Gordon Institute of Business Science
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Virtuous and vicious cycles: Managerial capabilities, strategy processes, and firm capabilities in established South African insurers

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Abstract

The path towards successfully transforming established and successful firms in the 21st century remains a subject of much debate among strategic managers. This research report attempts to provide clarity to aspects of this debate that relate to managerial capabilities. It propounds on the interrelations between top management capabilities and the capabilities of firms. Specifically, the top management and the capabilities they possess. The capabilities that predominate the functioning of a firm. Including the perspectives of top management and institutionalised processes that strategies are both formed and implemented through.

The qualitative inquiry was composed of fifteen in-depth interviews. These narratives were subjected to a content and thematic analysis. The deduced themes and constructs offered insights into dynamic managerial capabilities. Along with the processes through which they function as these firms pursue their adopted transformation strategies.

The outcomes were two-fold. A map of the dominant configurations of both firm and managerial capabilities, and their associated default schools of strategy thought. Highlighting the likely existence of strategic management gaps constraining the transformative capacity of South Africa's established insurers. The proposal of a model theorising the relationship between the dynamic managerial capabilities and the firm capabilities was also proffered.

Keywords

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 Philosophy (Corporate Strategy) 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.

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1. Introduction to the research problem

1.1.   Introduction

This research study explored the role of strategic managers and leader in the functioning of both ordinary and dynamic capabilities among South Africa's established insurers. Focus was paid to capability sets that these firms mostly lean on and with the strategy processes used in both developing and deploying them.

1.2.   Research background

South Africa's established insurers are a critical component to the well-functioning of the country's financial system (Keneley & Verhoef, 2006; Verhoef, 2012, 2016). The actions of the strategic managers of these firms ultimately have implications for both the firm and the financial systems of the countries they operate in (Verhoef, 2012, 2016). A reason for this is the nature of their proposition sets. They include long-term savings solutions in the form of pension and provident funds, and risk insurance solutions including medical aid, funeral cover, life cover, and disability cover (Verhoef, 2012).

Notable and established insurers in South Africa include Liberty Group, MMI Group, Old Mutual Limited, and Sanlam Group (Keneley & Verhoef, 2006; Verhoef, 2012, 2016). Sanlam and Old Mutual, who were by many accounts considered homogenous when demutualising in the early 2000s, have had divergent fortunes in transforming themselves into publicly listed entities (Keneley & Verhoef, 2006; Verhoef, 2012). Sanlam has successfully transformed itself from an insurance company. To the largest non-banking financial services company in South Africa, with an extensive footprint on the African continent. This success is attributed to its business model that differentiates it from its peers in strategic execution (Verhoef, 2012, 2016).

In contrast, Old Mutual has experienced a torrid time (Verhoef, 2012). On the 9th of February 2021 Sanlam's stock was trading at R61.80 (Moneyweb, 2021b). In comparison, Old Mutual's was trading at R14.37 (Moneyweb, 2021a). These divergent fortunes raise questions and interest in the role of strategic managers and their consequent impact on the firms under the purview (Keneley & Verhoef, 2006; Verhoef, 2012, 2016).

Competitive positioning and market forces do not seem to fully explain the heterogeneity between these two firms and the differences in their results (Porter, 2008; Teece, 2019). These two firms, along with Liberty Group and MMI Group, controlled over eighty percent of

the market prior to demutualising. They both had extensive and comparable product sets with no credible threat of disruptive substitution. Significant and complex industry regulation structures have both kept competitive markets relatively benign and raised barrier to entry (Keneley & Verhoef, 2006; Verhoef, 2012, 2016).

The resource and capability bases of these two firms also do not seem to fully explain the heterogeneity between these two firms and the differences in their performance (Barney, 1991; Prahalad & Hamel, 1990; Teece, 2019). These firms are similar in their reliance on actuarial, legal and sales capabilities. Along with the continued extraction of value from legacy technologies and embedded expertise that give rise to their incumbency advantages (Keneley & Verhoef, 2006; Verhoef, 2012, 2016). Therefore, dynamic capabilities (Teece, 2019; Teece, Pisano & Shuen, 1997), specifically dynamic managerial capabilities (Helfat & Martin, 2015; Teece, 2019), could plausibly explain the differences in the fortunes of Sanlam and Old Mutual (Keneley & Verhoef, 2006; Verhoef, 2012, 2016).

Leading dynamic capabilities scholars continue to make a compelling case for dynamism in the development and deployment of the capabilities of both managers and their firms in solving transformation challenges (Bitencourt, Oliveira, Ladeira, Santos & Teixeira, 2020; Foss & Saebi, 2018; Schilke, Hu & Helfat, 2018; Schoemaker, Heaton & Teece, 2018; Teece, 2018c, 2019). Rightfully, academics are also increasing their attention and raising the levels of importance placed on the role of strategic managers in a firm (Helfat & Martin, 2015; Schilke et al., 2018; Teece, 2019). Including their specific contributions in transforming their firms (Teece, 2016, 2019; Teece & Leih, 2016).

Leading dynamic capabilities scholars have long resolved that dynamic capabilities are central to unravelling the mysteries behind what is required to successfully transform an existing and successful firm (Schilke et al., 2018; Teece, 2019). In this effort, they underscore the centrality of the dynamic managerial capabilities of the strategic manager in successful transformation endeavours (Adner & Helfat, 2003; Helfat & Martin, 2015; Teece, 2019). Organisation theorists have also brought clarity as to how firms should behave during transformative processes and the role of strategic managers and leaders in steering them (Alvarez, Zander, Barney & Afuah, 2020; Mintzberg et al., 2009; Mintzberg & Lampel, 1999; Teece, 2019). They also give consideration to how strategic managers can equip themselves to effectively preside over the transformation of their firms (Detjen & Webber, 2017; Krieger & Zhovtobryukh, 2016).

1.3.   Research problem

Despite the heightened levels of interest in better understanding strategic managers and leaders as enablers of successful firm transformation from academics and managers alike. Levels of clarity are limited on the interrelations between the capabilities of managers and the capabilities of the firms they preside over. Along with the mechanisms through which these interrelations find expression (Schilke et al., 2018).

Twenty years since conceptualisation, leading proponents of dynamic capabilities continue to strengthen its case as a path for transforming firms for sustained competitiveness (Helfat & Raubitschek, 2018; Schoemaker et al., 2018; Teece, 2019). Their extensive case for dynamic capabilities spans how they form (Salvato & Vassolo, 2018; Schilke et al., 2018; Teece, 2019). How they operate in a business and its competitive environment (Karna et al., 2016; Schilke et al., 2018; Teece, 2019). How to ensure that they yield the desired transformational outcomes for a firm (Fainshmidt, Pezeshkan, Frazier, Nair & Markowski, 2016; Gauthier, Bastianutti & Haggège, 2018; Teece, 2019).

These scholars have also made attempts at bridging economics (Nelson, 2009; Teece, 2019), strategy process (Teece, 2019), and organisational (Alvarez et al., 2020; Teece, 2019) literature based using the dynamic capabilities as a unifying lens of retheorising strategic management phenomena for the 21st century. The extension of the theoretical boundaries of dynamic capabilities has brought to prominence the centrality the strategic managers and leaders in a firm (Friedman, Carmeli & Tishler, 2016; Krieger & Zhovtobryukh, 2016; Teece, 2019). The skills and perspectives they rely upon in the running of a firm (Detjen & Webber, 2017; Helfat & Martin, 2015; Mintzberg, Ahlstrand & Lampel, 2009; Mintzberg & Lampel, 1999). Consequently, the heterogeneity often observed across firms in the same industry sector (Teece, 2019).

Within this extensive and increasingly complex body of literature, managers and scholars alike could therefore benefit from attempts at creating a distilled understanding of the consequences of the capabilities on managers within a firm as it specifically relates to the capabilities of those firms and how they pursue their reasons for being. A firm and contextual handle on dynamic managerial capabilities may position strategic managers and leaders to write an appropriate manual for attending to both the demands of their current core whilst also transforming the business for future competitiveness (Helfat & Martin, 2015; Teece, 2016; Teece, Peteraf & Leih, 2016; Teece & Leih, 2016).

1.4.   Research aims

The primary objective of the study was to explore both the existence and functioning of dynamic managerial capabilities in established South African insurers. Then making a practical and contextual contribution towards effective strategic management and leadership of these firms. This objective was pursued by exploring the existence of dynamic managerial capabilities. Their resultant impact on the capabilities of a firm. Along with the strategy processes through which the interactions between dynamic managerial capabilities and firm capabilities take place.

1.5.   Research scope

Schilke et al (2018) called for the integration of underused theories to complement, deepen, and broaden extant knowledge on capabilities. Teece (2019) has also advocated for the embracing of the practical reality of heterogeneity among firms in the same industry sector and the role of managers in shaping the unique identities in their firms. Narrative analysis continues to find resonance in organisation and management studies (Vaara, Sonenshein & Boje, 2016) and leading scholars continue to advocate for qualitative research to ensure both the continued generation of new theories and also enhancing understanding of those that exist (Eisenhardt, Graebner & Sonenhein, 2016; Gehman et al., 2018).

Informed by these injunctions from leading scholars, this research study introduced theory on strategy formation perspectives (Mintzberg et al., 2009; Mintzberg & Lampel, 1999) and strategic management and leadership (Detjen & Webber, 2017; Durand, Grant & Madsen, 2017; Zollo, Minoja & Coda, 2018) in order to better understand the role and impact of dynamic managerial capabilities (Adner & Helfat, 2003; Helfat & Martin, 2015) in established South African firms operating mature industry sectors. Bounding the scope of the research exercise to the insurance industry.

Teece (2019) characterises developing countries as predominantly consisting of both inefficient and poorly managed firms. He attributes the continued existence of large and established firms to this observation. Coupled with their continued extension of accumulated competencies and capabilities across industry boundaries. It is for this reason that he is persuaded that these large and established businesses can be a source of national advantage (Teece, 2018b, 2019). Provided that the institutions of governance within the countries they operate in are strong enough to circumvent corrupt business practice. Guided by the continued adoption enabling policy positions along the nation's economic development path (Lipton, 2014; Scott, 2008; Teece, 2019). The strength of managerial

capabilities are therefore central to both the firm and the national growth agenda (Teece, 2018b, 2019).

The introduction of the strategy formation perspectives and the strategic management and leadership literature bases is in keeping with the organisational theorists' advances towards decoding the nature of a firm (Alvarez et al., 2020). Which is also consistent with the stated aims of this research study. A qualitative design and methodology was also deployed in order to achieve the exploratory aims of this study (Creswell & Creswell, 2018a; Eisenhardt et al., 2016).

1.6. Research significance

Strategic managers and leaders of leading and established South African insurers have committed to transforming their firms in pursuit of sustained competitiveness (Keneley & Verhoef, 2006; Verhoef, 2012, 2016). Leading capabilities and organisational theorists caution strategic managers and leaders about the difficulty of such undertakings in established and successful businesses (Schoemaker et al., 2018; Teece, 2016). A point that Professor David Teece emphasised in discussion with policy makers, academics, and industry leaders during his recent visit to South Africa (Teece, 2020).

A celebrated South African business leader and strategist, Mteto Nyati, gives contextual credence to the challenges and dangers present on the path to transformation. He says that "you learn, you try this, you try that … over time, [you] come up with some kind of formula … It is something that I have built over a period of time." (Vanek, 2020, p. 47).

This research study attempts to unearth the managerial capability (Adner & Helfat, 2003; Helfat & Martin, 2015) and firm capability (Teece, 2014, 2019) requirements for successfully transforming a firm. Also, providing insights into how these capabilities should operate in firm. Therefore, providing a contextual case and theory (Barnard et al., 2017; Nkomo, 2015) that could enhance academic knowledge through confirmation of similarities with extant knowledge and any emergent deviations that merit further attention. Also, equipping strategic managers and leaders with core ingredients for a formula to successful transformation.

1.7. Conclusion

This chapter outlined the relevance of this research study to both strategic managers and leaders and its modest academic contributions to the extensive body of literature on the capabilities of both the firm and managers, and the strategy processes that facilitate their

functioning in a firm. In the following chapter, recent academic positions were reviewed to confirm the theoretical need to this research study. Chapter 3 presents the research question this study pursued. Chapter 4 details the methodology used. Chapter 5 presents the results from the data collected and analysed. These results are then further analysed in chapter 6 against the foundational literature reviewed in chapter 2 for any emergent management and academic insights. Chapter 7 concludes this research study with the most compelling findings from the results in chapter 5. This concluding chapter also includes implications and recommendations for both scholars and managers.

2. Literature review

2.1. Introduction

This chapter reviews the literature on which this research study is premised. It begins with defining and discussing managerial capabilities. Followed by the definition and discussion of managerial capabilities. Strategy processes in a firm, with a specific focus on the strategy perspectives of their strategic managers and leaders, are also defined and discussed. The same treatment is applied to capabilities available in a firm. Core constructs are distilled out in each of these three literature bases. The discussions are supported with evidence from extant literature and a comparative analysis of the views of leading scholars within these domains. The chapter concludes by identifying the focal opportunity space for this research project to extend the already substantial body of knowledge on managerial capabilities. It is within this opportunity space that the research question in chapter 3 below is postulated. Figure 1 below is a summary overview of the literature review chapter.

2.1 Introduction		
Headings		
2.2 Managerial capabilities	2.3 Strategy process	2.4 Firm capabilities
Sub-headings		
2.2.1 Dynamic managerial capabilities	2.3.1 Strategic management	2.4.1 Ordinary firm capabilities
	2.3.2 Strategic leadership	2.4.2 Dynamic firm capabilities
	2.3.3 Schools of strategy perspectives	
2.5 Conclusion		
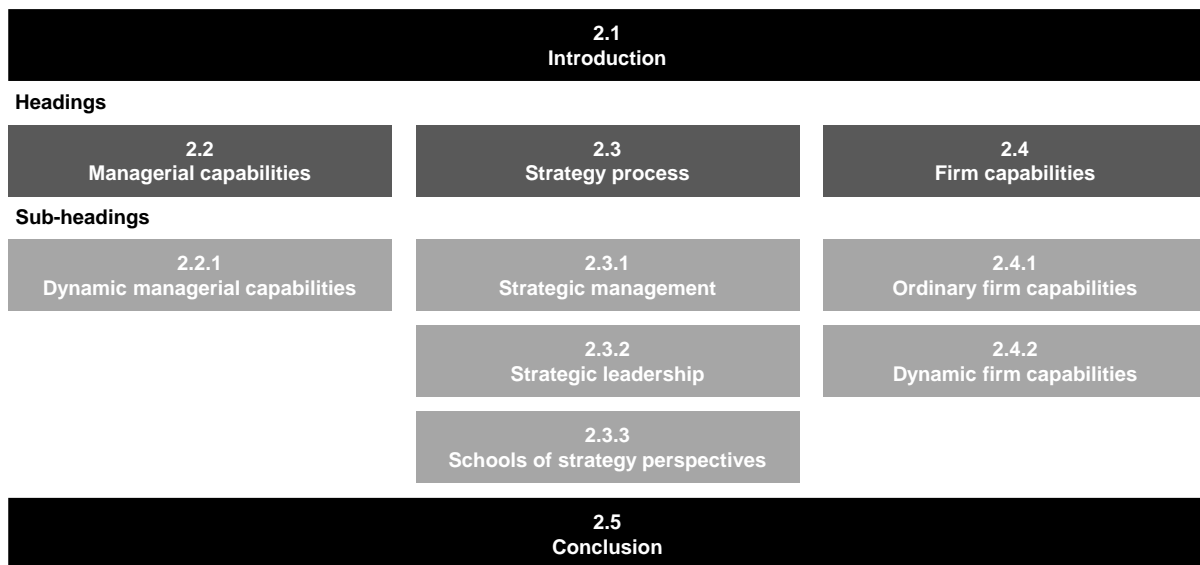
Figure 1: Literature review structure

2.2. Managerial capabilities

A notable consequence of the orthodox neoclassical economic logic is the muted role of managers in firms. Managers source resources on behalf of their firms (Barney, 1991; Prahalad & Hamel, 1990; Teece, 2019). Typically arriving at differing conclusions about competitive realities facing the very same firms. As consequence, they pursue strategies differently. Whilst also deploying a unique configuration of resource in implementing their chosen strategies (Alvarez et al., 2020; Friebel & Raith, 2010; Teece, 2019; Teece & Winter,

1984; Ventelou & Nowell, 2015).

This neoclassical view of managers of a firm is therefore both limited and inconsistent with the realities of a modern-day firm (Alvarez et al., 2020; Nelson, 2009; Teece, 2019). The reality of the modern-day firm is one of a market economy composed of autonomous managers presiding over heterogenous firms (Alvarez et al., 2020; Friebel & Raith, 2010; Teece, 2019; Teece & Winter, 1984; Ventelou & Nowell, 2015). The growing advocation for an evolutionary approach to competitive strategy is partly intended to address this gap in the role of a manager in a firm (Teece, 2019; Teece & Winter, 1984).

2.2.1. Dynamic managerial capabilities

The concept of dynamic managerial capabilities was conceptualised by Adner and Helfat (2003) in their study into the effects of managerial decisions on a firm and its profitability, and the differences in performance between firms competing in the same markets. They defined managerial capabilities, which is the adopted definition for this study, as "… the capabilities with which managers build, integrate, and reconfigure organizational resources and competences." (Adner & Helfat, 2003, p. 1012). These dynamic managerial capabilities appear to be the "… strategic management …" (Teece et al., 1997, p. 515) within a firm in Teece et al.'s (1997) definition of dynamic firm capabilities. This concept will be further unpacked in section 2.4 below.

The implication of this definition is that strategic activities in a firm are to a large extent a direct consequence of the decisions and activities of its managers (Adner & Helfat, 2003; Helfat & Martin, 2015). For a firm to successfully solve the 'what' and 'how' of growth problems as markets evolve. Whilst preserving the gains of the existing core business. Strong dynamic managerial capabilities and dynamic firm capabilities are a necessary requirement (Adner & Helfat, 2003; Eisenhardt & Martin, 2000; Helfat & Martin, 2015; Teece et al., 1997). These dynamic capabilities encompass the ambidexterity underlying the management responsibilities of maintaining (and even improving) efficiencies in existing business process. Along with the entrepreneurial ability to move from a vision to pragmatic execution. They also extend to the transformational management ability to do all this in a manner that is sensitive to the entire organisation through the change process (Baden-Fuller & Teece, 2019; Salvato & Vassolo, 2018; Schoemaker et al., 2018; Teece, 2016, 2019; Teece & Leih, 2016).

Teece (2018a) considers dynamic managerial capabilities to be the required capabilities set to continually design and implement business models (Felin & Powell, 2016). This

conceptualisation makes dynamic managerial capabilities core to a firm's processes of sustainably creating and capturing value. Rendering the capabilities of managers as worthy of careful academic attention (Adner & Helfat, 2003; Helfat & Martin, 2015; Teece, 2018a). Particularly because they definitively shape the consideration set of strategic initiatives that a firm can successfully pursue (Townsend & Busenitz, 2015).

Prior to initiating the research process, the researcher therefore expected that:

> *A dominant configuration of managerial capabilities will overtime entrench a preferred configuration of capabilities on both the firm and its management.*

Helfat and Martin (2015) consider dynamic managerial capabilities to be composed of a manager's mental schemas, beliefs, and emotional make up. This, they term as managerial cognition. They also include a manager's social capital within the formal and informal structures of a firm and its broader environment (Hambrick, Humphrey & Gupta, 2015). Another component of their conceptualisation of dynamic managerial capabilities is the skills and knowledge base strategic managers and leaders amass through their careers. This is over and above their innate general intelligence. These three dynamic managerial capability underpinnings are said to enable a manager to sense, seize, and transform their firms (Helfat & Martin, 2015). Dynamic managerial capabilities explain the relationship between the choices of strategic managers and leaders, the change caused by these choices in a firm, and the performance outcomes that these changes yield (Helfat & Martin, 2015) particularly in conditions of uncertainty (Teece et al., 2016).

2.3. Strategy process

Organisational theorists have been making a concerted effort to unravel the mysteries behind why firms behave as they do (Hambrick & Mason, 1984; Olson, Parayitam & Bao, 2007). In the early stages they reified the firm in concert with economic theorists as earlier discussed in this chapter (Hambrick & Mason, 1984; Teece, 2019). Focus has since shifted to also include the managers of a firm (Hambrick & Mason, 1984).

There has been a shift in recent times that has seen strategic management teams and leaders enjoying significant research focus (Friedman et al., 2016; Krieger & Zhovtobryukh, 2016; Pitelis & Wagner, 2019). Importantly, and not least of which to this research study, the work by organisational theorist into processes in firms and the role of strategic managers and leaders within them has contributed significantly towards maturing the theory of a firm (Alvarez et al., 2020). Some of the notable benefits of this academic work include brining a measure of predictability in firm behaviour and performance outcomes (Hambrick & Mason,

1984; Olson et al., 2007; Parayitam & Papenhausen, 2018). Another is the invaluable insights into selecting and developing management teams (Hitt, Haynes & Serpa, 2010; Joiner, 2009). These insights are important enablers to strategists attempting to formulate plausible scenarios of competitor moves and countermoves (Hines & Bishop, 2013; Poli, 2010).

Prior to initiating the research process, the researcher therefore expected that:

> *A dominant configuration of managerial capabilities will overtime entrench preferred strategy processes on both the firm and its management.*

The process of making and implementing decisions in a firm is an important behavioural consideration (Hambrick & Mason, 1984; Olson et al., 2007; Parayitam & Papenhausen, 2018). The role of strategic management and leadership teams in these decisions tends to be unique to each individual firm and rather complicated in nature (Hambrick et al., 2015; Olson et al., 2007). Managers exchange and process information differently before settling on final decisions. Conflicts that arise at any stage of this process, be they cooperative or competitive, are handled in ways that are not only unique at an individual level. They will invariably become unique when they are aggregated at firm level (Parayitam & Papenhausen, 2018). This further underscores the importance of understanding the managerial competencies required to make sound strategic decisions and orchestrate effective strategy processes (Olson et al., 2007; Parayitam & Papenhausen, 2018; Teece, 2019).

It is therefore reasonable to surmise that strategy processes are critical to the long-term sustainability of a firm. They inform the choice of strategies and how these are implemented in a firm (Hoffman, 2018; Wu, Wu, Tsai & Li, 2017).

The researcher also expected that:

> *Entrenched strategy processes will constrain the firm's ability to call on alternative configurations of both managerial and firm capabilities.*

2.3.1. Strategic management

Strategic management is an expansive research domain that continues to grow rapidly (Durand et al., 2017; Zollo et al., 2018). Some of the most common areas of focus include the theory of an organisation, organisational decision making and the concept of strategy (Durand et al., 2017). Strategic management links and integrates three areas of strategy

(Zollo et al., 2018).

The first is competitive strategy which at its core is concerned with how managers position their firms to compete against their rivals (Porter, 2008; Teece, 2019; Zollo et al., 2018). The second is growth strategy. Growth strategy is concerned with the business opportunities the managers intend to pursue, and the resources and capabilities required to make a success of these opportunities (Teece, 2016, 2019; Zollo et al., 2018). The other is stakeholder strategy. Stakeholder strategy defines models and processes through which all important and interested parties in the firm will be attended to in the competitive and growth strategy decision processes (Batachaya & Polman, 2017; Eccles & Klimenko, 2019; Zollo et al., 2018).

In essence, strategic management is concerned with how a firm is going to gain competitive ascendency and sustain it in the long term (Eccles & Klimenko, 2019; Harreld, O'Reilly & Tushman, 2007; Joiner, 2009; Porter, 2008). Strategic management is the confluence of decisions that result in the formulation of strategies and the implementation processes used to achieve the ideals the strategies are designed for (Jooste & Fourie, 2009).

Prior to initiating the research process, the researcher therefore expected that:

> *A dominant configuration of managerial capabilities will overtime entrench preferred competitive strategies on both the firm and its management.*

2.3.2. Strategic leadership

Scholars share a common position on strategic leadership as a critical enabler to effective strategy implementation in a firm. Academic inquiry into the causes of failed strategy implementation have specifically singled out the lack of strategic leadership as a barrier attaining the strategic outcomes pursued (Carter & Greer, 2013; Jooste & Fourie, 2009). Strategic leadership, which is different to strategic management, is defined as "… the leader's ability to anticipate, envision, and maintain flexibility and to empower others to create strategic change as necessary …" (Jooste & Fourie, 2009, p. 52).

Strategic leaders are a broad group in firm including its chief executives, top managers (Friedman et al., 2016; Samimi, Felipe, Anderson & Hermann, 2020), and the board of directors (Samimi et al., 2020; Schmidt & Brauer, 2006). Strategic leadership is evidenced by this collective's ability to both be leaders "of" a firm through positional authority, and to lead "in" that firm through relational networks and influence (Carter & Greer, 2013).

What makes strategic leadership central to effective strategy implementation in an established firm is that it is multifunctional in its orientation. It involves being adept at managing through others. It necessitates that a manager possesses the ability to assist the firm to cope with the strategic change agenda. Strategic leadership propels a manager to master and integrate both internal and external environmental factors in both strategy formulation and implementation (Hooiberg & Lane, 2014; Jooste & Fourie, 2009).

Prior to initiating the research process, the researcher therefore expected that:

> *Entrenched competitive strategies will constrain the firm's ability to call on alternative configurations of both managerial and firm capabilities.*

Cohesiveness, diversity, and ambidexterity within the management and leadership collective is foundational to effective strategic management and leadership (Carter & Greer, 2013; Krieger & Zhovtobryukh, 2016; Olson et al., 2007). Strategic leadership theorists refer to this as strategic shared leadership (Krieger & Zhovtobryukh, 2016; Olson et al., 2007; Pitelis & Wagner, 2019). As a result of this shared role of strategic leadership, the appropriate combination of leadership style from the available leadership styles becomes context specific (Carter & Greer, 2013; Hitt et al., 2010; Olson et al., 2007; Uhl-Bien & Arena, 2017).

The knowledge and mastery of strategic leadership by the managers of a firm is becoming increasingly important as management demands continue to increase with complexity and uncertainty (Bernstein & Barrett, 2011; Carter & Greer, 2013; Hitt et al., 2010; Krieger & Zhovtobryukh, 2016; Osborn, Hunt & Jaunch, 2002; Uhl-Bien & Arena, 2017). From transactional leadership which provides managers with an ability to reward and motivate through incentives (Antonakis & Hooiberg, 2007; Carter & Greer, 2013). To transformational leadership through which managers inspire a firm to being positively disposed to an envisioned future (Antonakis & Hooiberg, 2007; Krieger & Zhovtobryukh, 2016). Or charismatic leadership which influences its employees to adopt the set strategic course as their own (Antonakis & Hooiberg, 2007; Carter & Greer, 2013). Not forgetting authentic leadership which underlies these leadership styles and promotes relationships of mutual trust in the firm (Antonakis & Hooiberg, 2007).

Strategic leaders serve the firm by making strategic decisions (Friedman et al., 2016; Hambrick & Mason, 1984; Samimi et al., 2020), managing relationships with stakeholders outside the firm (Samimi et al., 2020), performing human resource functions, motivating and influencing the firm (Barrick, Thurgood & Smith, 2015; Samimi et al., 2020), overseeing the flow of information inside and outside the firm (Samimi et al., 2020), overseeing the day to

day activities and processes relating to running the firm with its numerous and conflicting demands (Samimi et al., 2020; Teece, 2019), and seeing to broader stakeholder requirements (Hoffman, 2018; Samimi et al., 2020; Wu et al., 2017).

Managers can build and develop strategic leadership capabilities and capacity through a series of shifts (Detjen & Webber, 2017). Detjen and Webber (2017) provide an instructive five stage process to developing strategic leadership competence.

The first requires the manager to shift their adopted perspective of self. This shift includes reviewing and revising perceptions of their ability to influence, the extent of their locus of control, their ability to read role players in the firm and the firm itself, and the inner conversations (Detjen & Webber, 2017).

The second is about shifting the perspectives of others. This involves the manager going beyond their comforts to engage the perspectives of others (particularly those that are in opposition to those held by the manager), and actively cultivating a broad and rich perspective on issues of strategy. A perspective that extends beyond the initial and preferred perspectives (Detjen & Webber, 2017).

The third shift requires the manager to alter their view of their scope of responsibility. This shift enables a manager to expand how they get things done. To categorise what they are responsible for and reframe how they define success for each of these areas of responsibility. The manager is also required to actively build strategic alliances in the firm to further expand their areas of responsibility (Detjen & Webber, 2017).

The fourth shift flows from the first three. This shift is in the leverage the manager has over the firm's strategy and its related processes. In the last, the manager is then able to shift the firm as they become adept at seeing strategically, isolating out deep and systematic challenges in the firm, and then developing practical change interventions to internal and external environmental evolutions (Detjen & Webber, 2017).

It is worth reiterating that the process of building and developing strategic leadership will likely push the manager to the limits of their comforts. Necessitating patience and resilience to traverse these five shifts one at time (Bernstein & Barrett, 2011; Carter & Greer, 2013; Detjen & Webber, 2017; Joiner, 2009).

Prior to initiating the research process, the researcher therefore expected that:

A lack of development of managerial capabilities beyond the dominant configuration

will constrain the firm's ability improve and develop its firm capabilities, strategy processes, and strategies.

There remains a lack of consensus on the notion of strategic leadership (Samimi et al., 2020). Not only that, strategic leadership theorists appear to have recently introduced a capabilities lens into the strategic leadership domain (Bernstein & Barrett, 2011; Pitelis & Wagner, 2019). Strategic leaders could benefit from clarity on what should be reasonably expected of them, the legitimacy of these expectations, and how they are to fulfil them (Jooste & Fourie, 2009).

Extant strategic leadership literature does however provide characteristics that contribute positively to effective strategy implementation in a firm. Three focus areas can be distilled out of the works of Hambrick et al. (2015) and Hitt et al. (2010).

The first is formulating the strategy of a firm and setting the strategic course it will embark on. This is then followed by ensuring that the internal environment is conducive to the practical demands of implementing the strategy. This includes reviewing and putting in place the required structures, processes, and controls. Once the internal environment has been set in place. Resources are then allocated and actively managed throughout the implementation process (Hambrick et al., 2015; Hitt et al., 2010; Jooste & Fourie, 2009).

Since a strategic leader executes through the efforts of others in the firm, focus now shifts to ensuring and effective organisational culture and maintain collective engagement with the strategic course. This also includes paying careful attention to strategic management practices and the adherence to firm's code of ethics (Hambrick et al., 2015; Hitt et al., 2010; Jooste & Fourie, 2009). Strikingly, these characteristics are consistent with the definitions adopted for dynamic capabilities in a firm and its managers (Adner & Helfat, 2003; Eisenhardt & Martin, 2000; Felin & Powell, 2016; Teece et al., 1997).

2.3.3. Schools of strategy perspectives

Strategy is central to the pursuits of both managerial and firm capabilities (Helfat & Martin, 2015; Teece, 2019). Though strategy remains a very popular concept in management literature (Durand et al., 2017; Zollo et al., 2018). Strategy scholars are yet to settle on a universally accepted definition for this concept (Mintzberg, 1987; Mintzberg et al., 2009). Some leading scholars have even advocated for a multiplicity of definitions for strategy. This is in order to both fully appreciate its implications and to accommodate for its continued expansion in strategic management literature (Bindra, Parameswar & Dhir, 2019; Mintzberg, 1987; Mintzberg et al., 2009; Mintzberg & Lampel, 1999; Zollo et al., 2018).

Another reason that makes this advocacy for multiple definitions of strategy compelling is the fluidity of the concept (Bindra et al., 2019; Mintzberg et al., 2009). With great hope and the best of intentions, managers formulate strategies for how they will sustain the competitiveness of their firm. The extent to which these strategies are fully operationalised can vary significantly. Even with deliberate and disciplined execution, strategies can be hindered by structural limitations within a firm, pushing it towards an unintended strategic course. Or the strategies colliding with environmental realities that were not accounted for when formulating the strategies. Leading to an emergent strategic course that may not be congruous with the initial strategy (Bindra et al., 2019; Hambrick et al., 2015; Mintzberg et al., 2009). The way that managers strategise and how they think through strategising remains an area of interest to strategy scholars (Helfat & Martin, 2015; Mintzberg et al., 2009; Mintzberg & Lampel, 1999).

Prior to initiating the research process, the researcher therefore expected that:

> *A dominant configuration of managerial capabilities will overtime entrench preferred strategy perspectives in a firm*.

As earlier demonstrated in this chapter, strategic managers and leaders discharge their roles in very complex and uncertain firm environments. This reality further underscores the case for a nuanced and multidimensional definition of strategy. Mintzberg (1987) offered a definition of strategy with five dimensions.

He conceptualised strategy as a plan (Bindra et al., 2019; Mintzberg, 1987). The official position of the firm's strategic management and leadership that articulates what they consider a prudent response to a situation confronting the firm (Mintzberg, 1987; Mintzberg et al., 2009; Mintzberg & Lampel, 1999).

If strategy can be planned and realised, the activities in a firm also ought to form part of the definition of strategy (Mintzberg, 1987; Mintzberg et al., 2009; Mintzberg & Lampel, 1999). This is what led to Mintzberg (1987) also defining strategy as a pattern of activities that both intended and unintended by the plan.

Now, looking out of the firm to the environments the firm competes in. Strategy takes the form of a position. A posture the firm assumes internally relative to the plan, and externally relative to its competitive environments (Bindra et al., 2019; Mintzberg, 1987).

However, prior to positioning a firm within the external environment, the firm first settles on an internal logic that will inform and guide this position. Strategy in this instance takes the

form of a perspective. An outlook of its strategic managers and leaders as individuals, and their aggregated at firm level (Bindra et al., 2019; Mintzberg, 1987).

As discussed earlier in this chapter, management focus in a firm is to ensure it competes successfully in markets it operates in (Porter, 2008; Teece, 2019, 2020; Teece et al., 1997). This is where strategy takes the form of the ploys that are implement in the firm's competitive environments (Mintzberg, 1987).

Prior to initiating the research process, the researcher therefore expected that:

> *A dominant configuration of managerial capabilities will overtime entrench preferred strategy perspectives in a firm.*

Given the levels of complexity and uncertainty with which managers are confronted with as they perform their roles in firms. Developing and maintaining a broad perspective on strategy could prove beneficial to the modern-day manager. Extant literature offers several examples of failure owing to managers prizing one point of view of strategy at the expense of other potentially valuable ones. (Mintzberg et al., 2009; Mintzberg & Lampel, 1999). Mintzberg and Lampel (1999) offered ten schools of strategy perspectives that a manager can draw on.

The design school considers strategising as a process of managers looking ahead and conceiving an ideal strategy on behalf of the firm. A strategy that ensures a delicate balance between the internal strengths and limitations of the firm with the opportunities and threats presented by the environments it operates in is maintained (Mintzberg et al., 2009; Mintzberg & Lampel, 1999).

The planning school presents the formulation of a strategy as a formulaic process with distinct steps and numerous checklists. A process supported by tools including plans, budgets, and scorecards (Bindra et al., 2019; Mintzberg et al., 2009; Mintzberg & Lampel, 1999).

The positioning school favours looking back and analysing patterns. This partly contributed to the rise of the lucrative and pervasive management consulting industry (Mintzberg et al., 2009; Mintzberg & Lampel, 1999; Porter, 2008). Along with internal strategy functions that are also commonplace in firms that favour the planning school (Bindra et al., 2019; Mintzberg et al., 2009; Mintzberg & Lampel, 1999).

The entrepreneurial school favours a visionary process that shifts strategies from precise plans to vague aspirations. Often requiring a creative and compelling management

(Antonakis & Hooiberg, 2007; Mintzberg et al., 2009; Mintzberg & Lampel, 1999; Teece, 2016). The cognitive school prioritises the manager's mental processes in developing suitable strategies (Helfat & Martin, 2015; Mintzberg et al., 2009; Mintzberg & Lampel, 1999; Teece, 2019).

The learning school translates strategy formulation into an emergent process intertwining both formulation and implementation (Mintzberg et al., 2009; Mintzberg & Lampel, 1999; Sull, 2007). In the power school strategy is a negotiated process taking places through means that managers of a firm seldom want exposed (Krieger & Zhovtobryukh, 2016; Mintzberg et al., 2009; Mintzberg & Lampel, 1999; Pitelis & Wagner, 2019).

Strategy in the cultural school is socially constructed focusing on safeguarding common interests and ensuring social integration in the firm (Barrick et al., 2015; Bernstein & Barrett, 2011; Joiner, 2009; Mintzberg et al., 2009; Mintzberg & Lampel, 1999). The environmental school advocates for reacting appropriately and timeously to shifts external to the firm (Mintzberg et al., 2009; Mintzberg & Lampel, 1999; Teece et al., 2016; Teece & Leih, 2016).

The configuration school is another practice area driven by management consultants. It is the terrain of dramatic transformations that see a firm leap from a current configuration to a new and fundamentally different one (Harreld et al., 2007; Hinson & Osborne, 2014; Mintzberg et al., 2009; Mintzberg & Lampel, 1999).

Prior to initiating the research process, the researcher therefore expected that:

> *The dominant strategy perspectives of managers will overtime be entrenched through the firm's competitive strategies.*

Effective strategising in the modern day challenges a manger to traverse these ten schools in ways that both show ingenuity and sensitivity to the unique requirements of the firm and the environments it operates in (Hitt et al., 2010; Mintzberg et al., 2009; Mintzberg & Lampel, 1999; Uhl-Bien & Arena, 2017). Formulating a strategy tests a manager's design capabilities and the levels of astuteness in their judgement. In implementation, more especially in firms that are established and have enjoyed past success, managers are required to contend with both the transformation and perpetuation of the firm (Helfat & Martin, 2015; Mintzberg & Lampel, 1999; Teece, 2016, 2019).

Throughout this process, a manager will navigate a duality reality. Whilst, contemporaneously, the firm's environment continues to evolve and to place confounding demands that the manager needs to appreciate and respond to. These include balancing

individual cognition and social interaction. Trading off cooperation and conflict. They also include thorough analysis prior to reducing the strategy to plans, and complicated negotiations at both analysis and planning stages (Helfat & Martin, 2015; Mintzberg & Lampel, 1999; Teece, 2016, 2019).

Prior to initiating the research process, the researcher therefore expected that:

> *A lack of development of managerial capabilities beyond the dominant configuration will constrain the firm's ability to improve and develop its strategy perspectives.*

As already prepositioned in this chapter, the researcher also expected that:

> *A dominant configuration of managerial capabilities will overtime entrench preferred competitive strategies on both the firm and its management.*

Furthermore, as already prepositioned in this chapter, the researcher expects that:

> *Entrenched competitive strategies will constrain the firm's ability to call on alternative configurations of both managerial and firm capabilities.*

These ten schools of strategy formulation can be blended in a manner that is both interesting and eclectic. Overwhelming as this may appear, confronting this complexity is what is now required of managers of firms (Mintzberg et al., 2009; Mintzberg & Lampel, 1999; Teece, 2019).

2.4. Firm capabilities

2.4.1. Ordinary firm capabilities

Ordinary capabilities are an important set of capabilities in a firm (Karna, Richter & Riesenkampf, 2016; Teece, 2014). These capabilities are defined as enabling a firm to conduct ongoing technical tasks. These span functions that are administrative, operational and governance related in nature (Teece, 2014). Ordinary capabilities are therefore foundational to the effective running of a firm irrespective of the nature of the firm, the business that it conducts, and the environments that it competes in (Karna et al., 2016). Ordinary capabilities tend to be mostly associated with current and past firm successes. Owing to their characterisation as detailed organisational routines that have matured to a point of producing predictable results (Eisenhardt & Martin, 2000).

They are concerned with maintaining technical efficiency across core business functions

(Eisenhardt & Martin, 2000; Karna et al., 2016; Teece, 2014; Teece & Leih, 2016). In South Africa's insurance industry, core business functions include (but not limited to) the management of risk in the processes spanning developing products. The sales activities by both tied and independent sales agents who position these products with consumers. The administrative processes relating to the fulfilment of the resultant contractual obligations to customers. They also include the governance processes that ensure compliance with the industry conditions set by the industry regulatory authorities (Bellner & MacLean, 2015; Teece & Leih, 2016). That is, ordinary capabilities enable a firm to continually do what it exists to do in the right manner (Eisenhardt & Martin, 2000; Karna et al., 2016; Teece, 2014; Teece & Leih, 2016). Both ordinary and dynamic capabilities are critically important to the success of a firm (Schoemaker et al., 2018; Teece et al., 2016).

2.4.2. Dynamic firm capabilities

Teece considers dynamic capabilities as the third substantive framework for maintaining the strength of a firm's competitive strategy and the required management intervention conceived in the past 40 years (Teece, 2019; Teece et al., 1997). The first framework he acknowledges is the five competitive forces model. Porter's model confines competitive strategy and management to choices that strategic managers and leaders of an incumbent firm can make in defence of the firm's position relative to opposing market forces (Bindra et al., 2019; Porter, 2008; Teece, 2019).

Essentially, strategic management in this competitive context could be summarised as selecting an industry to compete in based on the strength of an assessment of its commercial attractiveness. Informed by strategic management's perceived alignment of the competitive forces in favour of a targeted commercial outcomes (Porter, 2008). Given the assumed static nature of the industry environment, competitive ascendency is achieved through strategic managers and leaders raising barriers to entry and constraining access to resources (Porter, 2008; Teece, 2019; Teece et al., 1997).

The second model Teece recognises is the resource-based view of a firm (Barney, 1991; Bindra et al., 2019; Prahalad & Hamel, 1990; Teece, 2019, 2020; Teece et al., 1997). Not too dissimilar to Porter's five competitive forces (Porter, 2008), the resource-based view of a firm also considers the industry environment static. The strategic orientation of strategic managers and leaders is also predominantly internal given the centrality of a firm's resource base. Strategic managers of established and incumbent firms preserve longevity through raising barriers to entry and avoiding the threat of substitution (Barney, 1991; Prahalad & Hamel, 1990).

The nuanced difference in the management challenge appears to be rooted in identifying and entering markets where firm resources can be deployed for the greatest return. Strategic managers and leaders are therefore not confined to the industries their firms currently operate in (Barney, 1991; Prahalad & Hamel, 1990; Teece et al., 1997). Unlike in Porter's five competitive forces, there is room for exploration and expansion beyond existing industry boundaries (Barney, 1991; Porter, 2008; Prahalad & Hamel, 1990; Teece et al., 1997). In the resource-based view of a firm, sustained competitiveness is dependent on the uniqueness of the resources strategic managers have at their disposal. This is over and above where and how they have positioned their firms in competitive markets (Barney, 1991; Prahalad & Hamel, 1990; Teece, 2019; Teece et al., 1997).

The third model, which is the focus of this research study, is dynamic capabilities (Bindra et al., 2019; Eisenhardt & Martin, 2000; Teece, 2019; Teece et al., 1997). Dynamic capabilities goes further than these two prior models in addressing the management and competitive strategy challenge. It recognises the need for strategic managers and leaders to purposefully modify a firm's resources and core competencies in response to a rapidly evolving competitive terrain. This, as a direct response to technological advances and the innovative activities they enable. In deliberate attempt to sustain a firm's competitive advantages as the environments the firm competes in continue to change (Barney, 1991; Eisenhardt & Martin, 2000; Porter, 2008; Prahalad & Hamel, 1990; Teece et al., 1997).

A notable difference is that dynamic capabilities theorises markets as everchanging and competition potentially disruptive (Teece, 2016, 2019; Teece et al., 1997; Teece & Leih, 2016). The competitive arena strategic managers and leaders need to contend with shifts from static to dynamic and expansive ecosystems (Adner, 2017; Altman & Tushman, 2017; Jacobides, Cennamo & Gawer, 2018; Karimi & Walter, 2015; Teece, 2017). Access to resources and the nature of these resources also appears insufficient for them to compete successfully (Barney, 1991; Prahalad & Hamel, 1990). Competitive premium seems to be instead placed in the strategic managers and their firm's ability to innovate with all available resources; including those present in the external environment (Schilke et al., 2018; Schoemaker et al., 2018; Teece, 2016, 2019).

It appears widely accepted in academia that Teece et al.'s (1997) article was the seminal work on dynamic capabilities (Schilke et al., 2018). They developed the dynamic capabilities framework as a means of analysing both sources of competitiveness and methods of creating them in a firm (Teece et al., 1997). Teece et al. (1997) defined dynamic capabilities as the ability within a firm to realign itself to remain relevant in what it does, where it does it, and for whom it does it for. Within these three areas of focus, the role of strategic managers

and leaders is to make decisions are to how the firm approaches each of these three focus areas. Giving rise to the scholarly need to conceptualise the earlier discussed dynamic managerial capabilities concept in dynamic capabilities literature (Helfat & Martin, 2015).

Dynamic capabilities include "… appropriately adapting, integrating, and reconfiguring internal and external organizational skills, resources, and functional competences …" (Teece et al., 1997, p. 515) of the firm. This definition of dynamic capabilities builds on the capabilities literature derived from the resource-based view of a firm (Barney, 1991; Prahalad & Hamel, 1990; Schilke et al., 2018; Teece, 2019). It grounds sustained competitiveness in the accumulation and deployment of resources in a differentiated manner to rivals (Barney, 1991; Teece et al., 1997). Distinct from ordinary capabilities from the resource-based view of a firm, dynamic capabilities are said to maintain a continuous fit between the competitive strategy of a firm and the environments it competes in. Put simply, dynamic capabilities enable a firm to do what is right at the right moment in time (Schilke et al., 2018; Teece, 2014; Teece et al., 1997).

Teece et. al (1997) explicated what dynamic capabilities are in their definition. Illuminating that strategic managers purposefully modify firm resources and the external environments the firm competes in. Their definition makes it clear what dynamic capabilities are (Schilke et al., 2018). What their definition does not clearly address is how dynamic capabilities function in a firm. Eisenhardt and Martin (2000) subsequently built on the work done by Teece et al. (1997). They conceptualised dynamic capabilities as operating processes within a firm. Operating processes that flow directly from the decisions of the firm's strategic managers and leaders. Eisenhardt and Martin (2000) went further and defined how dynamic capabilities operate in a firm.

The importance of this contribution was in its recognising that strategic change takes place through specific and identifiable processes by strategic managers. Processes of redeploying resources for sustained competitiveness in a firm (Eisenhardt & Martin, 2000; Schilke et al., 2018). Therefore, the realignment referred to by Teece et al. (1997) could be considered to be achieved through the process of investment and divestment of a firm's resources, and the reconfiguration of the business models used in operationalising these deployment decisions (Foss & Saebi, 2016, 2018; Pitelis & Wagner, 2019; Teece, 2018a).

Dynamic capabilities scholars are yet to settle on a universal definition (Schilke et al., 2018). What can however be found in dynamic capabilities literature are two conceptions of human action. One is rational action. Rational action could be summed up as an actor (be it an individual or a group) pursuing an ideal outcome. A pursuit informed by the analysis of the

means required to achieve it. Along with the conditions within which this outcome is ultimately pursued (MacLean, MacIntosh & Seidl, 2015). Teece et al. (1997) could be considered rational in their definition of dynamic capabilities. Their sensing, seizing, and transforming dimensionalisation of dynamic capabilities (which will be further discussed below) is rooted in rational logic (MacLean et al., 2015).

Whereas Eisenhardt and Martin (2000) could be considered normative in their definition of dynamic capabilities. Normative notions of action are concerned with a collective of actors. It encompasses the formalised confluence of their individual behavioural patterns. Their cognitions and the social structures within which they find expression. It also includes the belief and value systems held by these actors individually and as a collective (MacLean et al., 2015). The conceptualisation of dynamic capabilities as embedded processes, rules, and routines in a firm by Eisenhardt and Martin (2000) is rooted in normative logic (MacLean et al., 2015). Therefore, making it distinct to the rational dynamic capabilities logic of Teece et al. (1997).

Combined, these definitions are considered to offer a comprehensive understanding of the dynamic capabilities construct (MacLean et al., 2015; Schilke et al., 2018). Notwithstanding their general acceptance, these definitions are not without criticism. The most notable challenge in the literature covered is of their purported comprehensiveness. These definitions appear without explicit consideration of creative action (MacLean et al., 2015). That is, an individual actor's pragmatic intent emerging from a specific moment in time. The varied motivators that the actor carries into the moment. Along with how the actor responds to the network of existing actors they form part of. Teece et al. (1997) and Eisenhardt and Martin (2000) do not appear to explicitly cater for this individual level of improvisation. Nevertheless, this criticism appears directed at further enhancing their definitions and not necessarily invalidating their appropriateness for academic inquiry (MacLean et al., 2015; Schilke et al., 2018).

Despite the comprehensive understanding of the dynamic capabilities concept and constructs. There are important differences between the two definitions that warrants discussion (Kump, Engelmann, Kessler & Schweiger; Wilden, Gundergan, Nielsen & Lings, 2013). The differences that exist between the Teece et al. (1997) and Eisenhardt and Martin (2000) predominantly revolve around the boundary conditions of dynamic capabilities and the attainment of sustained competitiveness. Even with differences in perspectives. However, dynamic capabilities scholars have been persuaded that there are instances within which these definitions can be combined. Increasingly so now in recent times as these two schools of thought converge (Kump et al., 2019; Peteraf, Di Stefano & Verona, 2013; Wilden

et al., 2016). These definitions are now viewed as both complementary and mutually reinforcing (Kump et al., 2019; Schilke et al., 2018).

As earlier mentioned, Teece et al. (1997) offered three distinct processes through which dynamic capabilities are engaged. These processes are the predominant dimensionalisation of dynamic capabilities in extant academic literature (Schilke et al., 2018).

The first of these processes is focused on a firm's ability to sense evolutions in market environments it competes in (Teece et al., 1997). This process of discovery is what enables a firm to find market opportunities. Sensing necessitates the ability to both notice and anticipate change (Schoemaker et al., 2018). As a result, strategic managers and leaders have an important role in sensing given that a firm cannot generate all strategic opportunities internally (Friedman et al., 2016; Pitelis & Wagner, 2019; Teece, 2017). Managerial sensing points to the capacity to point out opportunities for the firm (Roberts, Campbell & Vijayasatathy., 2016). It is predicated on a manager's ability to process both internal and external information sources through exercises such as scanning (Roberts et al., 2016; Schoemaker et al., 2018) then forming a view of strategic options through exercises such as scenario planning (Hines & Bishop, 2013; Poli, 2010; Roberts et al., 2016; Schoemaker et al., 2018; Teece, 2018d).

The capabilities of managers in a firm, as individuals and as a management collective, have a direct bearing on its sensing processes and outcomes (Adner & Helfat, 2003; Helfat & Martin, 2015). Sensing draws on a manager's ability to identify developments in the environment, and then making sense of them (along with the opportunities and threats they present) (Hines & Bishop, 2013; Poli, 2010). This management endeavour has both rational and irrational aspects to it. In it, a thorough due diligence is as important as the ability to dream of new possibilities. Both these aspects are ultimately what future scenarios preferred by managers are premised on. Managers, more times than not, validate execution decisions against these preferred scenarios (Baden-Fuller & Teece, 2019; Hines & Bishop, 2013; Poli, 2010).

Seizing is concerned with the strategic management and leadership choices made to deploy the available firm capabilities and resources in pursuit of the most promising opportunities present in the external environment (Teece, 2016; Teece et al., 1997). The central concern for the manager in seizing is capturing value and profiting from investment decisions (Teece, 2016, 2018c). Seizing necessitates an entrepreneurial orientation in both the firm and its managers. This, in layman's terms, refers to all processes, practices and decisions within a firm translating into the creation of new ventures (Roberts et al., 2016).

Strategic managers and leaders ought to ensure that it is positioned well relative to the levers of value creation in the markets within which it competes for a firm to profit from value creation. These levers include the level of influence over the complementary assets required to produce products and services, the standards and timing in the production processes, the ability to shape the business model for execution, and the degree of leverage over the appropriability regime governing the relationships around this execution model (Foss & Saebi, 2018; Harreld et al., 2007; Schoemaker et al., 2018; Teece, 2017, 2018c). Seizing requires strategic management and leadership responses to opportunities available be timely (Schoemaker et al., 2018; Teece, 2016, 2019).

The third dynamic capabilities dimensionalisation is named transforming (Schilke et al., 2018; Teece et al., 1997). Transforming a firm to sustain its competitive edge calls on strategic management's ability to build an entrepreneurial and dynamically capable firm (Teece, 2016; Teece & Leih, 2016). This is evidently a challenging management task particularly in established and successful firms (Teece, 2016).

The management ambidexterity required to successfully navigate an established firm through the complexities of maintaining the successes of the existing business; while transforming it in pursuit of future success is a distinct skillset to those skills required to sense and seize opportunities. A skillset that does not appear to be pervasive (Bendig, Stresse, Flatten, da Costa & Brettel, 2018; Teece, 2016; Uhl-Bien & Arena, 2017). Teece (2016) defines ambidexterity in established firms as the ability to pursue new ventures. Contemporaneously, running the existing business without compromising its value generation capacity and sources of competitiveness. Nor adversely trading off its needs against those of the new ventures pursued.

A second foundational requirement to successful transformation is cultivating a culture conducive to evolution (Barrick et al., 2015; Lynch & Mors, 2019). Management culture in an organisation is said to considerably shape the organisational culture. Therefore, management structures and the individual managers serving in those structures require due consideration in any transformational endeavour (Hambrick et al., 2015; Hambrick & Mason, 1984). The assumptions held by the management collective, the values they express in managing the firm, and their daily practices are likely to have a direct and meaningful bearing on the level of ambidexterity in the firm (Altman & Tushman, 2017; Joiner, 2009; Pitelis & Wagner, 2019).

A third foundational requirement is sustaining collective organisational engagement (Barrick et al., 2015; Lynch & Mors, 2019). Transformational efforts consist of numerous

management choices impacting investments and divestments of resources in pursuit of the optimal configuration of capabilities and resources in a firm (Harreld et al., 2007; Snowden & Boone, 2007). Organisational change at enterprise scale may inadvertently have a negative impact on individuals in the firm. Consequently, these may in turn may erode collective organisational engagement. Hence the importance of strategic managers and leaders actively managing collective engagement (Carter & Greer, 2013; Osborn et al., 2002; Uhl-Bien & Arena, 2017).

Prior to initiating the research process, the researcher therefore expected that:

> *A dominant configuration of firm capabilities will overtime impose a preferred configuration of capabilities on both the firm and its management.*

Dynamic capabilities safeguard a firm from being held captive by ordinary capabilities and best practices that have delivered the successes that they currently enjoy (Teece, 2019). They compel the firm's strategic managers and leaders to continually monitor the external environment for the appropriateness of the existing business model (Teece, 2019; Teece et al., 1997). They provide a means for strategic managers and leaders of established organisation to avoid complacency and their firms being disrupted. They demand that strategic managers and leaders contend with both the present and the future of the firm. Along with all the complexity and uncertainty it presents (Teece, 2019; Teece et al., 2016). Dynamic capabilities ultimately inform how existing firm resources are retrenched, combined and re-orchestrated; and also, which additional resources are to be secured by strategic managers and leaders (Harreld et al., 2007; Schoemaker et al., 2018; Teece, 2019; Teece et al., 2016).

2.5.   Conclusion

Strategy process research, which is the domain of the literature reviewed, is centred "... on the investigation of strategy formulation, execution and strategic change." (Schmidt & Brauer, 2006, p. 17). It has been established through the literature reviewed above that the capabilities of managers, the perspectives that inform their strategising, and the capabilities of the firms that they manage ultimately find expression through the firm's strategy processes (Adner & Helfat, 2003; Eisenhardt & Martin, 2000; Mintzberg, 1987; Mintzberg et al., 2009; Mintzberg & Lampel, 1999; Teece et al., 1997).

3. Research question

The research study explored the impact of strategic managers and leaders of firms (Hambrick & Mason, 1984; Pitelis & Wagner, 2019; Samimi et al., 2020) on the capabilities their firms use to pursue their prioritised strategic objectives. Teece (2018b) presented a framework depicting the various elements of dynamic capabilities and how they relate to each other. However, this framework does not appear to isolate and sufficiently distinguish the role of strategic managers and leaders, and their capabilities.

The literature reviewed in chapter 2 above represents an attempt to better understand extent of this apparent gap in extant literature and how it could potentially be addressed. Of specific interest, representing the researcher's intent with the primary research question for this research study, was delving deeper into how the capabilities of strategic managers and leaders affect the capabilities of their firms (Schilke et al., 2018). The research question and its related sub-questions were gleaned from the literature presented and reviewed in the chapter 2 above (Agee, 2009); particularly the work of Schilke et al. (2018). The primary research question was framed slightly differently to a question offered by Schilke et al. (2018) for future research. Their question is "how exactly do dynamic managerial capabilities affect organizational capabilities?" (Schilke et al., 2018, p. 417).

Therefore, primary research question for this research study was:

> *How do dynamic managerial capabilities (where applicable) affect a firm's capabilities?*

This primary research question had three related sub-questions. The first of these sub-questions was:

> *How do a manager's sensing capabilities affect firm capabilities?*

The second of these sub-questions was:

> *How do a manager's seizing capabilities affect firm capabilities?*

Whilst the third of these sub-questions was:

> *How do a manager's transforming capabilities affect firm capabilities?*

The primary research question was deliberately framed in a manner that did not presuppose the existence of a differential impact of managerial capabilities on firm capabilities (Creswell

& Creswell, 2018c).

4. Research methodology

4.1.   Introduction

Flowing from chapters 2 and 3 above, the relationship between the capabilities of the managers of a firm and the capabilities of that said firm appears unclear in extant literature. This chapter discusses the research methodology used to answer the research question presented in chapter 3. This research methodology was deployed to express a view into this seemingly mute area of dynamic capabilities literature.

4.2.   Philosophical paradigm

Given that the study sought to understand the effects of managerial capabilities on the capabilities of a firm (Schilke et al., 2018). A qualitative research approach (Creswell & Creswell, 2018a) was used instead of a quantitative approach (Creswell & Creswell, 2018b).

The research domain lent itself to subjectivism as a problematic and philosophical point of departure. In it, knowledge is considered both subjective and contextual. Subjectivism enabled the researcher to draw on both the perceptions and conclusions of managers grounded in their professional experiences (Cunliffe, 2011).

Within the subjectivist paradigm, the epistemology and ontology (Creswell, Hanson, Clark Plano & Morales, 2007; Hart, 2018) are both linked to the processes through which these managers accrued knowledge about the phenomena (Cunliffe, 2011). Axiologically, the study was situated in these personal and daily experiences of managing their organisations (Creswell et al., 2007; Hart, 2018; Onwuegbuzie, Leech & Collins, 2010).

The multiplicity of realities that this paradigm generates was an important enabler of the exploratory aims of the study (Hlady-Rispal & Jouison-Laffitte, 2014). Aims that were also consistent with the interpretivist view that knowledge and understanding are socially constructed (Eisenhardt et al., 2016).

4.3.   Research design

The researcher considered narrative design suited to pursuing the aims and addressing the research question of this research study. Lived experiences of managers were relied upon as the primary source of data. These accounts were analysed for insights into plausible answers to the research question into relationships between managerial and firm capabilities

in chapter 3 above (Creswell et al., 2007; Cunliffe, 2011).

The researcher acknowledges that phenomenology was an appropriate alternative design as it also seeks to build knowledge through subjective experiences and the accounts of those experiences (Gentles, Charles, Ploeg & McKibbon, 2015). Also, both narrative design and phenomenology are inductive at the levels of coding and categorising. Then deductive in the creation of themes, constructs, and concepts (Creswell et al., 2007; Eisenhardt et al., 2016; Saldaña, 2011). However, narrative design was preferred over phenomenology due to its focus on the breadth of experiences of the phenomena. This was central to the research aims and answering the set research question. Contrary to narrative design, phenomenology trades off the pursuit of breadth for drilling down into the depth of the experiences of the phenomena in pursuit of a rich, detailed, and unified understanding of the phenomena (Gentles et al., 2015; Gioia, Corley & Hamilton, 2012).

4.4.   Research methodology

After considering the available sampling methods, purposive sampling was chosen and used. Not only was it pervasive in qualitative research as a non-probabilistic sampling method. It better positioned the researcher to answer the research question by drawing a sample from respondents that had personal knowledge of managerial capabilities as a consequence of their role in a firm (Guest, Bunce & Johnson, 2006; Suzuki, Ahluwalia, Arora & Mattis, 2007). Homogeneity, by exclusively focusing on strategic managers and leaders in a firm (Pitelis & Wagner, 2019), was the adopted purposive sampling strategy (Gentles et al., 2015; Miles & Huberman, 1994).

The strategic managers and leaders of a firm were discussed in section 2.3 above and defined in keeping with strategic leadership theory. That is, those senior managers that make and implement strategic decisions. They include the chief executive and high-level managers (Pitelis & Wagner, 2019). This layering was intended to aid the comprehensive exploration of the inner workings and complexities related to managerial and firm capabilities within a business unit (Gentles et al., 2015; Miles & Huberman, 1994).

A notable complication in extant literature was that a wide variety of sample sizes have been used in doctoral papers adopting a qualitative methodology and design over the years (Mason, 2010). Sample sizes ranging from five to twenty-five have previously been found appropriate in studies sourcing data through interviews (Gentles et al., 2015; Suzuki et al., 2007). Useful as these may be as a guide, qualitative methodologists caution researchers to instead focus on reaching saturation as opposed to targeting a specific sample number. The

depth and quality of the data collected is therefore of paramount importance (Fusch & Ness, 2015; Guest et al., 2006; Mason, 2010).

Narrative research has been successfully conducted with small sample sizes provided they yield data that is rich in layers and levels of detail. Data that is also thick in volume (Creswell et al., 2007; Gentles et al., 2015). What was instructive is that sample sizes between seven and twelve respondents were characterised by significantly diminished rates of code additions and modifications. Serving as an indicator of approaching saturation. Consequently, the researcher targeted a sample size of a minimum of twelve and a maximum eighteen participants in the research study (Guest et al., 2006; Marshall, Cardon, Poddar & Fontenot, 2013; Mason, 2010).

Data triangulation was used to safeguard the reliability of the findings of the study, and to improve its likelihood of approaching saturation. Data triangulation was operationalised through publicly available strategic reports on the firms the respondents manage. These included results presentations, annual reports, investor presentations and analyst reports (Fusch & Ness, 2015; Suzuki et al., 2007).

4.5.   Research methods

Primary data was collected through semi-structured interviews in keeping with the established traditions of narrative research (Creswell et al., 2007; Cunliffe, 2011). The appeal of semi-structured interviews was the versatility and flexibility they offer (Kallio et al., 2016). They allowed respondents to freely narrate their lived experiences of the phenomenon. This in turn enabled the researcher to both probe and expand on any matters narrated. There was scope to explore unanticipated insights whilst also keeping the discussion conversational. Instead of following a rigid and sequential delivery that is characteristic of structured interviews (Gioia et al., 2012; Kallio, Pietilä, Johnson & Kangasniemi, 2016).

Table 1 below contains the discussion guide used. Several factors were considered in designing it. The primary research question was aimed at better understanding the relationships between managerial capabilities and the capabilities of a firm as positioned in chapter 3 above. To this end, the questions were designed with the intent to unearthing decision, process, and structural considerations within which this phenomenon was experienced by managers (Agee, 2009; Kallio et al., 2016).

Kump, Engelmann, Kessler, and Schweiger (2019) adopted the sensing, seizing, and

transforming dimensionalisation conceptualised by Teece et al. (1997) in their attempt to develop a dynamic capabilities measurement scale. Under sensing they probed issues around the knowledge of market practices, appreciation of pertinent current affairs, and systematic access to critical information. Under seizing they explored the translation of insights into a programme of execution. Under transforming they probed for organisational change due to activities aimed at seizing opportunities. All their questions are however framed with the firm as the unit of analysis and their scale was developed for quantitative inquiry (Kump et al., 2019).

In their attempts to understand the relationship between dynamic capabilities and performance, Wilden, Gudergan, Nielsen and Lings (2013) also adopted the sensing, seizing, and transforming dimensionalisation conceptualised by Teece et al. (1997) in their research instrument. Similarly, their research study was also designed with the firm as the unit of analysis and their scale was developed for quantitative inquiry (Wilden et al., 2013).

The unit of analysis in narrative research is one or more individuals (Creswell et al., 2007). Strategic managers and leaders were selected across South Africa's established insurance companies as a homogenous group of respondents. This sampling strategy was intended to ensure the collection of data that is both rich and broadly reflective of the contextual realities of managerial and firm capabilities within this industry (Gentles et al., 2015; Miles & Huberman, 1994).

Like Kump et al. (2019) and Wilden et al. (2013), the sequencing of the questions was done following the seminal dimensionalisation of dynamic capabilities developed by Teece et al. (1997). However, unlike Kump et al. (2019) and Wilden et al. (2013), questions were framed with the manager in the firm as the unit of analysis. They were also design in keeping with established qualitative research norms and standards. That is, they were deliberately open-ended questions without any specific reference to the foundational literature and theory for this research study (Creswell & Creswell, 2018c).

The researcher was led by the respondents during the interview discussions and remained open to adapting the flow of questions whenever required. It must be noted that the discussion guide was not subjected to a field test prior to conducting the interviews. The instrument was instead tested through the supervision process and advisory discussions with a qualitative methodologist prior to data collection (Kallio et al., 2016).

Table 1: Proposed interview discussion guide

Interview discussion guide
Introduction
1. Briefly outline your organisation's strategy for sustained competitiveness and your role in it?
Sensing
2. How do you keep yourself up to date on the state of the market?
3. How do you go about gathering this information on the state of the market?
Seizing
4. How do you translate the new knowledge and technologies gathered by you and your organisation into innovative products and services?
Transforming
5. How do you manage and lead your organisation through the transformative change requirements of innovative products and services?
6. How do you implement transformative change alongside existing business demands?
Conclusion
7. How would you assess your organisation's chances of sustaining its competitiveness going forward? Provide reasons for this assessment?

Source: Proposal author's adaptation from Kump et al. (2019); Wilden et al. (2013)

4.6. Data gathering and analysis

The confidentiality of all participants in the research study was maintained from data collection into the analysis and report writing process. No incentives were offered to induce their participation. Also, respondents were free to withdraw their participation in the research process at any stage. Documented consent was secured from each participant as confirmation of their informed consent to being interviewed (Creswell & Creswell, 2018a; Suzuki et al., 2007).

The targeted duration of these interviews was forty-five to sixty minutes with each respondent. Given that it was not feasible to conduct these interviews in person due to the Coronavirus pandemic, the video conferencing software Zoom was used to both conduct and record the interviews. Otter.ai was then used to convert the interview recordings into draft transcripts of the discussions (Creswell & Creswell, 2018a; Suzuki et al., 2007).

The researcher edited each of these transcripts to ensure consistency with the audio files as Otter.ai returned transcripts with some discrepancies. During this editing process, all identifiers of the respondents and their firms were removed from the transcripts before they were stored on a cloud-based shared drive Google Drive in preparation for analysis. Both

the video and audio recordings were disposed in line with the university's policy for ensuring confidentiality is maintained (Creswell & Creswell, 2018a; Suzuki et al., 2007).

Narrative analysis focuses on the chronology of events and their interconnections from the account of the narrator (Creswell et al., 2007; Creswell & Creswell, 2018a; Eriksson, 2013). It is through the analysis of stories for "time, place, and scene" (Creswell et al., 2007, p. 244) that the researcher aspired to deductively extend existing theory about managerial capabilities. This chronological ordering of meaning gleaned from the analyses of narratives fits well within the bounds of narrative design (Creswell et al., 2007; Creswell & Creswell, 2018a; Gehman et al., 2018).

The narrative analysis approach used followed the Clandinin and Connelly procedural guide (Creswell et al., 2007, pp. 243–245). It explored managerial capabilities across three dimensions. The manager's narration of personal and social interactions, the unfolding of the narrative from the past to the present and towards the future. Whilst bounding these narrated experiences within the manager's organisational context (Creswell et al., 2007; Vaara et al., 2016).

The analysis stages are outlined in Table 2 below. The process begun with open and expanded coding of the fifteen interview transcripts. Each of the interview transcripts was read closely (Chenail, 2012) whilst marking passages yielding codes and categories fitting the data. This was done using the language and terminology of the strategic managers and leaders. A total of three hundred and ninety-four codes were generated across the fifteen interviews. These codes were aggregated into two hundred and ninety categories using the observed characteristics of these codes. Ultimately, two hundred and two themes were surmised reflecting the observed relationships between these categories (Chenail, 2012; Gioia et al., 2012; Hsieh & Shannon, 2005; Saldaña, 2011). The themes were then translated into eighty-four constructs. Twenty-three sub-concepts were then generated from these constructs. These were then categorised into twelve concepts. The constructs, sub-concepts and concepts were all derived from the literature reviewed in chapter 2 above (Saldaña, 2011).

Then the themes and constructs were tested against the data for both consistency and representivity. Emerging theories were postulated using the themes and constructs. Which were also tested against the data to ensure consistency and representivity across all the analysis stages (Chenail, 2012; Gioia et al., 2012; Hsieh & Shannon, 2005; Saldaña, 2011). The researcher used the qualitative data analysis software Atlas.ti to code and categorise the codes (Gioia et al., 2012; Saldaña, 2011; Woods, Paulus, Atkins & Macklin, 2016) and

Microsoft Excel to. This also included computing frequency, groundedness and density (Braun & Clarke, 2006; Gioia et al., 2012; Saldaña, 2011).

Table 2: Phases of thematic analysis

Phase	Description	Process
1	Familiarity with data	Transcribe and immerse oneself in the data; noting any initial ideas for coding.
2	Generate codes	Systematically code interesting insights from the data set ensuring that data is appropriately collated against each code.
3	Identify themes	Identify emergent themes from each code ensuring that data is appropriately collated against each theme.
4	Review themes	Review the suitability of each theme and generate a thematic map for analysis
5	Define and name themes	Analyse and refine themes including the review of names and definitions of each theme and the associated stories.
6	Produce report	Produce a scholarly report with final analysis supported by vivid and compelling extract examples is all related back to the research questions and literature reviewed

Source: Braun and Clarke (2006, pp. 87–93)

4.7. Quality controls

When reviewing methodological literature, it appeared to the researcher that qualitative research methodologists were yet to reach consensus on how to best demonstrate the quality and rigour of a study (Morse, 2015; Pratt, Kaplan & Whittington, 2020). Two schools of thought were noted during this review process.

The first, which was adopted in this study, argues for ensuring both validity and reliability, and mitigating against bias (Maxwell, 1992; Morse, 2015; Morse, Barrett, Mayan, Olson & Spiers, 2002). The alternative argues for breaking with tradition and instead deploying strategies that deliver trustworthiness (Morse, 2015; Pratt et al., 2020). The primary strategy for attaining valid results was gathering thick and rich data through prolonged engagement in the interview conversations. The primary strategy for evidencing the reliability of the results was creating the necessary transparency into the coding system and process by sharing a code book as part of the supporting material of this research study (Creswell & Creswell, 2018a; Morse, 2015).

The strategies for ensuring quality and rigour were imbedded into the narrative design and narrative analysis process used. As it was demonstrated earlier in this chapter, the research question fits narrative design. Narrative design also fits the outlined narrative analysis procedures. Both solved for methodological coherence. Sampling sufficiency was pursued by purposively selecting respondents with adequate knowledge of the phenomena under exploration (Creswell & Creswell, 2018a; Morse et al., 2002). The targeted sample size ensured a high likelihood of the study approaching saturation. The analysis procedure was both iterative and reflexive; and grounded in the semi-structured interview data as outlined in Table 2 above. Consequently, the emergent theory proffered in this research study is grounded in the data collected (Gioia et al., 2012; Morse et al., 2002).

4.8.   Limitations

Qualitative designs explore the bounds of existing knowledge and building on them wherever they may be incomplete (Creswell & Creswell, 2018a). The pursuit of understanding and meaning through the qualitative lens is situated in the cognitions and actions of actors in their natural settings (Alvesson, 2003). Qualitative designs ably capture all these realities, with their inherent complexities, without compromising the flexibility required to identify and capture the unexpected (Creswell et al., 2007; Creswell & Creswell, 2018a).

Oftentimes qualitive research findings are treated with scepticism because they are not quantifiable and verifiable (Maxwell, 1992; Morse et al., 2002). Generalisation from a qualitative sample to a population is often not possible due to the use of sampling strategies like the purposive sampling strategy used in this research study (Gentles et al., 2015; Suzuki et al., 2007). Unless a detailed account of the analysis process is provided, which is often not the case, replicating qualitative studies can be very challenging (Pratt et al., 2020).

However, critics miss the core concern of qualitative designs. That is to build new knowledge as opposed to confirming and better understanding what is already known (Creswell & Creswell, 2018a, 2018b). Quality measures that are common in quantitative designs, like objectivity for example, lose their relevance (Kallio et al., 2016; Morse, 2015). More so in interpretivist studies characterised by multiple subjective realities (Hlady-Rispal & Jouison-Laffitte, 2014).

The researcher's relative inexperience with qualitative methodologies and computer-assisted qualitative data ana lysis software may have presented limitations in making design decisions, conducting interviews, and processing the data collected (Kalpokaite & Radivojevic, 2020; Roulston, 2010). These challenges relating to design decisions and the

processing of data collected were ameliorated through following established traditions as already discussed in this chapter and the supervision process (Mulhall, 2003; Onwuegbuzie, Leech & Collins, 2008). Moreover, the researcher is an experienced manager in the insurance industry and his professional experience was of value in effectively operationalising the methodology and design.

Addressing the limitations of semi-structured interviews necessitates further discussion. The researcher's status as an industry insider raised a material risk of bias (Morse, 2015). It was imperative to ensure that the accounts collected on the phenomenon represented the views of the respondents and not those of the researcher (Fusch & Ness, 2015). This is where the data triangulation strategy discussed earlier in this chapter was of benefit. It was also coupled with reflexivity strategies to limit the effects of the participants on the researcher, and those of the researcher on the participants (Onwuegbuzie et al., 2008; Roulston, 2010). The researcher kept a journal throughout the data collection process and regularly debrief during supervision as counter measures against bias (Mulhall, 2003; Onwuegbuzie et al., 2008; Suzuki et al., 2007).

Another limitation related to the predominant reliance on cross-sectional data of this proposed study (Saunders & Lewis, 2012). Even though this data set was triangulated against publicly available information as earlier discussed in data gathering and analysis. Using longitudinal data could serve to both enrich the data set and enhance the theoretical findings. An example of an alternative data collection strategy is both interviewing managers and asking them to keep a diary on the phenomena over a period of time (Onwuegbuzie et al., 2010). Operationalising this data collection strategy was however not feasible given the timing within which this research process was bound.

4.9. Ethical considerations

Informed consent was sought from each of the study's participants. Careful consideration was be paid to preserving their confidentiality. No incentives were offered for their participation. The researcher made it clear to each participant that no penalties would be incurred for their withdrawal at any stage of the process. The industry-coverage of the study aided the preservation of the confidentiality of the firms that employ the respondents. Consent from these firms was therefore not required.

4.10. Data overview

Semi-structured interviews were conducted with fifteen strategic managers and leaders of

established and publicly listed South African insurers. Bringing the data set closer to the rich and thick data requirements earlier discussed. The total duration of these interviews spanned over fourteen hours in length. Averaging just under an hour in length. Which fits within the proposed target range of forty-five to sixty minutes. Figure 2 below provides a graphical overview of the data set generated through the research process.
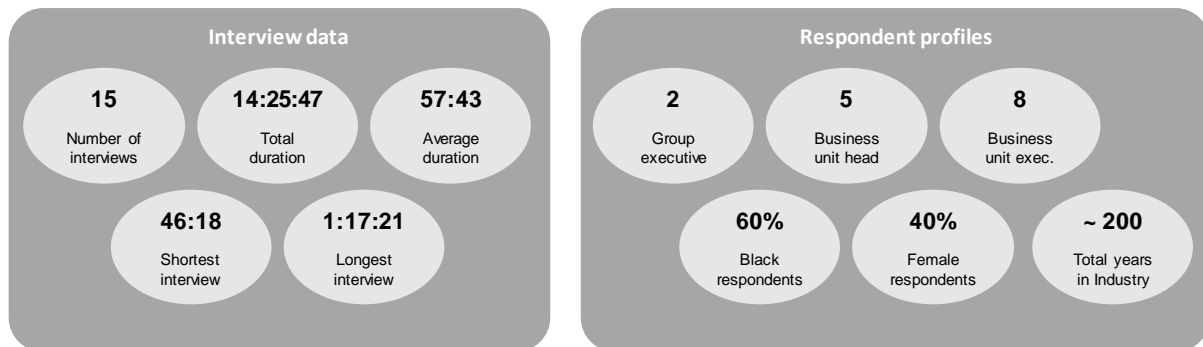
Figure 2: Interview data and respondent profiles

A diverse set of respondents was purposively selected in efforts to ensure that the data provides a reasonable representation of established and publicly listed South African insurers. This was done without compromising the depth of experience and exposure to both the industry and the phenomena pursued by this research study. Efforts were also made to ensure a broad diversity of views were infused into the data set. Careful consideration was paid to race and gender representivity. These being contextual factors of importance in South Africa (Barnard, Cuervo-Cazurra & Manning, 2017). Representivity of strategic managers and leaders at firm and business unit level was also considered.

Code generation

394
Total codes
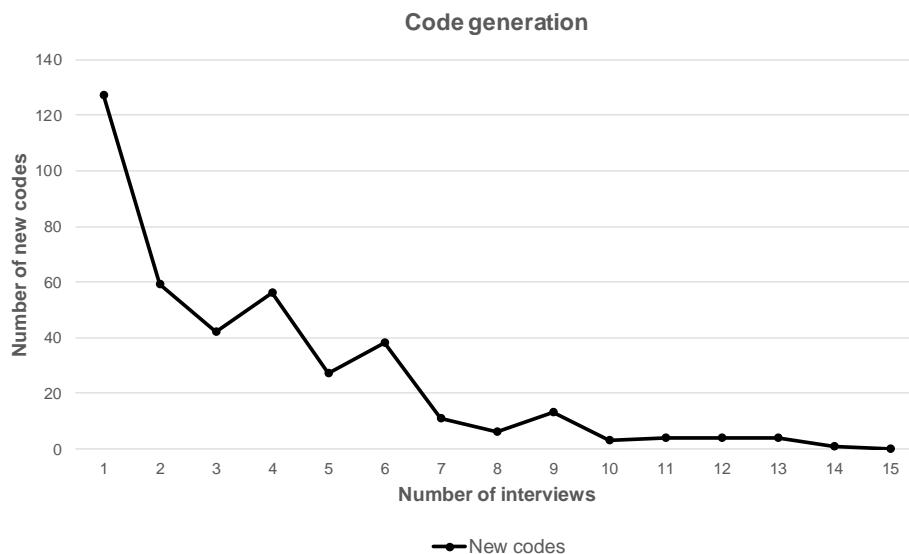
Figure 3: Data saturation

The data showed evidence of approaching saturation from the tenth interview respondent as illustrated in Figure 3 above. This trending towards saturation continued until the fifteenth respondent. This outcome affirms the research design decisions and commitments outlined in above. Also, the results trend is in keeping with saturation patterns of well-designed and executed qualitative studies (Marshall et al., 2013; Mason, 2010). Given that no new codes were gleaned from the analysis by the fifteenth interview, the researcher regarded theoretical saturation as having been reached. Therefore, no further interviews were therefore included in the analysis process (Strauss & Corbin, 1998).

Quotes generation

3 517
Total quotes
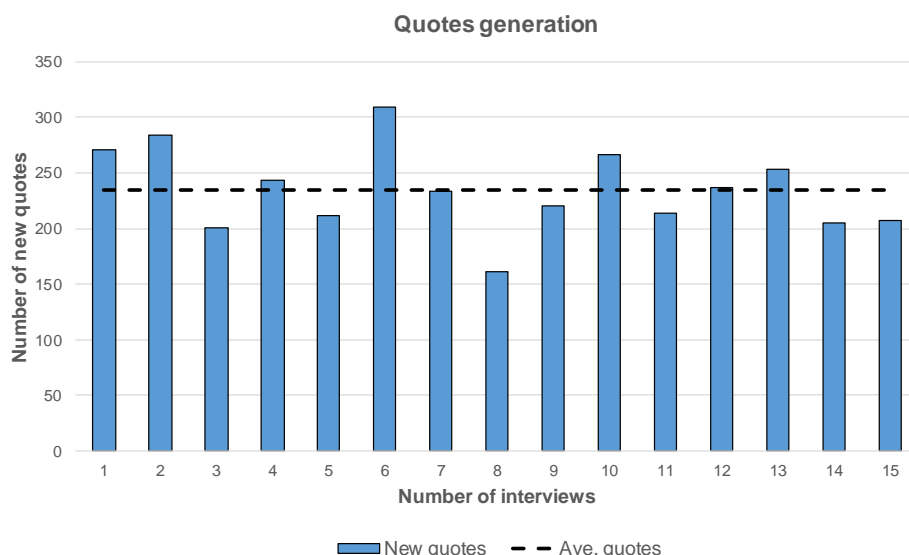
Figure 4: Data richness and thickness

An average of just under two hundred and fifty quotations were generated across the fifteen

interviews conducted as depicted in Figure 4 above. By and large, each interview yielded rich and in-depth insights into the phenomena in question. This outcome is also in keeping with data richness and thickness patterns that strengthen the validity of well-designed and executed qualitative studies (Creswell & Creswell, 2018a; Morse, 2015).

4.11.   Conclusion

The study adopted subjectivism as a problematic (Cunliffe, 2011) and an interpretivist philosophical outlook (Hlady-Rispal & Jouison-Laffitte, 2014). Narrative design was deemed suitable as the researcher sought to delve into the inner workings of managerial and firm capabilities using the narratives of managers closest to the phenomena (Creswell et al., 2007; Cunliffe, 2011). The approach to theory building was both inductive and deductive. Using cross-sectional data gathered through semi-structured interviews (Braun & Clarke, 2006; Gioia et al., 2012). The data was subjected to narrative analysis processes and triangulated using the discussed data strategies (Fusch & Ness, 2015; Suzuki et al., 2007). Due consideration was paid to coherence and fit between the research question, the philosophical grounding, the design and methodology, and the research methods (Creswell et al., 2007; Cunliffe, 2011; Eisenhardt et al., 2016; Gehman et al., 2018) in structuring the research methodology.

5. Results

5.1.   Introduction

This chapter presents the findings from the research process related to each of the research questions in chapter 3 above . It begins with an overview of the data collecting and the profiles of the respondents that contributed to it. The overview is then followed by a series of sections laying out the qualitative analysis of the results aggregated by the key themes and constructs emerging from the fifteen interviews substantiated with evidence from the data.
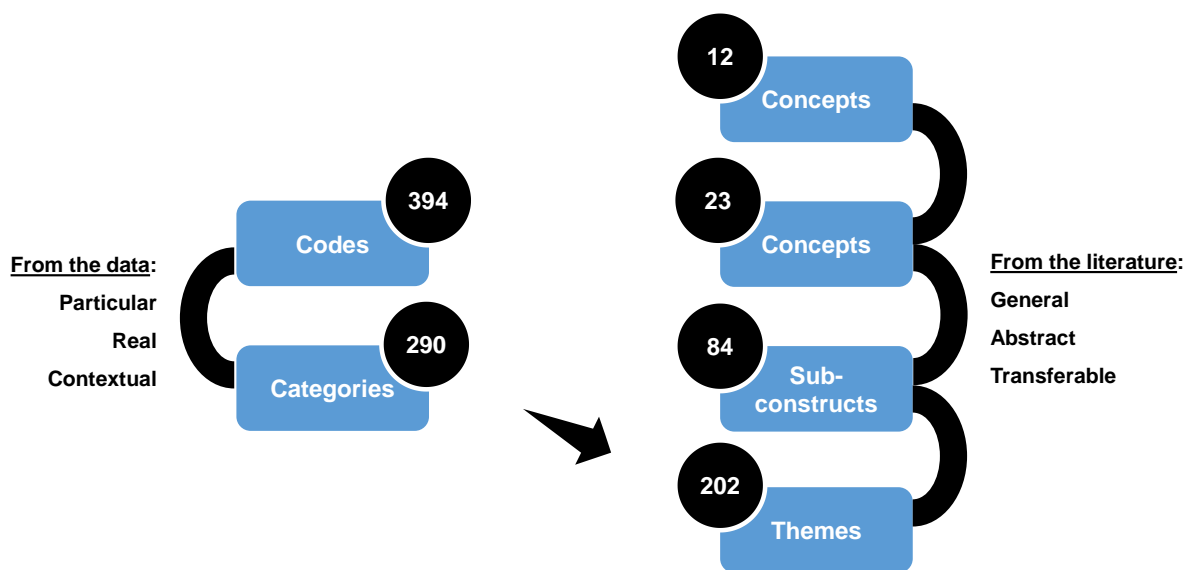
Figure 5: Data theming

Source: Researcher's deductions premised on Gioia (2012) and Saldaña (2011)

Figure 5 above visually represents the inductive progression from codes to categories. Then the deductive progression from themes to concepts. The themes, constructs and concepts used were gleaned from managerial capabilities literature (Helfat & Martin, 2015; Kump et al., 2019; Teece, 2019), dynamic firm capabilities literature (Kump et al., 2019; Teece, 2019; Teece et al., 1997) and ordinary firm capabilities literature (Teece, 2019; Teece et al., 1997), and schools of strategy formation perspectives (Mintzberg et al., 2009).

The adoption of this inductive to deductive analysis progression was done with the twin objectives of both exploring the applicability of the dynamic managerial capabilities construct and theory and targeting results that are generalisable (Saldaña, 2011). This was in line with the stated aims of this research study of exploring both the existence and functioning of dynamic managerial capabilities in established South African insurers. Therefore, the results

that follow will presented from the key constructs and their underlying themes. These will be supported using data quotations from interview discussions along with the codes allocated to them. Furthermore, groundedness and density will be used to support these key constructs and themes (Gioia et al., 2012). The complete code book is with the complete list of themes is included in the appendices of this research report.

5.2. Dynamic managerial capabilities and firm capabilities

The question this research study attempted to answer was how dynamic managerial capabilities affects the capabilities of a firm. This question also three underlying sub-questions these questions. The first explored how a manager's sensing capabilities affect firm capabilities. The second how a manager's seizing capabilities affect firm capabilities. The third how a manager's transforming capabilities affect firm capabilities. These sub-questions mirror Teece et al.'s (1997) three constructs of the dynamic capabilities concept. The same constructs were also adopted by Helfat and Martin (2015) when formulating the dynamic managerial capabilities concept.

Literature domain	Concept	Construct	Sub-construct	Frequency	Groundedness	Density
		Deductive				
Managerial capabilities	Dynamic capabilities	Sensing			1,057	1,468
Managerial capabilities	Dynamic capabilities	Seizing			979	1,378
Managerial capabilities	Dynamic capabilities	Transforming			994	1,394
Managerial capabilities	Ordinary capabilities	Operate			1,509	2,105
Managerial capabilities	Ordinary capabilities	Administrate			1,447	2,051
Managerial capabilities	Ordinary capabilities	Govern			1,479	2,053
Firm capabilities	Dynamic capabilities	Sensing			304	442
Firm capabilities	Dynamic capabilities	Seizing			246	375
Firm capabilities	Dynamic capabilities	Transforming			239	364
Firm capabilities	Ordinary capabilities	Operate			1,089	1,552
Firm capabilities	Ordinary capabilities	Administrate			1,096	1,553
Firm capabilities	Ordinary capabilities	Govern			1,100	1,558

Figure 6: Dynamic managerial capabilities and firm capabilities groundedness and density

Figure 6 above presents the groundedness and density on the interrelations between dynamic managerial capabilities. It will be used and referenced in the discussions that follow to support the themes and constructs discussed. Groundedness represents the number of text extracts allocated with the same code. Whilst density represents the number other codes used that are linked to the code in question (Creswell et al., 2007; Gentles et al.,

2015).

5.2.1. Effects of managerial sensing capabilities

This sub-section presents the results on the effects of managerial sensing capabilities on the firm. The coded data mapped against the themes deduced from Kump et al. (2019) under the managerial sensing construct. The applicable six themes included both the awareness of market best practices and the prevailing market situation. Other themes deduced from the coded data were the systematic sourcing of market information and access to market information. From a market standpoint, the deduced themes included awareness of competitor activities and awareness of market changes.

The observed levels of managerial sensing and their impact on the firm found in the data were very high. Figure 6 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 1,057 quotations and density at 1,468 associated quotations. Respondent 1 considered managerial sensing as central to the strategic management role when stating:

> "… my role was to … understand … what is the kind of experience customer require … what are their expectations of financial services companies … convert that into a strategy based on what are the capabilities we had in the business."

Respondent 6 confirms the position of Respondent 1 when stating that:

> "… [I] make sure that we had a customer deep dive first … as the first strategy engagement. So that could set the tone for what we were going to do from a strategy perspective."

Respondent 3 links managerial sensing to daily efforts of staying abreast market developments:

> "… when it comes to sensing those opportunities. So top down, it's about being aware … doing a lot of reading around one of the key trends"

Respondent 1 went further to note some challenges in these well-established sensing capabilities:

> "… you get multiple versions of the truth because information sits everywhere … I think something needs to be worked on. Particularly in terms of enriching the data we currently have and you consolidate all that information into actionable insights."

5.2.2. Effects of managerial seizing capabilities

This sub-section presents the results on the effects of managerial seizing capabilities on the firm. The coded data mapped against the themes deduced from Kump et al. (2019) under the managerial seizing construct. The applicable four themes included awareness of market changes. Another theme was the processing of market information. The third theme was the prioritising of market information. The fourth was the generation of product and service innovations.

The observed levels of managerial seizing and their impact on the firm found in the data were high. Albeit not at the same levels observed under managerial sensing. Figure 6 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 979 quotations and density at 1,378 associated quotations. Respondent 15 highlights the high levels of importance that ought to be accorded to managerial respect:

> "I say it with a great deal of empathy and a measure of respect … my respect for execution dwarfs planning these days"

Respondent 13 also shares a similar view on the levels of conviction and commitment required to effect managerial seizing:

> "… we were clear on our strategy … [what we need to execute against] is not complex … we make it complex … but of course the journey is complex."

Respondent 15 provides an instructive overview of the progressing required from managerial sensing to managerial seizing:

> "… scenario planning is absolutely part of it … when you're wanting to execute … you just can't invest in having three parallel realities … you've got to pick a lane … you got to go with that"

Even with this presence of managerial seizing capabilities. Respondent 1 confirmed a limitation emanating from limitations observed in managerial sensing when stating:

> "I don't think [information] is used in an intelligent way in terms of how we make decisions … people keep their own sets of information …"

5.2.3. Effects of managerial transforming capabilities

This sub-section presents the results on the effects of managerial transforming capabilities

on the firm. The coded data mapped against the themes deduced from Kump et al. (2019) under the managerial transforming construct. The applicable six themes included successful implementation of change plans. The second was consistent execution of change plans. The third was consistent decisions on change plans. The fourth was a demonstrable change execution record. The fifth was the delivery of both change and business as usual plans. The sixth was the adoption both flexible and adaptable change plans.

The observed levels of managerial transforming and their impact on the firm found in the data were high. Albeit not at the same levels observed under managerial sensing. As was the case with managerial transforming levels. Figure 6 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 994 quotations and density at 1,394 associated quotations. Respondent 13's perspective on transformative execution has already been positioned under managerial seizing. Furthermore, Respondent 4 concluded:

> *"… it's [transformation] not an unusual experience … it happens quite often … you could really change the direction of the organisation. You can do something really significant"*

At a personal level, Respondent 13 was persuaded that transformation was a very necessary constant in the strategic management of a firm:

> *"… what has made me successful in this job is that I have my resignation letter in my drawer. I keep it there. I just need to add the date on the day that I want to leave. So that's when I realised you need to take risks and make sure that you move the business forward. Otherwise, you are not adding any value as an executive."*

The observed levels of managerial capabilities (including ordinary managerial capabilities) and their impact on the firm found in the data were very high. Figure 6 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 1,509 quotations and density at 2,105 associated quotations for the sub-construct "*operate*". Levels of groundedness at 1,447 quotations and density at 2,051 associated quotations for the sub-construct "*administrate*". Also, levels of groundedness at 1,479 quotations and density at 2,053 associated quotations for the sub-construct "govern". Respondent 1 concluded:

> *"But you know, they're not super comfortable with a more agile experimental approach"*

Respondent 9 was persuaded that:

"… management takes you into the operational space … to manage according to process … according to perhaps rules … a set of rules and defined practices … for me, it is quite operational and very necessary …"

Respondent 11 notes performance limitations at an individual strategic management level:

"… there is a part of me that left at the turnstile … that I wasn't allowed to take beyond the turnstile … I worked in other companies and I was able to bring my whole-self passed the turnstile … my creativity … my ability to take risks …"

Respondent 6 notes the negative firm consequences that this may have on strategic management's ability to transform a firm:

"… the implementation of strategy was going to be a challenge because the mindset of the people in the [strategic management team] ..."

5.3. Dynamic managerial capabilities and strategy

The research question of how dynamic managerial capabilities affect the capabilities of a firm has a strategy dimension to it. This section focuses on this strategy dimension by paying particular focus to the strategy perspectives and processes in the firm (Mintzberg et al., 2009). Presenting the relevant set of results under each of the sub-sections.

5.3.1. Effects of dynamic managerial capabilities on strategy perspectives

Strategy perspectives encompass how strategic managers and leaders think through strategy in a firm. Extending to the way they configure and reconfigure strategies over time. Along with the accumulation and application of lessons learned throughout the strategy journey (Mintzberg et al., 2009). The results for each of these three areas of strategy perspectives will be presented and evidenced under separately in the sub-sections that follow.

5.3.1.1. Effects of managerial strategy cognitions

Literature domain	Concept	Construct	Sub-construct	Frequency	Groundedness	Density
		Deductive				
Strategy perspectives	Cognitive school	Attention		●	607	808
Strategy perspectives	Cognitive school	Encoding		●	607	808
Strategy perspectives	Cognitive school	Storage / Retrieval		●	607	808
Strategy perspectives	Cognitive school	Decision		●	607	808

Figure 7: Managerial strategy cognitions groundedness and density

This sub-section presents the results on the effects of managerial cognitions on the firm. The coded data that follows was mapped against the themes deduced from Mintzberg et al. (2009) under the cognitive school of strategy formation construct. The applicable seven themes included the determination of information to both be processed and ignored. The observed levels of the construct "*attention*" found in the data, into which these two themes were mapped, were extremely high. Figure 7 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 607 quotations and density at 808 associated quotations.

The next themes were the adoption of a frame for interpreting information and giving the information meaning. The observed levels of the construct "*encoding*" found in the data, into which these two themes were mapped, were extremely high. Figure 7 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 607 quotations and density at 808 associated quotations.

Another set of themes involved the storing and retrieval of information at both individual and organisational level. The observed levels of the construct "*storage*" and "*retrieval*" found in the data, into which these two themes were mapped, were extremely high. Figure 7 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 607 quotations and density at 808 associated quotations.

The last theme was concerned with the resolution of individual and organisational cognitions. The observed levels of the construct "*decision*" found in the data, into which this theme was mapped, were extremely high. Figure 7 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 607 quotations and density at 808 associated quotations.

Respondent 13 recounted two distinct stages. The first stage was focused on the leadership structures within the firm:

"… we now needed to go and sell the strategy ... it is something else to have a strategy. Implementing it starts with selling the strategy to your own leadership. Your own board ... we started doing that."

The second stage, according to Respondent 13, was focused on those layers below the leadership structures within the firm:

"… we dealt with the strategy … then we had to come and convince our own people. So, we then went on a roadshow to convince our own people. To tell our people, "this is how this thing's going to work, etc." and get them to buy in ..."

Respondent 9 was persuaded that the role of those who are not occupying strategic management roles in the firm was limited to execution when stating:

"If you want to be working for this organisation, then get on board and get on board quickly … find a way to like [the strategy]"

Code frequency:
● > 500   ◑ 100 - 250
◗ 251 - 500   ◔ < 100
Bold = proposed construct

Literature domain	Concept	Construct	Sub-construct	Frequency	Groundedness	Density
		Deductive				
Strategy perspectives	Learning school	Intuiting	Experiences	◔	17	21
Strategy perspectives	Learning school	Interpreting	Conversations	◔	2	2
Strategy perspectives	Learning school	Integrating	Shared understandings	◔	6	8
Strategy perspectives	Learning school	Institutionalizing	Rules and procedures	◔	2	2
Strategy perspectives	Learning school	Institutionalizing	Routines and norms	◔	2	2

Figure 8: Managerial learning groundedness and density

The next set of results relate to the coded data mapped against the themes deduced from Mintzberg et al. (2009) under the learning school of strategy formation construct. The applicable eight themes included the individual subconscious thought processes. The observed levels of the construct "*intuiting*" found in the data, into which this theme was mapped, were extremely low. Figure 8 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 17 quotations and density at 21 associated quotations.

The next themes were the individual conscious thought processes and the sharing of these

thought processes at group level. The observed levels of the construct "*interpreting*" found in the data, into which this theme was mapped, were extremely low. Even lower than those observed under the intuiting construct. Figure 8 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 2 quotations and density at 2 associated quotations.

The next theme was finding collective understanding. The observed levels of the construct "*integrating*" found in the data, into which this theme was mapped, were extremely low. Figure 8 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 6 quotations and density at 8 associated quotations.

The next set of themes were finding collective understanding and incorporating learnings in the organisation in relation to rules and procedures. The last set of themes were finding collective understanding and incorporating learnings in the organisation in relation to rules and procedures. The observed levels of the construct "*institutionalizing*" found in the data, into which this theme was mapped, were extremely low. Figure 8 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 2 quotations and density at 2 associated quotations.

Respondent 2 does confirm the strategic management capacity to intuit and interpret experiences when recounting:

> *"[Strategic management] has been quite a journey. One day I'll tell you all about it … we came from a deep loss making … it's a turnaround … lots of critical lessons …"*

Respondent 15 put it plainly when describing learning as a journey within strategic management. Respondent 15 stated:

> *"I am learning."*

Respondent 3 also highlighted that this journey is composed of both learning and application of those lessons learned by saying:

> *"Then we try something else … you've got to keep on trying and see what stick."*

5.3.1.2. Effects of managerial strategy configurations

Code frequency:
● > 500 ◑ 100 - 250
◔ 251 - 500 ◔ < 100
Bold = proposed construct

Literature domain	Concept	Construct	Sub-construct	Frequency	Groundedness	Density
			Deductive			
Strategy perspectives	Configuration school	Focusing trajectory	Tinkering organization	◕	237	346
Strategy perspectives	Configuration school	Focusing trajectory	Craftsman organization	○	0	0
Strategy perspectives	Configuration school	Venturing trajectory	Entrepreneurial organization	◕	283	436
Strategy perspectives	Configuration school	Venturing trajectory	Imperialist organization	○	0	0
Strategy perspectives	Configuration school	Inventing trajectory	Pioneering organization	◕	254	388
Strategy perspectives	Configuration school	Inventing trajectory	Escapist organization	○	0	0
Strategy perspectives	Configuration school	Decoupling trajectory	Drifter organization	◕	256	365
Strategy perspectives	Configuration school	Decoupling trajectory	Salesmen organization	○	0	0

Figure 9: Managerial strategy configurations groundedness and density

This sub-section presents the results on the effects of managerial strategy configurations on the firm. The coded data was mapped against the themes deduced from Mintzberg et al. (2009) under the configuration school of strategy formation construct. The applicable eighteen themes included rigid controls and obsession with detail. The observed levels of the sub-construct "*tinkering organization*" found in the data, into which these themes were mapped, were very high. Figure 9 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 237 quotations and density at 346 associated quotations.

Respondent 3 recounted a conversation with a fellow strategic manager and leader:

> *"Why should I be putting valuable resources on something that will only have results in three or five- or ten-years' time? … there's no chance … we are too busy … bugger off"*

Respondent 5 shared a similar experience to Respondent 3 and said:

> *"What will it cost to execute the strategy? How quickly can you deliver it? Can you do it … execute the strategy for less money?"*

Respondent 14 was persuaded that:

> "… the incumbents are too entrenched … and are *not* agile enough for change."

The next two themes were a quality driven organization and punctilious engineering. There

were no observed levels of the sub-construct "*craftsman organization*" found in the data. Into which these two themes were mapped. Figure 9 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 0 quotations and density at 0 associated quotations.

Another pair of themes was an imaginative leadership and a growth driven organization. The observed levels of the sub-construct "*entrepreneurial organization*" found in the data, into which these themes were mapped, were very high. Figure 9 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 283 quotations and density at 436 associated quotations.

The following pair was helter-skelter expansion and the overtaxing or resources. There were no observed levels of the sub-construct "*imperialist organization*" found in the data. Into which these two themes were mapped. Figure 9 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 0 quotations and density at 0 associated quotations.

The next triplicate of themes was unexcelled research, development and flexible think-tank operations and state of the art products. The observed levels of the sub-construct "*pioneering organization*" found in the data, into which these themes were mapped, were very high. Figure 9 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 254 quotations and density at 388 associated quotations.

The contrarian respondent alluded to the entrepreneurial and pioneering nature of the employer firm discussed. Respondent 4 explained it as follows.

> *"… there is no strategy function … we are just executing and for big decisions we go up the chain. Up the chain, people are super involved in the detail … we're going at 100 miles an hour trying to do everything … if something is a good idea, it must be done!"*

Interestingly, the remaining fourteen respondents expressed a desire to see the strategic configurations in their firms take on more entrepreneurial and pioneering dispositions. Respondent 2 expressed it in this manner:

> *"… obviously, within certain parameters. But still, I mean, you've got to allow that innovation … that the whole entrepreneurial thing that I'm talking about"*

The next two themes were squandering resources and chaos-loving leadership. There were

no observed levels of the sub-construct "*escapist organization*" found in the data. Into which these two themes were mapped. Figure 9 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 0 quotations and density at 0 associated quotations.

Another pair of themes was stale and disjointed "me-too" offerings and the obscuring of design issues. The observed levels of the sub-construct "*drifter organization*" found in the data, into which these themes were mapped, were very high. Figure 9 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 256 quotations and density at 365 associated quotations.

The concluding triplicate of themes was unparalleled marketing skills, prominent brands, and broad competitive markets. There were no observed levels of the sub-construct "*salesmen organization*" found in the data. Into which these two themes were mapped. Figure 9 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 0 quotations and density at 0 associated quotations.

5.3.1.3. Effects of managerial power perspectives

Code frequency:
● > 500　◑ 100 - 250
◔ 251 - 500　◔ < 100
Bold = proposed construct

Literature domain	Concept	Construct	Sub-construct	Frequency	Groundedness	Density
			Deductive			
Strategy perspectives	Power school	Insurgency game	Resisting authority		315	465
Strategy perspectives	**Power school**	**Insurgency game**	**Similar-to-me effect**		194	299
Strategy perspectives	Power school	Counterinsurgency game	Political fightback		144	226
Strategy perspectives	**Power school**	**Counterinsurgency game**	**Similar-to-me effect**		198	298
Strategy perspectives	Power school	Sponsorship game	Building power base		416	573
Strategy perspectives	Power school	Alliance-building game	Building power base		304	440
Strategy perspectives	**Power school**	**Aligned interest groups**	**Building power base**		199	247
Strategy perspectives	Power school	Empire-building game	Building power base		217	360
Strategy perspectives	Power school	Budgeting game	Resource allocation		61	112
Strategy perspectives	Power school	Expertise game	Exploiting expertise		580	909
Strategy perspectives	**Power school**	**Expertise game**	**Exploiting tenure**		557	859
Strategy perspectives	Power school	Lording game	Exploiting hierarchy		404	600
Strategy perspectives	**Power school**	**Lording game**	**Structural / Institutionalized bias**		49	89
Strategy perspectives	Power school	Rival camps game	Clashing factions		134	225
Strategy perspectives	Power school	Strategic candidates games			208	361
Strategy perspectives	Power school	Whistle blowing game			0	0
Strategy perspectives	Power school	Young Turks game			0	0
Strategy perspectives	Power school	Rival camps game	Clashing factions		0	0

Figure 10: Power perspectives groundedness and density

This sub-section presents the results on the effects of managerial power on the firm. The coded data was mapped against the themes deduced from Mintzberg et al. (2009) under the configuration school of strategy formation construct. The applicable twenty-one themes included individual resistance to power as individuals and a collective with similar characteristics. The observed levels of the sub-construct "*resisting authority*" found in the data, into which the first theme was mapped, were very high. Figure 10 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 315 quotations and density at 465 associated quotations. The observed levels of the sub-construct "*similar to me effect*" found in the data, into which the second theme was mapped, were moderate. This sub-construct represented an addition to Mintzberg et al.'s (2009) insurgency game construct. Figure 10 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 194 quotations and density at 299 associated quotations.

Respondent 12 positioned it in this manner relative to reporting line relationships:

"I made the conscious decision to make it work for me … I decided that I will do work that I love ... make myself look good. I would go for industry awards … so that I knew I was … still was maintaining my relevance … making my MDs look good. So, I was doing the best of both worlds."

Respondent 6 positioned it as follows relative to direct reports:

"I certainly spent the first hundred days getting to know the team members ... and it was a bit strange, because I obviously knew them from before ... a number of them were actually my peers when I there prior ... I was their boss … I had one on ones with … I was expecting far more depth in terms of the detail that they would have given me about their businesses … but they didn't. I found it quite surprising that they didn't …"

These insurgents appeared to align themselves with those sharing similar interests and strategic perspectives. The cluster of clans could be characterised using demographic markers such as tenure, expertise, gender, and race. All four of these demographic markers presented the insurgents with sources of power that were readily exploitable. Respondent 6 noted:

"The channel heads and teams tended to focus on the top producing advisors who were largely older and white … so that meant that you actually didn't really have a diverse distribution force ... you can see that even from the top of the business. They were not paying attention to what they could do to grow the number of black financial advisors in the business. I thought that for a business where … for a country population where like 95% are black ... a target market where 42% of the market is black. That's a big problem in terms of the future sustainability of that business. So that was something which weighed heavily on my mind as well … the lack of transformation …"

The next two themes were the quashing of resistance to power. Also manifest in individuals and a collective with common characteristics. The observed levels of the sub-construct "*political fightback*" found in the data, into which the first theme was mapped, were moderate. Figure 10 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 144 quotations and density at 226 associated quotations. The observed levels of the sub-construct "*similar to me effect*" found in the data, into which the second theme was mapped, were moderate. This sub-construct represented an addition to

Mintzberg et al.'s (2009) counterinsurgency game construct. Figure 10 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 198 quotations and density at 298 associated quotations.

The dominant coalition of strategic managers and leaders appeared to react to the insurgents with counter-insurgency games. One form of response was the inherent hierarchical nature of the firm. Respondent 13 recounted an incident in the past:

> *"… it took us a bit of time. In fact, there was a point where I had to write to the CEO to say, "you better change those trustees that are representing the employer" ... they were not prepared to move ... ultimately we got that one across."*

Respondent 13 was persuaded that counter-insurgency games were a necessary part of the strategic management and leadership of an established South African insurance firm. Not only that, counterinsurgency was also a pervasive practice in the industry. Respondent 13 expressed this view in this manner:

> *"... and get to a point where you say, "… we can see we've tried to convince you. You won't buy in. Okay, good. This is not your business. You need to go somewhere else, because this doesn't work for you". So, we've got to that stage with some of the people …"*

Respondent 9 also underscored the limited levels of tolerance for insurgency in the industry by saying:

> *"Find a way to like the strategy because you can't blink … if that's what you've decided on, then do not blink as a leader … when your staff see you blinking, they will blink too … and your strategy will fall apart ... your strategy will not be delivered … otherwise you must get off the ship … go and work for another organisation … where you believe in their strategy … don't hang around because you'll be unhappy … [and eventually] become a poor performer."*

Another set of two themes were individual use of superiors to build and offer of loyalty to superiors to build power bases. The observed levels of the construct "*sponsorship game*" found in the data, into which the theme was mapped were very high. Figure 10 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 414 quotations and density at 573 associated quotations.

Respondent 6 recounted the necessity to navigate both the dominant coalition in a firm and

those that they sponsor:

"I also didn't want to disrupt my team … I could tell that they were nervous obviously. Now they've got a black manager ... and as a woman, I'm the first woman to run that business. I didn't want to upset any feathers."

Respondent 12 pointed to both the prevalence and importance of sponsorship to being effective in an established South African insurer by saying:

"As long as I was making people look good ... The MD looked good in front of the CEO ... No one cared. So, it was great … I just did my own stuff ... and then I'd run to the MD and say, "they're bullying me. Please protect me. Tell them to go away" ... He'd say, "go away. Leave her alone" …"

The next two themes were internal and external implicit agreements of support. The observed levels of the construct "*alliance-building game*" found in the data, into which the first theme was mapped, were very high. Figure 10 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 304 quotations and density at 440 associated quotations. The observed levels of the construct "*aligned interest groups*" found in the data, into which the second theme was mapped, were moderate. This construct represented an addition to Mintzberg et al.'s (2009) power school concept. Figure 10 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 199 quotations and density at 247 associated quotations.

Respondent 7 evidenced the importance of external stakeholders towards attaining strategic ends. Respondent 7 stated plainly:

"Then I say, "[Chief] what we want to do is, we want to formulate a relationship with you … for every sale that we write with any member … we give you 2.5 basis points upfront … as long as the policy is in place, we will give you 0.5 basis points ongoing."

Respondent 10 also lamented the refusal of a key external stakeholder to get involved in resolving a key strategic issue in the industry. Respondent 10 stated:

"… one of the challenges was in trying to solve [the strategic industry issue] … [was] the reaction of the Association for Savings and Invests South Africa."

The following theme was the uncooperative building of power. The observed levels of the construct "*empire-building game*" found in the data into which the theme was mapped were moderate. Figure 10 above provides confirmatory evidence of this finding. This in the form of

the levels of groundedness at 217 quotations and density at 360 associated quotations.

Another theme found was the unsanctioned use of budgeting rules and processes to build power. The observed levels of the construct "*budgeting game*" found in the data into which the theme was mapped were low. Figure 10 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 61 quotations and density at 112 associated quotations.

Respondent 4 earlier linked the tight control on budgets as source of power to the predominance of ordinary capabilities. While Respondent 1 lamented this practice through use of an example. Respondent 1 recounted:

> *It's the way we budget [that is problem]. So because we budget in a very isolated way. There are big fights when you start having conversations of, "you know, I gave you R100 million but actually I'm going to take back R10 million. I want to give that R10 million to someone else" …"*

The next two themes were the unsanctioned exploiting and withholding of expertise to build a power base. The observed levels of the sub-construct "*exploiting expertise*" found in the data, into which the first theme was mapped, were extremely high. Figure 10 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 508 quotations and density at 909 associated quotations. The observed levels of the sub-construct "*exploiting tenure*" found in the data, into which the second theme was mapped, were extremely high. This construct represented an addition to Mintzberg et al.'s (2009) expertise game construct. Figure 10 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 557 quotations and density at 859 associated quotations.

Respondent 14 pointed to the root enabler of the exploitation of expertise and tenure by explain:

> *"… you need people with history and understanding. You still keep them in the business and they are not going to change … you still need people who understand the regulations … favouring incumbents …"*

Respondent 9 also confirmed the levels of importance place on both experience and tenure in the industry:

> *"… so, you can lead people, but you can lead them a whole lot better if you've*

actually got the technical knowledge as well ... I guess, what I was able to combine was technical and leadership ... people buy into that quite quickly because they trust you. They trust you from a leader perspective, they trust you from a technical perspective ..."

The next two themes found were the unsanctioned and the discriminatory use of legitimate power. The observed levels of the sub-construct "*exploiting hierarchy*" found in the data, into which the first theme was mapped, were very high. Figure 10 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 404 quotations and density at 600 associated quotations. The observed levels of the construct "*structural / institutionalized bias*" found in the data, into which the second theme was mapped, were low. This construct represented an addition to Mintzberg et al.'s (2009) lording game construct. Figure 10 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 49 quotations and density at 89 associated quotations.

The dominant coalitions of strategic managers and leaders of established insurers did not appear to rule out nefarious methods in maintaining the preferred strategic perspectives. Respondent 12 was clear that biases were built into power structures of the firm when recounting:

"I think … there are tier 1 executives in an Exco and there are tier 2 executives in an Exco. I was definitely tier 2 … there are some of us that are more equal than others … completely invalidates the experience that I bring to the table …"

Not only that, Respondent 12 recounted being misled and undermined through a relationship of trust:

"He said that my executive presence was a problem ... I need to speak up in meetings … he would get me to a point where I'd be fine … I'd get a coach and a mentor … he never did any of that … never had any conversations about my next moves … just, "you're fantastic. Keep doing what you're doing. Make me look good. I'm happy" … my mentor said, "your biggest issue is you've made your bosses look good … they've taken advantage of that … they've been selfish around it, and they've kept you back"…"

Respondent 7 appeared to support these observations by Respondent 12 when saying:

"… they were pushing back … initially … Remember, my Exco and the people that I work with grew up in this business … I must have been a month or two in the

business ... and I wanted to make some change and my boss was like, "no, no, no … this is too big … take some time … understand the business better" … two years later he hired a consulting firm and told him exactly the same thing … I pulled the paper, "but this is what I said" and he was like, "yeah, you know, maybe it was the timing" …"

Then there was the rivalry between line managers and staff to enhance power found as a theme. The observed levels of the construct "*line vs. staff game*" found in the data into which the theme was mapped were moderate. Figure 10 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 134 quotations and density at 225 associated quotations.

The rivalry between peer power blocs to enhance power was also established as a theme. The observed levels of the construct "*rival camps game*" found in the data into which the theme was mapped were moderate. Figure 10 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 208 quotations and density at 361 associated quotations.

Respondent 6 appeared exacerbated by this power dynamic in the highest structures of the firm. Respondent 6 positioned it as follows:

"… the way it was constructed was the fact that you are responsible for the whole business ... you need to work with these partners to achieve … I think It was always a source of lots of confusion … the business heads should be really accountable for the business and the enabling functions should enable that … enabling functions sit at the same Exco in which case, actually, you kind of are peers."

According to Respondent 6, these consequent constraints of this rivalry were:

"I should be the one to make sure that the operations metrics aligned with what my business intention is … but actually, if it's with the CEO, then the CEO might make a different decision relative to what I would have said that operations person must do … and you would think it would aligned."

Attempts to effect change through preferred candidates by individuals or a group was established as a theme. The revealing of information to an influential outsider to effect change by either an individual or a group was established as a theme. Lastly, high stakes change attempts by an individual or group to effect radical change was an established theme. There were no observed levels of the constructs "*strategic candidates*", "*whistle*

blowing game" and "*Young Turks game*" in the data. Into which these remaining themes were mapped. Figure 10 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 0 quotations and density at 0 associated quotations across all three themes.

Code frequency:
● > 500   ◑ 100 - 250
◐ 251 - 500   ◔ < 100
Bold = proposed construct

Literature domain	Concept	Construct	Sub-construct	Frequency	Groundedness	Density
		Deductive				
Strategy perspectives	Cultural school	Strategic drift		◔	83	107
Strategy perspectives	Cultural school	Unfreezing of current belief systems		◐	126	177
Strategy perspectives	Cultural school	Unfreezing of current belief systems		◔	40	49
Strategy perspectives	Cultural school	Experimentation and reformulation		◔	70	97
Strategy perspectives	Cultural school	Stabilization		◐	119	163

Figure 11: Cultural perspectives groundedness and density

The next set of results relate to the coded data mapped against the themes deduced from Mintzberg et al. (2009) under the cultural school of strategy formation construct. The applicable ten themes included the widening misalignment of organizational beliefs with the environment. The observed levels of the construct "*strategic drift*" found in the data into which these themes were mapped were low. Figure 11 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 83 quotations and density at 107 associated quotations.

The following quadruplicate of themes found were declining performance, perceptions of organizational crisis, the challenging of unquestioned beliefs and the breakdown of belief systems. The observed levels of the construct "unfreezing *current belief systems*" found in the data into which these themes were mapped varied from moderate to low. Figure 11 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 126 quotations and density at 177 associated quotations for the first two themes. For the remaining two themes, the levels of groundedness were at 40 quotations and density at 49 associated quotations.

Respondent 14 recounts strategic management having to contend with transformative change in the wake performance challenges when reflecting:

> "… they've introduced such a dramatic change that I must tell you. I don't know if it's yielding the requisite fruits"

Respondent 14 further adds:

> *"I agree with the strategy … we'll need a specific in what we're choosing … there is a dichotomy [of views]"*

Respondent 7 notes the difficulties changing existing and entrenched cultures during transformation:

> *"I just see what it does to people and what it does to people's worldview … you've experienced other things, you can also just connect the dots … you can take some of the learnings from elsewhere and try and apply them ... it helps you with adaptability. You're not scared a change."*

The next, a triplicate of themes found, were unlearning former belief systems, re-envisioning, and strategic experimentation. The observed levels of the construct "*experimentation and reformulation*" found in the data into which these themes were mapped were low. Figure 11 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 70 quotations and density at 97 associated quotations.

Respondent 14 also raided pointed concerns about experimentation reformulation efforts in stating"

> "… internally, we're *moving* out of silos now into newer silos …new is not always better …"

The concluding set of themes found were the development of new belief systems and organizational commitment. The observed levels of the construct "*stabilization*" found in the data into which these themes were mapped were moderate. Figure 11 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 119 quotations and density at 163 associated quotations.

5.3.2. Effects of dynamic managerial capabilities on strategy process

Strategy processes encompass the mechanisms which strategic managers and leaders use to formulate and implement strategy in a firm. Strategic planning by managers and leaders is premised on an understanding of the firm's environment. Then designing appropriate strategies informed by this understanding. The designed strategies are then codified into plans of that will guide execution in the firm (Mintzberg et al., 2009). The results for each of

the three areas of strategic planning will be presented and evidenced under separately.

5.3.2.1. Effects of managerial strategic planning

Literature domain	Concept	Construct	Sub-construct	Frequency	Groundedness	Density
		Deductive				
Strategy perspectives	Environmental	Stability	Stable	◔	80	125
Strategy perspectives	Environmental	Stability	Volatile	◔	87	113
Strategy perspectives	Environmental	Complexity	Simple	◔	31	52
Strategy perspectives	Environmental	Complexity	Complex	◔	48	65
Strategy perspectives	Environmental	Diversity	Integrated	◔	3	4
Strategy perspectives	Environmental	Diversity	Diversified	○	0	0
Strategy perspectives	Environmental	Hostility	Munificent	◔	4	4
Strategy perspectives	Environmental	Hostility	Hostile	○	0	0

Figure 12: Environmental perspectives groundedness and density

This sub-section presents the results on the effects of strategic planning on the firm. The coded data that follows was mapped against the themes deduced from Mintzberg et al. (2009) under the environmental school of strategy formation construct. The applicable twenty-two themes included a quadruplicate of themes stable environment, stable government, predictable market changes and predictable technological changes. The observed levels of the sub-construct "*stable*" found in the data, into which the four themes were mapped, was low. Figure 12 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 80 quotations and density at 125 associated quotations.

Respondent 5's views on the longstanding commonality in strategies across the industry suggests the industry conditions had operated under stable conditions:

> "*I think [strategy] is consistent across the Corporate businesses in South Africa … everybody understands we are going from standalone to umbrella proposition … everybody will have a strategy around maximising risk margin …*"

The next quadruplicate of themes found were dynamic environment, unstable government, unexpected market changes and rapid technological changes. The observed levels of the construct "*volatile*" found in the data, into which the four themes were mapped, was low. Figure 12 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 87 quotations and density at 113 associated quotations.

Respondent 5 did note the prevailing volatility that all established insurers need to contend with when stating:

> *"… now you're all of a sudden have to execute in a world where … you're going to lose some of your business … we're all going to lose some of our business"*

Respondent 9 seemed to suggest that market volatility could be linked to the cyclical patterns of the industry in saying:

> *"There wasn't Covid but there were other things … there were stock market falls … dramatic stock market falls … there were incredibly difficult periods in the Corporate businesses' life cycle and even the company's life cycle."*

A duo themes found was rationalised markets and rationalised operating environments. The observed levels of the sub-construct "*simple*" found in the data, into which the four themes were mapped, was very low. Figure 12 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 31 quotations and density at 52 associated quotations.

The rationalised nature of the competitive environment is reflected in the comments by Respondent 14 on internal firm dynamics:

> *"The established insurer is obviously a behemoth … which is in a number of lines of business … these businesses worked in silos"*

The business model responses to the simple market realities appear to have created complexities associated with portfolio of siloed business within a group structure. Respondent 15 supported the deductions of Respondent 14 about the competitive environments when stating:

> *"… selling and educating people and influencing [across lines of business] is a huge part of the job … particularly in an organisation like ours … incredibly autonomous."*

Another duo of themes found was sophisticated knowledge markets and complex operating environments. The observed levels of the construct "*complex*" found in the data, into which the two themes ware mapped, was very low. Figure 12 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 48 quotations and density at 65 associated quotations.

Respondent 14 earlier alluded to the complexities created by the heavy regulatory burdens

in the industry. Respondent 14 further stated:

> *"It's a heavily regulated environment … I mean the Financial Services and Intermediary Services Act … I think FAIS is hectic …"*

A theme that was found was integrated markets. The observed levels of the sub-construct "*integrated*" found in the data into which the theme was mapped, were extremely low. Figure 12 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 3 quotations and density at 4 associated quotations.

Another theme that was found was diversified markets. There were no observed levels of the constructs "*diversified*" in the data. Into which this theme was mapped. Figure 12 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 0 quotations and density at 0 associated quotations across all three themes.

A quadruplicate of themes found were low competitive tension, low regulatory intervention, low external stakeholder tensions and favourable access to resources. The observed levels of the sub-construct "*munificent*" found in the data into which the theme was mapped, were extremely low. Figure 12 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 4 quotations and density at 4 associated quotations.

The concluding quadruplicate of themes found were high competitive tension, high regulatory intervention, high external stakeholder tensions and limited availability of resources. There were no observed levels of the constructs "*hostile*" in the data. Into which theses four themes were mapped. Figure 12 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 0 quotations and density at 0 associated quotations across all three themes.

Literature domain	Concept	Construct	Sub-construct	Frequency	Groundedness	Density
			Deductive			
Strategy perspectives	Design school	Create strategy	Internal appraisal	◔	73	86
Strategy perspectives	Design school	Create strategy	External appraisal	◔	69	84
Strategy perspectives	Design school	Evaluation and choice strategy	Evaluation	○	0	0
Strategy perspectives	Design school	Evaluation and choice strategy	Choice of strategy	◔	1	1
Strategy perspectives	Design school	Implement strategy	Operating models	○	0	0
Strategy perspectives	Design school	Implement strategy	Operating plans	○	0	0
Strategy perspectives	Design school	Implement strategy	Operating budgets	◔	24	27

Figure 13: Managerial strategic design groundedness and density

The next set of results relate to the coded data mapped against the themes deduced from Mintzberg et al. (2009) under the design school of strategy formation construct. The applicable nineteen themes included the quadruplicate of themes appraisal of strengths, appraisal of weaknesses, appraisal of opportunities and appraisal of threats. The observed levels of the sub-construct "*internal appraisal*" found in the data into which the four themes were mapped, were low. Figure 13 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 73 quotations and density at 86 associated quotations.

Respondent 1 confirms that internal appraisal is central to the design of strategies in recounting:

> *"we've always said our brand is a competitive advantage. We've always said distribution, the size of our channels is our competitive advantage. We've always said that we've got quite good … products. But when you actually take a step back and … is this really sustainable? … all the other companies have actually replicated it"*

Respondent 5 also confirms that these appraisals are very detailed in considering the implications of strategy:

> *"If we saying we define our sweet spot as this part of the market. It's actually then, quite a number of the design decisions … "do we offer open architecture choice for investments? Or for your risk benefits? ... How are client engagement processes? ... are you actually going to be sitting and working with a Corporate where there'll be some level of HR function? How experienced and how well structured will that HR function be?"*

A quintuplicate of themes found were appraisal of technological factors, appraisal of economic factors, appraisal of social factors, appraisal of political factors and appraisal of legal factors. The observed levels of the sub-construct "*external appraisal*" found in the data into which the five themes were mapped, were low. Figure 13 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 69 quotations and density at 84 associated quotations.

Respondent 4 does confirm the existence of external appraisal processes. Particularly the appraisal of competitors and their relative strengths and weaknesses:

> *"I'm not concerned about Complacent Camper actually. Interestingly. our distribution strategy is mostly through brokers and generally brokers don't like Complacent Camper … they perceive Complacent Camper to be distant and unresponsive. So most of the brokers that we're trying to get on board are not considering Complacent Camper. Most and not all."*

Respondent 5 confirms this tendency towards the analysis of competitors in the design of strategies when observing:

> *"Competitor 2 has been … quietly but very solidly … they've been building their business"*

Another quadruplicate of themes was found. It was composed of consistency test, consonance test, advantage test and feasibility test. There were no observed levels of the sub-construct "*evaluation*" in the data. Into which theses four themes were mapped. Figure 13 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 0 quotations and density at 0 associated quotations across all three themes.

A triplicate of themes found were top leadership values and ethics, organisational values and ethics and stakeholder value and ethics. The observed levels of the sub-construct "*choice of strategy*" found in the data into which the three themes were mapped, were extremely low. Figure 13 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 1 quotation and density at 1 associated quotation.

The concluding triplicate of themes found were implement operating models, allocate budgets and operating plans. There were no observed levels of the sub-constructs "*operating models*" and "*operating plans*" in the data. Into which theses two of the four themes were mapped. Figure 13 above provides confirmatory evidence of this finding. This

in the form of the levels of groundedness at 0 quotations and density at 0 associated quotations across all three themes.

The observed levels of the sub-construct "*operating budgets*" found in the data into which the remaining theme was mapped, were extremely low. Figure 13 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 24 quotations and density at 27 associated quotations. A finding linked to the "*budgeting games*" in the power perspectives of strategy earlier discussed.

Code frequency:
● > 500 ◑ 100 - 250
◓ 251 - 500 ◔ < 100
Bold = proposed construct

Literature domain	Concept	Construct	Sub-construct	Frequency	Groundedness	Density
			Deductive			
Strategy perspectives	Planning school	Plan	Objective setting	◔	54	74
Strategy perspectives	Planning school	Plan	Internal audit	◑	166	217
Strategy perspectives	Planning school	Plan	External audit	◑	160	207
Strategy perspectives	Planning school	Plan	Strategy evaluation	◔	63	91
Strategy perspectives	Planning school	Implement	Operating models	◑	202	274
Strategy perspectives	Planning school	Implement	Operating plans	◑	173	234
Strategy perspectives	Planning school	Implement	Operating budgets	◑	208	292
Strategy perspectives	Planning school	Review	Performance review	◔	60	95
Strategy perspectives	Planning school	Review	Performance management	◔	62	97

Figure 14: Managerial strategic planning groundedness and density

The last set of results relate to the coded data mapped against the themes deduced from Mintzberg et al. (2009) under the planning school of strategy formation construct. The applicable sixteen duo of themes formalising goals and quantification of goals. The observed levels of the sub-construct "*objective setting*" found in the data into which these two themes were mapped were low. Figure 14 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 54 quotation and density at 74 associated quotation.

A triplicate of themes found were prepare internal information, decompose strengths and weaknesses, and set forecasts of preferred or likely futures. The observed levels of the sub-construct "*internal audit*" found in the data into which these three themes were mapped were moderate. Figure 14 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 166 quotation and density at 217 associated quotation.

Another triplicate of themes found were prepare external information, conduct competitor analysis, and adjust forecasts of preferred or likely futures. The observed levels of the sub-

construct "*internal audit*" found in the data into which these three themes were mapped were moderate. Figure 14 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 160 quotation and density at 207 associated quotation.

A further triplicate of themes found were evaluate competitive strategy, conduct risk assessment, and conduct financial analysis. The observed levels of the sub-construct "*strategy evaluation*" found in the data into which these three themes were mapped were low. Figure 14 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 63 quotation and density at 91 associated quotation.

A theme that was found was define operating model. The observed levels of the sub-construct "*operating models*" found in the data into which this theme was mapped were moderate. Figure 14 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 202 quotation and density at 274 associated quotation.

Another theme that was also found was codify operating plans. The observed levels of the sub-construct "*operating plans*" found in the data into which this theme was mapped were moderate. Figure 14 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 173 quotation and density at 234 associated quotation.

A further theme that was found was allocate operating budgets. The observed levels of the sub-construct "*operating budgets*" found in the data into which this theme was mapped were moderate. Figure 14 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 208 quotation and density at 292 associated quotation.

A theme that was found was assess performance. The observed levels of the sub-construct "*performance review*" found in the data into which this theme was mapped were low. Figure 14 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 60 quotation and density at 95 associated quotation.

A concluding theme that was found was reward performance. The observed levels of the sub-construct "*performance management*" found in the data into which this theme was mapped were low. Figure 14 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 62 quotation and density at 97 associated quotation.

Respondent 1 confirmed that planning is an involved and resource intensive exercise when saying:

"… six months … we've invested so much time on getting to the plan …"

Respondent 1 summed it up the typical challenges inherent in planning processes. These are centred in the limited room to adjust and alter plans once implementation had commenced. Respondent 1 presented the following hypothetical executive exchange:

"Typically, we then go into the analytics mode ... so the analytics mode will be, "okay, why is this happening? Can this really be different from what we planned? If it actually is different from what you planned, then how did we arrive at the strategy plan?" … okay, so let's review this decision … "was this the right decision?" … okay, but maybe the analytics that comes through from what the scenarios are showing us is not based on the right information. So, let's actually go find out what the real truth is … that's the denial stage ... then you come back and you're like, "okay, no, actually, the world is actually the way it is guys. And really the way it is alright. So then let's look at what are the low hanging fruits?" … okay, let's look at the low hanging fruit .... how much are they gonna cost us? … let's drive the low hanging fruit ... but what about the big-ticket items? … the big-ticket items, we need to actually look at them deeper and that will take another six months ... so that's the typical response …"

These plans, as a result, had within them inbuilt rigidities due to the very processes used to generate them. A view that Respondent 1 confirms:

... it's not agile. I suppose it is because we've invested so much time on getting to the plan ... the ability to just pivot becomes difficult … we passively aggressively deal with change …"

Respondent 13 was an exception in prioritising outcomes over adopted plans: That is:

"Even if it means delaying the plan … So you go back, "Let's go and think about it". You come back after two weeks … you go back to your board and say, "I can't meet that timeframe because my people are fighting". Take the time. It is always worth it."

The structural complexities and operating models of established South African insurers appeared to another rigidity built into the planning process and resultant plans. Respondent 1 went further to say:

"… because we look at everything in terms of segments and business units ... all of them have got their own initiatives ... I don't think as an Exco we spend sufficient time

saying, "actually, you know, Segment MD this thing, as much as it's important to your segment it's not important to the enterprise ... I think there are some discipline issues in how we make decisions …"

Specifically, on the review and management of performance, Respondent 11 highlighted challenges that are common in established businesses:

"I think our systems were archaic and no-existent. We also didn't have systems that talk to the entire business."

5.3.3. Effects of dynamic managerial capabilities on competitive strategy

The adopted sets of competitive strategies have an influence on the interrelations between dynamic managerial capabilities and firm capabilities (Helfat & Martin, 2015; Teece, 2019). Competitive strategy encompasses the entrepreneurial inclinations of the firm's strategic managers and leaders. Along with the competitive positions they place the firm in the markets that it competes in (Mintzberg et al., 2009). The results for each of the two areas of competitive strategy will be presented and evidenced in the sub-sections that follow.

5.3.3.1. Effects of managerial entrepreneurial instinct

Code frequency:
● > 500   ◐ 100 - 250
◑ 251 - 500 ○ < 100
Bold = proposed construct

Literature domain	Concept	Construct	Sub-construct	Frequency	Groundedness	Density
		Deductive				
Strategy perspectives	Entrepreneurial school	Seeing ahead		◑	30	48
Strategy perspectives	Entrepreneurial school	Seeing behind		◑	30	48
Strategy perspectives	Entrepreneurial school	Seeing down		○	0	0
Strategy perspectives	Entrepreneurial school	Seeing above		○	0	0
Strategy perspectives	Entrepreneurial school	Seeing beyond		○	0	0
Strategy perspectives	Entrepreneurial school	Seeing beside		○	0	0
Strategy perspectives	Entrepreneurial school	Seeing through		○	0	0

Figure 15: Managerial entrepreneurial instinct groundedness and density

This sub-section presents the results on the effects of the strategic management's entrepreneurial instinct on the firm. The coded data that follows was mapped against the themes deduced from Mintzberg et al. (2009) under the entrepreneurial school of strategy formation construct. The applicable twelve themes included a duplicate of themes understanding the future and thinking about the future. The observed levels of the sub-

construct "*seeing ahead*" found in the data into which these themes were mapped were very low. Figure 15 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 30 quotation and density at 48 associated quotation.

Respondent 3 confirmed that seeing ahead is done both as an individual and collectively across the organisation. Respondent 3 positioned this as follows:

"Because you probably have to go through a couple of iterations to get to a proper solution … top-down trends and networks. Bottom-up … working with a business. Working with the CVP teams, the strategy teams, the innovation teams to try and understand the problems they see in the market because they are pretty close to the market."

A pursuit that Respondent 3 acknowledges could be challenging when stating:

"Some business units are quite forward thinking and quite creative in how they solve problems … I would say others are very risk averse."

Some entrepreneurial opportunities are self-evident. Present in the very challenges faced by the firm. Respondent 13 cites one such opportunity as follows:

"Always when you do any change, there is either a crisis or there's a challenge ... one of the Exco members came in and said, "you are a dead man walking … this thing is going to work with or without you. So, you need to figure out how you grow the profits in this business" … someone had decided I'm going to be fired anyway … someone had decided that I'm probably not going to be able to make the step change to get this business to where it [currently] is"

The next two themes that were found were understanding the past and thinking about the past. The observed levels of the sub-construct "*seeing behind*" found in the data into which these themes were mapped were very low. Figure 15 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 30 quotation and density at 48 associated quotation.

Speaker 9 placed great value on historical experience and the lessons therein about the future. Speaker 9 reflected:

"I don't think you can ignore everything you've gain in 37 years."

Respondent 15 cautions against allowing this very experience getting in the way of

entrepreneurial and innovative action in the firm. Respondent 15 used the followed hyperbole:

"… you can very quickly become that incumbent. And someone comes along and says, "Hey, I've got an awesome idea. Why don't we do it this way", and your memory comes up. "So we tried this in 1987. And this and that. It didn't work. And that's a dumb idea"

The two themes that followed these were thinking about and finding the diamonds in the rough. Another set of two themes that was found was thinking about and understanding the big picture. Themes that were also found were constructing scenarios of likely futures and placing ideas in context. A penultimate theme that was found was challenging conventional wisdom. The concluding theme that was found was convergence of all these already mentioned entrepreneurial themes. There were no observed levels of the constructs "*seeing down*", "*seeing above*", "*seeing beyond*", "*seeing beside*", and "*seeing through*" in the data. Into which theses remaining eight themes were mapped. Figure 15 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 0 quotations and density at 0 associated quotations across all three themes.

5.3.3.2. Effects of managerial strategic positioning

Code frequency:
● > 500   ◑ 100 - 250
◕ 251 - 500   ○ < 100
Bold = proposed construct

Literature domain	Concept	Construct	Sub-construct	Frequency	Groundedness	Density
		Deductive				
Strategy perspectives	Positioning school	Cost leadership	Economies of scale	◑	200	254
Strategy perspectives	Positioning school	Differentiation	Unique positioning	◑	128	158
Strategy perspectives	Positioning school	Differentiation	Unique proposition	○	0	0
Strategy perspectives	Positioning school	Focus	Knowledge and competences	◑	128	158
Strategy perspectives	Positioning school	Focus	Narrow segmentation	○	0	0

Figure 16: Managerial strategic positioning groundedness and density

This sub-section presents the results on the effects of the strategic positioning of the firm. The coded data was mapped against the themes deduced from Mintzberg et al. (2009) under the positioning school of strategy formation construct. The applicable thirteen themes included the triplicate of becoming a low-cost producer in the industry, investing in large-scale production facilities, and monitoring overall operating costs. The observed levels of the sub-construct "*economies of scale*" found in the data into which these themes were mapped were moderate. Figure 16 above provides confirmatory evidence of this finding. This in the

form of the levels of groundedness at 200 quotation and density at 254 associated quotation.

Respondent 2 considers scale as a central requirement to the success of the business. Respond 2 affirmed:

> "So the business has scale. So now it's more about how you optimise the scale and grow … [scale] helps"

The two themes that followed and were found were fostering brand loyalty and foster customer loyalty. The observed levels of the sub-construct "*unique positioning*" found in the data into which these themes were mapped were moderate. Figure 16 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 128 quotation and density at 158 associated quotation.

Respondent 5 typified the attempts at unique positioning in stating:

> "So, we've done quite a lot of thinking around what our "sweet spot" in the market is to play in ..."

Respondent 1 also confirms that this constant pursuit of a unique position. Respondent 1 confirms:

> ".... we actually don't have a source of competitive advantage ... that cannot be replicated by other companies"

The triplicate of themes that were found were higher quality, better performance, and unique features. There were no observed levels of the sub-construct "*unique proposition*" in the data. Into which theses three themes were mapped. Figure 16 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 0 quotations and density at 0 associated quotations across all three themes.

The two themes that followed and were found were differentiation focus and overall cost leadership focus. The observed levels of the sub-construct "*knowledge and competences*" found in the data into which these themes were mapped were moderate. Figure 16 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 128 quotation and density at 158 associated quotations.

Respondents 5 places great emphasis on knowledge and competences and their value in a positioning strategy. Respondent 5 explains how they compete as follows:

> "How do we compete? We compete primarily on product … the idea is to exploit

opportunities and behavioural dynamics that unlock potential for shared value. To create products that have ridiculously good value compared to other providers for the right clients."

The concluding triplicate of themes that were found were focus on specific customer groups, focus on specific product lines, and focus on specific geographic markets. There were no observed levels of the sub-construct "*narrow segmentation*" in the data. Into which theses three themes were mapped. Figure 16 above provides confirmatory evidence of this finding. This in the form of the levels of groundedness at 0 quotations and density at 0 associated quotations across all three themes.

Respondent 5 further elaborated on the analytical supporting the adopted positions in stating:

> "… *strategy work should be quite analytical … it should be fact based … at some stage there is also just gut feel and experience … infused and backed up by years of operating within facts … where a lot of people tend to go wrong. They think strategy is lots of people just thinking … unfortunately it's not backed up by real experience or real insight, or real facts … so you just have 100 different opinions.*"

5.4.   Conclusion

Research findings in response to the research question presented in chapter 3 above, emanating from the literature reviewed in chapter 2 above, where presented in this chapter. These findings were specific to the effects of the dynamic managerial capabilities of strategic managers and leaders within established South African insures. Related themes were explored. Supporting evidence was also presented to demonstrate their groundedness in the data collected. The chapter that follows takes these findings and further explores them in relation to the theory base presented in the literature in chapter 2 above.

6. Discussion of results

6.1. Introduction

In this chapter, the results presented in the previous chapter are discussed relative to the literature presented in chapter 2 above. As was the case in the previous chapter, the findings are laid out informed by the research question along with the emerging themes and constructs. These findings are then contrasted to the literature reviewed for similarities and differences. With the intent to distil out any insights that could expand the existing body of literature on the relationship between the capabilities of strategic managers and leaders of a firm and those of the firm itself.

6.2. Effects of dynamic managerial capabilities

Managerial capabilities are composed of two distinct sets discussed in chapter 2 above. One set was ordinary capabilities. Ordinary managerial capabilities are said to be the basis upon which strategic managers and leaders ensure the firm effectively perform its daily activities (Karna et al., 2016; Teece, 2014). That it does so in a routine manner that delivers predictable outcomes (Eisenhardt & Martin, 2000; Teece et al., 1997).

Dynamic managerial capabilities are said to be those capabilities that strategic managers and leaders call upon to effect strategic change in a firm (Adner & Helfat, 2003; Helfat & Martin, 2015). This is achieved through the efforts of the said strategic managers and leaders of a firm. Along with the resources and operating processes of a firm (Eisenhardt & Martin, 2000). The discussions that follow focuses on key insights from the presented in 5 above data on the effects of dynamic managerial capabilities on the firm.

6.2.1. Key insights on dynamic managerial capabilities

Interestingly, all interviewed strategic managers and leaders of established South African insurers appeared to possess reasonably developed dynamic managerial capabilities. This finding is supported by the theorised role of dynamic managerial capabilities as relating strategic management actions with activities and outcomes of a firm (Helfat & Martin, 2015). Though they appeared strong, these dynamic managerial capabilities were seldom used, and in certain firms appeared to be actively discouraged. Dynamic managerial capabilities were in full display during times of crisis. Whether it was an existential challenge facing to the firm or the career prospects of the strategic manager and leader in question.

This finding is consistent with extant dynamic managerial capabilities literature. Academics consider them core to conceiving and implement new business models (Felin & Powell, 2016; Teece, 2018a) more so in uncertain times (Teece et al., 2016). Dynamic managerial capabilities were on full display until the prevailing risks were mitigated. Calling on the influence strategic managers had on both the formal and informal structures of the firm (Hambrick et al., 2015). Along with the accumulated and unique sets of skills and knowhow (Helfat & Martin, 2015). These being used to guide the processes intended by the strategic managers and leaders to safeguarding the sustainability of the firm (Helfat & Martin, 2015; Teece, 2018a; Townsend & Busenitz, 2015).

After successfully navigating the firm through a tumultuous period. What was considered pivotal was the ability to seize on threats and translating them into opportunities growth, and then managing and leading the firm through the required transformation to position the firm to benefit from these growth opportunities. However, dynamical managerial capabilities scholars theorised this construct to extend to include an innate entrepreneurial intent. One that seeks to transform and shape markets to the benefit of the firm (Helfat & Martin, 2015; Teece, 2016, 2019). This entrepreneurial intent appeared to be limited in almost all South African insurers covered in this study.

Having considered these insights, the researcher offers two propositions. The first of these is:

> *A dominant configuration of managerial capabilities will overtime entrench a preferred configuration of capabilities in the firm.*

The second proposition, which is linked to the first, is:

> *A lack of development of managerial capabilities beyond the dominant configuration will constrain the firm's ability to improve and develop its firm capabilities, strategy perspectives, competitive strategies, and strategy processes.*

6.3. Dynamic managerial capabilities and strategy

6.3.1. Effects of dynamic managerial capabilities on strategy perspectives

The centrality of managerial capabilities towards the realisation of strategy was established in the literature reviewed in chapter 2 above (Helfat & Martin, 2015; Teece, 2019). Mintzberg and Lampel (1999) theorised ten schools of strategy perspectives that a strategic manager

can use in both formulating and implementing competitive strategies (Mintzberg et al., 2009). Given this importance of the conceptions of strategy by strategic managers and leaders. Along with the competitive strategies and the associated processes that give these strategy conceptions expression. Understanding how strategic managers and leaders think about competitive strategies. How they preside over processes in the firm to both formulate and implement these competitive strategies was a central concern of this study. The discussions that follow focuses on key insights from the presented in 5 above data on the interrelations between strategy perspectives, dynamic managerial capabilities, and the firm.

6.3.1.1. Key insights on strategy perspectives

All the fifteen interviewed respondents, in varying degrees, appeared to suggest that established South African insurers are led through the cognitions of their strategic managers and leaders. These cognitive perspectives appeared to take form at the exclusion of the layers of the firm that are below strategic management and leadership according to fourteen of the fifteen interviewed respondents. Strategic management scholars advocate for shared strategic leadership for effective strategic management and leadership in a firm to ensure cohesion, diversity and ambidexterity in formulation and execution (Carter & Greer, 2013; Krieger & Zhovtobryukh, 2016; Olson et al., 2007). Established South African insurers could therefore benefit from meaningfully extending strategic leadership responsibilities to senior managers beyond accountability for delivery (Friedman et al., 2016; Samimi et al., 2020).

Strategic managers and leaders of established South African insurers appeared to gravitate towards distinct configurations of strategy. The first was a preference for incremental strategic change that is commonplace in tinkering organisations. Adding to the evidence of a limited entrepreneurial orientation in South Africa's insurance industry as whole (Teece, 2016). The contrarian respondent alluded to the entrepreneurial and pioneering nature of the employer firm discussed. Drifting firms are bureaucratic in nature and prize sales at the expense of addressing design challenges that render the firm disjointed and indistinct relative to its competitors. The majority established South African insurers appeared to be drifting. Interestingly, the majority fourteen respondents expressed a desire to see the strategic configurations in their firms take on more entrepreneurial and pioneering dispositions (Mintzberg et al., 2009).

Power strategic perspectives were pervasive in established South insurers across all fifteen respondents interviewed for this research study. In keeping with the views of strategy academics, the power games were well concealed but readily observable by well-placed insiders and strategic managers and leaders (Krieger & Zhovtobryukh, 2016; Mintzberg et

al., 2009; Pitelis & Wagner, 2019). There was strong evidence of insurgency games. Nine of the fifteen respondents cited evidence of those below the strategic management and leaders, and those strategic managers and leaders outside the dominant coalition resisting the predominating strategy perspectives. Suggesting both insider awareness and active resistance of the dominant strategic logic (Krieger & Zhovtobryukh, 2016; Mintzberg et al., 2009; Pitelis & Wagner, 2019).

To strengthen their chances of successfully resisting formal authority and effecting their preferred transformational agendas, these insurgents (Mintzberg et al., 2009) appeared to cluster themselves with those sharing similar interests and strategic perspectives. The cluster of clans could be characterised using demographic markers such as tenure, expertise, gender, and race. All four of these demographic markers presented the insurgents with sources of power that were readily exploitable. These responses by insurgent managers appear consistent with scholarly positions on organisational change. Particularly change that poses a threat to the interests of these individuals within their firms (Carter & Greer, 2013; Osborn et al., 2002; Uhl-Bien & Arena, 2017).

The dominant coalition of strategic managers and leaders appeared to react to the insurgents with counter-insurgency games that leveraged formal and legitimate authority, and political machinations (Mintzberg et al., 2009). One noted form of response was inherent in the hierarchical nature of the firm. The interview conversations held pointed to the predominant reliance on transactional forms leadership. This was evidenced by the rewarding of those that aligned themselves with the official strategic agenda and the reprisal of insurgency (Antonakis & Hooiberg, 2007; Carter & Greer, 2013). What is noteworthy was that in the contrarian respondent's firm there was evidence of charismatic leadership by the chief executive officer (Antonakis & Hooiberg, 2007; Carter & Greer, 2013) and transformational leadership by the top management team (Antonakis & Hooiberg, 2007; Krieger & Zhovtobryukh, 2016) in managing collective organisational engagement with the strategic agenda (Hambrick et al., 2015; Hitt et al., 2010; Jooste & Fourie, 2009). Overall, counter-insurgency games were considered a necessary part of the strategic management and leadership of an established South African insurance firm. Therefore, counterinsurgency appears to be a pervasive practice in the industry.

The dominant coalition of strategic managers and leaders of established South African insurers appeared to achieve their objective of sustaining their preferred strategic perspectives through both their collective efforts and those of other members of the firm they sponsored. Another marker of the reliance on transactional forms of leadership (Antonakis & Hooiberg, 2007; Carter & Greer, 2013). To this end, the dominant coalitions of strategic

managers and leaders of established insurers did not appear to rule out nefarious methods in maintaining the preferred strategic perspectives.

This finding of both insurgency and counter-insurgency games raised a concern in the mind of the researcher. Particularly when considered with the alongside the low entrepreneurial activity within these firms (Teece, 2016, 2019). The allocation of valuable firm capacity towards these unproductive practices leaves these firms inwardly focused and limited in their ability to respond to the market environments (Mintzberg et al., 2009; Mintzberg & Lampel, 1999; Teece, 2019).

Nefarious forms of the use of power could also represent a marker of a lack of development of strategic leadership capacity in South Africa's insurance industry (Detjen & Webber, 2017). Inequality is firmly rooted in South Africa's psyche due to its apartheid and colonial past. The interview data collected suggests that it could form part of the logic of operation in established South African insurers over and above the profit motive driving firms (Barnard et al., 2017). There may therefore be a case for a theoretical revision the ten schools of strategy perspectives by Mintzberg and Lampel (1999) to make allowance for structural and institutional biases and any practices that confine the "Other" to the margins of a firm (Barnard et al., 2017).

This may very well necessitate the embracing of alternatives to Western conceptualisation of strategic management and leadership (Nkomo, 2015). Not least of which is the limited accommodation for African specific nuances in extant strategic management literature (Barnard et al., 2017; Nkomo, 2015). Nefarious strategic management and leadership practices could be rooted in South Africa's apartheid and colonial past and the resultant and firmly institutionalised national cultures. National cultures that systematically dehumanise specific demographic groups. Possible solutions for these observed phenomena are therefore limited by leadership and management theorists' exclusion of the voice of the "Other". Be they from African or other non-Western perspectives (Nkomo, 2015).

It appeared that power could also be gained through means external to the firm. This concept does not appear to be provided for in extant strategy perspectives theory (Mintzberg et al., 2009; Mintzberg & Lampel, 1999). There was evidence of strategic managers and leaders of established South African insurers forming alliances with external interest groups to achieve their strategic goals. This is another finding in the data that points to the need for a theoretical revision the ten schools of strategy perspectives by Mintzberg and Lampel (1999) to accommodate for building of power bases using stakeholders external to the firm.

Having considered these insights, the researcher offers two propositions. The first of these is:

Preferred strategy perspectives will shape the dominant configuration of managerial capabilities.

The second proposition, which is linked to the first, is:

Preferred strategy perspectives will overtime be entrenched in the firm's dominant configuration of capabilities.

6.3.2. Effects of dynamic managerial capabilities on strategy process

Strategy processes encompass the mechanisms which strategic managers and leaders use to formulate and implement strategy in a firm. Strategic planning by managers and leaders is premised on an understanding of the firm's environment. Then designing appropriate strategies informed by this understanding. The designed strategies are then codified into plans of that will guide execution in the firm (Mintzberg et al., 2009). The discussions that follow focuses on key insights from the presented in 5 above data on the interrelations between strategy process, dynamic managerial capabilities, and the firm.

6.3.2.1. Key insights on strategy process

Consistent with the traditions of organisational theorists, it appears attempting to unravel the strategy processes of established South African insurers had merit (Krieger & Zhovtobryukh, 2016; Pitelis & Wagner, 2019; Teece, 2019). The data collected brought to the fore that the process of strategy formulation and implementation is established South African insurers appeared to follow similar patterns of activities and routines. Activities and routines that culminate in business plans codifying a detailed set of commitments for a planning period (usually spanning a twelve-month period). Detailing how these firms plan to position themselves in their chosen markets for success. The business planning processes appeared extensive according to thirteen of the fifteen respondents. Pulling significantly on a firm's available time and resources during the planning cycles. This finding appears to confirm the gravitation towards predictable strategic endeavours by strategic managers and leaders (Parayitam & Papenhausen, 2018).

Most of the interviewed strategic managers and leaders of established South African insurers highlighted a disciplined commitment to the plan during the planning period. There

was no evidence in the data collected on these plans being altered or adjusted once implementation had commenced. Even in instances when the environment planned for materially changed. Even with this broad commonality, the strategic managers and leaders interviewed had their unique ways operationalising their strategic perspectives (Hambrick et al., 2015). These unique process attributes, when aggregated at firm level, result what differentiates these established South African insurers (Keneley & Verhoef, Parayitam & Papenhausen, 2018, Verhoef, 2012, 2016) as is evident in publicly available accounts (Alexander Forbes Group Holdings Limited, 2020; Discovery Limited, 2019; Momentum Metropolitan Holdings Limited, 2019; Old Mutual Limited, 2019; Sanlam, 2019).

Strategic leadership appears to be a barrier within established South African insurers that is cautioned against in extant academic literature (Carter & Greer, 2013; Hooiberg & Lane, 2014; Jooste & Fourie, 2009). These plans have within them inbuilt rigidities due to the very processes used to generate them. The structural complexities and operating models of established South African insurers appeared to another rigidity built into the planning process and resultant plans. These rigidities appear to be linked to the dominant power perspectives alluded to earlier in this chapter. Informed by the astute understanding of the importance of strategy processes as a source of power in the firm by the interviewed strategic managers and leaders of established South African insurers. These findings are consistent with what organisational theorists have established (Hoffman, 2018; Wu et al., 2017).

Having considered these insights, the researcher offers two propositions. The first of these is:

> *A dominant configuration of managerial capabilities will overtime entrench preferred strategy processes in the firm.*

The second proposition, which is linked to the first, is:

> *Entrenched strategy processes will constrain the firm's ability to call on alternative configurations of managerial capabilities should these managerial capabilities not be dynamic.*

6.3.3. Effects of dynamic managerial capabilities on competitive strategy

The adopted sets of competitive strategies have an influence on the interrelations between dynamic managerial capabilities and firm capabilities (Helfat & Martin, 2015; Teece, 2019).

Competitive strategy encompasses the entrepreneurial inclinations of the firm's strategic managers and leaders. Along with the competitive positions they place the firm in the markets that it competes in (Mintzberg et al., 2009). The discussions that follow focuses on key insights from the presented in 5 above data on the interrelations between competitive strategy, dynamic managerial capabilities, and the firm.

6.3.4. Key insights on competitive strategy

The strategic managers and leaders of established South African insurers appeared predominantly inclined to the planning and positioning competitive strategy perspectives. Suggesting a strategic leadership barrier (Carter & Greer, 2013; Hooiberg & Lane, 2014; Jooste & Fourie, 2009) as a constraint to conceiving competitive strategies through other available strategy perspectives (Mintzberg et al., 2009). Along with an observed limited incentive for these strategic managers to further develop their strategic leadership capacity (Detjen & Webber, 2017). This inclination towards positioning also appeared coupled with and informed by long established planning disciplines within the firm. Planning disciplines that appear to stifle entrepreneurial intent in the competitive strategies adopted in the South African insurance industry as whole (Teece, 2016). Further evidencing the capabilities trap already alluded to by Teece (2019).

Having considered these insights, the researcher offers two propositions. The first of these is:

> *A dominant configuration of managerial capabilities will overtime entrench preferred competitive strategies on the firm.*

The second proposition, which is linked to the first, is:

> *The dominant configuration of managerial capabilities will limit the manager's ability to call on alternative competitive strategies if these capabilities are not dynamic.*

6.4.   Proposed framework

The research insights above culminate in the researcher's theorised relationships between the capabilities of strategic managers and leaders, their perspectives on strategy, the strategy processes in the firm, and the capabilities of the firm. This proposed conceptual framework is depicted in Figure 17 below. Within this framework, the dynamic managerial capabilities of the top management team will overtime shape the configuration of capabilities within a form. This includes both ordinary and dynamic firm capabilities.

This relationship between the dynamic managerial capabilities and the resultant configuration of firm capabilities takes place through the established strategy processes within the firm. These strategy processes play a mediating role in the relationship between dynamic managerial capabilities and the firm's capabilities. The perspectives of the top management team on strategy also continuously inform the extent to which capabilities within a firm are developed, deployed, and retrenched. They therefore play a moderating role in the relationship between dynamic managerial capabilities and the firm's capabilities.
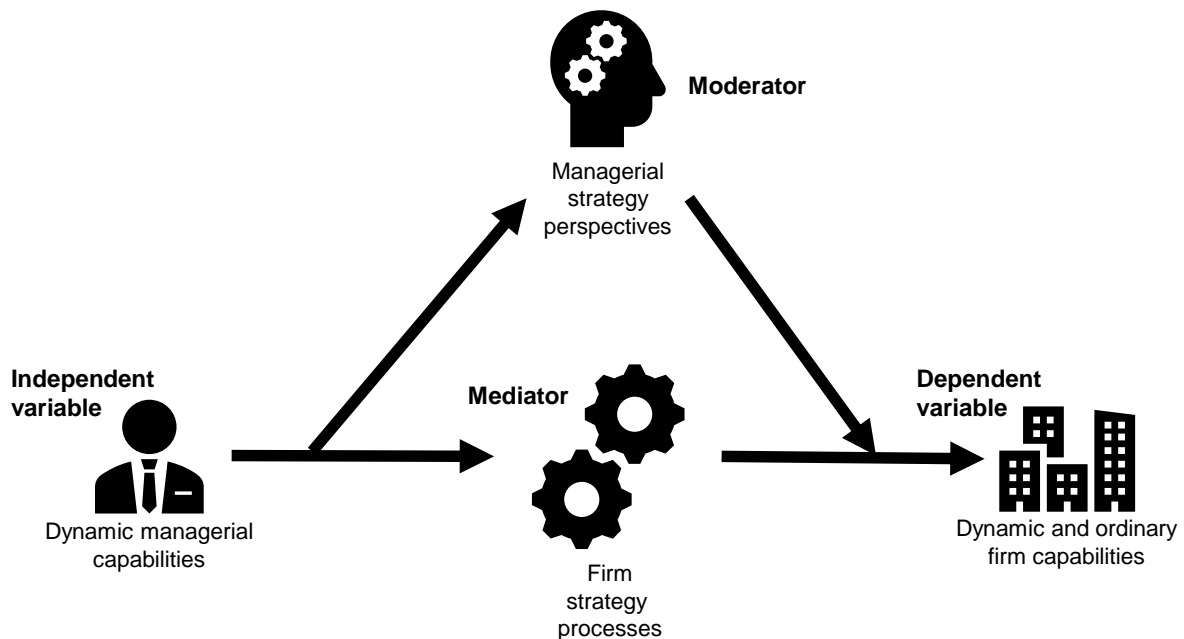
Figure 17: Proposed conceptual framework on the effects of dynamics managerial capabilities

Now relating this proposed conceptual framework to the findings of this research study. It appears that the effects of the dynamic managerial capabilities of sensing, seizing, and transforming a firm (Helfat & Martin, 2015; Teece, 2019). Are moderated almost exclusively by the cognitions of the strategic managers and leaders of these established insurers. Cognitions on what are the appropriate configurations of competitive strategies. Evidence from the data suggests that these competitive strategies are limited in pioneering and entrepreneurial aspirations. Tending to gravitate towards incremental adjustments relative to the existing core business. Leading to what appears to be these firms drifting away from prevailing market realities and expectations (Mintzberg et al., 2009; Teece, 2019).

Power, in both legitimate and nefarious forms, predominates as means through which strategic managers and leaders of established South African insurers impose their perspectives on competitive strategy on the firm (Mintzberg et al., 2009). These dominant

managerial perspectives on strategy ultimately shape the processes used to both form and implement strategy in the firm (Alvarez et al., 2020; Hambrick et al., 2015; Mintzberg et al., 2009). Dynamic managerial capabilities, therefore, inform the configuration of firm capabilities used to both formulate and implement strategy (Mintzberg et al., 2009; Teece, 2019). Through the established strategy processes in the firm. The tight control that strategic managers and leaders have on these established ensures is evidence by the strong finding of both ordinary managerial and firm capabilities (Detjen & Webber, 2017; Teece, 2014, 2019).

Lastly, some minor additions to Mintzberg et al.'s (2009) power school of strategy formulation perspectives are proposed for consideration. These begin with the sub-constructs "*similar-to-me-effect*" in both the "*insurgency*" and the "*counterinsurgency*" constructs. This should enable the distinction and better understanding of both insurgents and counterinsurgents that coalesce around specific demographic markers. The "*aligned interest groups*" construct is suggested so as accommodate for the building of a power base in a group. Over and above expertise, "*exploiting tenure*" appears to be another distinct form of unsanctioned use of power. Similarly, "*structural / institutionalized bias*" represents an unsanctioned form of exploiting legitimate power (Mintzberg et al., 2009). This could prove contextually relevant for South Africa where structural and intuitional bias and injustice is still commonplace (Barnard et al., 2017; Mintzberg et al., 2009; Nkomo, 2015).

These minor and additional distinctions are offered as an attempt to better understand the functioning of constituent groups within a firm (Alvarez et al., 2020; Teece, 2019). These proposed constructs and sub-constructs are summarised and highlighted in bold in Figure 18 below.

Literature domain	Concept	Construct	Sub-construct
Strategy perspectives	Power school	Insurgency game	Resisting authority
Strategy perspectives	**Power school**	**Insurgency game**	**Similar-to-me effect**
Strategy perspectives	Power school	Counterinsurgency game	Political fightback
Strategy perspectives	**Power school**	**Counterinsurgency game**	**Similar-to-me effect**
Strategy perspectives	Power school	Sponsorship game	Building power base
Strategy perspectives	Power school	Alliance-building game	Building power base
Strategy perspectives	**Power school**	**Aligned interest groups**	**Building power base**
Strategy perspectives	Power school	Empire-building game	Building power base
Strategy perspectives	Power school	Budgeting game	Resource allocation
Strategy perspectives	Power school	Expertise game	Exploiting expertise
Strategy perspectives	**Power school**	**Expertise game**	**Exploiting tenure**
Strategy perspectives	Power school	Lording game	Exploiting hierarchy
Strategy perspectives	**Power school**	**Lording game**	**Structural / Institutionalized bias**

Figure 18: Emergent power school constructs and subconstructs

6.5. Conclusion

This chapter analysed the results presented in the previous chapter against the literature presented in chapter 2 above for insights. These insights were presented in each of this chapter's sub-sections. Taking the form of observed similarities with extant literature. In some instances, there were differences within the data set that allowed for contrasting the perspectives of most of the respondents to the outlier respondent. There were also a few cases which the literature reviewed did not appear to address. The chapter that follows will position the conclusions drawn from this research effort.

7. Conclusions and recommendations

7.1.   Introduction

This concluding chapter highlights and consolidates the principal findings and insights of this research study into the capabilities of strategic managers and leaders of established South African insurers. Of interest was unearthing patterns and interrelations of their capabilities sets and understanding any lasting impacts they have on these firms under their stewardship. A conceptual framework was developed and grounded on the results presented in chapter 5 above. Then analysed for emerging similarities and differences in chapter 6 above against the literature reviewed in chapter 2. This chapter also includes strategic management and leadership recommendations for established South African insurers and potential areas of further academic inquiry for strategic management scholars.

7.2.   Research insights

7.2.1. Effects dynamic managerial capabilities

On managerial capabilities, the research study revealed that a dominant configuration of managerial capabilities will overtime entrench a preferred configuration of capabilities on the firm. Breaking with orthodox economic theory, strategic managers and leaders have a material impact on the firm (Alvarez et al., 2020; Nelson, 2009; Teece, 2019). Particularly when considering the decisions that they make and the processes they use for securing and deploying resources (Nelson, 2009; Teece, 2019). It has been accepted by strategic management scholars that mangers influence both the functioning of their firms and their commercial outcomes. That also these effects lead to a measure of difference between firms competing in the same environments (Adner & Helfat, 2003; Helfat & Martin, 2015).

There were also three instructive insights linked to the impact of the dominant configuration of managerial capabilities. The first was that strategic managers and leaders of established South African insurers appear to be dynamically capable. These dynamic managerial capabilities enable the design and implementation of models and processes to capture value from the technically efficient firm (Teece, 2018a). Informed by the strategic aspirations set by the top management team for the firm (Townsend & Busenitz, 2015).

The second was that these strategic managers and leaders appeared to predominantly use their dynamic managerial capabilities in times of organisational and personal career distress. A potential marker of the predominance of ordinary capabilities in established South African

insurers (Teece, 2014). The third was that these strategic managers and leaders showed limited signs of the entrepreneurial boldness required to both shape and transform their competitive markets. Another potential marker of the predominance of ordinary capabilities in established South African insurers (Teece, 2014). Additionally, this observation raised concerns about the appetite and capacity of the strategic managers and leaders of these firms to enhance their existing capabilities (Detjen & Webber, 2017). This limited strategic leadership development has been identified by scholars as a barrier to performance (Carter & Greer, 2013; Jooste & Fourie, 2009).

7.2.2. Effects of strategy perspectives

After exploring strategy perspectives in established South African insurers, the study revealed that preferred strategy perspectives will shape the dominant configuration of managerial capabilities in a firm. Managerial capabilities are linked to the mental processes used to develop strategies in a firm (Helfat & Martin, 2015; Mintzberg et al., 2009; Teece, 2019). Evidence of this includes the observed consistent pursuit of similar positions in competitive markets by established South African insurers. Along with the planning rituals used to arrive at these positions (Bindra et al., 2019; Mintzberg et al., 2009; Porter, 2008). As a result, these entrenched competitive strategies constrain the firm's ability to call on alternative configurations of managerial capabilities should these capabilities not be dynamic in nature. A marker of both the already discussed predominance of ordinary capabilities (Teece, 2019) and the likely existence of a strategic leadership strategic leadership capability vacuum (Carter & Greer, 2013; Jooste & Fourie, 2009).

7.2.3. Effects of strategy process

Strategy processes appeared to serve as the entrenching mechanism of dynamic managerial capabilities and the very competitive strategies derived through them. Consequently, a dominant configuration of managerial capabilities will overtime entrench preferred strategy processes on both the firm. These entrenched strategy processes will ultimately constrain the firm's ability to call on alternative configurations of managerial capabilities should these capabilities not be dynamic in nature. This represents a potential predominance of ordinary firm capabilities earlier discussed capabilities trap (Teece, 2019) and a strategic leadership capability lacuna (Carter & Greer, 2013; Jooste & Fourie, 2009).

There were also three instructive insights emerging from findings on predominant strategy processes. Firstly, established South African insures ran almost exclusively on the cognitions of their strategic managers and leaders (Mintzberg et al., 2009; Mintzberg &

Lampel, 1999). With almost no evidence of diversity and ambidexterity in strategic formulation and implementation (Carter & Greer, 2013; Krieger & Zhovtobryukh, 2016; Olson et al., 2007; Samimi et al., 2020). This confined the role of layer of managers below the strategic management and leadership layer to strategy implementation. Secondly, the preferred and predominating strategy configurations appeared to reduce these firms to both tinkering and drifting organisations. With almost no evidence and entrepreneurial and pioneering inclinations. Lastly, power was the default means through which strategic managers and leaders of South Africa's established insurers went about achieving their strategic aspirations for their firms (Mintzberg et al., 2009; Mintzberg & Lampel, 1999).

7.2.4. Effects of competitive strategy

On competitive strategies, South Africa's established insurers displayed an inclination towards adopting formulaic positions in competitive markets. With a largely undifferentiated set of products and propositions. Then developing and implementing detailed plans to operationalise these similar competitive strategies. There was limited evidence of strategic managers and leaders making strides towards developing themselves beyond these prevailing competitive perspectives. This already noted pattern ultimately resulted in strategic management and leadership rigidities (Carter & Greer, 2013; Jooste & Fourie, 2009; Teece, 2019).

South Africa's established insurers were inclined to formulate competitive strategies almost exclusively with short-term time horizons. Appearing to be capped at three years. This pattern was in keeping with their established need for certainty and the researcher's perceived predominant reliance on ordinary capabilities. Reinforcing the strategic management and leadership rigidities already observed (Carter & Greer, 2013; Jooste & Fourie, 2009; Teece, 2019).

7.3. Insights for established South African insurers

Figure 19 below is a depiction of the dominant managerial and firm capabilities, and strategy perspectives observed in South Africa's established insurers. Apart from an observed ability to sense both internal and external developments, top management teams in South Africa's established insurers appear predominantly ordinarily capable. Potentially suggesting a preference for ordinary capabilities over dynamic capabilities in the daily functioning of these firms. Linked to the sensing dynamic managerial capability of these top management teams, strategy appeared initiated and confined to their cognitions. Specifically of strategic positions that the firms should adopt. Plans are routinely developed, and their formulation and

implementation presided over through opaque use of power.
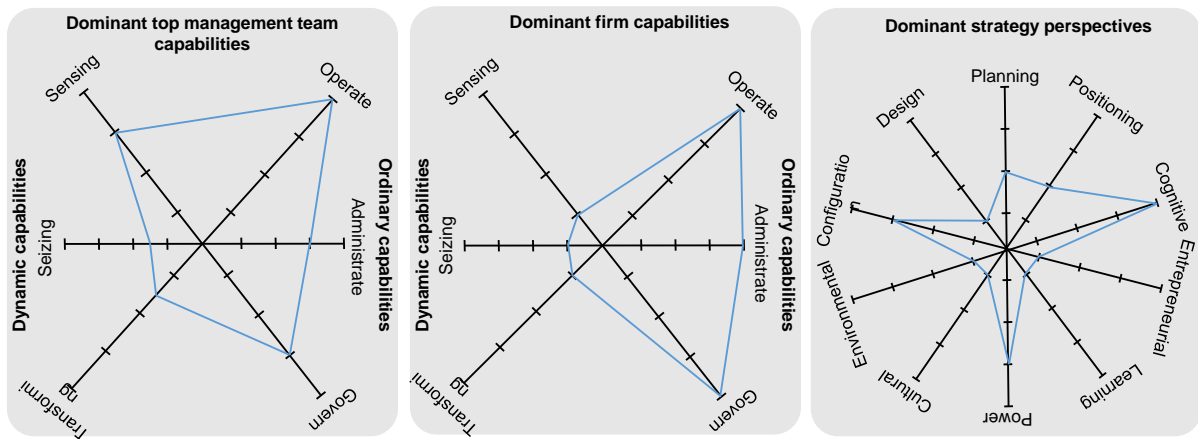
Figure 19: Dominant industry capabilities and strategy perspectives overview

When combing the proposed conceptual framework in Figure 17 and the current state of capabilities and strategy perspectives in South Africa's established insurers in Figure 19 above. There are some practical interventions the top management teams in South Africa's established insurers can consider as they grapple with bolstering their dynamic managerial capabilities and improving their practice and outcomes of strategic management.

The first is extending both the grasp and use of all the available schools of strategy formation. This will better position them to blend them in ways that could yield a differentiated and sustained competitive edge over their peers (Mintzberg, 1987; Mintzberg et al., 2009; Mintzberg & Lampel, 1999). The second, which is linked to the first recommendation, is cultivating an internal environment that nurtures both the development and use of all the capabilities and skills their employees possess (Eisenhardt & Martin, 2000; Teece, 2019; Teece et al., 1997). Since these ten schools of strategy formation call on different skills and capability sets. A diversity of skill and capabilities is an immeasurable strength in a firm (Mintzberg et al., 2009; Teece, 2019).

The third recommendation, which is linked to both the first and second recommendations, is ensuring that both the governance and operating processes and structures enable the use of available schools of strategy formation and the continuous building and exploitation of a diverse base of skills and capabilities (Mintzberg et al., 2009; Pitelis & Wagner, 2019; Teece, 2019). This necessitates the reviewing and revisiting of areas critical to the functioning of an established insurer. These include (but not limited) organisation structures, operating models, resourcing and funding processes, and incentive programmes. Governance and operating structures and processes are of critical importance as they set the tone as to how employees engage with the firm's strategic agenda (Schmidt & Brauer, 2006; Teece, 2014).

It is worth reemphasising that effectiveness in forming and deploying strategy requires of top management teams to familiarise themselves with all ten schools of strategy perspectives and to build the dynamic managerial capabilities required to use them (Mintzberg et al., 2009; Mintzberg & Lampel, 1999). As earlier discussed in chapter 1 above, modern day firms face increasing demands to show ingenuity in how they compete and sensitivity in how they respond to their competitive contexts (Hitt et al., 2010; Mintzberg et al., 2009; Uhl-Bien & Arena, 2017). This is no different for South Africa's established insurers (Keneley & Verhoef, 2006; Verhoef, 2012, 2016). Strategy permeates everything a firm does and consists of. A great limitation of strategy arises when strategic managers and leaders adopt a narrow set of perspectives at the exclusion of other available strategy perspectives (Mintzberg et al., 2009; Mintzberg & Lampel, 1999).

As overwhelming as this may be, that is what is required of strategic managers and leaders. It begins with "… judgemental designing, intuitive visioning, and emergent learning …" (Mintzberg & Lampel, 1999, p. 27) when formulating strategies. Strategies that also explicitly and tangibly solve for both the perpetuation of the firm and its transformation beyond its current core value creation logic. Doing this should involve both individual cognitions of top management teams along with those they entrust with implementation. These cognitions should also be subjected to iterative processes that are both cooperative and conflictive to distil out the best strategic thoughts available in the firm (Mintzberg et al., 2009; Mintzberg & Lampel, 1999).

Ordinarily, this process will include both analysis and negotiation internally with a firm grasp of the demands of the external environments. Strategies typically unravel when any of these requirements are omitted. It is however reasonable that top management teams will lean towards a preferred strategy approach. They should therefore regularly review whether they have gravitated towards the illogical extremes of their preferences listed in Table 3 below (Mintzberg et al., 2009; Mintzberg & Lampel, 1999).

Table 3: Illogical strategy extremes

School	Illogical extreme
Design	Fixation
Planning	Ritual
Positioning	Fortification
Entrepreneurial	Idolatry
Cognitive	Fantasy
Learning	Drift

Power	Intrigue
Cultural	Eccentricity
Environmental	Conformity
Configuration	Degeneration

Source: Mintzberg and Lampel (1999)

7.4. Research limitations

Due consideration was paid by the researcher to ensure that this research study satisfied the academic requirements for rigour to render its results meaningful. The research design and methodology were structured such that the research exercise delivered results that are reliable and valid. That as much bias and possible is ameliorated to ensure that the data was an accurate reflection of the narratives of the targeted respondents.

Even with this effort, the research does contain a few limitations. The data represents only the views of strategic managers and leaders of established insurers through their narratives. Given that South Africa's insurance industry is wide ranging and complex. The views of key participants including the various regulatory bodies, industry associations, and industry experts could have further enriched these findings.

The research also exclusively focused on established insurers to exclusion of innovative start-ups that leverage potentially disruptive technologies. Useful and contextual insights could emerge from their narratives. Particularly when it comes to creativity and ingenuity in strategy formation and eclectic sets of skills and capabilities in execution. The study nevertheless provides useful insights into impact of dynamic managerial capabilities, their impact on firm capabilities, and strategy formation perspectives among South Africa's established insurers.

7.5. Future research suggestions

The researcher noted opportunities to build on this research study. These include the broadening of the respondent pool as discussed in the research limitations section. The broadening of the forms of qualitative data collected and the extending the data collection period. This will enable the use techniques like diary keeping which further enrich the data collected (Onwuegbuzie et al., 2010; Suzuki et al., 2007).

Another avenue is the use of quantitative design and methodologies to aid further exploration of the phenomena of this research study. Also, to confirm the findings of this

research study including the proposed theoretical framework on the relationship between dynamic managerial capabilities and firm capabilities. Example quantitative techniques include exploratory and confirmatory factor analysis (Bagozzi & Yi, 2012; Gerbing & Anderson, 1988; Worthington & Whittaker, 2006).

Additionally, the literature reviewed in this research study presents noteworthy avenues for future academic study. These, firstly, include paying closer attention to both the moderators and mediators of dynamic capabilities processes and relationships. Second, which is linked to the first recommendation, is the use of mixed methods to leverage the strengths of both qualitative and quantitative methods for insight generation (Schilke et al., 2018).

Be that as it may, the use of qualitative research methods remains relatively new in strategic management theory building. Inductive methods are said to be helpful in attempts at building theory (Eisenhardt et al., 2016; Gehman et al., 2018). Therefore, there remains an opportunity to extend this study to other industry sectors in South Africa. This could take the form of extending coverage of the entire financial services sector by including industries such as banking.

7.6.   Conclusion

This research study delved into dynamic managerial capabilities and strategy process literature. This was done in attempts to better understand the impact top management team capabilities have on the capabilities of firms under their purview. The literature revealed that the capabilities of managers, the capabilities of the firms that they manage, and the perspectives that inform how they ultimate form strategies finds expression through the firm's strategy processes (Adner & Helfat, 2003; Eisenhardt & Martin, 2000; Mintzberg, 1987; Mintzberg et al., 2009; Mintzberg & Lampel, 1999; Teece, 2019; Teece et al., 1997).

This extant literature reviewed. Combined with the data collected and analysed. There emerged rich insights along with the development of a proposed theoretical framework. Pointing to a causal relationship between the capabilities of top management teams and the capabilities in their firms. This resultant theoretical framework reveals the nature and operation of this discovered causal relationship. Hopefully, these findings bring top management teams in established South African insurers closer to finding strategic management and leadership solutions that are more suited for successful competition in the modern-day business environments.

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Appendix 1: Ethical clearance approval

Gordon Institute of Business Science
University of Pretoria

Ethical Clearance Approved

Dear Lebogang Sibanyoni,

Please be advised that your application for Ethical Clearance has been approved.

You are therefore allowed to continue collecting your data.

We wish you everything of the best for the rest of the project.

Ethical Clearance Form

Kind Regards

This email has been sent from an unmonitored email account. If you have any comments or concerns, please contact the GIBS Research Admin team.

Appendix 2: Interview consent form

Good day,

Informed consent to participate in a research interview

I am student at the Gordon Institute of Business Science currently pursuing a Master of Philosophy qualification in Corporate Strategy. To fulfil my academic requirements, I am conducting research into the strategic management of established South African insurance companies and the role of capabilities in management practices.

The interview discussion should not take longer than an hour. Your participation is voluntary. No incentive will be offered for your participation in this study. You will also not be penalised in any way should you chose to withdraw your participation at any stage. All the data collected from the interview discussion will be stored and analysed without any identifiers to preserve yours and your organisation's confidentiality. Should you have any concerns or require further clarification of matters relating to this research study please feel free to contact my supervisor using the following details:

> Dr. Morris Mthombeni
> mthombenim@gibs.co.za
> 082 440 5552

The signatures below serve as confirmation of your informed participation in this research process:

> Participant signature: _____
>
> Date:
>
> Researcher signature: _____
>
> Date:

Should you wish to contact me after this interview discussion, you can reach me using the following details:
> lebogang.sibanyoni@gmail.com
> 083 398 3030

Thank you for your contribution to my learning journey.

Appendix 3: Interview discussion guide

Interview discussion guide

Introduction

1. Briefly outline your organisation's strategy for sustained competitiveness and your role in it?

Sensing

2. How do you keep yourself up to date on the state of the market?
3. How do you go about gathering this information on the state of the market?

Seizing

4. How do you translate the new knowledge and technologies gathered by you and your organisation into innovative products and services?

Transforming

5. How do you manage and lead your organisation through the transformative change requirements of innovative products and services?
6. How do you implement transformative change alongside existing business demands?

Conclusion

7. How would you assess your organisation's chances of sustaining its competitiveness going forward? Provide reasons for this assessment?

Appendix 4: Complete code book

Literature domain	Concept	Construct	Sub-construct	Theme
				Deductive
Managerial capabilities	Dynamic capabilities	Sensing		Awareness of market best practices
Managerial capabilities	Dynamic capabilities	Sensing		Aware of current market situation
Managerial capabilities	Dynamic capabilities	Sensing		Systematic sourcing of market information
Managerial capabilities	Dynamic capabilities	Sensing		Access to market information
Managerial capabilities	Dynamic capabilities	Sensing		Awareness of competitor activities
Managerial capabilities	Dynamic capabilities	Sensing		Awareness of market changes
Managerial capabilities	Dynamic capabilities	Seizing		Awareness of market changes
Managerial capabilities	Dynamic capabilities	Seizing		Processing of market information
Managerial capabilities	Dynamic capabilities	Seizing		Prioritization of market information
Managerial capabilities	Dynamic capabilities	Seizing		Generation of service and product innovation
Managerial capabilities	Dynamic capabilities	Transforming		Successful implementation of change plans
Managerial capabilities	Dynamic capabilities	Transforming		Consistent execution of change plans
Managerial capabilities	Dynamic capabilities	Transforming		Consistent decisions on change plans
Managerial capabilities	Dynamic capabilities	Transforming		Demonstrable change execution record
Managerial capabilities	Dynamic capabilities	Transforming		Delivery of both change and BaU
Managerial capabilities	Dynamic capabilities	Transforming		Flexible and adaptable change plans
Managerial capabilities	Ordinary capabilities	Operate		Sufficiency of operating processes and routines
Managerial capabilities	Ordinary capabilities	Operate		Sufficiency of operational coordination
Managerial capabilities	Ordinary capabilities	Operate		Sufficiency of operational skills
Managerial capabilities	Ordinary capabilities	Operate		Sufficiency of operational resources
Managerial capabilities	Ordinary capabilities	Administrate		Sufficiency of administrative processes and routines
Managerial capabilities	Ordinary capabilities	Administrate		Sufficiency of administrative coordination
Managerial capabilities	Ordinary capabilities	Administrate		Sufficiency of administrative skills
Managerial capabilities	Ordinary capabilities	Administrate		Sufficiency of administrative resources
Managerial capabilities	Ordinary capabilities	Govern		Sufficiency of governance processes and routines
Managerial capabilities	Ordinary capabilities	Govern		Sufficiency of governance coordination
Managerial capabilities	Ordinary capabilities	Govern		Sufficiency of governance personnel skills
Managerial capabilities	Ordinary capabilities	Govern		Sufficiency of governance resources

Literature domain	Concept	Construct	Sub-construct	Theme
				Deductive
Firm capabilities	Dynamic capabilities	Sensing		Awareness of market best practices
Firm capabilities	Dynamic capabilities	Sensing		Aware of current market situation
Firm capabilities	Dynamic capabilities	Sensing		Systematic sourcing of market information
Firm capabilities	Dynamic capabilities	Sensing		Access to market information
Firm capabilities	Dynamic capabilities	Sensing		Awareness of competitor activities
Firm capabilities	Dynamic capabilities	Sensing		Awareness of market changes
Firm capabilities	Dynamic capabilities	Seizing		Awareness of market changes
Firm capabilities	Dynamic capabilities	Seizing		Processing of market information
Firm capabilities	Dynamic capabilities	Seizing		Prioritization of market information
Firm capabilities	Dynamic capabilities	Seizing		Generation of service and product innovation
Firm capabilities	Dynamic capabilities	Transforming		Successful implementation of change plans
Firm capabilities	Dynamic capabilities	Transforming		Consistent execution of change plans
Firm capabilities	Dynamic capabilities	Transforming		Consistent decisions on change plans
Firm capabilities	Dynamic capabilities	Transforming		Demonstrable change execution record
Firm capabilities	Dynamic capabilities	Transforming		Delivery of both change and BaU
Firm capabilities	Dynamic capabilities	Transforming		Flexible and adaptable change plans
Firm capabilities	Ordinary capabilities	Operate		Sufficiency of operating processes and routines
Firm capabilities	Ordinary capabilities	Operate		Sufficiency of operational coordination
Firm capabilities	Ordinary capabilities	Operate		Sufficiency of operational skills
Firm capabilities	Ordinary capabilities	Operate		Sufficiency of operational resources
Firm capabilities	Ordinary capabilities	Administrate		Sufficiency of administrative processes and routines
Firm capabilities	Ordinary capabilities	Administrate		Sufficiency of administrative coordination
Firm capabilities	Ordinary capabilities	Administrate		Sufficiency of administrative skills
Firm capabilities	Ordinary capabilities	Administrate		Sufficiency of administrative resources
Firm capabilities	Ordinary capabilities	Govern		Sufficiency of governance processes and routines
Firm capabilities	Ordinary capabilities	Govern		Sufficiency of governance coordination
Firm capabilities	Ordinary capabilities	Govern		Sufficiency of governance personnel skills
Firm capabilities	Ordinary capabilities	Govern		Sufficiency of governance resources

Literature domain	Concept	Construct	Sub-construct	Theme
				Deductive
Strategy perspectives	Design school	Create strategy	Internal appraisal	Appraisal of strengths
Strategy perspectives	Design school	Create strategy	Internal appraisal	Appraisal of weaknesses
Strategy perspectives	Design school	Create strategy	Internal appraisal	Appraisal of opportunities
Strategy perspectives	Design school	Create strategy	Internal appraisal	Appraisal of threats
Strategy perspectives	Design school	Create strategy	External appraisal	Appraisal of technological factors
Strategy perspectives	Design school	Create strategy	External appraisal	Appraisal of economic factors
Strategy perspectives	Design school	Create strategy	External appraisal	Appraisal of social factors
Strategy perspectives	Design school	Create strategy	External appraisal	Appraisal of political factors
Strategy perspectives	Design school	Create strategy	External appraisal	Appraisal of legal factors
Strategy perspectives	Design school	Evaluation and choice strategy	Evaluation	Consistency test
Strategy perspectives	Design school	Evaluation and choice strategy	Evaluation	Consonance test
Strategy perspectives	Design school	Evaluation and choice strategy	Evaluation	Advantage test
Strategy perspectives	Design school	Evaluation and choice strategy	Evaluation	Feasibility test
Strategy perspectives	Design school	Evaluation and choice strategy	Choice of strategy	Top leadership values and ethics
Strategy perspectives	Design school	Evaluation and choice strategy	Choice of strategy	Organizational values and ethics
Strategy perspectives	Design school	Evaluation and choice strategy	Choice of strategy	Stakeholder value and ethics
Strategy perspectives	Design school	Implement strategy		Implement operating models
Strategy perspectives	Design school	Implement strategy		Allocated budgets
Strategy perspectives	Design school	Implement strategy		Operating plans

Literature domain	Concept	Construct	Sub-construct	Theme
				Deductive
Strategy perspectives	Planning school	Plan	Objective setting	Formalizing of goals
Strategy perspectives	Planning school	Plan	Objective setting	Quantification of goals
Strategy perspectives	Planning school	Plan	Internal audit	Prepare internal information
Strategy perspectives	Planning school	Plan	Internal audit	Decompose strengths and weaknesses
Strategy perspectives	Planning school	Plan	Internal audit	Set forecasts of preferred / likely future
Strategy perspectives	Planning school	Plan	External audit	Prepare external information
Strategy perspectives	Planning school	Plan	External audit	Conduct competitor analysis
Strategy perspectives	Planning school	Plan	External audit	Adjust forecasts of preferred / likely future
Strategy perspectives	Planning school	Plan	Strategy evaluation	Evaluate competitive strategy
Strategy perspectives	Planning school	Plan	Strategy evaluation	Conduct risk assessment
Strategy perspectives	Planning school	Plan	Strategy evaluation	Conduct financial analysis
Strategy perspectives	Planning school	Implement	Operating models	Define operating model
Strategy perspectives	Planning school	Implement	Operating plans	Codify operating plans
Strategy perspectives	Planning school	Implement	Operating budgets	Allocate operating budgets
Strategy perspectives	Planning school	Review	Performance review	Assess performance
Strategy perspectives	Planning school	Review	Performance management	Reward performance

Literature domain	Concept	Construct	Sub-construct	Theme
				Deductive
Strategy perspectives	Positioning school	Cost leadership	Economies of scale	Becoming the low-cost producer in the industry
Strategy perspectives	Positioning school	Cost leadership	Economies of scale	Investing in large-scale production facilities
Strategy perspectives	Positioning school	Cost leadership	Economies of scale	Monitoring overall operating costs
Strategy perspectives	Positioning school	Differentiation	Unique positioning	Fostering brand loyalty
Strategy perspectives	Positioning school	Differentiation	Unique positioning	Fostering customer loyalty
Strategy perspectives	Positioning school	Differentiation	Unique proposition	Higher quality
Strategy perspectives	Positioning school	Differentiation	Unique proposition	Better performance
Strategy perspectives	Positioning school	Differentiation	Unique proposition	Unique features
Strategy perspectives	Positioning school	Focus	Knowledge and competences	Differentiation focus
Strategy perspectives	Positioning school	Focus	Knowledge and competences	Overall cost leadership focus
Strategy perspectives	Positioning school	Focus	Narrow segmentation	Focus on specific customer groups
Strategy perspectives	Positioning school	Focus	Narrow segmentation	Focus on specific product lines
Strategy perspectives	Positioning school	Focus	Narrow segmentation	Focus on specific geographic markets

Literature domain	Concept	Construct	Sub-construct	Theme
				Deductive
Strategy perspectives	Entrepreneurial school	Seeing ahead		Understanding the future
Strategy perspectives	Entrepreneurial school	Seeing ahead		Thinking about the future
Strategy perspectives	Entrepreneurial school	Seeing behind		Understanding the past
Strategy perspectives	Entrepreneurial school	Seeing behind		Thinking about the past
Strategy perspectives	Entrepreneurial school	Seeing down		Finding the diamonds in the rough
Strategy perspectives	Entrepreneurial school	Seeing down		Thinking about the diamonds in the rough
Strategy perspectives	Entrepreneurial school	Seeing above		Understanding the big picture
Strategy perspectives	Entrepreneurial school	Seeing above		Thinking about the big picture
Strategy perspectives	Entrepreneurial school	Seeing beyond		Constructing scenarios of likely futures
Strategy perspectives	Entrepreneurial school	Seeing beyond		Placing ideas in context
Strategy perspectives	Entrepreneurial school	Seeing beside		Challenging conventional wisdom
Strategy perspectives	Entrepreneurial school	Seeing through		Converge all other six sights

Literature domain	Concept	Construct	Sub-construct	Theme
				Deductive
Strategy perspectives	Cognitive school	Attention		Determine information to be processed
Strategy perspectives	Cognitive school	Attention		Determine information to be ignored
Strategy perspectives	Cognitive school	Encoding		Adopt a frame of interpretation
Strategy perspectives	Cognitive school	Encoding		Give information meaning
Strategy perspectives	Cognitive school	Storage / Retrieval		Individual storage / retrieval
Strategy perspectives	Cognitive school	Storage / Retrieval		Organizational storage / retrieval
Strategy perspectives	Cognitive school	Decision		Resolution of individual and organizational cognitions

Literature domain	Concept	Construct	Sub-construct	Theme
				Deductive
Strategy perspectives	Learning school	Intuiting	Experiences	Individual subconscious thought processes
Strategy perspectives	Learning school	Interpreting	Conversations	Individual conscious thought processes
Strategy perspectives	Learning school	Interpreting	Conversations	Sharing thought processes at group level
Strategy perspectives	Learning school	Integrating	Shared understandings	Finding collective understanding
Strategy perspectives	Learning school	Institutionalizing	Rules and procedures	Incorporating learnings in the organizations
Strategy perspectives	Learning school	Institutionalizing	Rules and procedures	Embedding learnings in the organization
Strategy perspectives	Learning school	Institutionalizing	Routines and norms	Incorporating learnings in the organizations
Strategy perspectives	Learning school	Institutionalizing	Routines and norms	Embedding learnings in the organization

Literature domain	Concept	Construct	Sub-construct	Theme
				Deductive
Strategy perspectives	Power school	Insurgency game	Resisting authority	Individual resistance of power by lower participants
Strategy perspectives	**Power school**	**Insurgency game**	**Similar-to-me effect**	**Individual resistance of power by lower participants**
Strategy perspectives	Power school	Counterinsurgency game	Political fightback	Individual exercise of power quash resistance
Strategy perspectives	**Power school**	**Counterinsurgency game**	**Similar-to-me effect**	**Group exercise of power to quash resistance**
Strategy perspectives	Power school	Sponsorship game	Building power base	Individual use of superiors to build power base
Strategy perspectives	Power school	Sponsorship game	Building power base	Offer of loyalty to superiors in return for power
Strategy perspectives	Power school	Alliance-building game	Building power base cooperatively	Implicit agreements to support each other (peer managers, peer experts)
Strategy perspectives	**Power school**	**Aligned interest groups**	**Building power base cooperatively**	**Implicit agreements to support each other (internal with external parties)**
Strategy perspectives	Power school	Empire-building game	Building power base uncooperatively	Uncooperatively building power (individually, with subordinates)
Strategy perspectives	Power school	Budgeting game	Resource allocation	Unsanctioned use of budgeting rules and processes to build power
Strategy perspectives	Power school	Expertise game	Exploiting expertise	Unsanctioned use of expertise to build power
Strategy perspectives	Power school	Expertise game	Exploiting expertise	Unsanctioned withholding of expertise to build power
Strategy perspectives	**Power school**	**Expertise game**	**Exploiting tenure**	**Unsanctioned use of tenure to build power**
Strategy perspectives	**Power school**	**Expertise game**	**Exploiting tenure**	**Unsanctioned withholding of accumulated experience to build power**
Strategy perspectives	Power school	Lording game	Exploiting hierarchy	Unsanctioned use of legitimate power
Strategy perspectives	**Power school**	**Lording game**	**Structural / Institutionalized bias**	**Discriminatory use of legitimate power (incl. race bias, gender bias)**
Strategy perspectives	Power school	Line vs. Staff game	Clashing factions	Rivalry between line managers and staff to enhance power
Strategy perspectives	Power school	Rival camps game	Clashing factions (by peer groups)	Rivalry between peer power blocs to enhance power
Strategy perspectives	Power school	Strategic candidates game		Attempts to effect change through preferred candidates (individuals, groups)
Strategy perspectives	Power school	Whistle blowing game		Revealing information to an influential outsider to effect change (individual, group)
Strategy perspectives	Power school	Young Turks game		High stakes change attempt by group to effect radical change

Literature domain	Concept	Construct	Sub-construct	Theme
				Deductive
Strategy perspectives	Cultural school	Strategic drift		Widening misalignment of organizational beliefs with environment
Strategy perspectives	Cultural school	Unfreezing of current belief systems		Declining performance
Strategy perspectives	Cultural school	Unfreezing of current belief systems		Perceptions of organizational crisis
Strategy perspectives	Cultural school	Unfreezing of current belief systems		Challenging of unquestioned beliefs
Strategy perspectives	Cultural school	Unfreezing of current belief systems		Breakdown of beliefs systems
Strategy perspectives	Cultural school	Experimentation and reformulation		Unlearning former belief systems
Strategy perspectives	Cultural school	Experimentation and reformulation		Re-invisioning
Strategy perspectives	Cultural school	Experimentation and reformulation		Strategic experimentation
Strategy perspectives	Cultural school	Stabilization		Development of new belief systems
Strategy perspectives	Cultural school	Stabilization		Organizational commitment

Literature domain	Concept	Construct	Sub-construct	Theme
				Deductive
Strategy perspectives	Environmental	Stability	Stable	Stable environment
Strategy perspectives	Environmental	Stability	Stable	Stable government
Strategy perspectives	Environmental	Stability	Stable	Predictable market changes
Strategy perspectives	Environmental	Stability	Stable	Predictable technological changes
Strategy perspectives	Environmental	Stability	Volatile	Dynamic environment
Strategy perspectives	Environmental	Stability	Volatile	Unstable government
Strategy perspectives	Environmental	Stability	Volatile	Unexpected market changes
Strategy perspectives	Environmental	Stability	Volatile	Rapid technological changes
Strategy perspectives	Environmental	Complexity	Simple	Rationalized of markets
Strategy perspectives	Environmental	Complexity	Simple	Rationalized operating environments
Strategy perspectives	Environmental	Complexity	Complex	Sophisticated knowledge markets
Strategy perspectives	Environmental	Complexity	Complex	Complex operating environments
Strategy perspectives	Environmental	Diversity	Integrated	Integrated markets
Strategy perspectives	Environmental	Diversity	Diversified	Diversified markets
Strategy perspectives	Environmental	Hostility	Munificent	Low competitive tension
Strategy perspectives	Environmental	Hostility	Munificent	Low regulatory intervention
Strategy perspectives	Environmental	Hostility	Munificent	Low external stakeholder tensions
Strategy perspectives	Environmental	Hostility	Munificent	Favorable access to resources
Strategy perspectives	Environmental	Hostility	Hostile	High competitive tension
Strategy perspectives	Environmental	Hostility	Hostile	High regulatory intervention
Strategy perspectives	Environmental	Hostility	Hostile	High external stakeholder tensions
Strategy perspectives	Environmental	Hostility	Hostile	Limited availability of resource

Literature domain	Concept	Construct	Sub-construct	Theme
			Deductive	
Strategy perspectives	Configuration school	Focusing trajectory	Tinkering organization	Rigid controls
Strategy perspectives	Configuration school	Focusing trajectory	Tinkering organization	Obsession with detail
Strategy perspectives	Configuration school	Focusing trajectory	Craftsman organization	Quality driven organization
Strategy perspectives	Configuration school	Focusing trajectory	Craftsman organization	Punctilious engineering
Strategy perspectives	Configuration school	Venturing trajectory	Entrepreneurial organization	Growth driven organization
Strategy perspectives	Configuration school	Venturing trajectory	Entrepreneurial organization	Imaginative leadership
Strategy perspectives	Configuration school	Venturing trajectory	Imperialist organization	Helter-skelter expansion
Strategy perspectives	Configuration school	Venturing trajectory	Imperialist organization	Overtaxing resources
Strategy perspectives	Configuration school	Inventing trajectory	Pioneering organization	Unexcelled R&D
Strategy perspectives	Configuration school	Inventing trajectory	Pioneering organization	Flexible think-tank operations
Strategy perspectives	Configuration school	Inventing trajectory	Pioneering organization	State of the art products
Strategy perspectives	Configuration school	Inventing trajectory	Escapist organization	Squandering of resources
Strategy perspectives	Configuration school	Inventing trajectory	Escapist organization	Chaos-loving leadership
Strategy perspectives	Configuration school	Decoupling trajectory	Drifter organization	Stale and disjointed "me-too" offerings
Strategy perspectives	Configuration school	Decoupling trajectory	Drifter organization	Obscuring of design issues
Strategy perspectives	Configuration school	Decoupling trajectory	Salesmen organization	Unparalleled marketing skills
Strategy perspectives	Configuration school	Decoupling trajectory	Salesmen organization	Prominent brands
Strategy perspectives	Configuration school	Decoupling trajectory	Salesmen organization	Broad competitive markets