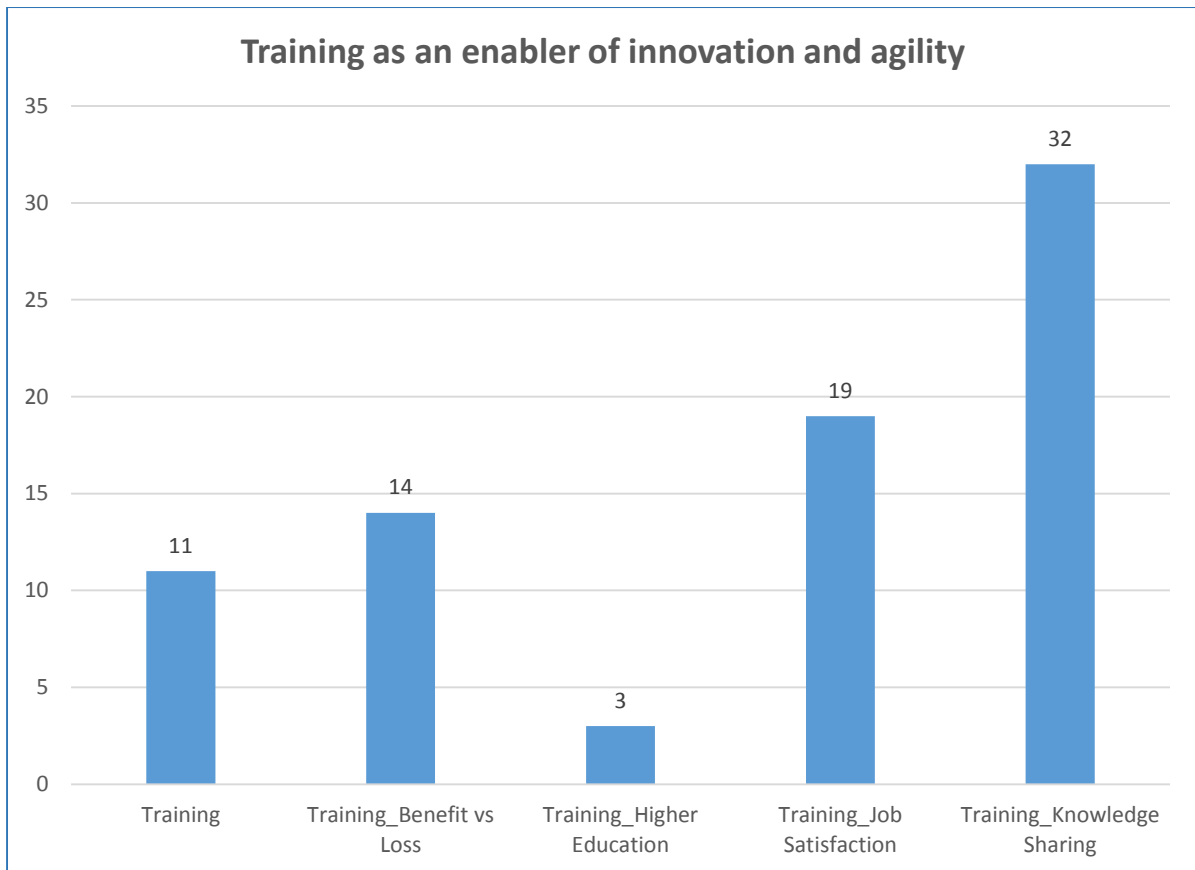

Chart 5: Bar chart indicating Training with regards to innovation and agility

Training: Knowledge Sharing

The ability to share knowledge and insights through communication channels in the organisation to obtain both buy-in and empowerment of employees were mentioned by several participants with the following quotes:

"The group is very staff driven and focussed on motivating the staff. Previously I've never been on training but since I've joined the group I've been trained both externally and internally and is vital to where we are today as a department and group."

"It started with senior management initiating the process by teaching us the intricacies of Lean and what it would take to get it done and gain the benefit from it. Then we continued the process with our sales staff and helped them with the process and to realise the benefit."

"The COO has vast knowledge on problem solving, mentoring skills. Practically that is where COO comes into to a large extent, highlights shortcomings and provides a different point of view which facilitates the learning process."

Training: Job Satisfaction

Seven of the participants stressed the importance of training regarding job satisfaction and how that acts as a strong competitive advantage for the group. Adjacent to this they cited the importance of communication and effective channels within the organisation to assist with the training, as quoted below:

"I have staff helping me updating my measurements on a daily basis because they've seen the benefit and the advantages of measuring on a daily basis. Always questioning what, where, why and how. I've been on a lot of Toyota training, nothing is perfect and everything can be improved upon but the communication is effective within the group."

Only two participants made reference to remuneration as an incentive for job satisfaction. It was highlighted that the positive spinoff from the innovation and agility naturally brought about an increase in remuneration and was not observed to be an enabler in the process, as quoted below:

"Financially it is helped a lot. We have seen the benefit through the financial gain by improving the efficiencies in the unit sales. Unit sales have almost doubled."

Training: Benefit vs. Loss

All eight participants cited the importance of training and saw it as a necessary utilisation of resources to extract the required benefit. None of the participants saw the allocation of resources to training as an unnecessary or wasteful spending of scarce group resources, as quoted below:

"Continuous improvement is a good thing. You always need to strive to improve. Senior management is heavily involved. They assist with the analysis of the results. If it doesn't work we try something else. There's such variety out there, what's good for me will not for the next. If it does not work, let's try something else."

Training

Seven participants referred to training as an enabler of innovation through empowering both managers and employees. They indicated the significance of willingness to learn as a key contributor to gaining the competitive advantage through incremental innovation, as quoted below:

"It started with senior management initiating the process by teaching us the points and what it would take to get it done and gain the benefit from it. Then we continued the process with our sales staff and helped them with the process and to realise the benefit of implementing the Lean methodology."

"It has to come from within a person. Willingness to learn. I think everyone has a basic understanding. Everything I've learned on the Lean journey can be taught. We learn by doing in a practical way. It is very easy to transfer the required skills in terms of Lean."

Lean methodology

Several participants cited the key factors that enable or inhibit cultural change, to be resistance to unfamiliarity, senior management mentoring, willingness to learn, mind-set change, measuring and fact-based decisions. The following quotes substantiate it:

"People are afraid of Lean because they are afraid that Lean will reduce the need for their position in the dealership and, therefore, creates insecurities among staff."

"They teach you step for step without telling you what to do."

"You tend to think about things differently. Even at home and financially it is made me think differently and act differently."

Adaptive Innovation

All the participants cited the importance of adaptive innovation to sustain the competitive advantage in the market by continuously improving on the current process. Management play a significant role in the adaptive innovation process by facilitating the process, as quoted below:

"Have seen significant improvement in the processes, especially in the wash bay that used to be a constraint, thus reducing the bottleneck. But there is always room for improvement. We continuously need to improve the process because we are not running as smooth as we could at this stage."

"It is a continuous process to get the processes s streamlined."

"Continuous improvement is a good thing. You always need to strive to improve. Senior management is heavily involved. They assist with the analysis of the results. If it does not work, we try something else. There's such variety out there, what's good for me won't for the next. If it doesn't work let's try something else. We see technology as an enabler. We email

the demo of the customer to the customer, iPod vehicle demo and email to the customer. Use technology where we can. Trying to improve the social media visibility."

5.4.4.1 Conclusion on Proposition 4 findings:

The factors most perceived to create the cognisant ability and empowerment within the organisation was training, facilitation of the cultural change and mindfulness regarding incremental innovation within the group and be benefit gained from it.

All participants believed they showed consciousness regarding Lean implementation and facilitating the innovation in the group.

This chapter offered the results of the eight discussions that were conducted by this study, ordered according to the research propositions. Data from the eight semi structured in-depth interviews revealed the key characteristics required by middle management in order to facilitate the innovation process in the group and ensure the organisations agility.

Chapter 6: Discussion of results

6.1 Introduction

Chapter five presented the findings regarding the enablers for middle management with regards to innovation and agility in an organisation. The basic principle of the research was to bridge the identified gap in both the academic and business spheres with regards to the facilitation role middle management fulfil in the innovation process. The results that were discussed in chapter five were obtained through eight semi-structured interviews with middle management in the Halfway Toyota Group. The Halfway Group has adopted the Lean Methodology, which is focussed on continuous improvement and, therefore, results in the practising of adaptive innovation. Chapter six will present analysis and discussion of the results in chapter five, adjacent to chapter 3 propositions. Chapter two will form the basis for the interpretation and, therefore, on the literature review. The chapter is ordered by the following proposition:

- Proposition 1 – Middle management has the capabilities required for incremental innovation and agility
- Proposition 2 – Middle management has bought-in on the Lean methodology strategy
- Proposition 3 – Middle management has sufficient and adequate communication with senior management and employees that is required for incremental innovation and agility
- Proposition 4 – Middle management has the cognisant abilities required for incremental innovation and agility

The constructs identified in chapter five will be discussed in this chapter.

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6.2 Research Proposition 1: The capabilities required for incremental innovation and agility

In chapter two, Doh et al., (2011) & Vaiman et al., (2012), indicated that middle management facilitated innovation and agility in an organisation by demonstrating employee centricity and the management of staff to obtain and sustain a competitive advantage. Drucker, (1993) mentioned that management will only extract real value from technical capabilities if it is accompanied by managerial capabilities. It was identified that middle management needs to be great exponents of these managerial traits to facilitate the communication in the organisation (Ahearne et al., 2014b; Raelin & Cataldo, 2011). The findings from the exploratory research tended to support the notion that middle management is employee centric and focussed on the management of staff in order to obtain a competitive advantage in the market through continuous improvement.

Baye & Beil (2006) and Koontz (2010), indicated that through the alignment of employees and organisational objectives, organisations will unlock the competitive advantage. Middle management is the facilitators of the alignment process and, therefore, achieving the organisations goals (Farndale et al., 2014). The research conclusions tended to agree with the literature. Therefore, middle management needs to be able to align and organise both organisational objectives and employees to gain the competitive advantage through innovation (Weber & Tarba, 2014). When studying how the participants viewed their role in the enabling process of alignment in the group, it became evident that because of the staff-centric focus, the alignment is a result of the Lean process. There is a continuous focus on incremental innovation within the group to gain the competitive advantage.

In chapter two, Farndale et al. (2014) and Hamel (2006), indicated that the management process consisted of additional traits that enabled managers to accomplish objectives more efficiently, namely: motivating, sharing knowledge obtained, distribution of resources, talent improvement and balancing external populations. The participants were cognisant of these traits and were discussed in more detail in the following propositions.

Weber & Tarba (2014) made the argument that for an organisation to gain a competitive advantage they will need to innovate and be agile in a volatile economic environment that is rapidly changing. Therefore, middle management will contribute significantly, because of their abilities they possess regarding enabling innovation and ultimately generating superior competitive advantage during these rapid changing times (Geografica et al., 2013).

A participant cited the importance of leadership ability during these volatile economic conditions and emphasised the transferability of the required skills for innovation. However the importance of the role fulfilled by middle managers cannot be underestimated with regards to the adaptive innovation implementation and, therefore, creating a long-term sustained competitive advantage (Ahearne et al., 2014a). In a volatile environment, the focus on enabling capabilities becomes more relevant because of their positioning within the organisation structure. They are positioned between the senior management and operational level and are therefore seen as the executors of strategy and implementation of innovation (Harding et al., 2014).

In chapter two, Marin-Garcia & Bonavia (2014), indicated that when middle managers possess the fundamental characteristics of management such as communication, rewards, buy-in and training, they will gain the support from both senior management and employees. Therefore, enabling them to implement successfully innovation and execute strategy in the organisation.

Raelin & Cataldo (2011) contributed that middle management will be in a position of strength with regards to incremental innovation once they have a motivated workforce and are self-motivated. A motivated workforce is more receptive to innovation and the implementation thereof and less likely to inhibit the process. A participant cited the importance of having a supportive and motivated workforce because without these factors the success of continuous improvement is destined to fail.

In chapter two, Farndale et al. (2014) and Weber & Tarba (2014) indicated the importance of talent management to facilitate both innovation and agility. Farndale et al. (2014) advocated the relevance or lack there off regarding previous experience in an innovative environment or agile organisation. Therefore, the findings from the exploratory research confirmed that previous innovation experience is seen as advantageous but not a prerequisite for the enabling of incremental innovation. Camelo-Ordaz (2012) advocated in the literature that formal education is seen as an inhibitor of innovation because it makes employees more reluctant to exercise innovation. Adjacent to education being seen as an inhibitor of employees, the opposite is noted about the education of middle management and their inclination to adopt an innovation. However, the findings in the exploratory research indicated a lower correlation between the education level and the propensity of management to accept and facilitate the innovation process in the group.

Casimir et al. (2012) and Javalgi & Todd (2011) indicated that the sharing of knowledge has a significant impact on both the buy-in and training function that are critical skills for middle management to enable innovation and agility in an organisation. Therefore, the findings from the exploratory studies tended to support the notion that the sharing of knowledge greatly improves the buy-in and training traits that are required by middle management. Womack et al. (2008) further added to the argument that mentoring and the transferring of knowledge form an integral part of the Lean methodology. When reviewing how the participants viewed the importance of knowledge transfer and the mentoring roll they fulfil, it became evident the significance regarding innovation in the organisation.

6.3 Research Proposition 2: Middle management has bought-in on the Lean methodology strategy

In chapter two, Marin-Garcia & Bonavia (2014) contributed that buy-in from both middle management and the workforce is seen as a minimum requirement for the successful enabling of innovation and the facilitation of agility in the organisation. The ascertaining of the affective commitment from middle management is significant because it contributes to the sustained performance over a period. The literature identified several constructs related to buy-in and the themes were established in the explanatory research. These constructs consisted of support, change in the working environment, resource allocation, motivation and up to date information (Ahearne et al., 2014b; Beer & Eisenstat, 2000; Franken, Arnoud; Edwards, Chris; Lambert, 2009; Geografica et al., 2013).

Support

In chapter two, (Casimir et al., 2012) indicated that buy-in will be attainable when knowledge is shared and in particular reference to the sharing of knowledge and insights from the senior management. The exploratory results tended to agree with the argument from the literature. The participants cited the important role the COO and dealer principals fulfil with regards to sharing knowledge and acting in a supportive way to facilitate the desired behaviour from middle management and the staff. Almeida Marodin & Saurin (2014) found the lack of support from management, both senior and middle management, turns into a barrier for the successful implementation of innovation. It was apparent from the exploratory results that to gain the required buy-in, management needs to provide the support. The support cultivates in the desired behaviour for innovation.

Change in the working environment

In chapter two, Ahearne et al. (2014a) indicated that change in the working environment results in uncertainty among the workforce and turn fosters a non-responsive attitude towards innovation and effects the performance of the employees. Raelin & Cataldo (2011) advocated that senior management often inhibits middle management from successfully implementing and maintaining innovation in the organisation, while highlighting the critical role fulfilled by middle managers during the change process. It was apparent from the exploratory research that change in the working environment needs to be managed effectively by middle management to achieve the required buy-in and, therefore, facilitate innovation.

Resource Allocation

Franken, Arnoud; Edwards, Chris; Lambert (2009) advocated that resource allocation is difficult because of two distinctly different objective, the daily operations of the business and the development of future capabilities to facilitate commitment towards innovation in the organisation. Adjacent to these objectives, Franken, Arnoud; Edwards, Chris; Lambert (2009), indicated that a successful strategy execution was dependent on the alignment of the strategic objectives, the execution and the improvement in agility of the organisation. The exploratory results tended to support this argument that resources are allocated to fulfil in two distinct objectives of the organisation to facilitate the innovation process and to gain a competitive advantage in the future by developing capabilities. In chapter two, Arrow (1962), Hamel (2006) and Mollick (2012) advocated that middle management has the distinct objective of insuring the facilitation of innovation is prioritised before the long-term strategic objective. Therefore, middle manager is focussed on the enabling of innovation and secondly on the long-term objective of the organisation.

Motivation

Gunasekaran (1998) and Marin-Garcia & Bonavia (2014), advocated that by having motivated middle management and employees, will result in having a source of sustainable competitive advantage for the organisation. Further, they emphasised that without motivation in the workforce it is virtually impossible to have a high performing organisation. The results from the exploratory research were inclined to support this school of thought. The participants made specific notice to the importance of self-motivation. The self-motivation aspects form a significant part of the Lean methodology and is one of the four pillars. J. Liker and Convis (2011) cited the four pillars to be commit to self-development, coach and develop others, support daily Kaizen and Create vision and align goals. Therefore

Up to date information

In chapter two, Geografica et al., (2013) advocated that lower management and the workforce thrive on current and updated information, but middle and senior management is less impacted by current information because they have more of a medium to long-term outlook. Beer and Eisenstat (2000) emphasised that the need for updated information contribute to the empowerment of the lower management and employees to use their own judgement. The findings from the exploratory research supported the literature and participants made reference to the importance of updated information and, therefore, the relevance for both middle management and the staff to successfully enable innovation.

6.4 Research Proposition 3: Middle management has sufficient and adequate communication with senior management and employees that are required for incremental innovation and agility

In the previous chapters of the research, Mahajan et al., (2012) indicated that communication forms a critical element for the enabling of innovation. Also, he also indicated the correlation between the positive attitude of employees with regards to innovation and the communication from senior management.

Established Communication Channels

In chapter two, Aalbers & Dolfsma (2014) indicated that a significant characteristic of established communication channels is the enabling of middle managers to facilitate innovation in an organisation. The facilitation encompasses the transferring of multifaceted knowledge and experience between companies and departments. Adjacent to the before mentioned, Marin-Garcia and Bonavia (2014) found that to gain a sustained competitive advantage with innovation, managers have to focus on the areas of communication and training. It was apparent from the exploratory results that communication channels have enabling characteristics and is highly sought after. The communication channels enable managers to facilitate innovation in the group by transferring skills, knowledge and experience to sustain the competitive advantage.

Senior Management

Mahajan et al., (2012) advocated that effective communication between senior management and employees cultivate a working environment that is conducive to innovation because of the positive attitudes and commitment towards the organisation. Mahajan et al., (2012) mentioned that communication from the top and middle management negates the negative connotation that accompanies a change in the environment. In addition to this, Almeida Marodin and Saurin (2014) indicated a deficiency in communication negatively affects the degree to which employees are committed towards the organisation and the strategic objective. Therefore, a lack of senior management communication or insufficient communication will lead to a less than satisfactory uptake in innovation and ultimately in the loss of a competitive advantage. The exploratory research found that middle management place a high value on the communication and interaction with senior management. Therefore, the communication leads to sharing of knowledge and experience. The sharing from senior management facilitates the innovation in the organisation and, therefore, contribute to the organisation obtaining a competitive advantage in the business environment.

Agility

In chapter two, Gunasekaran (1998) advocated that agility in the organisation will only be probable if the organisation has effective communication channels. Also, Sherehiy and Karwowski (2014) indicated that to obtain a competitive advantage using innovation, it is important for middle management to initiate communications that will constitute solutions to problems and continuous improvements. It was apparent from the exploratory results that middle management is focussed on continuous improvement and realise the importance of communication as an enabler of both innovation and agility in the organisation. Adjacent to the before mentioned, middle management is acutely aware of the inhibiting factor that accompanies a complex organisation in addition to the limiting of employee opportunity (Vaccaro et al., 2012).

Methods of communication

The literature identified several methods of communication and dependent on the situation or the requirements, are there some form of communication to cater for any need that may arise (Drew, 2014). Also, the literature from J. Liker & Convis (2011); J. K. Liker & Morgan (2006) and Womack et al., (2008) mentioned the importance of visual management about the Lean methodology. The results from the exploratory findings tended to support the literature. The participants emphasised the enabling abilities of visual management and how they leverage off it to improve other communication and facilitate training through knowledge sharing.

Linked To Training

In the literature reviewed in Chapter two, it was revealed that although training is not a form of communication, there is positive correlation between the successes achieved when an organisation is focussed on communication and training. Training without effective communication channels are ineffective and will therefore not produce the required results (Marin-Garcia & Bonavia, 2014). Liker and Convis (2011) mentioned the importance of mentoring during the Lean journey and made reference to the communication skills required to do so successfully. The exploratory results tended to support the literature and, therefore, the group requires effective communication channels and cognisance from the middle managers to leverage off these channels and produce effective training that will empower the employees and result in the necessary innovation.

Upwards Manage

Ahearne et al., (2014a) and Birkinshaw et al., (2008) advocated that middle management are uniquely positioned in the organisation to upward manage senior management and downward manage the workforce. They are therefore positioned to leverage of the open communication channels in the organisation to facilitate the desired innovation and agility in the organisation and gain the competitive advantage for the organisation. The exploratory results tended to support the research and was acknowledged by the participants. From this perspective, middle management of the group is exercising the upwards management to reap the success from the incremental innovation.

6.5 Research Proposition 4: Middle management has the cognisant abilities required and is empowered for incremental innovation and agility

In chapter two, Drucker (1993) mentioned that managing in the current economic climate is vastly different to manging during the industrial era. Therefore, middle management needs to be mindful of the manner in which they organise and coordinate people and possesses to enable innovation that will provide the organisation with a competitive advantage (Hamel, 2006; Morris, 2013). Innovation, initiated and managed, by middle management has the capabilities of effecting the internal and external structures of an organisation (Bhat & Jain, 2011; Wu, 2010).

Knowledge Sharing

In chapter two, Birkinshaw & Mol, 2006 and Casimir et al., (2012) advocated that the sharing of knowledge within an organisation form the foundation of any innovative organisation to ensure competitiveness. The ability to share and transfer knowledge can only be accomplished if open communication channels exist within an organisation (Marin-Garcia & Bonavia, 2014). The sharing of knowledge installs empowerment in the workforce because of the increased knowledge and autonomy in the organisation. The results from the exploratory research tended to support the literature and, therefore, cited the importance of knowledge sharing as an enabler for a middle manager to facilitate the required innovation.

Job Satisfaction

Mollick (2012) and Schreurs et al., (2013) made reference that middle managers need to be cognisant of the impact training and open communication has on the job satisfaction of the workforce in the organisation. Therefore, job satisfaction has an impact on the constructs of buy-in and communication in the organisation (Marin-Garcia & Bonavia, 2014). The exploratory research discovered that middle management are acutely aware of the impact job satisfaction has on their ability to enable innovation in the organisation. Therefore, it is important to successfully administer knowledge sharing and ensure open communication to facilitate the process.

Benefits vs. Loss

In chapter two, Diamantidis and Chatzoglou (2014) made the observations that there is always a benefit versus cost consideration when resources are allocated for training. Adjacent to the before mentioned, literature mentioned that commitment increased and greater openness towards innovation were attained due to training for the employees. The results from the exploratory research tended to support the argument that training is essential and key driving force behind innovation and the empowerment of the employees. Therefore, middle management needs to be cognisant of the cost factor related to training but also be highly aware of the gains if implemented correctly and the enabling effect it has on innovation. However, Diamantidis and Chatzoglou (2014) argue that training is a waste of scarce resources of the organisation and does not equate to the desired outcome of improved innovation due to increasing knowledge and skills.

Training

Birkinshaw et al., (2008) and Birkinshaw & Mol (2006) mentioned that training embeds new concepts, processes and routines. Also Liker and Morgan (2006) cited the importance of training and mentoring in the Lean methodology. Middle managers facilitate the training process because they are seen as knowledge workers in a position to enable innovation (Ahearne et al., 2014a). In chapter two, Quazi and Talukder (2011) advocated that thought should be given to the fact that managers with higher education are more open to the proposal of innovation. However, (Camelo-Ordaz, 2012) noted that entrepreneurial inhibitions are enhanced by formal education because it reduces the employees propensity for creativity and, therefore, less inclined to adopt an incremental innovation. The exploratory research findings tended to support the importance of training and the critical role middle managers fulfil in this

process training and sharing of knowledge and, therefore, how they can come from a position of strength to successfully enable innovation in the organisation.

Lean methodology

In chapter two, Pakdil & Leonard (2014) and Vaccaro et al., (2012) advocated that the Lean methodology has become a leader in the incremental innovation area for the organisation. Also Lean methodology has been classified as a form of management innovation. Middle managers need to be cognisant of the cultural and thought change required for it to be successful (J. K. Liker & Morgan, 2006; Womack et al., 2008). The exploratory research results tended to support the literature that the Lean methodology is management innovation and for Lean to be successful a cultural change is required. Middle management is required to facilitate the cultural change to integrate the staff, process and technology (Saurin et al., 2011).

Adaptive Innovation

Alexander and Knippenberg (2014) mentioned that adaptive or incremental innovation is so effective because it continuously improves on the current products and services. Also they found that innovation activity is centred around management that has the biggest effect on innovation. In chapter two, Holahan et al., (2014) further postulated that the ideal circumstances for incremental innovation are less than ideal for radical innovation. Therefore, middle management needs to be cognisant of the organisations objective and the innovation that will achieve this objective. Hamel (2006) and Hoss & Ten Caten (2013) found that Lean methodology and Toyota Production System is based on the fundamentals of continuous improving and, therefore, continuously applying incremental innovation to eliminate waste that can result in a competitive advantage for the organisation. The exploratory research findings tended to support the literature.

6.6 Conclusion

The results from the research study were analysed, synthesised and interpreted about the literature review in Chapter two and the research propositions posed in Chapter three. The extent to which middle managers are enabled to innovate is directly related to the constructs identified and discussed in the exploratory research. The key constructs identified are buy-in, communication and training linked to empowerment. Chapter seven closes the overall conclusions of the study and makes mention of the management implications, avenues for future research and recommendations.

Chapter 7: Conclusion

7.1 Introduction

This chapter ascertains the key findings of the research, combining the results together into a cohesive set of findings. It also includes recommendations for middle managers with regards to the enabling of innovation and agility. Also it provides recommendations for those wanting to conduct further research based on the findings.

7.2 Overall findings of the study

The purpose of the study was to answer the extent to which middle managers enable or inhibit the innovation and agility of an organisation. This considered the extent to which middle management possessed the key characteristics of buy-in, communication, rewards and training to facilitate the desired innovation and agility in the organisation (Marin-Garcia & Bonavia, 2014). The conclusions regarding these areas of inference are distilled in the subsequent sections.

The study examined how middle management facilitates the incremental innovation process and contribute to the agility within an organisation due to the enablement of human capital and independence in decision making. The presented research reinforced the significance of middle managers and how they enable the strategic direction of the organisation. The research further supported the academic literature that management innovation facilitates the process between knowledge sources and the performance of the organisation (Ahearne et al., 2014b; JM Birkinshaw & Mol, 2006; Harding et al., 2014). The study shows that communication and training are critical elements and makes a significant contribution to the commitment of both middle management and the workforce. Therefore, middle management who are enabled to facilitate the innovation process will result in a competitive advantage. Finally, the results of the study is in agreement with the objective and answers the research problem.

7.2.1 The capabilities required for incremental innovation and agility

Middle managers need to be cognisant of the enabling capabilities required to facilitate the innovation and agility in an organisation (JÁ¸rgensen et al., 2015). Based on the research conducted the enabling capabilities for middle management are completely transferable and no association was found between the level of education and the capabilities required for innovation. It was evident from the research that technical knowledge without leadership would not unlock desired results from Lean methodology. The authors, Marin-Garcia and Bonavia

(2014) noted the four traits of management that will enable innovation are communication, remuneration, buy-in and training.

7.2.2 Middle management has bought-in on the Lean methodology strategy

From a middle management perspective, it is evident that the enabling abilities associated with the effective buy-in from managers and the workforce will facilitate the desired innovation and agility and, therefore, gain a sustained competitive advantage (Casimir et al., 2012; Mollick, 2012). The enabling abilities are strengthened by management support and communication and, therefore, allow for an improved behaviour towards the strategy implementation and facilitation of innovation in order to achieve the strategic objectives.

Buy-in has several constructs consisting of support, change in working environment, resource allocation, motivation and updated information (Ahearne et al., 2014b; Beer & Eisenstat, 2000; Franken, Arnoud; Edwards, Chris; Lambert, 2009; Geografica et al., 2013). Middle management will benefit from the enabling ability of buy-in when they facilitate these constructs in the organisation. In conclusion, affective buy-in from middle management will contribute to an aspiration to exceed expectations and, therefore improve to sustained performance through incremental innovation.

7.2.3 Middle management has sufficient and adequate communication with senior management and employees that is required for incremental innovation and agility

Communication is considered to be an enabler for middle management because of the potential that can be unlocked through established communication channels and the sharing of knowledge (Aalbers & Dolfsma, 2014; Mahajan et al., 2012). Therefore, middle management will enable the desired innovation through the facilitation of training and open communication within the organisation. The facilitation will further contribute to training and empowerment and, therefore, contribute to the other enabling trait of buy-in. In conclusion, communication through established channels and management communication have a noteworthy effect on the attitude of employees and will therefore on the facilitation of innovation in the organisation. Communication is an enabler of innovation because of the facilitation abilities it can instil in middle management during the innovation process.

7.2.4 Middle management has the cognisant abilities required and is empowered for incremental innovation and agility

Cognisant ability might not be enough to enable innovation on its own but it provides management with the insight to categorise and manage people and processes that will allow the facilitation of innovation and agility in the Halfway Group (Morris, 2013). Middle management should be mindful of the enabling ability they possess in both the internal and external structures of an organisation. The ability to assess the knowledge level, job satisfaction, cost vs. benefit and training requirements will empower, not only, the management but also the employees with key information that will enable the facilitation of incremental innovation.

In conclusion, the Halfway group will obtain reputational benefits of being the leaders in the implementation of Lean Methodology in South Africa when their middle management is enabled to facilitate innovation and agility in the organisation and, therefore, obtain a competitive advantage in the market. The enabling of middle management will allow the continuous incremental innovation of products and processes in order to maintain a sustainable advantage, because the other dealers will imitate any successful implementation.

7.3 Recommendations

7.3.1 Middle Management Considerations

The researcher proposes recommendations based on the findings, analysis, and conclusion of this study. The recommendations that follow are for the Halfway group:

Lean Methodology, if adopted and implemented correctly, has the potential to unlock positive reputation for the Halfway group, as they will appear innovative and agile. The Halfway group should therefore consider empowering and enabling their middle management to facilitate the incremental innovation and agility of the organisation in order to have a sustainable competitive advantage over their competitors.

The Halfway group should start understanding the enabling factors, buy-in, communication, rewards and training, of middle management in the process (Marin-Garcia & Bonavia, 2014). In order to empower them by enabling innovation and agility and, by doing so continuously improve the Halfway groups value proposition to the market.

In addition, the Halfway group should begin by reviewing the current status of the enabling factors as stated above to determine the areas where should improve. The effectiveness of the facilitation of innovation and agility by middle management is determent by the status of the enabling factors.

If the Halfway group or individual dealerships manage to create an effective enabling environment for middle management to facilitate incremental innovation and agility, they could potentially transform the group or dealership.

7.3.2 Business Model Considerations

Lean Methodology is already being used in several countries to continuously improve the products and processes. The Halfway group should continue with their journey, and analyse possible areas of improvement from the other countries, as it improves the learning curve by learning from others mistakes.

The Halfway group should seek to be able to deliver superior outputs to their clients and seek a more thoughtful understanding of the what and how the Halfway group can benefit from enabling middle management to facilitate incremental innovation and agility to be more sustainable competitive in the market.

The Lean Methodology should be considered as a means of differentiating the Halfway group, however this requires a relentless commitment to continuous improvement and, therefore, incremental innovation as the competitors regularly catch-up and imitate. By distinguishing themselves, the Halfway group will have a sought after value proposition.

7.4 Future research and managerial implications

Based on the limitations of the current study and to adjust for researchers' bias, a larger study or quantitative study should be commenced to prove the accuracy of the findings of this study. The study should be piloted to assess the magnitude to which the same or similar findings would be discovered.

The researcher recommends that a greater body of knowledge should be developed by further studies on the enabling of middle managers to facilitate innovation and agility by considering the following research avenues:

- The type of incremental innovation that the Halfway group can adopt to gain a less imitable position in the market
- Lean Methodology and the risk associated with changing from one methodology to another
- Quantify the potential gain by middle managers by enabling innovation and agility in an organisation
- The potential benefit of Lean Methodology over other incremental innovation methodologies in the South African context

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Appendices

Appendix 1: Informed Consent Letter

Middle management, enablers or inhibitors, of incremental innovation & agility

My name is Phlippie Viljoen. I am a MBA student at Pretoria University's, Gordon Institute of Business Science. As part of my studies, I am conducting research into middle management's ability to facilitate the change process in order to sustain competitive advantage and profitability.

Thank you for agreeing to participate in this research**. Please know that you may at any stage decide to withdraw from this study without any penalty**. All data collected will be confidential and stored in a manner to ensure anonymity. If findings of this research are at all used, it will be solely for academic purposes.

As an indication of your informed consent to participate in this research, kindly sign below in the space provided. Please contact me or my supervisor, contact details are given below, should you have any queries about this research.

Your honest opinion and perspective on this matter are very important to this research. This will not take more than an hour of your time. Your contribution is again highly appreciated

	Reseacher	Supervisor
Name:	Phlippie Viljoen	Jabu Maphalala
Email:	phlippiev@gmail.com	jabumaphalala88@gmail.com
Cell:	079 878 5239	071 679 2770

Participant

Name: _____

Position: _____   Email: _____

Location: _____   Cell: _____

_____   _____

Signature of participant: Signature of researcher:

Date: Date:

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Appendix 2: Interview Questionnaire

(Part 1) PRIOR EXPERIENCES

Prior to joining the Halfway Group, please tell me about your experiences in initiatives to improve efficiencies.

Probe: Can you define them? What were they called?

(Part 2) EXPERIENCE AND KNOWLEDGE

Please tell me about your experiences in improving efficiencies since joining the Halfway Group.

> **Probe:** Relate experiences since introduction to incremental innovation (i.e. did it affect themselves, family member, working environment, staff morale, snr management attitude)

To what extent did you have access to additional resources, in addition to your team?

> **Probe:** Did you receive them? Where did they come from? Was it easily accessible?

To what extent did you have the necessary skills to facilitate the improvement in efficiencies?

> **Probes:** What skills did you need? Please tell me how you acquired them? Were you able to transfer those skills?

How was support provided in terms of theory / training and practical implementation?

> **Probe:** Please relate practical and theoretical support examples. Where did you go for support?

Will you please tell me about questions/concerns or thoughts around improving efficiencies.

> **Probe:** What sort of questions/concerns or thoughts were they? Where would you go first for advise and why?

To what extent are you satisfied with the efficiency improvements in the group and the support that you are getting at the moment?

Probe: Are your daily needs or challenges met? What would aid in meeting your needs? How transferable or teachable is your skill set? Are there active mentoring?

(Part 3) COMMUNICATION

To what extent has it improved communication with the staff and senior management?

Probe: Management? / Daily activities? / Monthly activities? / Strategy? / Other? What are your views on communication in facilitating the innovation process, both upwards and downwards?

(Part 4) CHANGES REQUIRED

How do you feel about the changes required by incremental innovation and agility? What can the Lean Methodology do that would help them to meet your needs?

Probe: Take them through the needs that they have identified from the above list and ask them to give suggestions that may help

(Part 5) EDUCATION

To what extent do you think, can efficiency improvements be taught or is it for a select few?

Probe: What are the key fundamentals needed? What traits are needed? How significant was your education in the prcess?

(Part 6) FINALLY:

If you could do anything differently, what would it be & why?

Thank you for your time. Do you have any questions that you would like to ask of me?

Appendix 3: Interview Schedule

This interview Schedule indicates the Middle Managers that were selected for participation in this study as a deliberate consequence of their position and experience within the group and their interaction between senior management and the employees.

Name of Interviewee	*Designation*
1. Morne Leech	Automark Manager: Halfway Fourways
2. Heide von Mollendorff	Automark Manager: Halfway Howick
3. Rikus Marais	Parts Manager: Halfway Honeydew
4. Kevin Crowie	Parts Manager: Halfway Fourways
5. Ty Meiring	New Vehicle Sales Manager: Halfway Lexus
6. Frans de Winnaar	Workshop Manager: Halfway George
7. Kobus Benadie	Automark Manager: Halfway Honeydew
8. Glenn Jeevaruthunam	Parts Manager: Halfway Howick

Interviews with Middle Management shall be conducted and transcribed by the researcher to extract meaningful data.

Gordon Institute of Business Science
University of Pretoria

13 July 2015

TO WHOM IT MAY CONCERN

This letter confirms Mr. Phillipus Viljoen, is currently completing his Masters in Business Administration (MBA) at the Gordon Institute of Business Science, University of Pretoria.

He is carrying out an Integrative Research Project as one of the components of the MBA and any assistance you could give him with collecting his data would be greatly appreciated.

Should you have any queries please do not hesitate to contact me.

Kind Regards,

Adele Bekker
MBA Senior Programme Manager
Gordon Institute of Business Science
bekkera@gibs.co.za
+27 11 771 4000

Appendix 5: Halfway Group Consent

Halfway

Group

P.O. Box 15 PARK RYNIE 4182 TEL: 039 978 7500 FAX: 039-9787571

16 July 2015

LETTER CONFIRMING KNOWLEDGE OF AND PERMISSION FOR RESEARCH TO BE CONDUCTED IN THE HALFWAY GROUP

Dear Phlippie Viljoen

Researcher:	Phlippie Viljoen
Supervisors:	Jabu Maphalala
Discipline:	Incremental Innovation and strategic agility
Application Field:	Motorindustry
Institution:	University of Pretoria

Re: _Middle management, enablers or inhibitors, of incremental innovation & agility_

We hereby confirm knowledge of the above named research, and agree to the research being conducted within the Halfway Group.

We, George Baikie, Rob Newton, Terry O' Donoghue, grant permission to Phlippie Viljoen to conduct interviews with Halfway Middle Management to complete his research study.

We wish you success in your research.
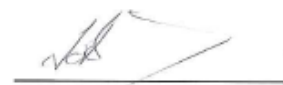
Yours faithfully

Signed by George Baikie

Chief Executive Officer

Signed by Rob Newton

Chief Financial Officer

Signed by Terry O' Donoghue

Chief Operation Officer

JG Baikie, R Newton

Appendix 6: Codes

Code-Filter: All

_____

_____

Cost Reduction
Cost vs Benefit
Experience_Formal Education
Experience_None
Experience_Prior Exposure
Experience_Unrelated Industry
Innovation
Innovation_Adaptive
Innovation_Competitive Advantage
Innovation_Radical
LEAN
LEAN_Cultural Change
Middle Management_Adaptability
Middle Management_Buy-in
Middle Management_Buy-in_Change
Middle Management_Buy-in_motivating
Middle Management_Buy-in_Resource allocation
Middle Management_Buy-in_Support
Middle Management_Buy-in_Updated Information
Middle Management_Communication
Middle Management_Communication_Agility
Middle Management_Communication_Established channels
Middle Management_Communication_Linked to training
Middle Management_Communication_Methods
Middle Management_Communication_Snr Management
Middle Management_Communication_Upward Manage
Middle Management_Competent
Middle Management_Remuneration
Middle Management_Remuneration_Group Incentives
Middle Management_Remuneration_Positive Spinoff
Middle Management_Remuneration_Teamwork
Middle Management_Stakeholders Relationship
Middle Management_Stakeholders Relationship_Balance
Middle Management_Strategy Implementation
Middle Management_Training
Middle Management_Training_Benefit vs Loss
Middle Management_Training_Higher Education
Middle Management_Training_Job Satisfaction
Middle Management_Training_Knowledge Sharing
Turbulent Economy
Waste

Appendix 7: Turnitin Originality Report

Turnitin Originality Report

Middle management, enablers or inhibitors, of incremental innovation & agility by Phlippie Viljoen

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paper text:

Middle management, enablers or inhibitors, of incremental innovation & agility Phlippie Viljoen

3Student number: 14431671 A research project submitted to the Gordon Institute of Business Science, University of Pretoria, in partial fulfilment of the requirements for the degree of Master of Business Administration 9 November 2015 i Abstract This qualitative exploratory study was intended to

ascertain the enabling abilities of middle managers to facilitate innovation and agility in an organisation in order to achieve

16a competitive advantage in the market. This research indicated the

39importance of middle management in the organisation and the

facilitation role they fulfil and will continue to in the future. The enablers of incremental innovation was of particular interest for the dealerships as they are seen first movers in the South African context, The motivation for this study is that the researcher found inadequate academically published literature speaking to the enabling abilities of middle management in order to continuously improve and in doing so gain a competitive advantage in an ever changing environment, It was the researcher's supposition that this research would aid dealerships to attain a more thoughtful understanding of how they could enable middle management to facilitate the desired innovation and agility to gain the sustained competitive advantage in the market. A sample of eight middle managers in the Halfway group was selected and

31semi-structured in-depth interviews were conducted as the data gathering method.

The research proposals guided the coding and organising of the data. The analysis, discussions and results was structured to answer each of the research proposals, This research revealed that middle managers are the likely enablers of innovation and agility in the organisation through the facilitation of the incremental innovation process. The continuous improvement enhances the products and services to

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dealerships are likely to gain reputational benefits of being 'continuous improvement leaders', which contributes to the value proposition offering, However, the dealers have to continuously innovate as their competitors are quick to imitate any successful innovations to stay relevant in the market. Various middle management and business recommendations were made to dealerships in the study to aid them take advantage of the enabling abilities they can unlock in middle management to facilitate incremental innovation and agility in the organisation. ii Keywords Middle management, Innovation, Agility, Enablers, Lean

2iii Declaration I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research. Phlippie Viljoen 9 November 2015 iv Table of Contents

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Chapter 1: Introduction 1.1 Research Title Middle management, enablers or inhibitors, of incremental innovation & agility 1.2 Introduction To The Study The function fulfilled by middle management is one of facilitation regarding innovation and strategy and, therefore, not one of execution but of interpreting the strategy (Ahearne, Lam, & Kraus, 2014a; Schmidpeter, 2013). Middle management is uniquely positioned in an organisation to facilitate the process of innovation by taking the strategic direction from senior management and attain the buy-in from the lower employees (Aalbers & Dolfsma, 2014; Drew, 2014; Raelin & Cataldo, 2011; Geografica, Barton, & Ambrosini, 2013). The research were based on three constructs and discussed below, middle management, innovation and organisational agility. 1.2.1 Context of the study Middle management The performance of the organisation is profoundly dependent on the contribution by the middle management, but little consideration is given to this hierarchical position of the organisation (Geografica et al., 2013). Middle managers are positioned to facilitate the change process and promote teamwork within the organisation. The research conducted by Raelin and Cataldo (2011) indicated that when middle management is disempowered they become non-receptive to change. When middle managers feel disempowered, they lose confidence and assume the standard position of being inhibited by senior management (Raelin & Cataldo, 2011; Lucas & Goh, 2009). The disempowerment leads to distrust, resistance and failure, therefore an inhibition to facilitate innovation. When the organisation is cognisant of middle management and their aspirations to develop their careers further, the organisation can leverage from the position strength and enforce a feeling of empowerment by establishing communication channels

and sharing of knowledge (Casimir, Lee, & Loon, 2012; Harding, Lee, & Ford, 2014; Kleinbaum & Stuart, 2014). The ambitions of middle management will naturally encourage a robust inclination to drive innovation and the continuation of the process to obtain a competitive advantage (Aalbers & Dolfsma, 2014). When an organisation is risk–averse, the management will assume the same position and, therefore, unlikely to respond in a desired manner when exposed to disruptive or adaptive innovation (Lucas & Goh, 2009). Competency is a vital construct when assessing the importance of middle management in the implementation of innovation. The competitive advantage of the organisation will arise from the successful strategic change implementation, and, therefore, the positioning of middle management in the organisation is invaluable because of their enabling ability (Geografica et al., 2013). The academic literature made little reference to the measurement of middle management and the effectiveness in the facilitation of innovation and agility in the organisation, Liker and Convis (2011) mentioned that the way you measure management will determine the way in which they perform. Pakdil & Leonard, (2014) suggested the

40Leanness Assessment Tool (LAT) to measure the

organisations Lean effectiveness, Leanness Assessment Tool (LAT) measures the following:

23time effectiveness, quality, process, cost, human resources, delivery, customer and inventory, however, there is

no measurement of the effectiveness of middle management in the process of incremental innovation and, therefore, difficult to quantify. Innovation The organisation requires sustainability, Alexander & Knippenberg, (2014) argued that innovation form an intricate part in this pursuit. The continuously improving products and services will improve the value proposition of the organisation and, therefore, improve the financial position of the company (Brunsman, DeVore, & Houston, 2011;

38Vaccaro, Jansen, van den Bosch, & Volberda, 2012). Innovation

can be seen as new products or services, but a change in management style within an organisation is seen as management innovation (Vaccaro, Jansen, van den Bosch, & Volberda, 2012). Lean practices are an example of management innovation and incremental innovation (Vaccaro et al., 2012; Alexander & Knippenberg, 2014). Lean originated from the Toyota Production system and has since been adopted by several industries to improve their operations (Womack, Jones, & Roos, 2008; Pakdil & Leonard, 2014). Innovativeness has been identified as a sustainable approach to ensuring long–term viability and growth (Kumar, 2014). Therefore, middle managers form a critical part of any innovation process because of their positioning in the organisation and the

34ability to facilitate the process (Geografica et aL, 2013). Organisational Agility The

sustainability of an organisation has significant dependence on its capacity to respond quickly and

effectively to change (Weber & Tarba, 2014), In the context of the study, the strategic agility is directly correlated to the agility of the workforce (Alavi, Abd, Wahab, Muhamad, & Arbab Shirani, 2014), Sensing the environment and organisational design form the fundamentals for organisations strategic agility. The rate of change is constantly shifting, and the only way to sustain a competitive advantage is with agility (Weber & Tarba, 2014). A flat organisational structure enhances agility by dispersing decision-making and, therefore, making strategic implementation and acceptance easier (Alavi et al,, 2014), 1,3 The Importance Of The Study The

> 33**aim of the study is to ascertain the**

pivotal leverage that middle management performs within the organisations performance (Geografica et al,, 2013), Middle management interprets the strategic direction of an organisation and translates it into the task to be performed by the employees to achieve the strategic objective(Franken, Arnoud; Edwards, Chris; Lambert, 2009; Johnson, Gerry Yip, George S. Hensmans, 2012; Weber & Tarba, 2014). The business will benefit from the study by exploring the facilitation abilities of middle managers while managing different types of staff, or in conditions governed by the pursuit of profit through innovation and agility (Harding, Lee, & Ford, 2014), Establish the enabling factors for middle managements to facilitate successfully and contribute to innovation and agility within an organisation to obtain a competitive advantage (Vaccaro et al., 2012). Ahearne, Lam, & Kraus, (2014) identified that an academic gap exists with the theoretical explanation and empirical support for the effect of middle management on the strategy implementation and performance. 1.4 Research Problem The basic premise of the stated research is to bridge the knowledge gap while attaining a deeper understanding of the extent to which middle management are enabled to facilitate the process of innovation and agility in the organisation. Weber & Tarba (2014) argue that the economic climate is volatile, unpredictable and always changing. Therefore, for an organisation to succeed it would require innovation and agility to gain a competitive advantage and to be sustainable in the future (Vaccaro et al., 2012). Successfully formulated and implemented strategies will mean the difference between sustainable profits in the future or absolute failure. While the most research focused on the role of executive leaders in strategy formulation, the critical role of middle managers in implementing such strategies has not received similar attention. Middle management form a pivotal lever in the implementation and their contribution cannot be underestimated. Middle management will contribute significantly to the sustained competitive advantage of the organisation (Geografica, Barton, & Ambrosini, 2013). One of the practices implemented by organisations seeking to be innovative and agile is lean practices, Lean practices are relevant to organisations because they are considered as the primary improvement methodology across several industries (Pakdil & Leonard, 2014). For an organisation to fully understand what contributes to sustained competitive advantage, a deep understanding of Lean implementation, the context of the organisation and continuous improvement opportunities are required (Saurin, Marodin, & Ribeiro, 2011). Middle management is a meticulously documented research topic. However, there is little- published research on the middle management, innovation and agility research area (Geografica et al., 2013). The research problem is: To what extent can middle management be categorised as enablers of incremental innovation and agility. The

> 30**aim of this study is to** extend **the** theory of middle **management and**

the effect they have on the strategic implementation of Lean practices, The research will be conducted on the Halfway dealership network as a case study. Beer & Eisenstat (2000) argued that a gap exists