# Gordon Institute of Business Science University of Pretoria

The effects of employee commitment on successful strategy implementation:

A survey of retail banks in South Africa

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#### **ABSTRACT**

The purpose of the study is to investigate the relationship between employee commitment and successful strategy implementation in retail banking in South Africa. Successful implementation of strategy is key for organisations to remain competitive.

Numerous organisations have perfected their strategy formulation process, but subsequently fail to move from formulation to implementation. Accordingly, this study explores the field of strategy implementation, and focuses on employee commitment as a factor for successful strategy implementation. Data was collected through a self-administered questionnaire given to participants working in retail banking and involved in strategy implementation. A total of 104 responses were received.

The findings revealed that employee commitment had a significant effect on successful strategy implementation. Furthermore, successful strategy implementation was affected by factors, such as employees not being involved in strategy planning and formulation, projects not completed within the allocated time and budget, employees not being rewarded for successfully implementing projects, lack of feedback on strategic initiatives, and leaders failing to clearly communicate the strategy.

It is recommended that organisations use employee commitment as a lever for successful strategy implementation. This will increase employee commitment and address the factors identified to impact strategy implementation. The value of this study lies in its exploration of the relationship between employee commitment and successful implementation in the South Africa context.

# **KEYWORDS**

Affective commitment; continuance commitment; employee commitment; normative commitment; strategy implementation

#### **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.

Melba Dlamini 01 November 2022

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# **DEFINITION OF TERMS**

Table 0-1: Definition of key terms

Term	Definition
Affective commitment	Affective commitment refers to the emotional attachment that an employee has towards the organisation. This can be directed towards the workplace, their role, and their colleagues (Krajcsák & Kozák, 2018).
Continuance commitment	Continuance commitment refers to how rewarding the job is to the individual. In this commitment type, the individual is not emotionally tied to the organisation and may be open to other job opportunities (Krajcsák, 2019).
Employee commitment	Employee commitment refers to the employee's desire to continue working for the organisation and be committed to the perform towards the organisation's strategic objectives (Al-Madi, Assal, Shrafat & Zeglat, 2017).
Normative commitment	Normative commitment refers to an individual's deep moral conviction and loyalty towards the organisation (Krajcsák & Kozák, 2018).
Strategy implementation	Strategy implementation (SI) refers to the series of steps that an organisation takes in order to put its strategic objectives into action (Alharthy, Rashid, Pagliari, & Khan, 2017).
Strategy	The set of choices that the organisations has decided to implement in order to achieve its vision (Amoo, Hiddlestone-Mumford, Ruzibuka & Akwei, 2019).

### 1 CHAPTER 1: INTRODUCTION AND RESEARCH PROBLEM

This study was conducted to understand the effect of employee commitment on strategy successful implementation (SI). It explored the dimensions of affective, continuance and normative commitment in order to understand the effect of each dimension on strategy implementation. The introduction section of this document provides an overview of the research topic and the purpose of the research. It then indicates the research objectives and the significance of the research to business and strategy implementation theory.

#### 1.1 BACKGROUND

It is better to focus on successfully implementing key strategic objectives than to spend time perfecting a strategy that will not be implemented (Alharthy et al., 2017). This statement explains the current problem in the strategy management process of formulating and implementing strategy, where more attention is given to strategy formulation to create the best strategic plans, while less attention is given to implementing the plans, thus resulting in implementation failure (Amoo et al., 2019; Noble, 1999). In the pursuit of understanding the phenomenon of strategy implementation, this study aims to investigate the effects of employee commitment on strategy implementation.

Strategy implementation makes up the broader strategy management process that also consists of strategy formulation. Strategy implementation refers to the series of steps that an organization takes to put its strategic objectives into action (Alharthy et al., 2017). As a result of the fragmented research this definition is not universally held (Alharthy et al., 2017).

Researchers such as Friesl et al. (2021) agree that the strategy implementation phenomenon lacks an integrated body of work that those in academia can build upon. Moreover, strategy implementation lacks practical guidelines and frameworks for businesses to reference and implement in their quest for successful strategy implementation (Doeleman et al., 2021). A plethora of research has focused on the barriers and factors for implementation, which include employee commitment. However, there is a limited focus on the relationship between individual factors and their direct effect on successful strategy implementation (Tawse & Tabesh, 2021).

# 1.1.1 Concept of strategy implementation

Strategy implementation plays a significant role in organisational performance and plays an important role in why some firms outperform others (Tawse & Tabesh, 2021). Research by Mubarak and Yusoff (2019) indicate that less than half of strategic efforts are implemented, noting that 57% of companies were ineffective in implementing strategic initiatives. Furthermore, researchers such as Alharthy et al. (2017) and Tawse et al. (2019) and highlight the evident theoretical gap, which has resulted in limited knowledge as to why organisations fail to implement strategy.

Tawse and Tabesh (2021) found that strategy implementation has been overlooked and that the focus of strategy management research has been on the strategy formulation phase. This places organisations at a certain disadvantage, as they have limited practical guidelines on how to improve implementation. To further highlight the extent of this gap, several studies have described strategy implementation as a "black box", implying that a great deal of what happens within this phase is not fully understood or received much research (Merkus et al., 2019; Tawse & Tabesh, 2021).

As early as 1989, researchers like Hambrick and Cannella (1989) identified the inherent challenges of strategy implementation. In their article, they highlighted that there were several tools for strategy formulation, and that businesses were satisfied with these tools, however, they noted that most of those strategic plans were not being implemented. The authors stated that, "without successful implementation, a strategy is but a fantasy". Ten years later, Noble (1999) noted that existing research was fragmented, and that not enough research was directed towards the area of strategy implementation. He further stated that future research must focus on the aspects that influence employee commitment, performance, and the success of strategy implementation.

Earlier work on the relationship between strategy implementation and employee commitment by Smith (2009) indicates that activities that are important for implementation may be affected by the lack of organisational commitment. Recent work by Tawse et al. (2019) indicate that strategy implementation failure was attributable to the challenge for managers to transition between strategy formulation and implementation. They posit that planning is more emotionally rewarding, whilst implementation is less enjoyable, as it is more action driven.

The research conducted over the years clearly indicates a gap in strategy implementation theory, which in turn limits the practical solutions that can be provided to organisations. Organisations are formulating great strategies, but struggle to convert these plans into action in order to achieve competitive advantage (de Oliveira et al., 2019).

# 1.1.2 Concept of employee commitment

Employee commitment is one of the barriers to successful strategy implementation (Ocak et al., 2021). Employee commitment can be described as the employee's desire to remain in the organisation and to perform towards the organisation's strategic objectives (Al-Madi et al., 2017). Committed employees take initiative, and are motivated and innovative, which are necessary components for increased levels of employee performance, and may result in effective strategy implementation (Krajcsák & Kozák, 2018). Moreover, committed employees are less likely to turnover, as they find their work to be rewarding, and are emotionally connected to their work and to that of their co-workers (Meyer & Allen, 1991).

In their synthesis of strategy implementation research, Tawse and Tabesh (2021) found that employee commitment, competence, and coordination were the three conditions necessary for successful strategy implementation. These conditions are described as dimensions that are an outcome of managerial action. The authors argued that, if similar organisations are given the same resources and strategy, the levels of commitment, competence, and coordination would determine which organisation emerged ahead of the rest. If we consider that retail banks strategies are largely similar (EY, 2022), investigating these internal conditions that may be unique to each bank helps in understanding how strategy implementation can be improved.

The relevance of addressing the employee commitment condition and its relationship with successful implementation is that there is some research which suggests that increased employee commitment, may minimise disruptions to the business which may negatively affect implementation and thus organisational performance (Ocak et al., 2021). The focus of the current research is on employee commitment, as this condition has been identified to have an impact on results that an organisation can achieve (Đorđević et al., 2020). Furthermore, Đorđević et al. (2020) state that highly

committed employees have been found to have a stronger belief and support of organisational goals. This creates a further case for the need to focus on employee commitment.

Recent changes such as working from home (WFH), and hybrid-models of work, indicate that employee commitment levels may be affected differently (Krajcsák & Kozák, 2018). The traditional office environment allows individuals to build strong emotional connections with their colleagues and their workplace. Therefore, the long-term outcomes of a work force disconnected from the office may be a decrease in the levels of employee commitment, particularly the components associated with emotions (Krajcsák & Kozák, 2018). This suggests that organisations may need to focus on strengthening commitment in order to ensure that although employees may be working from home, they are still engaged and motivated towards achieving the strategic objectives of the organisation.

#### 1.2 RESEARCH PROBLEM

This study focuses on strategy implementation failure, centring on the effect of employee commitment on successful strategy implementation. Strategy implementation failures have huge effects on business, which result in poor customer experience, reduced client retention, customer churn, and ultimately an impact on financial performance (Mudany et al., 2020). For this reason, it is important for businesses to have practical solutions that will ensure that they avoid these costs of implementation failure. A number of studies in the strategy implementation field have focused on the factors and barriers to implementation, suggesting that if these barriers are removed then organisations can successfully implement strategy (Merkus et al., 2019; Waititu, 2016). However, these studies lack the depth in explaining the extent of the relationship between the individual factors and strategy implementation. They also do not provide practical solutions regarding how each of these factors can be addressed to improve implementation (Tawse & Tabesh, 2021).

To address the current gaps in the research, the study has investigated the effect of employee commitment on strategy implementation. This was done by measuring the levels of affective, continuance, and normative commitment against successful strategy implementation (Amoo et al., 2019).

#### 1.3 PURPOSE STATEMENT

The research is explanatory and will investigate the effects of employee commitment on successful strategy implementation. The objective of the study is to answer the following question:

Does employee commitment influence successful strategy implementation?

The findings from the study will contribute theory on the strategy implementation phenomenon and provide information for business leaders to make informed decisions on how to utilise employee commitment to achieve strategic objectives. In their review of the strategy literature, Alharthy et al. (2017) highlight that inadequate research has been conducted in the context of regions such as Asia, Middle East, and Africa, where they found that 70% of the strategic implementation research was conducted in the United States of America, United Kingdom, and Europe. The authors hypothesised that this could be due to those regions having more advanced research facilities. This emphasises the need for strategy implementation research on the African continent and particularly in the South African context. Strategy, when implemented successfully, could be a great source of competitive advantage.

The objectives of the research are as follows:

- to determine whether employee commitment influences successful strategy implementation in retail banking sector in South Africa; and
- 2) to provide recommendations to organisations on how to improve employee commitment to ensure effective strategy implementation.

### 1.4 RELEVANCE OF THE STUDY

### 1.4.1 Relevance of the study to academia

The best strategy will fail if the organisation does not have an effective strategy implementation process (Direction, 2020). There currently exists a gap between strategy formulation and implementation, where these research gaps can start to be narrowed by understanding how the various factors affect strategy implementation. Tawse and Tabesh (2021) proposed future research to concentrate on the accuracy and strength of the relationship between the variables of strategy implementation and conditions for implementation. Although this research will only focus on the employee commitment factor, it will contribute by providing in-depth understanding

of the effects of employee commitment to strategy implementation.

# 1.4.2 Relevance of the study to business

The research may assist leaders in retail banking to better understand the relationship between employee commitment and strategy implementation. This will enable them to enhance employee commitment towards its success. The results can be generalised to other large businesses of similar size, such as companies in the insurance sector, which may also benefit from this research. This will help these firms to improve their performance, and thus their competitive advantage. Recommendations have been proposed as to how businesses can increase employee commitment levels to reduce the negative effects that may arise from strategy implementation failure.

#### 1.5 RESEARCH SCOPE

The study investigates the relationship between employee commitment and strategy implementation in retail banks in South Africa. It primarily targets employees from the big five retail banks in the country, namely Standard Bank South Africa (SBSA), ABSA, First National Bank (FNB), Capitec, and Nedbank. There were no geographical limitations placed on the participants apart from working in South Africa.

As of 2020, the South African banking industry consisted of 40 banks, 18 of which are commercial banks, 13 of which are local branches of foreign banks, four of which mutual banks, five of which are co-operative banks and an additional 29 of which are foreign banks with operations in South Africa (Financial Sector Conduct Authority, 2022). South Africa's Gross Domestic Product (GDP) was 419.95 billion US dollars in 2021 (World Bank, 2022) and the finance, real estate and business services sector contributed 16.5% of GDP in 2020. The industry is dominated by five large banks, with the four largest banks, ABSA, SBSA, FNB and Nedbank hold approximately 83% of the deposits. In 2021, over 81% of South Africans above the age of 16 years owned a bank account (Financial Sector Conduct Authority, 2022).

The major banks are experiencing competition from Fintech's and new banks, with three new digital focused banks recently having entered the market, viz Tyme Bank (2018), Discovery Bank (2019), and Bank Zero (2021) (Financial Sector Conduct

Authority, 2022). This poses a challenge for the traditional banks when competing with new banks who are more agile and can implement new technology faster. Traditional banks are challenged by legacy systems, bureaucratic structures, and other issues that affect strategy implementation. It is envisaged that the industry will be affected by various types of other competition, for example, grocery and clothing retailers, which provide cash withdrawals, remittances, and credit, thus competing with traditional banks on transactional banking and credit (PWC, 2017).

To be competitive, key strategic themes for South African banks in 2022 include cost containment and reduction, improved customer experience, and digitisation (EY, 2022). For the banks to increase their competitive advantage in this changing environment, they will need to ensure that they are equipped to successfully implement their strategic objectives.

## 1.6 ROADMAP OF THE STUDY

This paper consists of seven chapters. The introduction provides an overview of the research topic and problem. Chapter Two presents a detailed literature review of strategy implementation and employee commitment. Chapter Three will explain the research questions and proposed hypothesis based on the literature. Chapter Four defines the research methodology followed to achieve the objectives of the research and test the hypothesis. Chapter Five presents the results of the research. Chapter Six discusses the results and answers the research question. Finally, Chapter Seven provides a conclusion of the research and makes recommendations for future research in both business and academic fields.

#### 2 CHAPTER 2: LITERATURE REVIEW

#### 2.1 INTRODUCTION

This chapter provides a review of the literature on the two constructs of the study, which are successful strategy implementation and employee commitment. To ensure a better understanding of strategy implementation, the chapter begins by defining the strategy management process and how strategy implementation fits into this field. Thereafter, strategy implementation literature is reviewed, which includes a discussion of the factors, challenges, and approaches to implementation. The literature on the construct of employee commitment is then reviewed, focusing on the different dimensions of employee commitment, affective, normative and continuance commitment. The review includes an analysis of the importance of each dimension of employee commitment to organisations and how in turn this may be associated with successful strategy implementation.

#### 2.2 STRATEGY MANAGEMENT

The literature suggests that the field of strategic management comprises strategy formulation and strategy implementation, which are seen as two separate components (Amoo et al., 2019; Ivančić et al., 2017; Tawse & Tabesh, 2021). However, Amoo et al. (2019) adds strategy control and follow-up as a third component which needs to be considered. Strategy management research has predominately focused on the strategy formulation phase, which has been defined as the most important phase of the strategy management process (Tawse & Tabesh, 2021).

The figure below illustrates the strategy management process as defined by the literature review.

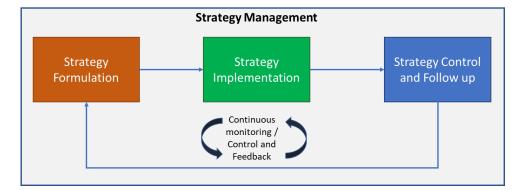


Figure 2-1: Strategy management process

Source: Adapted from the author's literature review.

The strategy formulation phase comprises the definition of the strategy, the choice stage, selecting between various strategic options and finally the selection stage, selecting the appropriate options to take forward (Amoo et al., 2019). The formulation phase is meant to set the vision of the organisation and indicates what it plans to achieve, through scanning the environment and working with both internal and external stakeholders (Doeleman et al., 2021). Once the formulation phase is completed, the organisation needs to put these strategic options into action through strategy implementation (Amoo et al., 2019). Successfully implementing strategy and achieving strategic objectives improves the organisation's competitive advantage (Amoo et al., 2019). The strategy implementation phase is where the challenge begins for most organisations. As previous research has indicated, there is a gap in the theory which limits the understanding of why organisations fail to implement strategy and why they still battle to move from strategy formulation to implementation (Alharthy et al., 2017; Mubarak & Yusoff, 2019).

It has been theorised that this could be due to the presence of psychological variables that inhibit the move from strategy formulation to strategy implementation, as suggested by Tawse et al. (2019). In the implementation phase, managers remain in a planning mindset which is more stimulating and creative. However, implementation is more action-oriented, and it requires more cognitive effort, which involves paying attention to detail, constant problem-solving and co-ordination of work (Tawse et al., 2019). An additional issue that affects the implementation process is the tendency of managers to continue to focus on operational activities to the detriment of implementing the strategy (Wolczek, 2018).

An ongoing process that is applicable during and after implementation is the control and follow up phase. It is important to measure and monitor how the organisation is tracking against its objectives, where, without measurements in place, the organisation can fail to see if they are successfully delivering on their intended strategy, and whether they need to pivot to adjust to internal and external environment changes (Amoo et al., 2019).

The research paper focuses on the strategy implementation phase. In the next section, the literature on strategy implementation is reviewed. Strategy

implementation factors, barriers, approaches, and frameworks will be discussed.

#### 2.3 STRATEGY IMPLEMENTATION

# 2.3.1 Overview of strategy implementation

Strategy implementation has been defined as an intricate process made up of several activities that managers and employees need to fulfil in order to convert strategy plans to actionable tasks so as to meet strategic objectives (Tawse & Tabesh, 2021). Strategy implementation challenges have been a core focus of literature, with prior research suggesting that organisations must focus on the barriers to implementation (Beer & Eisenstat, 2000). As a result, there have been limited practical guidelines provided on how to implement strategy. Beer and Eisenstat (2000) identified six 'killers' of strategy implementation. Similarly, Cândido and Santos (2018) focused on the obstacles to implementation. The weakness in these approaches is that they fail to provide practical guidelines to improve strategy. On the other hand, studies focusing on factors of strategy implementation, highlight what needs to be present for implementation to succeed (Alharthy et al., 2017; Cândido & Santos, 2018; Friesl et al., 2021; Obeidat, Al-Hadidi & Tarhini, 2017).

# 2.3.2 Challenges to implementation

Obstacles to strategy implementation can present in several ways, viz.: obstacles can accumulate; obstacles can interact with each other; or they can cause other obstacles, indicating causal relationship (Cândido & Santos, 2018). Some of the relevant relationships between obstacles identified by Cândido and Santos (2018) can be induced by the lack of participation from senior managers. Managers who do not participate often do not buy into the strategy, and are therefore unlikely to motivate other employees to commit to it, which in turn causes more issues for the implementation process. Additional obstacles can be presented by external factors emanating from external stakeholders that exists in the organisation's ecosystem. This indicates that implementation is at risk of both internal and external hinderances.

Internal challenges for strategic implementation may include low levels of motivation, a primary focus on financial performance (only focusing on sales and reducing costs) and a lack of agreement among decision makers (Ocak et al., 2021). This can potentially result in organisational politics, as highlighted by Lampaki and Papadakis (2018). This suggests an interaction between two obstacles, which can be a

challenge for strategy implementation. There is also a risk of the obstacle of organisation politics creating additional obstacles, due to the impact they have on other employees within the organisation. To evade this issue, politics must be presented as an opportunity for the organisation, rather than something negative. This can be achieved by creating a perception that different opinions are encouraged. In this way, employees are likely to display behaviour that supports implementation (Lampaki & Papadakis, 2018).

Additional considerations that organisations need to be concerned about when focusing on strategy implementation are related to working from home (WFH) which was accelerated by the Covid-19 pandemic. Prasetyaningtyas et al. (2021) found that working from home had a positive and significant relationship with employee productivity. This may be because of WFH's positive role in improving job satisfaction (Prasetyaningtyas et al., 2021). In the same vein, Galanti et al. (2021) found that the outcomes of WFH, such as autonomy and self-leadership, had a positive influence on productivity and work engagement. An increase in engagement may increase employee commitment and productivity, provided that employees goals are aligned with the strategy. Ultimately this can positively impact strategy implementation.

In addition to internal factors affecting strategy implementation, the process is also predisposed to external influences occurring in the macro environment, which often require a change in strategic direction and problem-solving. These influences include economic issues, technological advancement, culture, and social issues (Ivančić et al., 2017). Furthermore, macro-environmental events such as those emanating from government regulation and policy have the tendency to create other obstacles that can derail strategy implementation. They create uncertainty, which results in less commitment from management on the strategy due to diversion of priority and resources (Cândido & Santos, 2018). The retail banking sector is highly susceptible to these impacts, due to a highly regulated environment. Similarly, earlier research by Moinkett (2015) has found external dependencies to have a negative impact on implementation.

Interestingly Ivančić et al. (2017) argue that the macro-environmental uncertainty was not necessarily believed to be the issue affecting successful strategy implementation. However, they argued that a lack of skills and capabilities to deal

with these environmental changes was the cause of some of the issues faced during implementation. Thus, having the capabilities in place focused on the continuous scanning of the macro-environment can enable organisations to re-adjust strategic plans to keep abreast with changing market conditions. The organisations' response can differentiate it from similar companies in the same industry, which may increase its competitive advantage (Ivančić et al., 2017).

## 2.3.3 Factors to implementation

Noble (1999) categorised strategy implementation factors into two views, namely; the interpersonal process view, and the structural view. In line with this, Tawse and Tabesh (2021) in their attempt to create a framework for strategy implementation, classified these concepts under managerial actions, which they named structural managerial actions, and interpersonal managerial actions. The authors further defined the right conditions for implementation to be competency, employee commitment, and coordination. Employee commitment refers to the condition being addressed in this study.

Additional factors that have been defined by other authors include strategy development, organisational structure, communication, people, resource allocation, and environmental uncertainty (Obeidat et al., 2017). Similarly, Friesl et al. (2021) found structure, communication, and resources to be implementation factors. Leadership, sponsorship, talent management, governance, sufficient resources, authority, alignment, and employee commitment were identified by Alharthy et al. (2017), who posited that these factors had a clear association with each other and were affected by decision-making.

Collectively, these authors highlight a common need for a supporting organisational structure, leadership, people, and resource allocation for successful strategy implementation. It is also clear that that a majority of these authors have indicated employee commitment to be a crucial factor for strategy implementation, hence the reason it has been selected as a variable of this study (Alharthy et al., 2017; Tawse & Tabesh, 2021).

### 2.3.3.1 Organisational structure

Organisational structure defines the units of an organisation and how these units are

coordinated to complete tasks (Cummings & Worley, 2015). Organisational structure is a key factor for successful strategy implementation (Friesl et al., 2021). A misalignment between the organisational structure and the strategic decisions can lead to failure of strategic implementation (Ocak et al., 2021). This view is reinforced by Moinkett (2015), who found that the organisational structure had an impact on strategy implementation. However, research conducted by Wolczek (2018) tested the severity of various factors to implementation, such as the problem of organisational structures mismatch to strategy, finding that it did not appear as one of the most common problems.

Overall, the studies reviewed indicated that the organisational structure ought to support task coordination that will be required for the strategy to be successfully implemented (Obeidat et al., 2017; Ocak et al., 2021). A flatter structure that allows for quicker decision making as well as flexibility determines how the organisation would respond to macro-environmental factors and therefore is a determinant of successful strategy implementation (Moinkett, 2015).

#### 2.3.3.2 Resource allocation

A resource-based view examines how the firm uses its internal resources to achieve competitive advantage (Kumar, 2019). Resource allocation is fundamental to the success of strategy implementation (Maritan & Lee, 2017). A primary focus on internal resources as opposed to external resources can lead to long term competitive advantage, as the internal resources can be unique to the organisation. The theory suggests that the capabilities that the organisation requires for competitive advantage can be found within the firm, and in order to maintain competitive advantage, these resources must be both rare and costly for rivals to imitate (Kumar, 2019). This contrasts with the new literature on strategy implementation, which suggest an open-based approach, which takes advantage of both internal and external participation (Bismark, Kofi, Frank & Eric, 2018; Doeleman et al., 2021). This approach is discussed further in the next sections.

Resource allocation is triggered by identifying a list of strategic initiatives, after which, managers need to decide which initiatives they are going to support (Maritan & Lee, 2017). It is important the organisation manage this stage well, as it can be susceptible to managers driving their own agendas, and thus creating politics which can

negatively impact successful strategy implementation (Lampaki & Papadakis, 2018). Furthermore, having many competing initiatives leads to organisations facing resource limitations related to capital costs and time, which in turn affects strategic implementation (Galpin, 2018).

Selecting and focusing on key initiatives is important. Kiehne et al. (2017) argue that when managers identify the risk of inadequate resources to fulfil the strategy, the manager is likely to exert less effort, resulting in sub-optimal implementation results. Organisational and administrative systems must be implemented that include performance management and incentives that influence behaviour towards achieving the strategic objectives (Maritan & Lee, 2017). The resource allocation process integrates with the various stages of the strategy management process. The definition and selection of strategic initiatives is primarily in the formulation phase, and the measurements are primarily in the control and feedback stage of strategy management.

# 2.3.3.3 Senior management involvement

Leadership is considered a critical component of strategy implementation. Alharthy et al. (2017) found leadership to be one of the factors that had the highest impact on strategy implementation. Furthermore, in a study conducted in South African companies, it was found that strategic leadership contributes significantly to successful strategy implementation (Mubarak & Yusoff, 2019). This is because leadership dedication and commitment to strategy are key to implementation and also set an example for employees (Doeleman et al., 2021; Mubarak & Yusoff, 2019).

The leadership team plays a key role in conveying the vision of the organisation, and thus ensuring that employees are aligned and buy into the strategy (Mubarak & Yusoff, 2019). In research conducted by Shimizu (2017), only 37% of employees indicated that they have a clear understanding of their organisation's strategy, which highlights a communication and alignment gap. It can be argued that communication of the strategy by the leadership team can motivate employees towards executing the strategy (Mubarak & Yusoff, 2019). However, for communication to be effective, attention must be paid to how this message is received by employees (Shimizu, 2017). Shimizu (2017) cautions against senders' bias, where leaders overestimate the quality of their communication efforts, which can affect how the message on the

strategy is received.

Similarly, Tawse and Tabesh (2021) highlight the importance of communicating the strategy, where, in addition to the top-down approach, they also have a bottom-up approach to strategy communication. The bottom-up approach may have the ability to give employees the opportunity to seek clarity and contribute to the strategy. In this way, leadership and employees would be aligned on strategic objectives and thereby improve coordination.

#### 2.3.3.4 Feedback and control

In their study, Amoo et al. (2019) found that feedback and control was the highest rated activity in the strategy implementation process. Strategy implementation efforts must be assessed in order to ensure that strategic objectives are being achieved. This enables management to pivot should concerns be identified (Amoo et al., 2019). Feedback is related to communicating the progress to employees in the organisation. The results of a study conducted in commercial banks in Kenya indicated that communication was significantly related to strategy implementation, meaning that an improvement on feedback can significantly improve strategy implementation (Waititu, 2016).

Control is related to the measures used to check the effectiveness of the strategy implementation, where the results are measured against what was planned to be implemented (Radomska & Kozyra, 2020). De Oliveira et al. (2017) suggest that measurement ought to be verified against the intended strategy, as well as the macro environment. This will ensure that the intended strategy addresses the macro environment, such as changing market needs, and therefore will not result in improved performance and competitive advantage.

### 2.3.4 Strategy implementation approaches

This paper focuses on two emergent views of strategy process, which are, open strategy (OS) practice (Doeleman et al., 2021; Goldman & Kruger, 2021) and the performative or practice-based view approach (Merkus et al., 2019) also known as strategy-as-practice (SaS) (Goldman & Kruger, 2021).

# 2.3.4.1 Open strategy

Doeleman et al. (2021) propose open strategy practice to enable successful strategy implementation. This approach focuses on involving internal and external parties during the strategy implementation process. External stakeholders can include suppliers and policy makers (Cândido & Santos, 2018). The common elements of OS theory are inclusivity, and transparency (Goldman & Kruger, 2021). Transparency refers to the visibility of the strategy and its processes, whereas inclusivity is concerned with the consultation of various internal and external stakeholders during strategy formulation and implementation (Goldman & Kruger, 2021). Involving staff during the strategy formulation phase is likely to increase buyin, and garner staff commitment to the strategy implementation (Doeleman et al., 2021). Goldman and Kruger (2021) argue that the notion that strategy management is confined to top management is not viable for competition, particularly in the current volatile, uncertain, complex, and ambiguous (VUCA) environment. Furthermore, the authors suggest a collaborate effort, one that sources information from various stakeholders, is likely to place organisations at a competitive advantage, as it eliminates the disconnect between top management, who traditionally formulate the strategy, and middle managers, who implement it (Goldman & Kruger, 2021).

In their study conducted on South African organisations, Goldman and Kruger (2021) found that smaller firms were more successful with inclusivity, when compared with larger organisations. The inverse was true when it came to transparency, where they found that large organisations were more transparent, due to legal financial reporting requirements, when compared to smaller organisations. This indicates that the larger financial institutions, which are the subject of this study, may battle with inclusivity, as they must bring along many employees on their strategy journey, whereas smaller organisations do not face the same issue. Furthermore, OS might be time consuming and costly to implement, due to the transparency and inclusivity it requires, where constant engagement can redirect resources from focusing on their key functions (Goldman & Kruger, 2021).

To implement OS inclusivity, Doeleman et al. (2021) suggest creating a visual strategy map, conducting frequent dialogues between management and employees, and implementing automated information technology (IT) reporting. IT enabled reporting can focus on presentations of dashboards that track the progress of

strategic initiatives, and should be linked to organisational performance. In large organisations in particular, frequent management dialogues are necessary, which could take place in the form of weekly or monthly check-ins of implementation, to ensure alignment on addressing progress and strategic goals with the team. On the other hand, Goldman and Kruger (2021) caution that although OS is a good approach, it needs to be balanced so as to ensure that the organisation does not share too much information that could put them at a disadvantage and comprise competitiveness.

The open dialogue supported in OS could benefit from the use of sensemaking approaches to create strategy consensus between the internal and external parties who are part of the strategy implementation process. Sensemaking is a process where multiple stakeholders, in this case management and employees, try to create meaning about the organisation's strategy (Christianson & Barton, 2021). It involves the creation of new meanings, which are linked to the strategy concepts, and disseminating and embedding these concepts throughout the various stakeholders for consensus (Jalonen, Schildt & Vaara, 2018).

Providing meaning of the strategy is often done through storytelling, which is key tool for the process of sensemaking (Christianson & Barton, 2021; Jalonen, et al., 2018). Stories often bring together different ideas into an understandable frame, which can be disseminated by senior leadership in the sense-making process. This involves the leaders as the influencer, where, in this way, alignment can be created across the various levels with the organisation (McAdams, 2008). Goldman and Kruger (2021) argue that OS could result in reduced speed of communication, and that moreover, communicating to a large audience of both internal and external stakeholders could be challenging.

Unpredictable macro environment events, such as a pandemic as seen with Covid 19, pose a challenge for organisation when implementing sense-making, such events require organisations to pivot their strategies, which may require creating new concepts and new meaning (Christianson & Barton, 2021). However, April and Chimenya (2019) argue that sensemaking can provide more meaning in a VUCA world.

## 2.3.4.2 Practice based view

A different approach to strategy implementation is the performative or practice-based view approach to strategy implementation, where focus is placed on the process of strategy implementation, which includes the practices required to be embedded in the organisations for the strategy to be realised (Merkus et al., 2019). The potential benefit of this practice-based view is that it understands implementation as a process, and therefore, a standardised procedure can be built with controls in place. Furthermore, routines can be embedded in the organisation and its culture, enabling a common understanding of how things are done in the organisation to implement strategy.

Previous studies have failed to provide clarity on why some organisations are better at implementing strategy, where the ideal approach potentially lies in incorporating various elements from the approaches highlighted above. The organisation must understand the factors and barriers to implementation and their impact and when they can consult with both internal and external stakeholders regarding strategy formulation (Alharthy et al., 2017; Cândido & Santos, 2018; Friesl et al., 2021; Obeidat et al., 2017). They can then build processes following the practice-based view approach, with routine practices and controls to manage the strategy process.

### 2.3.5 Strategy implementation frameworks

In this section, the frameworks for strategy implementation will be reviewed. The focus will be on the McKinsey 7S model and the balanced scorecard.

### 2.3.5.1 McKinsey 7S framework

The McKinsey 7S framework developed by Pieters and Waterman is a management tool designed to share the strategic vision of the organisation, it suggests that if organisations focus on the seven factors of the model, they are more likely to implement strategy successfully (Kumar, 2019). The seven factors of the model include the hard aspects, such as strategy, systems, and structure; as well as soft aspects, such as style, staff, shared values, and skills. Each of these factors are interdependent, and each must be addressed in order to implement strategy successfully (Kumar, 2019). A failure with one may result in a failure in the other factors. The figure below illustrates the interdependence of these factors.

Staff Shared Value Systems

Figure 2-2: Mckinsey 7 S model

Source: www.mckinsey.com

Incorporating this framework in conjunction with the efforts to increase employee commitment may result in successful strategy implementation. This model considers some of the factors that have been defined for strategy implementation. Structure refers to the organisational structure, that is, the way in which teams and tasks are organised, including the way in which decision-making and authority is structured (Kumar, 2019). Organisational structure has been indicated as key factor for successful strategy implementation, which indicates the relevance of this element with the model (Friesl et al., 2021). The style element can be linked to the senior management and leadership factors, as it refers to the leadership style, how leaders make decisions, and what they focus on (Kumar, 2019). Similarly, leadership has been indicated as a critical factor in successful strategy implementation (Alharthy et al., 2017).

Systems, staff, and skills, which are all key to successful strategy implementation, can be related to the resource allocation, as it considers the employees competencies and skills as well as the procedures, both formal and informal, that are followed within the company's reward systems, information systems, planning systems (Kumar, 2019).

#### 2.3.5.2 The balanced scorecard framework

The balanced scorecard (BSC) was developed as a managerial insight tool and was designed to improve strategy implementation (Tawse & Tabesh, 2022). Kaplan and Norton (1996), who developed the BSC, state that to properly create a scorecard, the measures should be linked to the organisation or business units' strategy, so as to enable the organisation to execute on relevant initiatives.

The figure below illustrates the balance scorecard and its various perspectives. Each perspective has a list of objectives, and includes the relevant measures and targets for each. Finally, a list of strategic initiatives which will enable the organisation to meet its objectives is listed.

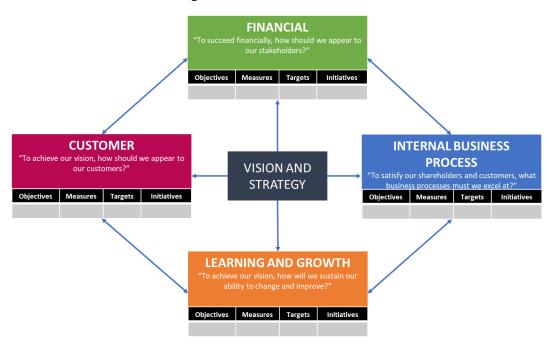


Figure 2-3: Balanced scorecard

Adapted from: Kaplan and Norton (1996)

In their synthesis of the balanced scorecard literature, Aryani and Setiawan (2020) concluded that the BSC is useful for improving organisational performance and to achieve strategic goals. The studies they reviewed indicate that the balanced scorecard is beneficial to achieve strategic goals. Similarly, in his study of Vietnamese commercial banks, Tuan (2020) found that BSC contributed to successful performance of banks, and suggested that this should be promoted as a

tool to drive performance. In line with Tuan (2020), in his study in banks in Egypt, Hamdy (2018) found a significant relationship between the BSC the performance of the banks studied. Since the balanced scorecard is linked to the strategic objective of the company, it can be suggested that its positive effect on performance indicates that the strategic objectives were implemented successfully. An opposing view comes from Tawse and Tabesh (2022), who found that there was an insignificant and inconsistent relationship between the balance scorecard and firm performance.

Having reviewed the literature on strategy implementation, in the next section the literature on employee commitment is reviewed.

#### 2.4 EMPLOYEE COMMITMENT

Employee commitment describes the employee's desire to continue working for the organisation and to perform towards the organisation's strategic objectives (Al-Madi et al., 2017). Studies on employee commitment are largely based on the model of commitment created by Meyer and Allen (1991) who identified three dimensions of employee commitment, affective commitment, continuance commitment, and normative commitment. These dimensions are not mutually exclusive, where committed, employees are likely to be highly motivated, can be high performers, and therefore can be a good catalyst to achieving successful strategy implementation (Đorđević et al., 2020). Additional benefits of employee commitment to the organisation include an increase in job performance, organisational citizenship, mentoring, and knowledge sharing (Krajcsák, 2019; Megawaty et al., 2022). It is critical to understand each dimension of commitment so as to be able use them as a lever for implementation. The lack of employee commitment may result in turnover, which will incur additional costs for the organisation (Mercurio, 2015).

Human Resource International digest (2019) suggests that commitment can be increased through employee satisfaction, due to the positive relationship between job satisfaction and employee commitment. In their study, Nishanthi and Kailasapathy (2018) suggest that employee commitment may be increased through employee socialisation initiatives, such as training, providing growth opportunities, and creating a working environment that fosters good working relationships. Similarly, Ocen et al., (2017) suggest that training increases jobs satisfaction, and therefore, that it results in a more committed staff. Satisfied employees tend to be

more committed to the organisation (Mahmood et al., 2021).

The following sections delves into the literature on each of the dimensions of employee commitment.

#### 2.4.1 Affective commitment

Affective commitment describes the emotional connection that an employee has to the organisation, including the workplace and their colleagues (Krajcsák & Kozák, 2018). Affective commitment can be measured via multiple dimensions, which include commitment to the organisation itself, career prospects, colleagues, managers, daily tasks, profession, and customers (Perreira et al., 2018). It can be argued that affectively commitment employees are likely to be committed to the strategy of the organisation, and are fulfilled by the work that they do due to their feelings of belonging to it (Mahmood et al., 2021; Wulandari, 2018).

Ribeiro et al. (2018) and Duarte et al. (2021) found that transformational leadership was one of the factors contributing to an increase in employee commitment, where transformational leaders can motivate individuals to perform beyond their expectations through altering their beliefs. There is a relationship between transformational leadership and affective commitment, where the performance of an affectively committed employee is likely to increase (Ribeiro et al., 2018). Transformational leaders have the ability to create an alignment on the strategy and vision, and thus, to create beliefs which drive individuals to execute the strategy and achieve organisational goals (Mubarak & Yusoff, 2019).

The benefit of affective commitment to strategy implementation is that an increase in affective commitment might retain employees and increase levels of organisational citizenship, where employees with high affective commitment have a low risk to turnover, due to the emotional ties to the organisation (Krajcsák & Kozák, 2018). The result of this is an employee that wants to see the organisation succeed and might therefore be committed to delivering on the strategic objectives. Due to its nature, affective commitment is tied to affective states, such as moods and emotions. It is influenced by personal interactions, and for this reason, it might be challenging for organisations to control the satisfaction of all dimensions of affective commitment.

Good working relationships were found to increase affective commitment, due to this type of commitment being largely influenced by attachment to colleagues (Nishanthi & Kailasapathy, 2018). However, Teo et al. (2020) suggest that affective commitment can be negated in work environments that are toxic, where even engaged employees will struggle to be committed in toxic work environments. This is supported by Perreira et al. (2018), who found that interpersonal justice has a positive relationship with employee commitment. This highlights the need to ensure that work environments are healthy, and that employees feel psychologically safe, which in turn may increase the employee's commitment and thus reduce the intention to turnover.

As jobs are increasingly moving away from the traditional physical office space, it is envisaged that affective commitment, which is driven by connections among employees, may decline in favour of continuance commitment, which is reviewed further in the next section (Krajcsák & Kozák, 2018). In order to increase the employee's connection to the organisation, different forms of communication can be used, this will keep the employee informed of strategy, products, and services of the organisation (Adousi et al., 2018).

#### 2.4.2 Continuance commitment

Continuance commitment refers to how rewarding the job is to the individual. This commitment type does not find the individual emotionally tied to the organisation, and they are potentially open to other job opportunities (Krajcsák, 2019). Mercurio (2015) posits that continuance commitment is rationale and is based on the individual weighing the economic costs of either staying with the organisation, or leaving. If there are greater benefits to moving, they will take the opportunity. This speaks to the individual's need to remain in the organisation (Mercurio, 2015).

When weighing the risk of leaving the organisation, the employee may consider the impact of losing out on training and development, as well as the social costs, which are collectively defined as factors that increase employee commitment (Mahmood et al., 2021; Nishanthi & Kailasapathy, 2018). As suggested by Krajcsák and Kozák (2018), if the individual shows high levels of continuance commitment, this means they are satisfied with the current organisation and the risk to turnover is low. Similarly, Mahmood et al. (2021) found that job satisfaction relied more on

continuance commitment, in this case, the individual is likely to be motivated towards achieving the organisation's strategic objectives. In contrast, the impact of low continuance commitment for organisation and strategy implementation is that, if the current job is not rewarding, the employee may not be committed to achieving the strategic objectives of the organisation and therefore, the employee will not perform at an optimal level. An additional risk is that, when employees are given additional work that is not part of their core deliverables, if they feel they are not being compensated enough, this may affect continuance commitment (De Clercq et al., 2021).

Due to the rational nature of continuance commitment, organisations must put in place reward systems that may increase continuance commitment (Hadi & Tentama, 2020). The cost of leaving the organisation, as perceived by the employee, should be high, so as to reduce the inherent likelihood to turnover, should the employee receive a better and more rewarding offer elsewhere.

#### 2.4.3 Normative commitment

Normative commitment is characterised by an individual's deep moral conviction towards the organisation, where the individual may also display a tremendous sense of care towards their co-workers (Krajcsák & Kozák, 2018). Furthermore, when it comes to normative commitment, the individual may feel indebted, and obligated towards the organisation and will consider their length of service. They feel a moral duty towards the organisation, and may feel that the organisation has rewarded them over and above what they deserve, and will therefore attempt to pay the perceived difference (Krajcsák, 2019).

Due to its emotional nature, normative commitment is similar to affective commitment, in the sense that the individual feels an emotional sense of duty towards their organisation and colleagues. Krajcsák (2019) suggests that the feeling of indebtedness to the company, means that normative commitment might be increased by providing the employee with extrinsic rewards, such as financial rewards. Extrinsic rewards have the potential to also increase continuance commitment. Furthermore, training in particular was found to increase normative commitment (Mahmood et al., 2021).

Leadership has been found to have an impact on commitment, and transformational leadership was identified as a best-fit to increase normative commitment, due to its ability to foster relationship (Krajcsák, 2019). A different perspective is given by Liu et al. (2020), which states that social exchange factors of trust and care influence levels of normative commitment. Their theory suggests that leaders must demonstrate these traits in order to influence normative commitment.

Having reviewed the literature on the various dimensions of employee commitment, to increase employee commitment, Alharthy et al. (2017) suggest the involvement of various levels of managers and employees in the strategic planning phase, in order to get buy-in and to lend a sense of ownership. On the other hand, Elbanna and Fadol (2016), argue that, although participation might assist in creating alignment and a common understanding of the strategy, political issues and personal stakeholders' agendas may reduce the benefits. The authors state that political behaviours have one of the highest negative effects on successful strategy implementation.

When synthesising employee commitment research, it appears that the motivation variable has a strong relationship with employee commitment. Several researchers have made suggestions on how to use motivation to increase commitment. Krajcsák (2019) found that intrinsic motivation is the most appropriate tool to increase employee commitment, and that extrinsic motivation has little benefit in increasing commitment. By way of contrast to the findings of Krajcsák (2019), Al-Madi et al. (2017) suggest utilising extrinsic rewards, such as increased wages, in order to increase employee motivation and commitment. Motivated and commitment employees improve job performance and productivity, which is critical, as failure to implement strategy can be costly for an organisation through the loss of resources in the form of capital, time, and loss of customers due to reduced competitive advantage.

The research shows that the strongest relationship between the various factors of implementation is between motivation and the affective commitment dimension (Al-Madi et al. (2017). The study further found that continuance commitment had the second strongest relationship with motivation, suggesting that an individual's commitment to an organisation is highly driven by emotions and moral duty.

The research aims to understand how employee commitment affects successful strategy implementation. The aim is to provide practical solutions, which organisations can implement in order to improve strategy implementation. Employee engagement has been found to also increase employee commitment, as engaged employees bring their entire self to the role (Kahn, 1990).

### 2.4.4 Employee engagement

The seminal writer on employee engagement, Kahn (1990), stated that staff engagement is displayed when an employee presents their full self to work-related tasks and relationships with co-workers. They have a sense of personal presence, and therefore embody full role performance. Kahn (1990) has suggested that individuals with challenging and autonomous tasks experience psychological meaningfulness, which in turn, increases their engagement.

When implementing new strategic initiatives in the organisation, clear communication of the objectives and how these would be achieved increases employee engagement (Christianson & Barton, 2021). Again, this highlights the importance of leadership and strategic communication as key factors for successful strategy implementation (Mubarak & Yusoff, 2019; Kasogela, 2019). Similarly, Ateş et al., (2020) state that middle managers and senior leadership alignment on strategic objectives could result in a positive influence on commitment. When employees are engaged, it is easier to drive changes and get employees to act towards the strategy objectives, which results in higher implementation of strategy (Christianson & Barton, 2021).

Conditions such as meaningfulness, safety, and availability must be present for employees to bring their full selves and be engaged (Kahn, 1990). Furthermore, similar to the concept of affective commitment, interactions with customers and coworkers were found to increase psychological meaning, and thereby increase engagement.

#### 2.5 CONCLUSION

This chapter discussed the strategy management process and highlighted some of the gaps between strategy formulation and implementation phase and how this creates a challenge for the organisation during the implementation phase. These challenges to strategy implementation were highlighted, which included low levels of motivation, internal politics, and macro environmental factors. The key factors required for successful strategy implementation were discussed, which included organisation structure, resource allocation, senior management involvement and feedback and control. The open strategy (OS) process and the practice-based view approach to strategy implementation were discussed, followed by implementation frameworks, McKinsey 7S model, and the BSC.

A review of the affective commitment, continuance commitment and normative commitment indicate the importance of employee commitment for successful strategy implementation. Human resource management international digest (2019) states that committed employees work harder and faster for the organisation, and were more likely to give it their discretionary time, by going above and beyond their call of duty, and are also less prone to be lost to turnover. Furthermore, normative, and affective commitment were also found to be valuable to increase retention (Krajcsák, 2019). This provides a case for employee commitment as a lever for strategic implementation.

Where motivation and commitment are high, productivity is likely to concomitantly increase, and for this reason it is important to study this relationship further so as to determine what can be done to increase employee commitment to improve strategy implementation.

In the next chapter, the hypotheses developed from the theory are presented.

#### 3 CHAPTER 3: RESEARCH QUESTIONS AND HYPOTHESIS

### 3.1 INTRODUCTION

This chapter presents the hypotheses developed from the literature review. The objective of the research is to understand the effects of employee commitment on successful strategy implementation. The employee commitment construct is measured through affective commitment (AC), normative commitment (NC), and continuance commitment (CC).

The research question to be answered is:

### Does employee commitment influence strategy implementation?

The research question aims to understand if the dimensions of employee commitment predict successful strategy implementation. This relationship is analysed in order to understand the impact of employee commitment on strategy implementation, what this would mean for strategic management theory, and the practical implications for business.

### 3.2 HYPOTHESIS<sub>1</sub>

Tawse and Tabesh (2021) found that employee commitment was a necessary condition for successful strategy implementation. Furthermore, Nwachukwu et al., (2018) found that an increase in employee commitment is likely to increase employee satisfaction. They further stated that a satisfied employee can be more productive, and thus contribute positively to the success of an organisation. This suggests that a high level of employee commitment would lead to successful strategy implementation. Hypothesis<sub>1</sub> thus proposes:

**H**<sub>1</sub>: Employee commitment has a significant effect on successful strategy implementation.

**H<sub>o</sub>:** Employee commitment does not have a significant effect on successful strategy implementation.

### 3.3 HYPOTHESIS<sub>1.1</sub>

Ribeiro et al. (2018) stated that, if an employee is affectively committed to the organisation, their performance is likely to increase. An employee who has affective

commitment towards the organisation remains because they desire to, where as a result, they exhibit higher levels of engagement, which results in increased performance (Đorđević et al., 2020). An increase in performance may suggest successful strategy implementation. Hypothesis<sub>1.1</sub> thus proposes the following:

**H**<sub>1.1</sub>: Affective commitment has a significant effect on successful strategy implementation.

**H<sub>o</sub>:** Affective commitment does not have a significant effect on successful strategy implementation.

### 3.4 HYPOTHESIS<sub>1.2</sub>

Continuance commitment was found to influence job satisfaction (Mahmood et al., 2021; Krajcsák & Kozák, 2018) when considered with the results of the study by Nwachukwu et al. (2018), which found that a satisfied employee is likely to be motivated towards achieving the strategic objectives of the organisations and thus result in successful strategy implementation. Hypothesis<sub>1,2</sub> thus proposes that:

**H**<sub>1.2</sub>: Continuance commitment has a significant effect on successful strategy implementation.

**H**<sub>0</sub>: Continuance commitment does not have a significant effect on successful strategy implementation.

#### 3.5 HYPOTHESIS<sub>1.3</sub>

When it comes to normative commitment, employees feel indebted to the organisation, and may attempt to pay the perceived difference (Krajcsák, 2019). This may suggest that normative committed employees will work harder towards the objectives of the organisation. Hypothesis<sub>1.3</sub> thus proposes that:

**H**<sub>1.3</sub>: Normative commitment has a significant effect on successful strategy implementation.

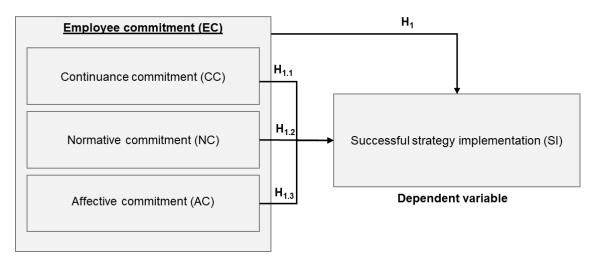
**H**<sub>o:</sub> Normative commitment does not have a significant effect on successful strategy implementation.

As illustrated in the figure below which provides the framework to answer the research question, employee commitment is the independent variable and

successful strategy implementation is the dependent variable.

Figure 3-1: Research framework

# Independent variable



Source: Author.

The next chapter will discuss the research methodology followed in order to meet the objectives of the research, and to answer the research question.

#### 4 CHAPTER 4: DESIGN AND METHODOLOGY

### 4.1 INTRODUCTION

This chapter explains the research design and methodology used to test the association of employment commitment dimensions to successful strategy implementation. The study hypothesised that there is a significant relationship between employee commitment and successful strategy implementation. The choice of design, unit of analysis, sampling method, and measurement instrument used to test this hypothesis are explained. Thereafter, the data gathering process and the data analysis approach are explained.

#### 4.2 RESEARCH DESIGN

In order to define the research design in detail, this section will describe the research philosophy, approach selected, methodological choices, strategy, and the time horizon for this research.

### Purpose of research design

The purpose of research design is to create a plan the specifies the methodology and the procedure for data collection and analysis (Zikmund et al., 2009). The study is an explanatory, quantitative study. Explanatory research is applicable when testing existing theory, which helps to identify issues and key variables in the research problem (Rahi, 2017). Thus, it has been used to test the association of the dimensions of employee commitment, where the independent variable and successful strategy implementation the dependent variable (Tawse and Tabesh, 2021). Individuals involved in strategy implementation in the retail banking sector were surveyed on employee commitment and its effects on strategy implementation. The research aim was to test the effect and strength of the relationship between employee commitment and successful strategy implementation. This study aims to produce new practical solutions and insights into strategy implementation.

### **Philosophy**

The research followed the positivist paradigm, which is based on the epistemological assumptions regarding knowledge, where the belief is that objective facts result in the best scientific and trusted evidence (Saunders & Lewis, 2018). Positivism is focused on quantitative research, where scientific methods are used to produce knowledge (Rahi, 2017). The knowledge emanating from this study has been

developed through testing the assumptions made in the form of hypothesis. Positivism aims to create generalisations which explain past events and theory, and which predicts future outcomes in an organisation. Since this study aims to predict relationships and outcomes, an objective approach is most suitable, which has been achieved using scientific data in order to eliminate the risk of emotions and bias inherent in qualitative research (Saunders & Lewis, 2018).

### Research Approach

The research approach followed was deductive, where strategy implementation and employee commitment literature were reviewed, and hypotheses developed. Deductive research entails the use of theory as a base from which a hypothesis can first be deduced, and then tested (Woiceshyn & Daellenbach, 2018). Employee commitment has been indicated to be one of the barriers to successful strategy implementation, and therefore it is hypothesised that if employee commitment is high strategy implementation will be successful (Ocak et al., 2021). Based on the outcomes of the literature review, a deductive approach is most suitable due to the fact that inductive reasoning could not be achieved. Inductive reasoning entails propositions based on observations of facts (Zikmund et al., 2009). The hypothesis was tested by collecting and analysing new data.

### **Method Choice**

A mono quantitative research methodology was followed, which focuses on the collection and analysis of new data, making this study objective (Rahi, 2017). Quantitative research addresses the objectives of the research through numerical assessment and analysis (Zikmund et al., 2009). Quantitative research is used as it produces factual results, as opposed to qualitative research, which renders subjectivity. Quantitative results are most suitable here as the study aims to test relationships that determine the predictability of organisational outcomes. As a consequence, the research should ideally not be influenced by personal feelings, emotions, or opinions when data is being analysed (Basias & Pollalis, 2018).

# **Strategy**

A self-administered survey was used to collect data. Surveys are useful for collection of data from a large population, which is required for the results to be generalisable (Saunders & Lewis, 2018). Furthermore, surveys are also easier to disseminate and

to reach the large population versus interviews and focus groups which are largely employed in qualitative research which may be time consuming and therefore difficult to use for larger populations (Saunders & Lewis, 2018).

#### Time horizon

The study was cross-sectional, aimed at collecting a snapshot of data during the period of the research (Saunders & Lewis, 2018). For this research study, data was collected during the period between August and September 2022. The study was not intended to run over a long period of time, where the deadline was the 1<sup>st</sup> of November 2022. Furthermore, there is no plan for the researcher to revisit this study.

#### 4.3 RESEARCH METHODS

### 4.3.1 Population

The population for this study included employees involved in strategy implementation in retail banks in South Africa. This is the target population for which the research inferences are made. The study was conducted with a convenience sample frame of various levels of employee, which included specialists, managers at various levels, and executives. There was no specification of departments within the banks. This method enabled a cost-effective approach to the collection of data, sampling the entire population would have been time consuming (Rahi, 2017). This approach is adopted from a study by Obeidat et al., (2017) on factors affecting strategy implementation. They considered all employees involved in strategy implementation when studying the operational variables that affect it.

The study did not focus on a specific geographic region of South Africa, but instead surveyed the entire country. There are five major retail banks in the country, with most headquartered in Johannesburg, Gauteng, however these banks employ individuals across the country and therefore there was no requirement for a regional focus. Furthermore, the data was collected online, which provided accessibility to employees across the country. South Africa's six largest banks employed 154 000 employees (BASA, 2021).

#### 4.3.2 Unit of analysis

The unit of analysis refers to who will provide the input data for the research (Zikmund et al., 2009). The unit of analysis for this study was the individual employees in the

retail banking sector involved in the implementation of strategy.

# 4.3.3 Sampling method and size

The sampling method used was non-probability sampling, as it was not possible to gain access to the whole population, as would have been required for a probability sampling method. A sample is a subset of a larger population (Zikmund et al., 2009). Sampling enabled the collection of data from a smaller group of the population, which was convenient and cost effective (Turner, 2020). A combination of purposive sampling and snowball sampling was used. The target sample size was 120, however, the total responses received was 104. In a similar study on strategy implementation by Waititu (2016), the authors targeted 91 respondents and received 88 responses. This sample size was considered to allow for inferences and generalisation to the larger population. The goal was to distribute 300 questionnaires, with the aim of getting 120 responses as per the target sample size. Story and Tait (2019) suggest sending the survey to a minimum of two times the target sample size, as it is common to get response rates of less than 50 percent. Although the specific number of people who received the survey cannot be accurately provided, as the survey was distributed through LinkedIn posts, direct message, and WhatsApp groups, it can be envisaged that more than 240 individuals were exposed. The audience within those groups exceeded 300.

Purposive sampling was used to target a population of individuals in retail banking who are involved in strategy implementation. Purposive sample is ideal as the individuals can provide more accurate information of the study (Turner, 2020). The initial sample members were colleagues and a LinkedIn network. Thereafter, the snowball technique was utilised, whereby the initial sample members were requested to refer the survey to additional participants (Zikmund et al., 2009). This technique is cost-effective, however, the disadvantage is that it may introduce bias in the study, as individuals are more likely to refer to people similar to them (Zikmund et al., 2009).

#### 4.4 DATA GATHERING PROCESS

Data collection was conducted through a self-administered, closed-ended questionnaire. The survey was distributed through a link to the Google form, which was shared with potential participants through email, WhatsApp, LinkedIn posts and direct LinkedIn messages. There were no rewards offered to any of the participants.

Participants were provided a consent disclaimer as part of the questionnaire, which also contained a brief and purpose of the study. This information was part of the questionnaire, and was presented to the participant in the beginning of the questionnaire. The time to complete the survey was approximately 5-10 minutes. A week was given for feedback thereafter a reminder was sent to the respondents to gain confirmation regarding whether they had completed the survey.

#### 4.4.1 Measurement instrument

The questionnaire was an English language-based, self-administered questionnaire. A new self-designed questionnaire was utilised. Questionnaires reduce bias, where respondents will not be influenced by the researcher to answer questions in a specific manner unlike in face-to-face interviews (Waititu, 2016). The questionnaire was designed based on the research problem, objectives, and hypothesis. The questionnaire captured demographic data, measured successful strategy implementation construct, and measured affective, continuance and normative commitment. To introduce the questionnaire, participants were provided with a description and purpose of the study as seen in Appendix 1.

The following guidelines by Saunders and Lewis (2018) were followed: 1) the questionnaire was tested on the online tool to ensure it worked as intended; 2) pilot testing was conducted with a sample of five individuals, four of whom are employed in the banking sector, ranging from manager to executive. An additional senior manager in a different industry was requested to participate for usability testing, due to their extensive experience in designing surveys and conducting consumer research. The overall purpose of pilot testing was to gain feedback so as to ensure that the questionnaire was working as intended, and that all questions were clearly articulated, and responses could be analysed. A further benefit to testing the questionnaire was to assess the average time required to complete the questionnaire (Obeidat et al., 2017). There were no changes to the questionnaire subsequent to the pilot test. The final questionnaire can be seen in Appendix 2.

#### 4.4.2 Scale development

The first set of questions captured the demographics and work-related profile of the respondents, which were to be answered using a one option answer from a multiple-choice framework of a list of categorical variables. The second section measured the

successful strategy implementation construct through the variables of strategy implementation. The respondents were asked questions that measure the effectiveness of strategy implementation in their organisations. The third section measured the three dimensions of employee commitment, namely: affective commitment, continuance commitment, and normative commitment.

Successful strategy implementation and employee commitment dimensions were measured using a rating scale in the form of the five-point Likert scale system, where 1 indicates strongly disagree, and 5 indicates strongly agree. A 5-point Likert scale is utilised as it is easily comprehensible to respondents, and enables them to capture their response in an easier way, given the way the options are structured. If a scale of more than 5 or 7 is used, the data from the Likert scale becomes less accurate (Rahi, 2017).

### 4.4.3 Strategy implementation

The strategy implementation factors defined by Amoo et al. (2019) and Ocak et al. (2021) were used a basis of the successful strategy implementation measure. The factors included organisational design and structure, senior management involvement, projects and feedback, and control. Previous research has used the perceptions of employees to measure the success of strategy implementation and this research follows the same approach (Obeidat et al., 2017). The questions were measured on a 5-point Likert scale, where 1 indicates strongly disagree, and 5 indicates strongly agree.

Table 4-1: Measurement scale for successful strategy implementation

Construct	Factor	Scale	SPSS Name	Source
Strategy implement	Organisational Design	I am allowed to make decisions on strategic projects.	SI1	Author (new scale based
ation		I have a clear understanding of my role and responsibility in the organisation.	SI2	on literature) Obediet
		Junior staff (team leaders and below) are involved in the strategy planning and formulating phase,	SI3	Alharthy
	Senior Management	Senior leaders communicate the strategy clearly.	SI4	Amoo et al. (2019)
		We have regular engagements with senior leadership to discuss strategy implementation updates.	SI5	Ocak et al. (2021)
		Senior leaders have the necessary	SI6	

	skills required for implementing strategy.		
Projects	Implementation of projects is based on identified priorities.	SI7	Amoo et al. (2019)
	Individuals with the right capabilities (adequate skills and experience) are assigned to projects.	SI8	Ocak et al. (2021)
	Adequate funding is allocated to the implementation of projects.	SI9	
	Projects are completed within the allocated budget.	SI10	
	Projects are completed within allocated time.	SI11	
Feedback and	Strategy implementation is tracked.	SI12	Amoo et al.
control	Strategy implementation progress is reported regularly.	SI13	(2019)
	Regular feedback is provided to you on strategy implementation.	S14	
	We are rewarded for successfully implementing projects.	S15	

# 4.4.4 Employee commitment

The employee commitment questions were adapted from the study by Al-Madi et al. (2017). The dimensions measured include affective, normative, and continuance commitment. The questions were measured on a 5-point Likert scale, where 1 indicates strongly disagree, and 5 indicates strongly agree.

Table 4-2: Measurement scale for employee commitment

Construct	Dimension	Scale	SPPS Name	Source
Employee	Affective	I would like to spend the rest of my	AC1	Al-Madi et
Commitment	Commitment	career in this organisation.		al. (2017)
	(AC)	I am emotionally connected to my	AC2	
		workplace / organisation.		
		My co-workers feel like family to me.	AC3	
		My team feel like family to me.	AC4	
		I am emotionally connected to the work I do.	AC5	
		I feel connected to our customers.	AC6	
	Continuance Commitment (CC)	I am connected to this organisation, and it would be difficult for me to leave my job.	CC1	Al-Madi et al. (2017)
		I have career opportunities in this organisation.	CC2	
		I would not leave my organisation for a better salary offer elsewhere right now.	CC3	
		I am happy with the working conditions in my organisation.	CC4	
		I still have skills that I would like to learn within this organisation.	CC5	
	Normative	I am indebted to my organisation; it	NC1	Al-Madi et
	Commitment	has contributed a lot to where I am		al. (2017)

(NC)	today.	
	It would be wrong for me to leave my organisation right now.	NC2
	Even if I have a better opportunity, I will not leave my organisation right now	NC3
	I feel obligated to remain in this organisation.	NC4
	My loyalty is to this organisation.	NC5

### 4.5 DATA ANALYSIS APPROACH

The data collected was quantitative data, which was analysed using the Statistical Package for the Social Sciences (SPSS) version 28.0.1.0 (142).

# 4.5.1 Data editing

There was a total of 104 responses received, of which eight were removed. The survey contained a qualifying question "Are you involved in strategy implementation?", of which eight respondents selected no. The eight samples were removed leaving a final sample size of 96, which was used for data analysis.

# 4.5.2 Data coding

Before the data could be analysed, it was coded as per the table below.

Table 4-3: Demographic and work experience variables coding

Age:	Code	Gender:	Code
18 – 29	1	Male	1
30 – 39	2	Female	2
40 – 49	3		
50 – 59	4		
60 – 65	5		
Management Level:	Code	Tenure in organisation:	Code
Other	1	<1	1
Supervisor/Team Leader	2	1 – 5	2
Manager	3	6 – 10	3
Senior Manager	4	11-15	4
Executive	5	>15	5
Work experience:	Code	Are you involved in strategy formulation?	Code
<1	1	Yes	1
1 – 5	2	No	2
6 – 10	3		
11-15	4		
>15	5		

Are you involved in strategy implementation?	Code	Do you think it's easier to implement strategy if you were part of the formulation process?	Code
Yes	1	Yes	1
No	2	No	2

The scales for the constructs of strategy implementation and employee commitment were all measured on a five-point Likert scale, and were coded as follows:

- 1 = Strongly disagree
- 2 = Disagree
- 3 = Unsure
- 4 = Agree
- 5 = Strongly agree

### 4.5.3 Validity

The validity of the questionnaire was tested prior to sending out the survey and during data analysis. The validity of the questionnaire refers to whether the questions measure what they are expected to measure (Story, 2019). A test for face validity was performed, which refers to the subjective understanding that the questions measure the concept (Zikmund et al., 2009, p.307). This was conducted through, pilot testing the questionnaire, with a small sample of five individuals, so as to ensure the face validity and understandability of the questionnaire. To ensure external validity, the research was not set within a single organisation, but instead, respondents were from various retail banking organisations within South Africa, which will help to make the results generalisable (Saunders & Lewis, 2018).

During the data analysis phase, the convergent validity of the questionnaire was tested using Bivariate Pearson correlations on SPSS. Convergent validity tests whether the questions on the scale are related to ensure they are accurately measuring the construct (Zikmund et al., 2009, p308). Validity was tested on each construct, successful strategy implementation, affective commitment, continuance commitment, and normative commitment. First, the item total score per respondent was determined by adding the response to each question. Thereafter a Pearson Correlation test was performed in order to assess the correlation of the responses

with the item total score. All responses in the various constructs were correlated to their item total score for the construct. Therefore, validity was established for successful strategy implementation, affective commitment, continuance commitment, and normative commitment. The results are presented Chapter Five.

### 4.5.4 Reliability

A reliability test was done on each construct of the study, successful strategy implementation, affective, continuance and normative commitment. Reliability is an indicator of internal consistency, which indicates the likeliness of a questionnaire to produce the same results over time if participants answer under different conditions (Zikmund et al., 2009, p.305; Story, 2019).

In order to determine validity, the coefficient alpha ( $\alpha$ ) was calculated using SPSS Cronbach's alpha. The Cronbach's alpha was calculated for each construct, successful strategy implementation, affective commitment, continuance commitment, and normative commitment. Zikmund et al. (2009, p.306) state that  $\alpha$  in the range 0.80 to 0.95 is considered very good, where between 0.70 and 0.80, it indicates good reliability. The Cronbach's  $\alpha$  of all the constructs was above 0.8, thereby indicating a very good reliability of scale. The results are presented in Chapter Five.

#### 4.5.5 Factor analysis

Factor analysis was done on each of the constructs of the study, including affective commitment, continuance commitment, normative commitment, and successful strategy implementation. Factor analysis determines whether the construct variables require decomposition into smaller components. Correlations analysis, Kaiser-Meyer-Olkin (KMO) and Bartletts tests were performed. The correlations matrix ought to indicate the correlation of  $r \ge 0.3$ , Bartlett's test p < 0.05 and KMO must be > 0.6 (Pallant, 2016; Tabachnik & Fidell, 2016, p.620). The six affective commitment questions all loaded on one component, the five continuance commitment questions all loaded on one component. The successful strategy implementation questions loaded on three components. The results are presented in Chapter Five.

### 4.5.6 Normality

The data tests for normality were conducted on each of the independent and dependent constructs. Normality is an important test for multivariate statistics, particularly if the goal of the study is to make inferences about certain populations (Tabachnik & Fidell, 2016, p.79). Normal distribution also supports the use of the mean to report descriptive statistics, which have been used in the results of this study (Pallant, 2016). The normality test was conducted using histogram graphs on SPSS. The results are presented in Chapter Five.

# 4.5.7 Multicollinearity test

Multicollinearity tests the relationship between independent variables (IV), to ensure that the measures of the IV's are not too similar, which is indicated by the strength of the relationship (Zikmund et al., 2019, p. 588). The multicollinearity test is required for regression analysis. Pallant (2016) suggests that r=0.9 and above indicates a high multicollinearity, and further states that a variance inflation factor (VIF) above 10 could suggest a problem with multicollinearity. However, Zikmund et al. (2019, p. 588) state that a VIF above 5.0 can suggest multicollinearity problems. The results of the multicollinearity test are presented in Chapter Five.

### 4.6 MULTIVARIATE DATA ANALYSIS

Multiple regression, Pearsons correlation and ANOVA were used to test the hypothesis of the study and relationships between the variables, similar studies by Obeidat et al. (2017), Nwachukwu et al. (2018) and Đorđević et al. (2020) have used these statistical methods. This was the most suitable statistical analysis used to test the hypothesis, since it allows for testing a dependent variable to be predicated by multiple independent variables, in this case, the multiple variables of employee commitment (Zikmund et al., 2009, p.584). A standard multiple regression was run. This involved adding the independent variables of employee commitment; affective commitment, continuance commitment, and normative commitment at the same time in order to evaluate the significance of the relationship (Pallant, 2016).

To run a multiple regression, Tabachnik and Fidell (2016, p.123) suggest a sample size of  $n \ge 50 + 8m$  (m = number of IV's). There are three independent variables in this study which makes the appropriate sample size  $n \ge 74$  (50 + 8 x 3). The final sample size was 96, which is appropriate for multiple regression.

Descriptive statistics were used for the demographic profile and the independent and dependent variable. The extent to which factors of commitment dimensions affect strategy implementation were analysed through the mean scores. The dimensions of employee commitment were tested in order to identify which dimension had the most impact on successful strategy implementation. The statistical significance of the relationship between the dimensions of employee commitment and strategy implementation variables was analysed using the Pearson correlations statistics test. Pearson's test follows the assumption that both variables are measured on a continuous scale, and that the data is normally distributed.

#### 4.7 QUALITY CONTROLS

Quality controls are required in order to ensure that the data collected correctly represents the study (Zikmund et al., 2009, p.21). To ensure data quality, validity and reliability tests were conducted on the questionnaire. Furthermore, the questionnaire introduction ensured transparency for the purposes of the research, and contact details of the researcher and supervisor. In addition, the participants were informed that they would remain anonymous, and that the participation was voluntary. There were no rewards given to participants.

The risk of bias in this study was presented by the risk of individuals more likely to refer the survey to people within the same team. In this instance, the results might have been similar for those individuals. To mitigate this risk, the researcher requested referrals through the following process: 1) individuals not employed in retail banking were requested to refer to their networks employed in retail banking; and 2) individuals in retail banking were requested to refer to a network wider than their immediate teams.

The data was handled in an ethical and honest manner. The researcher did not manipulate or distort it to provide misleading results. The data is safely stored on Google Forms, which is only accessible by the researcher. Only authorised personnel of the University of Pretoria will have access to the data once the researcher submits this report.

#### 4.8 LIMITATIONS

One of the drawbacks to self-administered surveys is the low response rate. The survey was shared directly with participants as well as on various social networks such as WhatsApp and LinkedIn, however the responses were limited, and only 104 responses were received. In quantitative research, large population sizes are required for the results to be generalised.

The study was a mono quantitative method, where the questions were closed-ended. Respondents were limited in their answers, and could not add further detail that could potentially provide greater insight to address the research problem (Goertzen, 2017).

#### 4.9 CONCLUSION

The research methodology to test the hypothesis was presented. The research followed a mono-method quantitative design. The sample of data collected was 104 and only 96 qualified for data analysis. The survey comprised of questions to capture demographic data, and measure the constructs of strategy implementation, affective commitment, continuance commitment, and normative commitment.

The data collected was analysed using Statistical Package for the Social Sciences (SPSS) version 28.0.1.0 (142). The measurement instrument was tested for reliability and validity. Factor analysis and multicollinearity tests were conducted. Furthermore, the data was tested for normality. Multivariate statistics in the form of multiple regression were run to test the hypothesis.

In the next chapter, the findings from the data collection will be presented.

#### 5 CHAPTER 5: RESULTS

### 5.1 INTRODUCTION

This chapter presents the results of the statistical analysis conducted on the data received for the study to test the hypothesis. The primary data collection was through a self-administered survey on Google Forms.

A statistical analysis was conducted in order to answer the overarching research question: How does employee commitment affect strategy implementation? This was done through testing the hypothesis developed through the literature review on the constructs of successful strategy implementation and employee commitment.

The following hypotheses are tested:

- H<sub>o</sub>: Employee commitment does not have a significant effect on successful strategy implementation
- H<sub>1</sub>: Employee commitment has a significant effect on successful strategy implementation
- H<sub>1.1</sub>: Affective commitment has a significant effect on successful strategy implementation
- H<sub>1,2</sub>: Continuance commitment has a significant effect on successful strategy implementation
- H<sub>1.3</sub>: Normative commitment has a significant effect on successful strategy implementation

The presentation of the results begins with the descriptive statistics, which include the demographic profiles of the respondents, and the descriptive statistics for the constructs of employee commitment and strategy implementation and their relevant dimensions. Following that, the validity and reliability results are presented. The results of factor analysis for each of the constructs are then presented. Thereafter, the results of the hypothesis testing are presented. Finally, a conclusion is presented to summarise the chapter.

#### 5.2 ASSUMPTIONS TESTS AND DATA QUALITY TESTS

#### 5.2.1 Validity test

Validity testing was performed on each of the constructs. The results of the validity test on the affective commitment indicators show that all six questions are significantly correlated to the item total score (AC TOTAL), as indicated by the green

highlighted blocks. A significant correlation indicates that these variables are appropriate to measure affective commitment.

Table 5-1: Affective commitment subconstruct validity

			C	Correlations				
		AC1	AC2	AC3	AC4	AC5	AC6	AC TOTAL
AC1	Pearson Correlation	1	.643**	.534**	.467**	.441**	.251 <sup>*</sup>	.754 <sup>**</sup>
	Sig. (2-tailed)		<,001	<,001	<,001	<,001	.014	<,001
AC2	Pearson Correlation	.643**	1	.570**	.512**	.651**	.299**	.821 <sup>**</sup>
	Sig. (2-tailed)	<,001		<,001	<,001	<,001	.003	<,001
AC3	Pearson Correlation	.534**	.570**	1	.774**	.515**	.409**	.832**
	Sig. (2-tailed)	<,001	<,001		<,001	<,001	<,001	<,001
AC4	Pearson Correlation	.467**	.512**	.774**	1	.486**	.352**	.781**
	Sig. (2-tailed)	<,001	<,001	<,001		<,001	<,001	<,001
AC5	Pearson Correlation	.441**	.651**	.515**	.486**	1	.559**	.789**
	Sig. (2-tailed)	<,001	<,001	<,001	<,001		<,001	<,001
AC6	Pearson Correlation	.251 <sup>*</sup>	.299**	.409**	.352**	.559**	1	.591**
	Sig. (2-tailed)	.014	.003	<,001	<,001	<,001		<,001
**. Coı	relation is significant at t	he 0.01 lev	el (2-tailed).					
*. Corr	relation is significant at th	e 0.05 leve	el (2-tailed).					

The results of the validity testing for continuance commitment indicates that all five questions are significantly correlated to the item total (CC TOTAL), and therefore, are appropriate to measure continuance commitment.

Table 5-2: Continuance commitment validity

Correlations											
		CC1	CC2	CC3	CC4	CC5	CC TOTAL				
CC1	Pearson Correlation	1	.601**	.558**	.531**	.400**	.830**				
	Sig. (2-tailed)		<,001	<,001	<,001	<,001	<,001				
CC2	Pearson Correlation	.601**	1	.410**	.627**	.513 <sup>**</sup>	.806**				
	Sig. (2-tailed)	<,001		<,001	<,001	<,001	<,001				
CC3	Pearson Correlation	.558**	.410**	1	.475**	.311**	.755**				
	Sig. (2-tailed)	<,001	<,001		<,001	.002	<,001				
CC4	Pearson Correlation	.531**	.627**	.475**	1	.472**	.798**				
	Sig. (2-tailed)	<,001	<,001	<,001		<,001	<,001				
CC5	Pearson Correlation	.400**	.513**	.311**	.472**	1	.643**				
	Sig. (2-tailed)	<,001	<,001	.002	<,001		<,001				
**. Correl	ation is significant at the 0.0	1 level (2-tail	ed).	Į.	Į.	L					

The results of the validity test on the normative commitment indicates that all five questions are significantly correlated to the item total (NC TOTAL) and therefore are appropriate to measure normative commitment.

**Table 5-3: Normative commitment validity** 

	Correlations											
		NC1	NC1	NC1	NC1	NC1	NC TOTAL					
NC1	Pearson Correlation	1	.367**	.372**	.492**	.609**	.719**					
	Sig. (2-tailed)		<,001	<,001	<,001	<,001	<,001					
NC2	Pearson Correlation	.367**	1	.666**	.736**	.499**	.805**					
	Sig. (2-tailed)	<,001		<,001	<,001	<,001	<,001					
NC3	Pearson Correlation	.372**	.666**	1	.727**	.562**	.817**					
	Sig. (2-tailed)	<,001	<,001		<,001	<,001	<,001					
NC4	Pearson Correlation	.492**	.736**	.727**	1	.595**	.869**					
	Sig. (2-tailed)	<,001	<,001	<,001		<,001	<,001					
NC5	Pearson Correlation	.609**	.499**	.562**	.595**	1	.820**					
	Sig. (2-tailed)	<,001	<,001	<,001	<,001		<,001					
**. Corre	elation is significant at the 0.01	level (2-tailed	d).									

The results of the successful strategy implementation validity test indicate that all fifteen questions are significantly correlated to the item total (SI TOTAL) and therefore, are appropriate to measure continuance commitment.

Table 5-4: Strategy implementation validity

							Correla	ations									
		SI1	SI2	SI3	SI4	SI5	SI6	SI7	SI8	SI9	SI10	SI11	SI12	SI13	SI14	SI15	SITO TAL
SI1	Pearson Correlation	1	.298**	.311**	.255*	.253*	.175	.146	.220*	.202*	.010	036	.012	.178	.206*	.278**	.411**
	Sig. (2-tailed)		.003	.002	.012	.013	.088	.155	.031	.049	.922	.727	.905	.083	.044	.006	<,00
SI2	Pearson Correlation	.298**	1	.303**	.274*	.275*	.292*	.239 <sup>*</sup>	.434*	.159	.051	.040	.107	.172	.227 <sup>*</sup>	.128	.446**
	Sig. (2-tailed)	.003		.003	.007	.007	.004	.019	<,00 1	.123	.623	.701	.302	.094	.026	.213	<,00 1
SI3	Pearson Correlation	.311**	.303**	1	.399*	.394*	.354*	.322*	.300*	.251 <sup>*</sup>	.094	.087	.274**	.347**	.275**	.257*	.572**
	Sig. (2-tailed)	.002	.003		<,00 1	<,00 1	<,00 1	.001	.003	.014	.361	.397	.007	<,001	.007	.012	<,00 1
SI4	Pearson Correlation	.255 <sup>*</sup>	.274**	.399**	1	.628*	.505*	.241*	.368*	.326*	.248*	.273*	.351**	.442**	.402**	.308**	.686**
	Sig. (2-tailed)	.012	.007	<,001		<,00 1	<,00 1	.018	<,00 1	.001	.015	.007	<,001	<,001	<,001	.002	<,00 1
SI5	Pearson Correlation	.253 <sup>*</sup>	.275**	.394**	.628*	1	.609*	.361*	.382*	.249*	.245 <sup>*</sup>	.294*	.455**	.584**	.550**	.464**	.764**
	Sig. (2-tailed)	.013	.007	<,001	<,00 1		<,00 1	<,00 1	<,00 1	.015	.016	.004	<,001	<,001	<,001	<,001	<,00 1
SI6	Pearson Correlation	.175	.292**	.354**	.505*	.609*	1	.374*	.529* *	.388*	.401*	.419*	.438**	.416**	.496**	.256*	.742**
	Sig. (2-tailed)	.088	.004	<,001	<,00 1	<,00 1		<,00 1	<,00 1	<,00 1	<,00 1	<,00 1	<,001	<,001	<,001	.012	<,00 1
SI7	Pearson Correlation	.146	.239*	.322**	.241 <sup>*</sup>	.361*	.374*	1	.539*	.265*	.293*	.125	.187	.324**	.218 <sup>*</sup>	.392**	.555**
	Sig. (2-tailed)	.155	.019	.001	.018	<,00 1	<,00 1		<,00 1	.009	.004	.226	.069	.001	.033	<,001	<,00 1
SI8	Pearson Correlation	.220 <sup>*</sup>	.434**	.300**	.368*	.382*	.529 <sup>*</sup>	.539 <sup>*</sup>	1	.538*	.342*	.357*	.254 <sup>*</sup>	.355**	.440**	.323**	.708**
	Sig. (2-tailed)	.031	<,001	.003	<,00 1	<,00 1	<,00 1	<,00 1		<,00 1	<,00 1	<,00 1	.012	<,001	<,001	.001	<,00 1
SI9	Pearson Correlation	.202*	.159	.251*	.326*	.249*	.388*	.265*	.538*	1	.403*	.242 <sup>*</sup>	.181	.220 <sup>*</sup>	.317**	.199	.552**
	Sig. (2-tailed)	.049	.123	.014	.001	.015	<,00 1	.009	<,00 1		<,00 1	.017	.078	.031	.002	.052	<,00 1
SI10	Pearson Correlation	.010	.051	.094	.248 <sup>*</sup>	.245*	.401*	.293*	.342*	.403*	1	.640*	.100	.217 <sup>*</sup>	.233*	.075	.480**
	Sig. (2-tailed)	.922	.623	.361	.015	.016	<,00 1	.004	<,00 1	<,00 1		<,00 1	.333	.033	.022	.465	<,00 1
SI11	Pearson Correlation	036	.040	.087	.273*	.294*	.419 <sup>*</sup>	.125	.357*	.242*	.640*	1	.297**	.267**	.318**	.151	.493**
	Sig. (2-tailed)	.727	.701	.397	.007	.004	<,00 1	.226	<,00 1	.017	<,00 1		.003	.009	.002	.141	<,00 1
SI12	Pearson Correlation	.012	.107	.274**	.351*	.455*	.438*	.187	.254 <sup>*</sup>	.181	.100	.297*	1	.601**	.493**	.185	.542**

	Sig. (2-tailed)	.905	.302	.007	<,00	<,00	<,00	.069	.012	.078	.333	.003		<,001	<,001	.070	<,00
					1	1	1										1
SI13	Pearson Correlation	.178	.172	.347**	.442*	.584*	.416*	.324*	.355*	.220 <sup>*</sup>	.217 <sup>*</sup>	.267*	.601**	1	.759**	.335**	.693**
	Sig. (2-tailed)	.083	.094	<,001	<,00	<,00	<,00	.001	<,00	.031	.033	.009	<,001		<,001	<,001	<,00
	Oig. (2 tailed)	.000	.004	۷,001	1	1	1	.001	1	.001	.000	.003	,		۷,001	×,001	1
SI14	Pearson Correlation	.206 <sup>*</sup>	.227 <sup>*</sup>	.275**	.402 <sup>*</sup>	.550*	.496*	.218 <sup>*</sup>	.440*	.317*	.233 <sup>*</sup>	.318*	.493**	.759**	1	.374**	.706**
	Sig. (2-tailed)	.044	.026	.007	<,00 1	<,00 1	<,00 1	.033	<,00 1	.002	.022	.002	<,001	<,001		<,001	<,00 1
SI15	Pearson Correlation	.278**	.128	.257 <sup>*</sup>	.308*	.464*	.256 <sup>*</sup>	.392*	.323*	.199	.075	.151	.185	.335**	.374**	1	.546**
	Sig. (2-tailed)	.006	.213	.012	.002	<,00 1	.012	<,00 1	.001	.052	.465	.141	.070	<,001	<,001		<,00 1
**. Correl	**. Correlation is significant at the 0.01 level (2-tailed).																
*. Correla	ation is significant at	the 0.05	level (2-ta	ailed).													

# 5.2.2 Reliability test

This section presents the results for the reliability tests. The Cronbach's alpha test for reliability was used. The results of the Cronbach's alpha test are presented below.

Table 5-5: Cronbach alpha results for all constructs

Construct	Number of Items	Cronbach's Alpha	Acceptance
Affective Commitment	6	.857	Acceptable
Continuance Commitment	5	.820	Acceptable
Normative Commitment	5	.860	Acceptable
Strategy Implementation	15	.869	Acceptable

A Cronbach's alpha between 0.80 and 0.95 indicates very good reliability and is therefore acceptable (Zikmund et al., 2009, p.306). All the constructs were found to be acceptable to use, indicating that the questions are reliable for measuring the relevant construct.

# 5.2.3 Factor analysis - KMO and Bartlett's test

Exploratory factor analysis was conducted separately for the constructs of successful strategy implementation, affective commitment, continuance commitment, and normative commitment.

#### 5.2.3.1 Affective commitment

Based on the correlation matrix, all questions have a correlation within the matrix, which is above 0.3. This means that the questions have loaded well on the same factor, and do not require further reduction.

Table 5-6: Factor analysis – affective commitment

Correlation Matrix											
	AC1 AC2 AC3 AC4 AC5 AC6										
Correlation	AC1	1.000	.643	.534	.467	.441	.251				
	AC2	.643	1.000	.570	.512	.651	.299				
	AC3	.534	.570	1.000	.774	.515	.409				
	AC4	.467	.512	.774	1.000	.486	.352				
	AC5	.441	.651	.515	.486	1.000	.559				
	AC6	.251	.299	.409	.352	.559	1.000				

It was noted that the KMO is 0.774, which is greater than 0.6. KMO, values greater than 0.6 indicate good factor analysis (Tabachnik & Fidell, 2016, p.620). The Bartlett's Test of Sphericity p-value is < 0.05, which indicates that these questions can be analysed as an average, instead of individually.

Table 5-7: KMO and Bartletts Test - affective commitment

KMO and Bartlett's Test							
Kaiser-Meyer-Olkin Measure of	.774						
Bartlett's Test of Sphericity	Approx. Chi-Square	275.666					
	df	15					
	Sig.	<,001					

The Eigen value of 1 rule was applied, which indicates that the five questions load in one component. Therefore, the questions will remain in the one affective commitment component, and as such, can be aggregated for the purposes of analysis.

Table 5-8: Eigen values - affective commitment

Total Variance Explained									
		Initial Eigenvalu	ues	Extraction S	Sums of Squared	Loadings			
						Cumulati			
Component	Total	% of Variance	Cumulative %	Total	% of Variance	ve %			
1	3.521	58.685	58.685	3.521	58.685	58.685			
2	.876	14.607	73.292						
3	.698	11.630	84.921						
4	.446	7.431	92.353						
5	.247	4.115	96.468						
6	.212	3.532	100.000						
Extraction Met	hod: Principa	I Component Ana	alysis.						

### 5.2.3.2 Continuance commitment

A correlation matrix was produced, and the results are presented in the table below. All questions have a correlation above 0.3, which means that all the questions have loaded well on the same factor, and do not require further reduction.

Table 5-9: Factor analysis - continuance commitment

	Correlation Matrix										
	CC4	CC5									
Correlation	CC1	1.000	.601	.558	.531	.400					
	CC2	.601	1.000	.410	.627	.513					
	CC3	.558	.410	1.000	.475	.311					
	CC4	.531	.627	.475	1.000	.472					
	CC5	.400	.513	.311	.472	1.000					

The results of the KMO and Bartletts Test indicate that KMO is greater than 0.6 and the Bartlett's Test of Sphericity p < 0.05, which indicates that these questions can aggregated.

Table 5-10: KMO and Bartletts Test - continuance commitment

KMO and Bartlett's Test							
Kaiser-Meyer-Olkin Measure of Sampling Adequacy813							
Bartlett's Test of Sphericity	Approx. Chi-Square	168.201					
	df	10					
	Sig.	<,001					

The Eigen value of 1 rule was applied, which indicates that the five questions load in one group. Therefore, the questions will remain in the one affective component.

Table 5-11: Eigen values - continuance commitment

Total Variance Explained									
		Initial Eigenval	ues	Extracti	ion Sums of Squa	ared Loadings			
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %			
1	2.976	59.511	59.511	2.976	59.511	59.511			
2	.743	14.854	74.365						
3	.518	10.362	84.727						
4	.446	8.910	93.637						
5	.318	6.363	100.000						
Extraction Met	hod: Princip	al Component An	alysis.						

### 5.2.3.3 Normative commitment

A correlation matrix was produced, and the results are presented in the table below. All questions have a correlation above 0.3, which means that all the questions have loaded well on the same factor, and do not require further reduction.

Table 5-12: Factor analysis - normative commitment

Correlation Matrix										
NC1 NC2 NC3 NC4 NC5										
Correlation	NC1	1.000	.367	.372	.492	.609				
	NC2	.367	1.000	.666	.736	.499				
	NC3	.372	.666	1.000	.727	.562				
	NC4	.492	.736	.727	1.000	.595				
	NC5	.609	.499	.562	.595	1.000				

The KMO is greater than 0.5, and the Bartlett's Test of Sphericity p-value is < 0.05, which indicates that these questions can be aggregate for analysis.

Table 5-13: KMO and Bartletts Test - normative commitment

KMO and Bartlett's Test						
Kaiser-Meyer-Olkin Measure of Sampling Adequacy813						
Bartlett's Test of Sphericity	Approx. Chi-Square	243.094				
	df	10				
	Sig.	<,001				

The Eigen value of 1 rule was applied, which indicates that the five questions load in one group. Therefore, the questions will remain in the one affective component.

Table 5-14: Eigen values - normative commitment

	Total Variance Explained									
		<b>Initial Eigenval</b>	ues	Extraction	Sums of Squar	red Loadings				
		% of			% of					
Component	Total	Variance	Cumulative %	Total	Variance	Cumulative %				
1	3.271	65.410	65.410	3.271	65.410	65.410				
2	.804	16.086	81.496							
3	.386	7.715	89.211							
4	.309	6.188	95.399							
5	.230	4.601	100.000		•					
Extraction Me	thod: Princip	al Component A	nalysis							

# 5.2.3.4 Strategy implementation

A correlation matrix was produced, and the results are presented in the table below. All questions have a correlation above 0.3, which means that all the questions have loaded well on the same factor, and do not require further reduction.

Table 5-15: Correlation matrix - successful strategy implementation

	Correlation Matrix															
		SI1	SI2	SI3	SI4	SI5	SI6	SI7	SI8	SI9	SI10	SI11	SI12	SI13	SI14	SI15
Correl	SI1	1.000	.298	.311	.255	.253	.175	.146	.220	.202	.010	036	.012	.178	.206	.278
ation	SI2	.298	1.000	.303	.274	.275	.292	.239	.434	.159	.051	.040	.107	.172	.227	.128
	SI3	.311	.303	1.000	.399	.394	.354	.322	.300	.251	.094	.087	.274	.347	.275	.257
	SI4	.255	.274	.399	1.000	.628	.505	.241	.368	.326	.248	.273	.351	.442	.402	.308
	SI5	.253	.275	.394	.628	1.000	.609	.361	.382	.249	.245	.294	.455	.584	.550	.464
	SI6	.175	.292	.354	.505	.609	1.000	.374	.529	.388	.401	.419	.438	.416	.496	.256
	SI7	.146	.239	.322	.241	.361	.374	1.000	.539	.265	.293	.125	.187	.324	.218	.392
	SI8	.220	.434	.300	.368	.382	.529	.539	1.000	.538	.342	.357	.254	.355	.440	.323
	SI9	.202	.159	.251	.326	.249	.388	.265	.538	1.000	.403	.242	.181	.220	.317	.199
	SI10	.010	.051	.094	.248	.245	.401	.293	.342	.403	1.000	.640	.100	.217	.233	.075
	SI11	036	.040	.087	.273	.294	.419	.125	.357	.242	.640	1.000	.297	.267	.318	.151
	SI12	.012	.107	.274	.351	.455	.438	.187	.254	.181	.100	.297	1.000	.601	.493	.185
	SI13	.178	.172	.347	.442	.584	.416	.324	.355	.220	.217	.267	.601	1.000	.759	.335
	SI14	.206	.227	.275	.402	.550	.496	.218	.440	.317	.233	.318	.493	.759	1.000	.374
	SI15	.278	.128	.257	.308	.464	.256	.392	.323	.199	.075	.151	.185	.335	.374	1.000

The KMO is greater than 0.6, and the Bartlett's Test of Sphericity p-value is < 0.05, which indicates that these questions can be aggregated for analysis.

Table 5-16: KMO and Bartletts Test - successful strategy implementation

KMO and Bartlett's Test							
Kaiser-Meyer-Olkin Measure	.800						
Bartlett's Test of Sphericity	Approx. Chi-Square	582.422					
	df	105					
	Sig.	<,001					

The Eigen value of 1 rule was applied to determine the number of components to extract. The fifteen questions loaded on three components. These three components represent 57.055% of the total variance.

Table 5-17: Eigen values - successful strategy implementation

				Total Va	riance Expl	ained				
	li	nitial Eiger	nvalues	Extrac	ction Sums Loading		Rotation Sums of Squared Loadings			
Compone nt	Total	% of Varianc e	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	
1	5.500	36.669	36.669	5.500	36.669	36.669	3.412	22.748	22.748	
2	1.622	10.814	47.483	1.622	10.814	47.483	2.602	17.348	40.096	
3	1.436	9.572	57.055	1.436	9.572	57.055	2.544	16.959	57.055	
4	.948	6.319	63.374							
5	.870	5.801	69.175							
6	.789	5.262	74.437							
7	.740	4.933	79.370							
8	.642	4.280	83.650							
9	.524	3.496	87.146							
10	.500	3.333	90.480							
11	.430	2.864	93.344							
12	.364	2.429	95.773							
13	.266	1.775	97.548							
14	.198	1.318	98.866							
15	.170	1.134	100.000							
Extraction M	lethod: F	Principal Co	omponent Anal	ysis.						

To determine which component the questions should be grouped under, the components where the question rated the highest is where it was placed. The outcome of three new components were created, which are: Component 1: Organisational design; Component 2: Feedback and control; and Component 3: Project resources (see <u>Appendix 3</u>).

Table 5-18: Component matrix strategy implementation

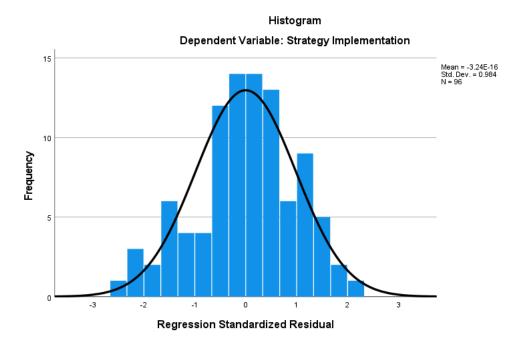
Rotated Component Matrix <sup>a</sup>					
		Component			
	1	2	3		
SI1	.068	.675	098		
SI2	.059	.653	.080		
SI3	.338	.567	.031		
SI4	.537	.382	.234		
SI5	.710	.368	.192		
SI6	.506	.311	.506		
SI7	.153	.525	.355		
SI8	.202	.553	.573		

SI9	.079	.374	.587	
SI10	.085	036	.864	
SI11	.305	179	.753	
SI12	.792	044	.097	
SI13	.844	.156	.113	
SI14	.766	.189	.205	
SI15	.378	.452	.050	
Extraction Method: Principal Component Analysis.				
Rotation Method: Varimax with Kaiser				
Normalization.				
a. Rotation cor	verged in 5 it	erations.		

# 5.2.4 Normality test

A normality test was conducted on both the dependent and independent variables. When running a multiple regression analysis, one of the assumptions is that the data is normally distributed (Pallant, 2016). The normality test was run on SPSS on all the 96 responses received.

Figure 5-1: Normality distribution



The normality test results indicate a linear model, which suggest that there is minimal deviation from normality and is suitable for multiple regression analysis.

Figure 5-2: Regression scatter plot

Dependent Variable: Strategy Implementation

0.8

0.6

0.4

0.2

Normal P-P Plot of Regression Standardized Residual

# 5.2.5 Multicollinearity tests

The results of the multicollinearity test on the independent variables are presented in the table below. The results indicate that there is a relationship between all the independent variables. The correlation between each of the independent variables, namely: affective commitment (AC); continuance commitment (CC); and normative commitment (NC) and the relationships were as follows: AC and CC = 0.737, AC and NC = .520, CC and NC = .659. The correlation between two independent variables should not be greater than r=0.9 (Pallant, 2016).

Observed Cum Prob

Table 5-19: Multicollinearity - correlations tests

Correlations						
		SI	AC	СС	NC	
Pearson	AC	.391	1.000	.737	.520	
Correlation	CC	.394	.737	1.000	.659	
	NC	.438	.520	.659	1.000	
Sig. (1-tailed)	SI		<,001	<,001	<,001	
	AC	.000		.000	.000	
	CC	.000	.000		.000	
	NC	.000	.000	.000		
N	SI	96	96	96	96	
	AC	96	96	96	96	
	CC	96	96	96	96	
	NC	96	96	96	96	

To further confirm that multicollinearity issues were not present the variance inflation factor (VIF) results were analysed. None of the VIF scores were above 5.0. A VIF above 5.0 suggests multicollinearity problems (Zikmund et al., 2009, p.588). Therefore, the multicollinearity rule has not been violated.

Table 5-20: Multicollinearity - correlations tests

		Correlations		Collinearity S	Statistics	
Model		Zero-order	Partial	Part	Tolerance	VIF
H <sub>1</sub>	(Constant)					
	AC	.391	.150	.134	.455	2.197
	CC	.394	.033	.029	.353	2.830
	NC	.438	.251	.227	.564	1.774

#### 5.2.6 Correlations for control variables and commitment dimensions

The correlations test in the table below were conducted to test the association of the control demographic and work-related data on successful strategy implementation.

Table 5-21: Correlation between control variables and employee commitment

			AC	СС	NC
Spearman's	Age	Correlation	.191	.010	.091
rho		Coefficient			
		Sig. (2-tailed)	.062	.923	.379
	Gender	Correlation	257 <sup>*</sup>	249 <sup>*</sup>	212 <sup>*</sup>
		Coefficient			
		Sig. (2-tailed)	.011	.014	.038
	Management	Correlation	.232*	.150	.015
	Level	Coefficient			
		Sig. (2-tailed)	.023	.143	.885
	Tenure	Correlation	.349**	.174	.170
		Coefficient			
		Sig. (2-tailed)	<,001	.090	.097
	Work	Correlation	.185	.054	.161
	Experience	Coefficient			
		Sig. (2-tailed)	.071	.601	.117
	Strategy	Correlation	223 <sup>*</sup>	210 <sup>*</sup>	271 <sup>**</sup>
	Formulation	Coefficient			
		Sig. (2-tailed)	.029	.040	.008
	Strategy	Correlation			
	Implementatio	Coefficient			
	n	Sig. (2-tailed)			

Implementatio	Correlation	.020	063	019
n Ease	Coefficient			
	Sig. (2-tailed)	.846	.544	.855

### 5.3 DESCRIPTIVE STATISTICS

There was a total of 104 responses received, of which 96 qualified; the eight that were removed indicated they were not involved in strategy implementation. The results presented reflect the 96 qualifying responses. The demographics of the respondents are presented by gender, age management level, tenure in the organisation and work experience.

### **Gender profile**

The table below shows respondents by gender. The sample n=96 of the respondents consisted of majority females at 53.1 percent and males at 46.9 percent.

Table 5-22: Gender

Gender	Frequency	Percent
Male	45	46.9
Female	51	53.1
Total	96	100.0

# Age of profile

The table below shows respondents by age. Most of the respondents at 64.6 % were in the 30-39 year-old group and the lowest percentage at 5.2 % were in the 18-29 year-old group.

Table 5-23: Age

Age group (years)	Frequency	Percent
18 - 29	5	5.2
30 - 39	62	64.6
40 - 49	20	20.8
50 - 59	9	9.4
Total	96	100.0

#### Management level

The table below shows respondents by management level. Most of the respondents were in management level that includes the supervisor / team leader, which can be classified as junior management. Therefore, there were 80.2% respondents in management with the remaining 19.8% in various specialist roles.

Table 5-24: Management level

Management Level	Frequency	Percent
Other	19	19.8
Supervisor / Team Leader	10	10.4
Manager	30	31.3
Senior Manager	22	22.9
Executive	15	15.6
Total	96	100.0

# Tenure in the organisation

The table below shows respondents by tenure in their current organisation. Most of the respondents (40.6%) have been in the employ of their current organisation for 6-10 years. Overall, most of the respondents at 85.4% have been in their current organisation for over a year.

Table 5-25: Tenure

Tenure (years)	Frequency	Percent
<1	14	14.6
1 - 5	23	24.0
6 - 10	39	40.6
11 - 15	12	12.5
>15	8	8.3
Total	96	100.0

# Work experience

The table below shows the respondents by total work experience. Most of the respondents (36.5%) have work experience between 11 and 15 years. Overall, 97.9% of the respondents have over six years of work experience.

Table 5-26: Work experience

Work experience (years)	Frequency	Percent
1 - 5	2	2.1
6 - 10	20	20.8
11 - 15	35	36.5
>15	39	40.6
Total	96	100.0

#### 5.4 RESULTS: HYPOTHESIS<sub>1</sub>

The hypothesis that states "Employee commitment has a significant effect on successful strategy implementation" was tested. The results of the descriptive statistics for the constructs of successful strategy implementation, affective commitment, continuance commitment, and normative commitment are presented in the descriptive statistics table below. The mean scores were used to access how

each construct was rated by the respondents. The employee commitment mean scores were as follows: normative commitment (2.512); continuance commitment; (3.375) and affective commitment (3.410). The mean score for successful strategy implementation (3.480) was above average. Affective commitment was the most present in the population, and normative commitment was the least present.

Table 5-27: Descriptive statistics for employee commitment dimensions and strategy implementation

Statistics						
		Affective Commitment	Continuance Commitment	Normative Commitment	Strategy Implementation	
N	Valid	96	96	96	96	
	Missing	0	0	0	0	
Mean		3.410	3.375	2.512	3.480	
Median		3.500	3.400	2.400	3.533	
Mode		3.5	4.0	2.4	3.6	
Std. Dev	/iation	.8776	.9002	.9452	.6363	
Minimur	n	1.2	1.2	1.0	1.5	
Maximu	m	5.0	5.0	5.0	4.9	

To further analyse the results of the strategy implementation construct, descriptive statistics were performed on each question (see Appendix 4). The following questions had means scores below average: "Junior staff (team leaders and below) are involved in the strategy planning and formulating phase" (2.82); "Projects are completed within the allocated budget" (2.93); and "Projects are completed within allocated time" (2.68). The following questions had above average mean score, albeit with a low rating: "We are rewarded for successfully implementing projects" (3.20); "Regular feedback is provided to you on strategy implementation" (3.46); and "Senior leaders communicate the strategy clearly" (3.49).

A multiple regression test was performed to test the hypothesis, the dependent variable was tested against the three independent variables, which were the three dimension of employee commitment. The results presented in the Anova table below show that the F-Test is significant. The result shows that p-value = 0.001 <  $\alpha$  (0.05), which indicates a significant relationship between employee commitment and successful strategy implementation. Therefore,  $H_1$  is supported and the null hypothesis, which states that "Employee commitment does not have a significant effect on successful strategy implementation" is rejected. This indicates that at least one of the dimensions of employee commitment has a statistically significant relationship with successful strategy implementation.

Table 5-28: Anova results

ANOVA <sup>a</sup>								
Model		Sum of Squares	df	Mean Square	F	Sig.		
H <sub>1</sub>	Regression	8.809	3	2.936	9.108	<,001 <sup>b</sup>		
	Residual	29.659	92	.322				
	Total	38.468	95					
a. Dependent Variable: Strategy Implementation								
b. Predictors	b. Predictors: (Constant), Normative Commitment, Affective Commitment, Continuance Commitment							

When evaluating the model, the results presented in the regression table below indicate that  $R^2$  is 0.229. This indicates that the employee commitment dimensions accounts for 23% of variation in the successful strategy implementation variable.

Table 5-29: Regression table

Model Summary <sup>b</sup>								
Std. Error of the								
Model	R	$R^2$	Adjusted R <sup>2</sup>	Estimate				
H <sub>1</sub>	.479a	.229	.204	.5678				
a. Predictors: (Constant), Normative Commitment, Affective Commitment, Continuance Commitment								
b. Dependent Variable: Strategy Implementation								
, , ,								

The part scores in the coefficient table below were assessed in order to determine the contribution of each of the employee commitment dimensions to the variance in successful strategy implementation. The results indicated that normative commitment contributes 5 percent, affective commitment contributes 1.8 percent, and continuance commitment contributes 0.08 percent to the variance in successful strategy implementation.

In order to validate the results, of which employee commitment dimension had the strongest relationship with successful strategy implementation, the standardised coefficients were analysed. It was found that normative commitment with  $\beta=0.303$  had the highest strength. Followed by affective commitment, with  $\beta=0.198$ . Continuance commitment had the weakest relationship, with  $\beta=0.048$ .

Within the  $H_1$  model, normative commitment had the most statistically significant relationship, with successful strategy implementation reflected in a *p*-value = 0.015 <  $\alpha$  (0.05).

Table 5-30: Coefficients

	Coefficients <sup>a</sup>												
Unstandardized Coefficients		Standa rdized Coeffic ients	ed ffic		95,0% Confidence Interval for B		Correlations		Collinearity Statistics				
Mode	I	В	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound	Zero- order	Partial	Part	Tolera nce	VIF
H <sub>1</sub>	(Constant)	2.363	.246		9.607	<,001	1.874	2.851					
	Affective Commitment	.144	.098	.198	1.460	.148	052	.339	.391	.150	.134	.455	2.197
	Continuance Commitment	.034	.109	.048	.313	.755	182	.250	.394	.033	.029	.353	2.830
	Normative Commitment	.204	.082	.303	2.484	.015	.041	.367	.438	.251	.227	.564	1.774
a. De	pendent Variable	Strategy Impler	nentation										

#### 5.5 RESULTS: HYPOTHESIS<sub>1.1</sub>

Hypothesis<sub>1.1</sub> tests whether "Affective commitment has a significant relationship with successful strategy implementation". The mean scores of each question of the affective commitment construct are shown in the descriptive statistics table below. The questions with the highest means scores are: "I feel connected to our customers" (3.82); and "I am emotionally connected to the work I do" (3.67). The lowest mean score was for the question "I would like to spend the rest of my career in this organisation" (2.81).

Table 5-31: Descriptive statistics for H1.1

Descriptive Statistics							
		Mean	Std. Deviation	N			
SI		3.480	.6363	96			
AC1	I would like to spend the rest of my career in this organisation	2.81	1.300	96			
AC2	I am emotionally connected to my workplace / organisation	3.26	1.267	96			
AC3	My co-workers feel like family to me	3.34	1.186	96			
AC4	My team feel like family to me	3.55	1.075	96			
AC5	I am emotionally connected to the work I do	3.67	1.102	96			
AC6	I feel connected to our customers	3.82	.929	96			

The table below shows the regression output for the  $H_{1.1}$  model.  $R^2$  = 0.153 indicating that affective commitment accounts for 15.3% variation to successful strategy implementation.

Table 5-32: Regression Model for H<sub>1.1</sub>

Model Summary							
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate			
H <sub>1.1</sub>	.391ª	.153	.144	.5888			
a. Predictors: (Constant), AC							

The Anova results are displayed in the table below, and show that p=0.001 < 0.05 indicating a significant relationship between affective commitment and successful strategy implementation. Therefore,  $H_{1.1}$  is supported, and the null hypothesis is rejected.

Table 5-33: Anova for H<sub>1.1</sub>

	ANOVA <sup>a</sup>									
Model		Sum of Squares	df	Mean Square	F	Sig.				
H <sub>1.1</sub>	Regression	5.884	1	5.884	16.974	<,001 <sup>b</sup>				
	Residual	32.584	94	.347						
	Total	38.468	95							
a. Depe	a. Dependent Variable: SI									
b. Predi	ctors: (Consta	nt), AC								

### 5.6 RESULTS: HYPOTHESIS<sub>1.2</sub>

Hypothesis<sub>1.2</sub> tests if "Continuance commitment has a significant relationship with successful strategy implementation". The mean scores of each question of the continuance commitment construct are shown in the table below. The questions with the highest means scores are, "I still have skills that I would like to learn within this organisation" (4.07) and "I am happy with the working conditions in my organisation" (3.61). The question "I would not leave my organisation for a better salary offer elsewhere right now" (2.52) had the lowest means score.

Table 5-34: Descriptive statistics for H<sub>1.2</sub>

	Descriptive Statistics							
		Mean	Std. Deviation	N				
SI		3.48	.637	96				
CC1	I am connected to this organisation, and it would be difficult for me to leave my job.	2.98	1.369	96				
CC2	I have career opportunities in this organisation.	3.69	1.117	96				
CC3	I would not leave my organisation for a better salary offer elsewhere right now.	2.52	1.392	96				
CC4	I am happy with the working conditions in my organisation.	3.61	1.118	96				
CC5	I still have skills that I would like to learn within this organisation.	4.07	.811	96				

The table below shows the regression output for the  $H_{1.1}$ .  $R^2 = 0.155$ , indicating that continuance commitment account for 15.5 percent of the variation to successful strategy implementation.

Table 5-35: Regression Model for H<sub>1.2</sub>

Model Summary							
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate			
H <sub>1.2</sub>	.394ª	.155	.146	.588077071126808			
a. Predictors	a. Predictors: (Constant), CC						

The results of the Anova are presented in the table below, and show that p=0.001 < 0.05 indicates a significant relationship between continuance commitment and successful strategy implementation. Therefore,  $H_{1.2}$  is supported, and the null hypothesis is rejected.

Table 5-36: Anova for H<sub>1,2</sub>

ANOVA <sup>a</sup>								
Model		Sum of Squares	df Mean Squa		F	Sig.		
H <sub>1.2</sub>	Regression	5.959	1	5.959	17.232	<,001 <sup>b</sup>		
	Residual	32.508	94	.346				
	Total	38.468	95					
a. Dependent Variable: SI								
b. Predic	b. Predictors: (Constant), CC							

# 5.7 RESULTS HYPOTHESIS<sub>1.3</sub>

Hypothesis<sub>1.3</sub> tests if "Normative commitment has a significant relationship with successful strategy implementation". The mean scores of each question of the normative commitment construct are shown in the table below. The question with the highest means score is "I am indebted to my organisation; it has contributed a lot to where I am today" (3.23). The questions with the lowest means scores are "I feel obligated to remain in this organisation" (2.01) and "Even if I have a better opportunity, I will not leave my organisation right now".

Table 5-373: Descriptive statistics for H<sub>1.3</sub>

	Descriptive Statistics							
		Mean	Std. Deviation	N				
SI		3.48	.64	96				
NC1	I am indebted to my organisation; it has contributed a lot to where I am today.	3.23	1.261	96				
NC2	It would be wrong for me to leave my organisation right now.	2.28	1.203	96				

NC3	Even if I have a better opportunity, I will not leave my organisation right now.	2.25	1.133	96
NC4	I feel obligated to remain in this organisation.	2.01	1.031	96
NC5	My loyalty is to this organisation.	2.79	1.256	96

The table below shows the regression output for the  $H_{1.1}$  model.  $R^2$  = 0.192 indicates that normative commitment accounts for 19 percent of the variation to successful strategy implementation.

Table 5-38: Regression Model for H<sub>1.3</sub>

Model Summary										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate						
H <sub>1.3</sub>	.438ª	.192	.183	.575202447646598						
a. Predictors	s: (Constant), NC									

The Anova results are presented in the table below, and show that p=0.001 < 0.05 indicating a significant relationship between normative commitment and successful strategy implementation. Therefore,  $H_{1.3}$  is supported, and the null hypothesis is rejected.

Table 5-39: Anova for H<sub>1.3</sub>

ANOVA <sup>a</sup>											
Model		Sum of Squares	df	Mean Square	F	Sig.					
H <sub>1.3</sub>	Regression	7.367	1	7.367	22.267	<,001 <sup>b</sup>					
	Residual	31.101	94	.331							
	Total	38.468	95								
a. Deper	a. Dependent Variable: SI										
b. Predic	ctors: (Constant	), NC	•								

## 5.8 CONCLUSION

In this chapter, the results of the SPSS statistical analysis were presented as per the methodology stipulated in Chapter Four. First, the descriptive statistics were presented for the demographic profile of respondents. Thereafter, the output of the various tests such as validity, reliability, factor analysis, normality, and multicollinearity were presented. The validity and reliability tests indicated that the questions were a valid and reliable measure for the construct. Factor analysis was then presented for affective commitment, continuance commitment, and normative commitment, and all constructs loaded on one factor, where no changes were made. The strategy implementation construct loaded on three factors. Finally, regression

analysis results were presented for the hypothesis tests. The summary results are presented below:

The table shows the summary of the findings from the hypothesis testing:

Table 5-40: Summary of findings

Hypothesis	R <sup>2</sup>	F	p-value	Hypothesis supported
H <sub>1</sub>	.229	9.108	<,001 <sup>b</sup>	Supported
H <sub>1.1</sub>	.153	16.974	<,001 <sup>b</sup>	Supported
H <sub>1.2</sub>	.155	17.232	<,001 <sup>b</sup>	Supported
H <sub>1.3</sub>	.192	22.267	<,001 <sup>b</sup>	Supported

In the next chapter, the results presented in this chapter are discussed.

## 6 CHAPTER 6: DISCUSSION OF RESULTS

## 6.1 INTRODUCTION

This chapter discusses the results of the statistical analysis presented in Chapter Five. The research sought to investigate the relationship between employee commitment and successful strategy implementation. The objective was to answer the research question: how does employee commitment affect strategy implementation?

The problem statement pertaining to strategy implementation is that less than half of strategic initiatives are implemented, and as stated by Mubarak and Yusoff (2019), approximately 57% of organisations are ineffective in implementing strategic initiatives. The failure to successfully implement strategy can have a huge impact on organisational performance. The effects can be felt on customers, and ultimately on the financial results of the organisation (Mudany et al., 2020). Therefore, there is a business need to understand how strategy implementation can be improved in order to avoid these costs of failure. The strategy process is comprised of structural and interpersonal factors, where employee commitment has been identified as one of the interpersonal factors that is critical for successful strategy implementation (Noble, 1999; Tawse & Tabesh, 2021). Hence, the focus of this research on the association between employee commitment and successful strategy implementation.

Based on the research problem and literature review presented in Chapter Two, the following hypotheses were developed and tested, the results of which are discussed in this chapter.

- H<sub>0</sub>: Employee commitment does not have a significant effect on successful strategy implementation
- H<sub>1</sub>: Employee commitment has a significant effect on successful strategy implementation
- H<sub>1.1</sub>: Affective commitment has a significant effect on successful strategy implementation
- H<sub>1.2</sub>: Continuance commitment has a significant effect on successful strategy implementation
- H<sub>1.3</sub>: Normative commitment has a significant effect on successful strategy implementation

The results are discussed in the following order: first, the descriptive statistics are discussed; then, the result of each hypothesis is discussed in detail; and finally an overall conclusion is provided.

#### 6.2 DESCRIPTIVE STATISTICS

The gender profile of the respondents was majority female, at 53.1%, and males at 46.9%, which indicates a good spread across the genders, and limits gender bias. Over 90% of the respondents were above the age of 30, with 64.9% in the 30–39 group and 20.8% in the 40-49 group. Over 98% of the respondents have worked for over five years. This indicates sufficient work experience to engage in a business study. Most of the respondents were at management level, which may indicate experience with strategy implementation, where typically, employees in management level are responsible for strategy implementation within their organisations (Goldman & Kruger, 2021). The management composition was as follows: team leader / junior manager (10.4%); managers (31.3%); senior managers (22.9%); and executive (15.6%). Most of the respondents had worked for their organisation for more than five years. The 6–10year group had the highest population at 40.6 percent. This indicates sufficient work experience within the company to be able to share their perception.

## 6.3 DISCUSSION: HYPOTHESIS<sub>1</sub>

## 6.3.1 Descriptive statistics

When analysing the mean scores of the dimensions of employee commitment, affective commitment and continuance commitment had above average means scores at (3.410) and (3.375), respectively. Normative commitment had the lowest and below average mean scores (2.512). The results indicate that the retail banking employee's level of commitment is largely driven by the desire and need to remain in the organisation. They feel less of an obligation to remain. A detailed discussion of these mean scores is provided in the next sections, which discusses the results of the hypothesis testing for each employee commitment dimension.

The total mean score for the successful strategy implementation construct was 3.480, which indicates that, on average, the retail banks were successfully implementing their strategies as perceived by their employees. The mean scores of each individual questions measuring the strategy implementation construct were

analysed to obtain an indication of which questions scored low. The items that contributed to the low levels of perceived successful strategy implementation as indicated by the mean scores (as seen in Appendix 4) included the following questions, which were rated below average: "Junior staff (team leaders and below) are involved in the strategy planning and formulating phase" (2.82), "Projects are completed within the allocated budget" (2.93) and "Projects are completed within allocated time" (2.68).

A lack of involvement of employees in parts of strategy formulation makes it challenging to get them to buy into the strategy, where consequently, strategy implementation is affected (Goldman & Kruger, 2021). The failure of the organisations to deliver strategic initiatives on time, and on budget may be related to problems with resource allocation, and the number of initiatives in the pipeline. Having many competing initiatives results in resource limitation directly related to time and cost (Galpin, 2018). Furthermore, this makes it difficult for employees and management to commit to the strategy if they have a sense that resources are inefficient in delivering the strategy in the first place (Kiehne et al., 2017).

The following questions received second lowest mean scores, "We are rewarded for successfully implementing projects" (3.20); "Regular feedback is provided to you on strategy implementation" (3.46); and "Senior leaders communicate the strategy clearly" (3.49). If employees deem rewards to be insufficient and not linked to the achievement of strategic objectives, this can have a negative effect on their performance and strategy implementation (Tawse & Tabesh, 2021). Furthermore, rewards have been linked to employee motivation, which in turn increases commitment, which employees will often exhibit if they are receiving rewards that meet their expectation (Hadi & Tentama, 2020). As indicated by the hypothesis results, employee commitment affects strategy implementation (Al-Madi et al., 2017). An increase in wages has been suggested as a tool to improve employee commitment (Al-Madi et al., 2017; Tawse and Tabesh, 2021).

Regular feedback has been rated as one of the key factors in successful strategy implementation (Obeidat et al., 2017; Amoo et al., 2019). The relationship with strategy implementation was found to be significant, hence, in its absence, strategy implementation is negatively affected (Waititu, 2016). The emergent strategy

management process of Open Strategy (OS) highlights the need to involve employees in strategy conversations in order to achieve transparency and inclusivity (Doeleman et al., 2021; Goldman & Kruger, 2021). In the absence of these elements, commitment to the strategy is affected, as employees may not fully understand the progress, or changes in strategy, which would allow them to buy-in and commit to it (Doeleman et al., 2021). The low mean score on the feedback question could also be attributed to the lack of transformational leadership within the team, where these employees operate. Regular dialogue with transformational leaders has been shown to have the ability to articulate strategy in a way that gets people to believe it, and thus be motivated to execute towards achieving the goals of the organisation (Doeleman et al., 2021; Mubarak & Yusoff, 2019).

## 6.3.2 Regression analysis

Hypothesis<sub>1</sub> states that "Employee commitment has a significant effect on successful strategy implementation", testing the association of the employee commitment construct to successful strategy implementation. The employee commitment construct includes the dimension of affective, continuance, and normative commitment. The results indicated that employee commitment has a significant relationship with successful strategy implementation. This means that the hypothesis is supported, and the null hypothesis can be rejected. Employee commitment can be used to predict successful strategy implementation. These results are supported by Megawaty et al., (2022), who found a positive and significant relationship between employee commitment and employee performance, and concluded that employees who are committed are likely to work hard for the organisation. The performance of employees can be associated with successful strategy implementation, provided the employees goals are specifically linked to the strategic objectives of the organisation, as indicated in earlier research on commitment and organisational performance by Smith (2009). In more recent research, the significance of the employee commitment construct is highlighted by Tawse and Tabesh (2021), who identified employee commitment as one of the conditions for successful strategy implementation, and stated that if two identical organisations are given similar resources and strategy, commitment will predict which company will be more successful in implementing its strategy.

The employee commitment construct was found to account for a 23% variation in

successful strategy implementation. This result indicates that 23% of the change in strategy implementation is explained by employee commitment. This is consistent with the results observed by Đorđević et al. (2020), who found that employee commitment explained 22% of the variance in the performance of the organisation. This explains why the absence of employee commitment can hinder strategy implementation, due to certain behaviours of commitment being required components to improve performance (Ocak et al., 2021). Committed employees have a desire to remain in the organisation, and are motivated to perform towards achieving the organisations goals (Al-madi et al., 2017; Megawaty et al., 2022). These employees are also more likely to be innovative and to take initiative, which can be of great benefit to the organisation, through customer satisfaction and improved financial performance (Krajcsák & Kozák, 2018).

#### 6.4 DISCUSSION: HYPOTHESIS<sub>1.1</sub>

## 6.4.1 Descriptive statistics

Amongst the employees surveyed, affective commitment was found to have the highest mean score (3.410) of the three dimensions of employee commitment. Affective commitment is influenced by the organisation's treatment of its employees and the responsibility that it displays towards them (Đorđević et al., 2020). These results indicate that, on average, retail banks in South Africa are performing responsibly towards their employees. Đorđević et al. (2020) found that the responsibility that organisations show towards their employees was found to be influenced by macroenvironmental factors, such as employment regulations. This means that affective commitment can differ per country, based on the regulations. In a study conducted in Serbia by Đorđević et al. (2020) the authors found that organisations often behaved irresponsibly towards employees, noting the lower impact of affective commitment to the organisation's performance.

When analysing the mean scores of the questions within the affective commitment construct, the questions "I feel connected to our customers" (3.82) and "I am emotionally connected to the work I do" (3.67) had the highest mean scores, demonstrating that these indicators had the highest influence on the level of affective commitment amongst the employees surveyed. One of the impacts of strategy implementation failure is its effect on customers (Mudany et al., 2020), where a commitment to customers proves to be a key dimension of affective commitment that

can contribute to successful strategy implementation (Perreira et al., 2018). It is interesting to note that retail banking employees feel connected to their customers, as improved customer experience has been highlighted as a key strategic theme for South African retail banks in 2022 (EY, 2022). This result may indicate that retails banks clearly articulate this strategic objective to their employees.

The lowest mean score was for the question "I would like to spend the rest of my career in this organisation" (2.81). This result matches those observed by Al-Madi et al. (2017), where a similar question asking if employees would be happy to spend the rest of their career in the organisation received the lowest mean score of all the affective commitment questions. This indicates that employees do not have a desire to remain with their current employer indefinitely. The low score could be a result of other factors such as a low score on career prospects, relationship with colleagues, managers, or task complexity (Perreira et al., 2018).

## 6.4.2 Regression analysis

Hypothesis<sub>1.1</sub> states that "Affective commitment has a significant effect on successful strategy implementation", testing the association of affective commitment to successful strategy implementation. Affective commitment measures the employees' emotional attachment to the organisation, and indicates their desire to remain in it (Megawaty et al., 2022).

The study found that affective commitment is positively correlated with successful strategy implementation (r = 0.391) and ( $\beta = 0.198$ ). This indicates that, as affective commitment increases, it will have a positive influence on successful strategy implementation. These results reinforce the findings of Meyer et al. (2002), Nishanthi and Kailasapathy (2018) and Ribeiro et al. (2018), who found a relationship between affective commitment and successful strategy implementation. Affectively committed employees have been found to be committed to the strategy of the organisation (Mahmood et al., 2021). As a result, they will be motivated towards achieving the organisations goals.

The relationship between affective commitment and successful strategy implementation was found to be statistically significant (p-value = 0.001 < 0.05). Therefore, the hypothesis is supported. These results are supported by the study by

Ribeiro et al. (2018), which found a positive significant relationship between an employee's affective commitment towards the organisation and the individual's performance.

In the H<sub>1</sub> model, overall employee commitment construct account for 23% of the variation in successful strategy implementation, and affective commitment accounts for 1.8%; this ranks affective commitment second in order of influence amongst the three commitment dimensions. When measured in the H<sub>1.1</sub>, model, affective commitment accounts for 15.3% of the variance, meaning that on its own, it would account for 15.3% of the change in successful strategy implementation. It may be the case that affective commitment accounts for a high variation, due to the ability to increase the emotional ties, and thus organisational citizenship, which directs employees towards achieving the strategic objective of the organisation (Krajcsák & Kozák, 2018).

The observed behavioural outcomes of affective commitment include job performance, and improved service performance, which can be beneficial to the strategic objectives of the organisation (Meyer et al., 2002, Wulandari, 2018). It has been found that the connection between the organisation and the employee can be strengthened through internal media and internal advertising of products, which also allow the employees to gather valuable information that can be shared with customers (Adousi et al., 2018). In additional, media as a tool can potentially yield positive outcomes, as the banking employees serve as both customer and employee of the banks.

## 6.4.3 Control variables and affective commitment

Further analysis was conducted on the demographic and work-related control variables determined to be antecedents of employee commitment. The purpose of this analysis was to determine the impact of the control variables on affective commitment. Demographic variables include age and gender. Work-related variables include management level, tenure, and work experience.

## 6.4.3.1 Demographic control variables

It was found that age does not have a significant influence on affective commitment. However, gender was found to have a significant relationship with affective commitment, albeit at a similar level to that of continuance and normative commitment. These results are supported by Meyer et al. (2002), who found that demographic variables had a weaker correlation with commitment.

## 6.4.3.2 Work experience control variables

Regarding work-related variables, management level was found to have a significant relationship with affective commitment, and did not have a significant relationship with continuance and normative commitment. This supports the findings by Fryer et al. (2018), which suggested that organisations ought to focus on enhancing middle managers' affective commitment as this could have a positive effect on the front-line workers, which can in turn result in improved strategy implementation. Similarly, Ateş et al. (2020) stated that middle managers and senior leadership alignment on strategic objectives could result in a positive influence on commitment. Teams that are committed are likely to successfully implement strategy. Furthermore, the authors suggest that top management must involve lower levels of management when formulating strategies.

Work experience did not have a significant relationship with affective commitment. However, Tenure was found to have the most significant relationship with affective commitment, and did not have a significant relationship with the other dimensions of commitment. This may indicate that organisations ought to focus on employee retention in order to increase the tenure of the employees, as these long-serving employees are likely to show more affective commitment to the organisation. The employee's involvement in strategy formulation had a significant relationship with affective commitment, as well as all the other dimensions of commitment. This supports the Opens Strategy (OS) process, which indicates that involving employees during the implementation stage is likely to increase buy-in and commitment to strategy (Doeleman et al., 2021).

Most of the work experience variables had a significant correlation with affective commitment when compared to continuance and normative commitment. This is in accordance with earlier studies by Meyer et al. (2002), who found that the work experience variables correlated strongly with affective commitment.

#### 6.5 DISCUSSION: HYPOTHESIS<sub>1,2</sub>

## 6.5.1 Descriptive statistics

Continuance commitment was found to have the second highest mean scores, after affective commitment. When analysing the mean scores of the questions within the continuance commitment construct, the questions with the highest mean scores were "I still have skills that I would like to learn within this organisation" and "I have career opportunities in this organisation", with mean scores (4.07) and (3.69), respectively. This indicates that employees have a need to remain in the organisation in order to benefit from the skills development and perceived career growth within it.

These findings are supported by Ocen et al. (2017), who found that training increases jobs satisfaction, and therefore results in more commitment employees. When weighing the risk of leaving an organisation employees may consider the impact of losing out on training and skills development (Mahmood et al., 2021). In their study of the impact of training on commitment, Adousi et al. (2018) found that training was one of the most important activities to directly impact performance. When training is deemed to satisfy the needs of the employee, they will engage in social exchange with the organisation and can reciprocate the training they receive with increased motivation and performance (Khan et al., 2021).

The question "I would not leave my organisation for a better salary offer elsewhere right now" had the lowest mean score (2.52). Although participants were happy with the working conditions in their organisation, most indicated that they would leave their organisation for a better salary elsewhere. This is in line with previous research that states that continuance commitment is largely driven by extrinsic motivation such as salary and rewards (Gilbert & Konya, 2020). It is important for organisations to also focus on rewarding employees appropriately to enhance commitment (Gilbert & Konya, 2020). When levels of continuance are low in the absence of strong affective and normative commitment, the risk to turnover becomes high, because in this case, there is no desire or obligation for employee to remain (Meyer et al., 2002).

The lower scores on some of the questions may be impacted by social capital factors. Kasogela (2019) found that, in developing economies, social capital in the form of trust, confidence, communication, and cooperative working dynamics amongst employees influenced continuance commitment. An unexpected risk of low

continuance is that employees who have low continuance commitment and perceive their job to be at risk may take on additional work in order to keep their job which may affect their primary commitments, and in turn, delivering on core strategic objectives (De Clercq et al., 2021).

## 6.5.2 Regression analysis

Hypothesis<sub>1,2</sub> states that "Continuance commitment has a significant relationship with successful strategy implementation" tested the association between continuance commitment and successful strategy implementation. Continuance commitment measures employees' need to continue working for the organisation (Megawaty et al., 2022).

The study found that continuance commitment is positively correlated with successful strategy implementation (r=0.394) and ( $\beta$  = 0.048). This indicates that as continuance commitment increases, there will be a positive influence on successful strategy implementation. The relationship is statistically significant (p = 0.001 < 0.05). This means that the hypothesis is supported. This study corroborates the results of Kasogela (2019), which also found that continuance commitment had an impact on job performance. It can be assumed that if employee job performance increases, this is likely to have a positive impact on strategy implementation.

The overall employee commitment construct accounts for 23% of the variation on successful strategy implementation. When measured within the  $H_1$  model, it accounts for 0.08% of the variance of successful strategy implementation, which ranks this dimension as having the weakest influence on successful strategy implementation. When measured on its own in the  $H_{1.2}$  model, continuance commitment accounts for 15.5% of the variance in successful strategy implementation. These findings match those observed by Hadi and Tentama (2020), which found that continuance commitment reflected organisational commitment the least. In their study,  $\Phi$  Dorđević et al. (2020) found similar results, where continuance commitment had the weakest impact on employee productivity. Employees with a high continuance commitment stay in the organisation because they need to, and not because they desire to (Mercurio, 2015). This type of commitment is less emotional.

## 6.5.3 Demographic and work experience discussion

Further analysis was conducted on the demographic and work-related control variables to determine their impact on continuance commitment. Demographic variables include age and gender. Work-related variables include management level, tenure, work experience, and involvement in strategy formulation.

## 6.5.3.1 Demographic control variables

Age did not have a significant relationship with continuance commitment, whereas gender had a significant relationship with continuance commitment, and the other two dimensions of employee commitment.

## 6.5.3.2 Work experience control variables

Management level and tenure did not have a significant relationship with continuance commitment. In a study by Hadi & Tentama, (2020) the authors found that continuance commitment was evidenced by the behaviour of new employees, who were willing to work to the maximum if the work done was worth the rewards obtained and needed by employees. The result makes sense in the context of this study, as most of the respondents had worked in their organisation for more than six years. Work experience did not have a significant relationship with continuance commitment. The findings indicated that employee's involvement in strategy formulation had a significant relationship with continuance commitment.

#### 6.6 DISCUSSION: HYPOTHESIS<sub>1,3</sub>

# 6.6.1 Descriptive statistics

Normative commitment was found to have the lowest mean score (2.512). The individual questions within the normative commitment construct were analysed. The question with the highest mean score was, "I am indebted to my organisation; it has contributed a lot to where I am today" (3.23). The questions with the lowest mean scores were "I feel obligated to remain in this organisation" (2.01) and "Even if I had a better opportunity, I would not leave my organisation right now" (2.25). Participants felt that their organisation contributed to where they, however, they did not feel obligated to remain. This result is in line with findings by Al-Madi et al. (2017), where the inverse of the question "I don't feel any obligation to remain with my organisation" rated the highest.

In their study of sample of banking employees, Liu et al. (2020) found that social exchange had a positive association with normative commitment. A strong normative commitment can be influenced by a high social exchange, which in turn reduces the employee intention to leave (Liu et al., 2020). Social exchange includes intangible factors such as trust and care. A high level of social exchange that also favours the employee may increase the obligation for the employee to remain in the organisation, high obligations drive the employee towards aiming to help the organisation to achieve its goals and thus can enhance strategy implementation (Liu et al., 2020). Similarly, Ozmen (2019) found that the perceived social exchange of employees had a positive association with organisational commitment.

## 6.6.2 Regression analysis

Hypothesis<sub>1,3</sub> which states "Normative commitment has a significant relationship with successful strategy implementation" tested the association between normative commitment and successful strategy implementation. Normative commitment measures employee's obligation to continue working for the organisation (Megawaty et al., 2022).

The study found that normative commitment is positively correlated with successful strategy implementation (r=0.438) and ( $\beta$  = 0.303). This indicates that there is a relationship between the normative commitment dimension of employee commitment and successful strategy implementation. Normative commitment was found to make a statistically significant contribution to successful strategy implementation (p = 0.001 < 0.05). This means that the hypothesis is supported.

Although employee commitment accounts for 23% of the variation on successful strategy implementation, when measured on in the  $H_1$  model, it accounts for 5% of the variance of successful strategy implementation, which ranks this dimension as having the most influence on successful strategy implementation. When measured on its own in the  $H_{1.3}$  model it accounts for 19.2% of the variation to successful strategy implementation. These results match the findings of Hadi and Tentama (2020), which found normative commitment to be the most dominant dimension of organisational commitment. Furthermore,  $\Phi$  orđević et al. (2020) also found that normative commitment had the greatest impact on the performance of an organisation.

Krajcsák (2019) concluded that normative commitment indicator for indebtedness could be increased by extrinsic motivation, however, noted that the normative commitment indicators of moral duty can be increased by intrinsic motivators. This could also be explained by the employee's obligation to work and perform their duty towards the organisation. If the employees' goals have been set and are congruent to strategy, it is likely that employees will perform towards achieving these goals and if these goals are met this could result in the organisations strategy being successfully implemented.

# 6.6.3 Demographic and work experience

Analysis was conducted on the demographic and work-related variables to determine their impact on normative commitment. Demographic variables include age and gender. Work-related variables include management level, tenure, work experience, and involvement in strategy formulation.

### 6.6.3.1 Demographic control variables

When it came to demographic variables, age did not have a significant relationship with normative commitment. However, gender had a significant relationship with normative commitment, which was similar strength to the other dimensions of commitment (affective and continuance).

## 6.6.3.2 Work experience control variables

The management level and tenure did not have a significant relationship with normative commitment. This corroborates the results of Meyer et al. (2002), who found that organisational tenure correlated less strongly with normative commitment. Work experience did not have a significant relationship with normative commitment. Involvement in strategy formulation had significant relationship with all dimensions of employee commitment, the highest of which being to the normative commitment dimension.

#### 6.7 CONCLUSION

The research sought to investigate the relationship between employee commitment and successful strategy implementation. The study found that successful strategy implementation has a significant relationship with employee commitment. The

respondents had regular affective, and continuance committed towards their organisations however, normative commitment was below average. High affective and continuance commitment indicates that employees have a desire and a need to remain in the organisation. The desire to remain is driven by emotional factors, such as a connection to the work, and the customers they serve. The need to remain was driven by extrinsic factors, such as skills development, and career progression, which can be related to increased salary levels. Although they felt indebted to the organisation, they were not loyal or obligated to remain (normative commitment).

Successful strategy implementation had the strongest relationship with normative commitment. The correlations between employee commitment and demographic control variables (age and gender) were weaker when compared to the correlations associated with work related variables (tenure, work experience, management level and involved in strategy formulation). This finding supports earlier research by Meyer et al. (2002), which found that work experience variables had a stronger correlation to commitment than demographic characteristics.

Nishanthi and Kailasapathy (2018) highlight the need to monitor commitment and their effects as in developing economies, employees are likely to remain in the job even when they are not satisfied and thus not committed. This could potentially have a negative effect on the strategy implementation.

#### 7 CHAPTER 7: CONCLUSION AND RECOMMENDATIONS

#### 7.1 INTRODUCTION

The purpose of this study was to understand the effects of employee commitment on successful strategy implementation. The relationship of employee commitment dimensions of affective, continuance and normative commitment with successful strategy implementation were tested. Employee commitment was the independent variable, and thus, was tested as a predictor of successful strategy implementation the dependent variable. The problem statement pertaining to strategy implementation is that less than half of strategic initiatives are implemented, and, as stated by Mubarak and Yusoff (2019), approximately 57% of organisations are ineffective at implementing strategic initiatives.

The literature review focused on constructs of strategy implementation and employee commitment. Previous literature has focused on the barriers and factors to implementation, failing to focus on the relationship between each factor, such as employee commitment and successful strategy implementation. This has resulted in limited understanding of what might constitute practical guidelines on how business can improve strategy implementation. The employee commitment literature is underpinned by the work of Meyer and Allen (1999), who wrote most of the guiding work on this subject. The field of strategy management has largely focused on the strategy formulation, and most of the research conducted on implementation is not cohesive (Tawse & Tabesh, 2021). Researchers have notably defined the strategy implementation as a manner of black box (Tawse & Tabesh, 2021). This study aims to address this by contributing to the understanding of how a key factor to successful implementation, namely employee commitment, contributes to successful strategy implementation.

The following hypotheses were developed and tested:  $H_1$  Employee commitment had a significant effect on successful strategy implementation;  $H_{1.1}$  Affective commitment has a significant effect on successful strategy implementation;  $H_{1.2}$  Continuance commitment has a significant effect on successful strategy implementation;  $H_{1.3}$  Normative commitment has a significant effect on successful strategy implementation. The hypothesis was tested using multiple regression analysis and all hypotheses were supported.

This chapter summarises the research findings. The implications for business and other stakeholders, which are based on the results of the study, are then presented. Thereafter, limitations to the study are presented, followed by suggestions for future research. Finally, the conclusion of the study is presented.

#### 7.2 RESEARCH FINDINGS

The 96 respondents in the retail banking industry in South Africa revealed that employee commitment has a significant effect on successful strategy implementation. This means that employee commitment can be used as a predictor for successful strategy implementation. The findings support previous studies by Adousi et al. (2018) and Tawse and Tabesh (2021), which also suggest that to successfully implement strategy, an organisation requires committed employees. Employee commitment was found to account for 23% of variance in successful strategy implementation. This was consistent with results from a study by Đorđević et al. (2020), which found that employee commitment contributed to 22% of the variation in successful strategy implementation.

The factors that impact an organisation's score on successful strategy implementation were found to be related to staff not being involved in strategy planning and formulation, and projects not being completed within the allocated time and budget. The lack of involvement of staff in strategy formulation reduces the employees understanding and buy-in to the strategy, which in turn, negatively impacts strategy implementation (Goldman & Kruger, 2021). Additional factors that were indicated include employees not being rewarded for successfully implementing projects, employees not being provided regular feedback on strategy, and leaders failing to clearly communicate their strategy.

The study found that all dimensions of employee commitment, namely; affective commitment, continuance commitment, and normative commitment, have a significant relationship with successful strategy implementation. The dimension that had the most effect on the model was normative commitment, followed by affective commitment, where continuance commitment had the least effect. The current levels of the commitment among the respondents indicated that affective commitment had the highest mean scores, followed by continuance commitment, and normative commitment, which had the lowest mean score, which was also below average.

The affective commitment factors *I would like to spend the rest of my life in the organisation* was rated the lowest. This is not surprising, and may indicate that, although employees have a desire to remain in the organisation, they are open to other opportunities. Since normative commitment had the lowest mean scores indicating a limited obligation and loyalty on the part of employees, which suggests why they do not feel they will remain indefinitely. Additional factors, such as career prospects, as well as relationships with colleagues and managers, could have an effect (Perreira et al., 2018).

The continuance commitment factors that had the greatest impact on reducing the score were related to salary. Employees indicated that they would leave their employer for a better salary elsewhere. It has been found that employees need to stay is largely driven by extrinsic motivation (Gilbert & Konya, 2020). This factor also relates to the reduced score on successful strategy implementation measure, where employees indicated that they were not rewarded for successfully implementing strategy.

The factors that reduced the mean score for normative commitment were: the indication that employees *did not feel obligated to remain in the organisation*. This aligns with the indication that they would not want to spend the rest of their life in the organisation, as well as that they would leave their employer for a better salary elsewhere.

In terms of the demographic and work-related variables, age did not have a significant influence on employee commitment levels. However, gender had a negative but significant effect across all commitment levels. The management level and tenure were found to have a significant positive effect only with affective commitment. Employee's involvement in successful strategy implementation was found to have significant negative relationship with all dimensions of employee commitment.

#### 7.3 RESEARCH CONTRIBUTION

The study will contribute towards the fields of strategy implementation by providing an understanding of the relationship between employee commitment and successful strategy implementation. Prior studies have focused on strategy formulation, where strategy implementation research has not been conducted that isolates the relationship between each individual factor of strategy implementation and the relationship to successful strategy implementation. The study shows the strength of the relationship between the dimensions of employee commitment and successful strategy implementation, which contributes to existing theory. It also highlights some of the factors within each dimension of employee commitment from which theory can benefit.

The study will provide business leaders with an understanding of how the levels of employee commitment within their organisations affect the implementation of their strategies. This study took into consideration the three different dimensions of employee commitment, namely: affective, continuance, and normative commitment, and provides insights on the current levels of these dimensions in retail banks in South Africa. The study also highlights the key factors within each commitment dimension that employees have rated low, which indicates a current gap within the organisations. It has been confirmed that employee commitment has a significant effect on successful strategy implementation. Business can use this information to understand which factors they need to measure, monitor, and improve in order to increase employee commitment levels. Strategy implementation failure has been found to affect a number of organisations, as stated by Candido and Santos (2015). Focus placed on employee commitment lever has been found to account for 22% of the variation to successful strategy implementation, and can improve business performance. Implementation failure affects customers and ultimately financial performance (Mudany et al., 2020). This will assist organisations to increase their competitive advantage.

#### 7.4 IMPLICATIONS FOR BUSINESS

The study found that employee commitment dimension of affective, continuance, and normative commitment have a significant effect on successful strategy implementation. It has been noted that 57% of organisations fail to successfully implement strategy, and in search of ways to minimise implementation failures, the study highlights certain implications or recommendations for business (Mubarak & Yusoff, 2019). Broadly speaking, organisations will need to focus on how to increase employee commitment if they are to successfully implement strategy.

When developing and implementing strategies, the leadership style of senior management must be taken into consideration, as this plays a critical role in successful implementation. This has been confirmed in this study, as well as previous studies, where a clear communication of strategy by leadership and regular feedback were highlighted as key factors to implementation (Ribeiro et al., 2018). Transformational and authentic leadership styles have been cited as having an influence on commitment (Duarte et al., 2021). Organisations must encourage their leaders to exhibit authentic leadership through social exchange factors of showing trust and care towards employees. Authentic leadership may indicate positive treatment of employees, where as a result, employees may reciprocate with an increase in affective commitment. A combination of trust and care presented by a transformational leader can be a benefit to increase strategy implementation (Duarte et al., 2021; Ribeiro et al., 2018). Transformation leaders are also able to provide buy-in and motivate employees towards achieving the strategic goals of the organisation. Although not all managers are born transformation leaders, the recommendation is for organisations to equip their managers with those aspects of transformational leaderships that can be learnt, for example, how to communicate, how to inspire towards a collective vision, how to motivate, and how to get high performance out of individuals (Ribeiro et al., 2018).

Feedback and control from leadership was also identified as a gap. Feedback, which involves discussion of progress and re-alignment on strategy, has been found to be a key factor to successful strategy implementation (Obeidat et al., 2017). Organisations must implement regular feedback sessions in order to update their employees on the progress of the strategy. The open strategy elements of transparency and inclusivity can be implemented through tools such as frequent management dialogues, monthly check-ins, and quarterly town halls, with information technology visual dashboards that employees can access (Doeleman et al., 2021). It also incorporates the process of sensemaking and sense giving, which can provide meaning to the strategy through story telling.

Organisations can also benefit from internal media and communication which has been identified to provide strategic clarity and alignment, which can enhance employee commitment (Adousi et al., 2018). When communicating the strategic

objectives, retail banks must provide clarity on how these objectives impact customers. This will ensure that employees can relate and align to strategy. The study found that the affective commitment of banking employees was high, because of the employees feeling connected to their customers. Thus, a customer focus is key to increasing affective commitment levels, which also aligns with the key strategic themes for banks in 2022 (EY, 2022).

Furthermore, tools such as manger coaching have been found to have a significant association with affective commitment, and therefore, it is suggested that managers introduce employee coaching so as to improve the performance of staff, which will ultimately improve strategy implementation (Ribeiro et al., 2020). It is recommended that the coaching process include open communication, listening, and setting clear performance goals. Goals must be specific, and linked to the strategy to evoke higher effort from employees.

Employees indicate that they would leave for a better salary, and that they were not being rewarded for successfully implementing projects. This highlights the important role of extrinsic rewards in increasing employee commitment. Effective rewards systems can be used to stimulate job satisfaction and performance. Well paid employees are likely to remain in the organisation, and to be motivated and thus improve organisational performance. This is evidenced in studies by Hadi and Tentama, (2020) where the authors indicated that employees will only exhibit continuance commitment if they are receiving compensation that is aligned toexpectation. The level of continuance commitment can be directly linked to the size of pay received by the employee (Kasogela, 2019). It is recommended that rewards are linked to the successful implementation of strategic objectives, so that employees are motivated towards implementing the strategy (Obeidat et al., 2017). If employees perceive that they will not be rewarded for implementing the strategy, they are likely to be less committed, which can affect implementation.

Employees indicated that they remain due to a desire to acquire skills that they had yet to learn within the organisation. This is supported by previous studies, which found that training was an important factor to increase employee commitment (Ocen et al., 2017). Training increases emotional attachment to the organisations as it indicates to employees that the organisations is invested in their development, this

could increase both affective and normative commitment (Đorđević et al., 2020). Therefore, there is a definite need for organisations to invest in training their employees.

Additional considerations that have come about as are result of VUCA and covid-19 include flexible work practices. Family-friendly policies, which may include work from home, childcare leave, and other family-friendly leave policies, were found to be associated with organisational commitment (Bae & Yang, 2017). Since the impact of Covid-19, which has changed the world of work from primarily being office-based to hybrid models, it is envisaged that employee commitment dimensions will be affected differently, and organisations need to be intentional about enhancing employee commitment. Organisations should consider providing flexible working hours, hybrid work models, and work from anywhere in order to increase employee commitment. In recent studies, working from home has been found to be significantly related to employee productivity (Prasetyaningtyas et al., 2021).

There are various tools and frameworks that can be used by retail banks to increase commitment towards successful strategy implementation, and this study recommends the implementation of the open strategy framework. This framework covers both the structural and interpersonal views of strategy implementation developed by Noble (1999) and further discussed by Tawse and Tabesh (2021). The open strategy process focuses on both the internal and external collaboration of stakeholders. OS will enable the organisation to track macro-environmental changes which have been highlighted as a key hinderance to successful strategy implementation. External macro-factors can have the tendency to create other obstacles that can affect strategy implementation. Therefore, organisations must have process in place to scan the macro environment and quickly respond to changes (Cândido and Santos, 2018). This will ensure organisation are monitoring competitors, regulatory changes and customers' needs to minimise disruptions and deliver relevant products and solutions to the market.

#### 7.5 FRAMEWORK

The proposed framework is based on the open strategy management process that considers both the internal and external environment during strategy implementation, in order to ensure that the organisation is also responding to the macro environment.

This framework merely indicates the key factors that must be considered in the strategy implementation for the process as indicated by this study. It does not stipulate a full end to end process for strategy implementation.

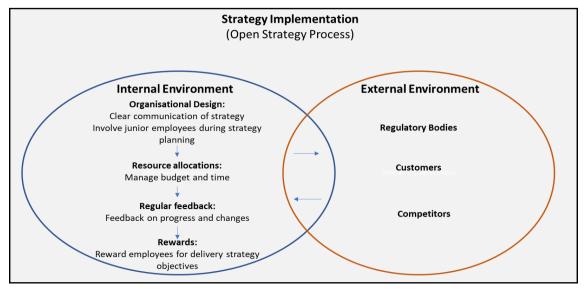


Figure 7-1: Strategy implementation framework

Source: authors own

The figure indicates the dimensions to implement for the open strategy to resolve challenges indicated by the participants.

Internal Environment: Organisations must involve various levels of employees during strategy implementation. Employees indicated that this was not present in their organisations, where there are low scores on success strategy implementation. Leadership must clearly communicate the strategy across all levels of employee, where it is important to include lower levels of employees, as they typically implement the strategy. Resource allocation — the organisation must have a strict resource allocation process in place. Not adhering to budget and timeline has been indicated as a key issue. Organisation must choose a few key initiatives to work on. Many conflicting initiatives results in managers not committing to the strategy. Regular feedback is required, where employees must be kept updated on the progress on strategy. The need for rewards demands that organisations implement pay aligned to delivering strategic objectives.

**External environment:** Organisations must develop a strategy that address

customer needs and expectations. They should also consider the actions and responses of their competitors so as to ensure they do not lag behind, and guard their competitive advantage. Organisations must engage with the regulatory environment to prepare ahead for new regulatory requirements, as well as to ensure they comply in an innovative way that does not affect customers satisfaction. Monitoring the external environment should not be a once-off process, however this should be tracked on a continuous basis so as to ensure that the organisation can pivot when and if the need arises.

#### 7.6 LIMITATIONS TO RESEARCH STUDY

The study was conducted in the retail banking sector. This sector is a large employer in South Africa and often employees move between the banks, which could create similar cultures. This means that there is a risk of the results not being transferable to other industries.

## 7.7 FUTURE RESEARCH

Future research can focus on case study specific research on companies that have successfully implemented strategy. The objective would be to understand the role that employee commitment has played within these organisations. Those lessons can then be shared with other organisations.

#### 7.8 CONCLUSION

The objective of the study was to investigate the relationship between employee commitment and successful strategy implementation. The study reviewed the theory on employee commitment dimensions and strategy implementation constructs and developed hypothesis that indicates a relationship between employee commitment and successful strategy implementation.

The study found that employee commitment dimension of affective commitment, continuance commitment, and normative commitment have a significant effect on successful strategy implementation, which was aligned to previous findings. The findings revealed that successful strategy implementation required a clear communication of the strategy, regular feedback to employees, delivery of initiatives within time and budget and appropriately rewarding employees for implementation of initiatives.

Normative commitment was found to be below average among the respondent surveyed. Affective commitment was the most present in the population survey. Affective commitment is largely driven by a connection to customers, where as a result, the open strategy approaches that involves engaging internal and external parties may increase the emotional attachment and desire to remain in the organisation, thereby working towards its strategic objectives.

Organisations must monitor employee commitment and use it as a strategic lever for successful strategy implementation. Elements of open strategy techniques contribute to increasing employee commitment, which suggest that these elements can be adopted by organisations to further enhance their strategy implementation efforts. Organisation can employ retention strategies that will minimise the interruptions to business that are occur when employees leave.

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APPENDIX 1: DESCRIPTION AND PURPOSE OF THE STUDY

Description and purpose of the study

The effects of employee commitment on successful strategy implementation: A

survey of Retail Banks in South Africa

I am currently a student at the University of Pretoria's Gordon Institute of Business

Science and completing my research in partial fulfilment of an MBA.

I am conducting research on the effects of employee commitment on successful

strategy implementation. You are asked to complete a questionnaire that contains

questions relating to strategy implementation and the constructs of employee

commitment. This will contribute to the understanding of the relationship between

employee commitment and strategy implementation. Your participation in this survey

is voluntary, and you can withdraw at any time. Your participation is anonymous

and only aggregated data will be reported. By completing the survey, you indicate

that you voluntarily participate in this research. The survey will take approximately

10 minutes to complete. If you have any concerns, please contact my supervisor or

me. Our details are provided below.

Researcher name: Melba Dlamini

Email: 14008582@mygibs.co.za

Research supervisor: Andre Vermaak

Email: andrepv@mweb.co.za

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# **APPENDIX 2: SURVEY QUESTIONNAIRE**

Link to the Google Forms Questionnaire: https://forms.gle/wnAmnbGfQH9gom1e7

Questions	Response options
Section 1: Demographics	
1. Age (Years)	18 – 29 years
	30 – 39 years
	40 – 49 years
	50 – 59 years
	60 – 65 years
	>65 years
2. Gender	Male
	Female
	Other
	Prefer not to say
3. Management Level	
	Executive
	Senior Manager
	Middle Manager
	Supervisor / Team Leader
	Other
4. Tenure in current organisation	<1 year
	2 – 5 years
	6 – 10 years
	>15 years
5. Work experience	<1 year
	2 – 5 years
	6 – 10 years
	>15 years
6. Are you involved in strategy	Yes
formulation? (Creating	No
strategic plans and objectives)	

7.	Are you involved in strategy	Yes					
	implementation? (Delivery of	No					
	the strategic objectives)						
8.	Do you think it's easier to	Yes					
	implement strategy if you were	No					
	part of the formulation						
	process?						
Se	ction 2: Strategy Implementatio	n factors					
Or	ganisational design and structu	ire					
9.	I am allowed to make decisions	1 –	2 –	3 –	4 –	5 –	
	on strategic projects.	Strongly	Disagree	Unsure	Agree	Strongly	
		disagree				agree	
10	. I have a clear understanding of	1 –	2 –	3 –	4 –	5 –	
	my role and responsibility in the	Strongly	Disagree	Unsure	Agree	Strongly	
	organisation.	disagree				agree	
11	. Junior staff (team leaders and	1 –	2 –	3 –	4 –	5 –	
	below) are involved in the	Strongly	Disagree	Unsure	Agree	Strongly	
	strategy planning and	disagree				agree	
	formulating phase.						
Se	nior Management involvement		1				
12	. Senior leaders communicate	1 –	2 –	3 –	4 –	5 –	
	the strategy clearly.	Strongly	Disagree	Unsure	Agree	Strongly	
		disagree				agree	
13	. We have regular engagements	1 –	2 –	3 –	4 –	5 –	
	with senior leadership to	Strongly	Disagree	Unsure	Agree	Strongly	
	discuss strategy	disagree				agree	
	implementation updates.						
14	. Senior leaders have the	1 –	2 –	3 –	4 –	5 –	
	necessary skills required for	Strongly	Disagree	Unsure	Agree	Strongly	
	implementing of strategy.	disagree				agree	
Pr	ojects						
15	. Implementation of projects is	1 –	2 –	3 –	4 –	5 –	
	based on identified priorities.	Strongly	Disagree	Unsure	Agree	Strongly	
		disagree				agree	

16. Individuals with the right	1 –	2 –	3 –	4 –	5 –
capabilities (adequate skills and	Strongly	Disagree	Unsure	Agree	Strongly
experience) are assigned to	disagree	Dioagroo	Cricaro	, tg. 00	agree
projects.	disagree				agree
	1 –	2 –	3 –	4 –	5 –
17. Adequate funding is allocated to					
the implementation of projects.	Strongly	Disagree	Unsure	Agree	Strongly
	disagree	_		_	agree
18. Projects are completed within	1 –	2 –	3 –	4 –	5 –
the allocated budget	Strongly	Disagree	Unsure	Agree	Strongly
	disagree				agree
19. Projects are completed within	1 –	2 –	3 –	4 –	5 –
allocated time.	Strongly	Disagree	Unsure	Agree	Strongly
	disagree				agree
Feedback and control					
20. Strategy implementation is	1 –	2 –	3 –	4 –	5 –
tracked	Strongly	Disagree	Unsure	Agree	Strongly
	disagree				agree
21. Strategy implementation	1 –	2 –	3 –	4 –	5 –
	_	D:	Linguro	A area	Ctrop als
progress is reported regularly	Strongly	Disagree	Unsure	Agree	Strongly
progress is reported regularly	Strongly disagree	Disagree	Orisure	Agree	agree
progress is reported regularly  22. Regular feedback is provided		Disagree 2 –	3 –	Agree 4 –	
, , , , , , , , , , , , , , , , , , , ,	disagree				agree
22. Regular feedback is provided	disagree 1 -	2 –	3 –	4 –	agree 5 –
22. Regular feedback is provided to you on strategy	disagree 1 - Strongly	2 –	3 –	4 –	agree 5 – Strongly
22. Regular feedback is provided to you on strategy implementation  23. We are rewarded for	disagree  1 - Strongly disagree  1 -	2 – Disagree	3 – Unsure	4 – Agree	agree 5 – Strongly agree 5 –
22. Regular feedback is provided to you on strategy implementation  23. We are rewarded for successful implementing	disagree  1 - Strongly disagree  1 - Strongly	2 – Disagree	3 – Unsure	4 – Agree	agree 5 - Strongly agree 5 - Strongly
22. Regular feedback is provided to you on strategy implementation  23. We are rewarded for	disagree  1 - Strongly disagree  1 -	2 – Disagree	3 – Unsure	4 – Agree	agree 5 – Strongly agree 5 –
22. Regular feedback is provided to you on strategy implementation  23. We are rewarded for successful implementing projects  Section 3: Commitment	disagree  1 - Strongly disagree  1 - Strongly	2 – Disagree	3 – Unsure	4 – Agree	agree 5 - Strongly agree 5 - Strongly
22. Regular feedback is provided to you on strategy implementation  23. We are rewarded for successful implementing projects  Section 3: Commitment  Affective Commitment	disagree  1 - Strongly disagree  1 - Strongly disagree	2 – Disagree 2 – Disagree	3 – Unsure 3 – Unsure	4 – Agree 4 – Agree	agree 5 - Strongly agree 5 - Strongly agree
22. Regular feedback is provided to you on strategy implementation  23. We are rewarded for successful implementing projects  Section 3: Commitment  Affective Commitment  24. I would like to spend the rest of	disagree  1 - Strongly disagree  1 - Strongly disagree	2 – Disagree 2 – Disagree	3 – Unsure 3 – Unsure	4 – Agree 4 – Agree	agree 5 - Strongly agree 5 - Strongly agree
22. Regular feedback is provided to you on strategy implementation  23. We are rewarded for successful implementing projects  Section 3: Commitment  Affective Commitment	disagree  1 - Strongly disagree  1 - Strongly disagree  1 - Strongly	2 – Disagree 2 – Disagree	3 – Unsure 3 – Unsure	4 – Agree 4 – Agree	agree 5 - Strongly agree 5 - Strongly agree  5 - Strongly
22. Regular feedback is provided to you on strategy implementation  23. We are rewarded for successful implementing projects  Section 3: Commitment  Affective Commitment  24. I would like to spend the rest of my career in this organisation.	disagree  1 - Strongly disagree  1 - Strongly disagree  1 - Strongly disagree	2 - Disagree  2 - Disagree	3 – Unsure 3 – Unsure	4 – Agree  4 – Agree  4 – Agree	agree 5 - Strongly agree 5 - Strongly agree  5 - Strongly agree
22. Regular feedback is provided to you on strategy implementation  23. We are rewarded for successful implementing projects  Section 3: Commitment  Affective Commitment  24. I would like to spend the rest of my career in this organisation.	disagree  1 - Strongly disagree  1 - Strongly disagree  1 - Strongly disagree  1 -	2 - Disagree  2 - Disagree  2 - Disagree	3 - Unsure  3 - Unsure  3 - Unsure	4 – Agree  4 – Agree  4 – Agree	agree 5 - Strongly agree 5 - Strongly agree 5 - Strongly agree 5 - Strongly agree
22. Regular feedback is provided to you on strategy implementation  23. We are rewarded for successful implementing projects  Section 3: Commitment  Affective Commitment  24. I would like to spend the rest of my career in this organisation.	disagree  1 - Strongly disagree  1 - Strongly disagree  1 - Strongly disagree	2 - Disagree  2 - Disagree	3 – Unsure 3 – Unsure	4 – Agree  4 – Agree  4 – Agree	agree 5 - Strongly agree 5 - Strongly agree  5 - Strongly agree

26 My as workers feet like family	1 –	2 –	3 –	4 –	5 –
26. My co-workers feel like family					
to me.	Strongly 	Disagree	Unsure	Agree	Strongly
	disagree				agree
27. My team feel like family to me.	1 –	2 –	3 –	4 –	5 –
	Strongly	Disagree	Unsure	Agree	Strongly
	disagree				agree
28. I am emotionally connected to	1 –	2 –	3 –	4 –	5 –
the work I do.	Strongly	Disagree	Unsure	Agree	Strongly
	disagree				agree
29. I feel connected to our	1 –	2 –	3 –	4 –	5 –
customers.	Strongly	Disagree	Unsure	Agree	Strongly
	disagree				agree
Continuance Commitment				I 	
30. I am connected to this	1 –	2 –	3 –	4 –	5 –
organisation, and it would be	Strongly	Disagree	Unsure	Agree	Strongly
difficult for me to leave my job.	disagree				agree
31. I have career opportunities in	1 –	2 –	3 –	4 –	5 –
this organisation.	Strongly	Disagree	Unsure	Agree	Strongly
	disagree				agree
32. I would not leave my	1 –	2 –	3 –	4 –	5 –
organisation for a better salary	Strongly	Disagree	Unsure	Agree	Strongly
offer elsewhere right now.	disagree				agree
33. I am happy with the working	1 –	2 –	3 –	4 –	5 –
conditions in my organisation.	Strongly	Disagree	Unsure	Agree	Strongly
	disagree				agree
34. I still have skills that I would	1 –	2 –	3 –	4 –	5 –
like to learn within this	Strongly	Disagree	Unsure	Agree	Strongly
organisation.	disagree				agree
Normative Commitment					
35. I am indebted to my	1 –	2 –	3 –	4 –	5 –
organisation; it has contributed	Strongly	Disagree	Unsure	Agree	Strongly
a lot to where I am today.	disagree				agree
36. It would be wrong for me to	1 –	2 –	3 –	4 –	5 –
leave my organisation right.	Strongly	Disagree	Unsure	Agree	Strongly
, , ,					

now	disagree				agree
37. Even if I have a better	1 –	2 –	3 –	4 –	5 –
opportunity, I will not leave my	Strongly	Disagree	Unsure	Agree	Strongly
organisation right now.	disagree				agree
38. I feel obligated to remain in this	1 –	2 –	3 –	4 –	5 –
organisation.	Strongly	Disagree	Unsure	Agree	Strongly
	disagree				agree
39. My loyalty is to this	1 –	2 –	3 –	4 –	5 –
organisation.	Strongly	Disagree	Unsure	Agree	Strongly
	disagree				agree

# **APPENDIX 3: STRATEGY IMPLEMENTATION - FACTOR ANALYSIS**

Table 0-1: Factors Analysis Components for SI

Dimension	Code	Questions	code
Organisational Design	OD1	I am allowed to make decisions on strategic projects	OrgDesign1
_	OD2	I have a clear understanding of my role and responsibility in the organisation	OrgDesign2
	OD3	Junior staff (team leaders and below) are involved in the strategy planning and formulating phase	OrgDesign3
	OD4	Implementation of projects is based on identified priorities?	Projects1
	OD5	We are rewarded for successfully implementing projects	Feedback4
Feedback and Control	FC1	Senior leaders communicate the strategy clearly	SnrMngt1
	FC2	We have regular engagements with senior leadership to discuss strategy implementation updates	SnrMngt2
	FC3	Strategy implementation is tracked	Feedback1
	FC4	Strategy implementation progress is reported regularly	Feedback2
	FC5	Regular feedback is provided to you on strategy implementation	Feedback3
Projects	P1	Senior leaders have the necessary skills required for implementing strategy	SnrMngt3
	P2	Individuals with the right capabilities (adequate skills and experience) are assigned to projects	Projects2
	P3	Adequate funding is allocated to the implementation of projects	Projects3
	P4	Projects are completed within the allocated budget	Projects4
	P5	Projects are completed within allocated time	Projects5

# **APPENDIX 4: STRATEGY IMPLEMENTATION - DESCRIPTIVE STATISTICS**

Table 0-1: Descriptive statistics for SI

	Statistics															
		OD1	OD2	OD3	OD4	OD5	FC1	FC2	FC3	FC4	FC5	P1	P2	P3	P4	P5
N	Valid	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96
	Missi	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	ng															
Mean		3.74	4.16	2.82	3.88	3.20	3.49	3.60	3.77	3.71	3.46	3.64	3.59	3.54	2.93	2.68
Std.	Ī	1.163	.998	1.240	.921	1.236	1.179	1.147	.934	1.004	1.075	1.027	1.022	1.055	1.059	1.021
Devia	tion															