

**Implementing corporate strategy: A case study of a selected South
African state-owned enterprise**

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ABSTRACT

Despite the significant importance of strategy implementation in the performance of State-Owned Enterprises (SOE), the activities for strategy implementation in the commercial state-owned enterprises remain relatively unknown. SOEs play a strategic role in the development of a state. As such, this research study explores the strategy implementation activities within a commercial state-owned enterprise in South Africa. The aim of the study is to contribute towards an understanding of the corporate strategy implementation activities in a commercial SOE. As such, the research is limited to a single case study of a commercial SOE that is listed under Schedule 2 of the Public Finance Management Act (PFMA) of 1991. Through a central question and associate sub-questions, data was collected from five executive managers. Pseudonyms are used for both the organisation and the executive managers who participated in the data collection process. The executive managers are experienced in the state-owned enterprises operations. The key findings of the study highlight that strategy execution relies on rational/formal formulated corporate strategy. In addition, strategy formulation is a multi-stakeholder consultative process including the state representative. The factors of activities for implementing strategy include reward systems, effective communication, and the allocation of resources. In addition, there are obstacles that are linked to strategy implementation such as, budget constraints, lack of managerial skills, lack of commitment to strategy and ineffective communication. To sum up, the research contributes to the growing body of literature on the implementation of corporate strategy in state owned enterprises.

Keywords: State Owned Enterprise (SOE), strategy, strategic management, strategy implementation, strategy execution

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.

Name

Date

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LIST OF ACRONYMS

AfDB:	African Development Bank
AGM:	Annual General Meeting
CEO:	Chief Executive Officer
CFO:	Chief Financial Officer
DoE:	Department of Energy
DoT:	Department of Transport
DPE:	Department of Public Enterprises
ExCo:	Executive Committee
INED:	Independent Non-Executive Director
JSE:	Johannesburg Stock Exchange
KPA:	Key Performance Area
KPI:	Key Performance Indicator
MoU:	Memorandum of Understanding
MTSF:	Medium-Term Strategic Framework
NDP:	National Development Plan
NED:	Non-executive Director
NGP:	New Growth Path
NPC:	National Planning Commission
NT:	National Treasury
OECD:	Organisation for Economic Co-operation and Development
PFMA:	Public Finance Management Act
PRASA:	Passenger Rail Agency for South Africa
PRC:	Presidential Review Commission
PSEC:	Presidential SOE Council
PSO:	Public Service Obligations
SA:	South Africa
SCOPA:	Standing Committee on Public Accounts
SOE:	State Owned Enterprise
WBG:	World Bank Group

CHAPTER 1: INTRODUCTION

1.1 Introduction to research problem

This study explores the implementation of corporate strategy in a selected commercial South African State-Owned Enterprise (SOE). Strategy formulation is done successfully by many organisations; however, the execution or implementation of strategy is a challenge for many private and public sector entities. Furthermore, George (2020) asserts that existing literature does not discuss strategy implementation in the public organisation. Despite the above, Friesl, Stensaker and Colman (2020) highlight that, “strategy implementation is a significant managerial and organisational challenge that has left many organisations failing to achieve the intended results” (p. 1). For these reasons, strategy implementation in the public sector is worth exploring and discussing (Friesl et al., 2020). Furthermore, this exploration is facilitated by providing the contextual background and by outlining an explanation of the issues to be researched. The aim and the significance of the research are also outlined in this chapter.

1.2 Background to the research problem

A SOE is defined as, “an enterprises where the state has significant control through full, majority, or significant minority control” (Organisation for Economic Co-operation and Development, 2014, p. 62). In addition, the SOEs engage in commercial activities thereby creating the government’s securities. Moreover, as the SOEs engage in economic activities, they are expected to perform their business transactions in a manner that ensures fair competition in the marketplace (Organisation for Economic Co-operation and Development, 2014). Also, SOEs play an important role in exploiting natural resources by; generating revenue for the state, enabling a government to exercise greater control over the sector, helping to improve technologies and skills as well as by managing exposure to other risks (PricewaterhouseCoopers, 2015).

With reference to the important role played by SOEs, Buege, Egeland, Kowalski, and Sztajerowska (2013) point out that state-owned enterprises have become global players and they create value for the public. In South Africa, SOEs are regarded “as an enduring feature of the economic landscape and they will remain an important tool for the government’s toolbox for societal and public value creation” (PricewaterhouseCoopers, 2015, p. 4). However, the perception that SOEs are “catalysts for public value creation” seems to be waning (PricewaterhouseCoopers, 2015, p. 4). The inability to craft and implement strategies at times is due to political influence and poor governance (Public Protector South Africa, 2018). Admittedly, there are reports of gross incompetence, corruption and poor service delivery in public institutions which have led the South African government to establish a Commission of

Enquiry into the alleged state capture such, as the one from the Public Protector and the Auditor General of South Africa (AGSA).

One of the positive effects of the South African government is the establishment of the Commission of Enquiry. The aim of the Commission of Enquiry is to establish the extent of corruption, to ascertain who was involved and to check the monetary value that the country lost due to the nefarious activities. As an ongoing process, the evidence presented to date demonstrates that corporate governance and ineffective corporate strategy have contributed significantly to the mismanagement of public enterprises. With a plethora of challenges confronting the SOEs, the Presidential Review Committee was set up in 2012 by the President of the Republic of South Africa, and it was appointed to review the status of the SOEs. The committee made several recommendations for “SOEs to be reshaped and made relevant to the development needs of South Africa” (Presidential Committee, p. 2). For example, there were two recommendations that stated the following, (i) Recommendation number 26 pertained to the building of capacity to develop and implement the SOEs corporate strategy, and (ii) Recommendation number seven, pertained to the government delineating its separate roles as owner, policy maker, regulator, and implementer.

Furthermore, the Presidential Review Committee, the public and other stakeholders have raised concerns regarding the public institutions’ management and leadership styles. PricewaterhouseCoopers (2020) emphasized that there is a fundamental difference “between the public and private sector enterprises in terms of accountability, transparency, strategy formulation and implementation” (p. 1). Indeed, these fundamental differences prompt society to conclude that the concept of strategy implementation and monitoring in the public sector is lethargic, thus, there is a call to management scholars to explore this concept (Bruton, Peng, Ahlstrom, Stan & Xu, 2015). In addition, society has little or no information regarding the nature and the benefits of the SOEs, even though the government has been doing business for a long time (Buege et al., 2013, n.p). Some of South Africa’s commercial SOEs are listed in Table 1.1 below:

Table 1.1: List of commercial SOEs

Commercial SOE
Air Traffic and Navigation Services Company Limited
Airports Company of South Africa Limited
Alexkor Limited
Armaments Corporation of South Africa Limited
Broadband Infrastructure Company (Pty) Ltd
CEF (Pty) Ltd
DENEL (Pty) Ltd
Development Bank of Southern Africa
ESKOM Holdings
Independent Development Trust
Industrial Development Corporation of South Africa Limited
Land and Agricultural Development Bank of South Africa
South African Airways (Pty) Limited
South African Broadcasting Corporation Limited
South African Express (Pty) Limited
South African Forestry Company Limited
South African Nuclear Energy Corporation Limited
South African Post Office Limited
Telkom SA Limited
Trans-Caledon Tunnel Authority
Transnet Limited

Source: Public Finance Management Act (PFMA) (1999)

Wolff (2015) states that SOEs have indeed become a liability for the public as they continuously call for large bailouts following years of mismanagement. To illustrate the liability incurred, the following SOEs approached the National Treasury for financial bailouts to stay afloat. In 2017, South African Airways (SAA) borrowed R19bn from the government, while Eskom received R23bn as bailout in 2015 (Wolf, 2015). Despite the financial bailout, Eskom failed to implement the turnaround corporate plan that was crafted by Mckinsey Management consultancy (Brock, 2017). Moreover, the SOEs are continuously incurring losses, and they are struggling to survive. Meanwhile, the Auditor General of South Africa (AGSA) (2019) also reported that the performance of the SOEs had deteriorated significantly in the previous four financial years. None of the listed commercial SOEs were able to achieve an unmodified audit opinion with no audit findings. This means that the SOEs are not performing well.

PricewaterhouseCoopers (2020) assert that SOEs “require a re-examination of their purpose and strategic goals” (p. 8) due to the crises they face. There is a call to government to relook “where government ownership, control and business operations are necessary” (p. 8) to drive growth and restore the economy (PricewaterhouseCoopers, 2020). Furthermore, Kikeri (n.d.) argues that the poor execution of corporate strategy remains a challenge for SOEs. In contrast, the SOEs that can execute their corporate strategies are well-managed, and the integrated processes often improve the likelihood of realising the full potential of their crafted corporate strategies. Exploring and discussing the business activities and the obstacles to strategy implementation, can assist the management to handle the “covert tactics” (p. 26) which affect corporate strategy execution (Pretorius, 2016).

Moreover, more than one in ten of the world’s largest firms are SOEs (Wolff, 2015). SOEs play a major role in economy growth (Wolff, 2015). Despite these success stories, there are reports that SOEs have poor governance structures and systems because of political influences and the government’s intervention in the decision-making processes. Wolff (2015) further asserts that because a government is the major shareholder, it has the ultimate deciding power in terms of resources allocation, strategy formulation and implementation. This status quo creates challenges for the top management as they cannot make autonomous decisions without consulting the government. The question one would pose would be, “How do SOEs implement and sustain effective corporate strategies”? This study attempts to address the question by exploring the concept of strategy implementation in a selected SOE in South Africa.

1.3 The research problem

There is a dearth of information that discusses strategy implementation in South African SOEs, thus, creating a knowledge gap amongst corporate strategy scholars. In addition, corporate strategy scholars cannot explain and understand how SOEs implement corporate strategy. The significant roles of SOEs in the South African economy cannot be underestimated thus, it is imperative for the public to know and understand how taxpayers’ money is spent towards value creation. The lack of research conducted on strategic management theories in SOEs is a major contribution to the dearth of information on how these public institutions execute corporate strategies (Hansen & Ferlie, 2016). Therefore the absence of literature or past studies relating to SOEs creates windows of missed opportunities for the leadership within SOEs, which might impact the performance of their organisation (Pollanen, Abdel-Maksoud, Elbanna & Mahama, 2017).

According to Bezuidenhout, Bussin and Coetzee (2018), the National Treasury continues to issue several frameworks and guidelines which are meant to support strategic management

and strategy implementation in South African SOEs, for example, the Framework for Strategic Plans and Annual Performance Plans of 2010. The primary purpose of the Framework for Strategic Plan and Annual Performance Plan is to facilitate formal planning and to guide management with formulating corporate plans. Furthermore, to assist corporate strategy evaluation, the National Treasury developed a Policy Framework for the Government-Wide Monitoring and Evaluation System (GWM & E) in 2007. The policy framework is an overarching policy framework for monitoring and evaluation in the South African government. Therefore, this study explores the implementation of corporate strategy in a selected commercial SOE, to highlight the challenges that it is faced with and to highlight the interventions that are put in place for effective strategies.

1.4 The research aims

The aim of this research study is to explore the strategy implementation process in a selected commercial South African SOE. In addition, the study intended to identify the challenges that might be encountered in the process. Furthermore, the study aimed to ensure that appropriate interventions are put in place to improve the implementation of the corporate plan.

1.5 Scope of the research

Bruton et al. (2015) highlight that, “the existing research on SOEs views firms dichotomously as either being state owned or privately owned” (p. 92). The study focused on a selected commercial South African SOE. The key issues that were explored include the strategy formulation process, that is, the people involved; how corporate strategies were communicated to everyone in the organisation; the strategic objectives; the importance of the organogram, as well as the human and financial resources in strategy implementation. In addition, the challenges that were confronted in the strategy implementation process formed part of the scope of the study. The research study does not discuss the levels of corruption, corporate governance, or the level of political influences. These issues are outside the scope of the study.

1.6 Significance of research

Bruton et al. (2015) point out that state ownership represents a major part of economies. Therefore, this research study is significant because it is important to the South African society who are the beneficiaries of public services. The society will get to understand the role, impact, importance, and the levels of accountability of the SOEs to the taxpayers. The information generated in this study is pertinent to the public and private sector organisations that deal with SOEs. A better understanding of how corporate strategies are implemented in the SOEs will draw lessons for other organisations to introspect. The findings from this study will create awareness on the need for proper strategy implementation. In addition, the recommendations

might prompt the top management and the government to have a policy shift in terms of how SOEs are managed. The study will be significant to the discipline of strategic management because it is focused on SOEs, as there are a few or no studies that have been done on corporate strategy implementation. The new ideas and the information that was generated in this research will be a significant contribution to the literature on strategy execution. Moreover, in future, other scholars might carry on interrogating the concept of strategy implementation.

1.7 Format of study

Below section explains the structure of the research study:

Chapter One provides the motivation, problem statement, aim, objectives and the significance of the study. The reader is provided with a synopsis of what the study entails.

In Chapter Two, the researcher reviews literature pertaining to corporate strategy implementation.

The research questions are generated and presented in Chapter Three. Many qualitative research studies are guided by the research questions.

Chapter Four highlights the research procedures and processes. A qualitative research method was used, with complementary processes such as the use of non-probability purposive and convenience sampling, telephonic interviews, and thematic data analysis.

The results are presented in Chapter Five through thematic data analysis.

Chapter Six includes the research findings. Each emerging theme is discussed in relation to the central and associated sub-question. The literature is also consulted to support themes.

The last chapter of the study which is Chapter Seven provides the study's conclusions and recommendations.

1.8 Conclusion

To conclude, this introductory chapter provided the statement of the research problem that motivated the study. Indeed, there is a dearth of information that describes corporate plan execution in South African SOEs, thus, creating a knowledge gap for corporate strategy management scholars. Therefore, the aim of the research study is to explore the execution of corporate plan processes at a selected South African State-Owned-Enterprise. Moreover, by conducting this study, the researcher indicated that other SOEs would benefit from the findings

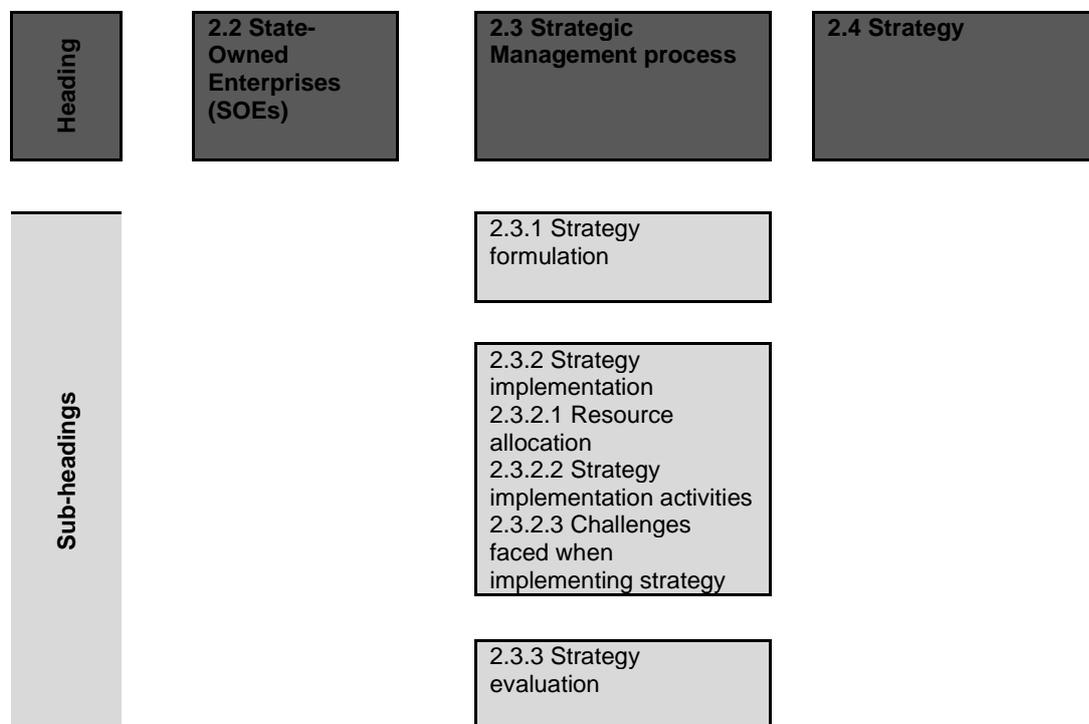
and recommendations as lessons for their organisations to introspect on their weaknesses in the implementation of their strategies. The next chapter reviews the literature on the concept of strategy implementation.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

The previous chapter described the problem under investigation. Furthermore, it highlighted the motivation for this research study. In this chapter the researcher conducted a literature review of strategy implementation. Figure 2.1 below summarises the structure of this chapter. An overview of SOEs is presented, and it is followed by an explanation of the strategic management process as an introduction to the discussion on strategy implementation. The last section of this chapter discusses the implemented strategy concept.

Figure 2.1: Literature review map



Source: Author (2021)

2.2 Overview of state-owned enterprises

White, Lockett, Currie and Hayton (2020) highlighted that the “private, public, and not-for-profit sectors have been defined as distinct sectors” (p. 1). Meanwhile, “to understand the blurring of sectors, and their impact on organisational performance, researchers have investigated the concept of hybridity” (White et al., 2020, p. 2). “Exploring the concept of publicness, delineating the dimensions of political authority and market authority and explain the logic of configuration analysis and how it enables us to explore the relationship between hybrid context,

management practices and performance ” (White et al., 2020, p. 3). According to White et al. (2020), “contextual hybridity can be conceptualized in terms of, mix dimensions of market authority (competition), and political authority (ownership, funding, and control)” (p. 3). It is rare for organisations in strong hybrid context to perform well “due to the difficulty in balancing the tension between high political authority and the high market authority” (White et al., 2020, p. 3).

Having discussed the different sectors above, Rudy, Miller and Wang (2016) asserted that “while SOEs may differ from country to country they share a number of common characteristics” (p. 71). Furthermore, different definitions of SOEs have been given by scholars in the past. Such as the following, (i) “SOEs are business entities established by central and local governments, and whose supervisory officials are from government” (Organisation for Economic Co-operation and Development, 2014, p. 70), (ii) “SOEs are legal entities that have formal independence from the public administration and fulfil a clearly defined public mission, while the state is the holder of the majority, or a significant minority, of the shares” (Rentsch & Finger, 2015, p. 617) and (iii) SOEs are “a state owned entity created by government, to partake commercial on the government’s behalf” (Pollanen et al., 2017, p. 727). The common characteristics from the above, are the state formation, and the state ownership or supervision.

Having considered the above backdrop of definitions, the researcher introduced one such regulation, of the SOE in South Africa (Public Finance Management Act no 1 of 1999, 1999) (PFMA). In terms of the PFMA (1999), national public entity means, “national government business enterprise” (p. 9). In addition, the term public entities is used interchangeably with SOEs, as such for the purposes of this research they shall mean the same thing. There are commercial and non-commercial SOEs in South Africa. This research study focused on the commercial state-owned entities that are listed under Schedule 2, in the Major Public Entities of the PFMA (1999). In terms of the PFMA (1999), state ownership and state control remain 100 percent with the government ministries who are also known as the executive authority. The Department of Public Enterprises comprises of Eskom, Denel, Transnet and Alexkor commercial entities. It also consists of the Minister of Communications and Telecommunications, the South African Broadcasting Corporation (SABC) and Broadband Infrastructure. Under the Ministry of Transport, there is Air Traffic Navigation Systems (ATNS), the Airport Company of South Africa (ACSA), and the Passenger Rail Agency of South Africa (PRASA).

According to Rentsch and Finger (2015), “the relationship between SOEs and the state is a major area of research within political sciences” (p. 617). Despite the key characteristics such

as, state ownership and state control, SOEs differ from country to country (Bruton et al., 2015). SOEs have continued to survive and thrive due to their ability to evolve and become a type of hybrid organisation (Rudy et al., 2016). For instance, Bruton et al. (2015) pointed out that some hybrid SOEs experience a high level of government ownership but remain large and independent in their business operations and an example of such is Petrobras and Vale SOEs in Brazil that have continued to operate independently from the state despite state ownership. Conversely, the state ownership of other SOEs, such as Energies de Portugal remains low while the state control remains high.

Bova and Yang (2018) highlighted that SOEs are prominent in much of the global economy since they provide essential services. The services include but are not limited to “communications, transport, energy, financial services and insurance” (Rentsch & Finger, 2015, p. 620). Examples of such SOEs include the following, the Development Bank of South Africa, Eskom in South Africa, and the British Broadcasting Corporation in the United Kingdom (UK). These essential services are “an integral part of the government’s achievement of social, economic and national development goals” (Rentsch & Finger, 2015, p. 620). Table 2.1 below shows some of the largest SOEs in the world.

Table 2.1: State-owned enterprises represent 9 of the 15 IPOs from 2005 to 2012

State-Owned Enterprises Represent 9 of the 15 Largest IPOs from 2005 to 2012			
Company	Industry	Year	Value (\$ billion)
Agricultural Bank of China (SOE)	Finance	2010	22.1
Industrial and Commercial Bank of China (SOE)	Finance	2006	21.9
AIA (Hong Kong)	Insurance	2010	20.5
Visa (United States)	Finance	2008	19.7
General Motors (United States) (SOE)	Automotive	2010	18.1
Bank of China (SOE)	Finance	2006	11.2
Dai-ichi Life Insurance (Japan)	Insurance	2010	11.1
Rosneft (Russia) (SOE)	Oil and gas	2006	10.7
Glencore International (Switzerland)	Mining	2011	10.0
China Construction Bank (SOE)	Finance	2005	9.2
Electricité de France (SOE)	Utility and energy	2005	9.0
VTB Group (Russia) (SOE)	Finance	2007	8.0
Banco Santander Brasil	Finance	2009	7.5
China State Construction Engineering Corp. (SOE)	Construction	2009	7.3
Iberdrola Renovables (Spain)	Utility and energy	2007	6.6

Source: Bruton et al. (2015)

Rentsch and Finger (2015) stated that the SOEs are regulated by specific legislations and public service regulations. Their mandate and governance are also informed and guided by

these specific legislations and public regulations. The National Treasury of South Africa has various regulations and frameworks for example, the Framework for Strategic Plans and Annual Performance Plans of 2010. In addition, the Policy Framework for the Government Wide Monitoring and Evaluation system revolves around ensuring that the information on corporate strategy monitoring and control underpins the corporate plans' formulation and the implementation of the corporate plan (Policy Framework for the Government-Wide Monitoring & Evaluation System, 2007). As such, public organisations can be restricted by their mandate (Hansen & Ferlie, 2016). Also, SOEs face a challenge managing the state interventions while managing business. Simply put, the enterprises are seeking some managerial freedom in formulating and implementing their corporate strategy.

George (2020) stated that, "little is known about the conditions under which corporate strategies are successfully implemented" (p. 1). Therefore, this results in a lack of empirical evidence that is relevant to successful corporate plan execution in SOEs. In addition, Tawse and Tabesh (2020) stated that, "effective strategy implementation is a critical component of an organisation success and a potential source of a competitive advantage" (p. 1). In addition, Sull, Homkes and Sull (2015) pointed "out executional excellence as a major obstacle in most organisations as a result of lack of commitments across functions and business units" (p. 60). To sum up, despite the SOEs endeavour to thrive in today's economy, they remain underexplored by management scholars (Bruton et al., 2015). Thus, in view of the important role that the SOEs play, it becomes important to attain understanding of the activities for and the obstacles to corporate strategy implementation. The next section discusses the strategic management process.

2.3 Strategic management process

O'Shannassy (2015) highlighted that the work of strategy practitioners and strategic management research, "has a crucial role in developing the well-being of society and assisting it to tackle business challenges" (p. 551). For example, what can strategic management do to help with the disruptions that were caused by the COVID-19 pandemic? Furthermore, strategic management scholars have addressed questions such as, "why are some firms are more successful than others and how can firms obtain and sustain success?" (Pfarrer et al., 2019, p. 767). According to Rumelt, Schendel and Teece (as cited in, Maritan & Lee, 2017, p. 2411), strategic management is about an organisation's coordination and resource allocation. In seeking answers to these questions, the challenges faced by the management of the state-owned enterprises are addressed in this study. Thus, contributing to value creation for the societies in which they operate.

According to Ferguson (2019), strategic management is, “a process of getting things done and the people as managers action this process of getting things done” (p. 273). Furthermore, David and David (2017) “defined strategic management, as the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organisation to achieve its objectives” (p. 31). An emerging theme is that the process of strategic management consists of three stages, which are about getting things done and highlighting how managers ensure that the business objectives are achieved as illustrated in Figure 2.2 below.

Figure 2.2: Strategic management stages



Source : David and David (2017)

Interestingly, David and David (2017) used the term strategic planning interchangeably with strategic management. Apart from this, according to David and David, (2017) the term “strategic management, is mostly used in the business world whereas strategic planning is used in academia” (p.33). According to Pollanen et al. (2017), “strategic management is sometimes used to only refer to strategy formulation, implementation, and evaluation, while strategic planning is used to refer only to strategy formulation” (p. 726) thus, excluding the other two stages of the strategic management process. Moreover, Pollanen et al., (2017) pointed out that, “strategic management and strategic planning are used by some authors as synonyms” (p. 726). As such, for this research study, strategic management is used synonymously with strategic planning. In summary, strategic management is a process which is done by managers in all businesses including the State-owned enterprises.

Pollanen et al. (2017) posited that, “although strategic management and strategic planning are used by some authors as synonyms, strategic management process is much broader and inclusive than strategic planning” (p. 726). In fact, the strategic management process involves three stages which are, corporate strategy formulation, corporate strategy implementation as well as corporate strategy monitoring and evaluation. Similarly, David and David (2017) agreed that strategic planning and strategic management could be used interchangeably.

The possibilities of applying strategic management in the public SOEs, including in contemporary New Public Management (NPM) based public organisations depend on the type of organisation that is involved. For instance, strategic management is “less appropriate in traditional settings but it is more relevant in commercial market-like-service-delivery” (p. 1), trading state owned enterprises (Hansen & Ferlie, 2016). Hansen and Ferlie (2016) highlighted that the application of strategic management utilities, including strategy formulation in the public sector could be restricted by the SOE’s mandate and the applicable legislations. The three processes in strategic management are discussed in the next subsections.

Finally, Foss (2020) concluded that, the COVID-19 pandemic disruptions “may also point to some areas where behavioural strategy research is currently weak but where there is plenty of opportunities that exist for interesting behavioural strategy research” (p. 1322). Furthermore, “behavioural strategy addresses the established core issues in strategic management” (Foss, 2020, p. 1323) such as, the Chief Executive Officer and the top management’s behaviours, entry decisions, competitive interactions, and firm heterogeneity. Simply put, it is a commitment to understanding the strategies of an organisation on matters of sustained competitive advantage and commitments across functions and business units.

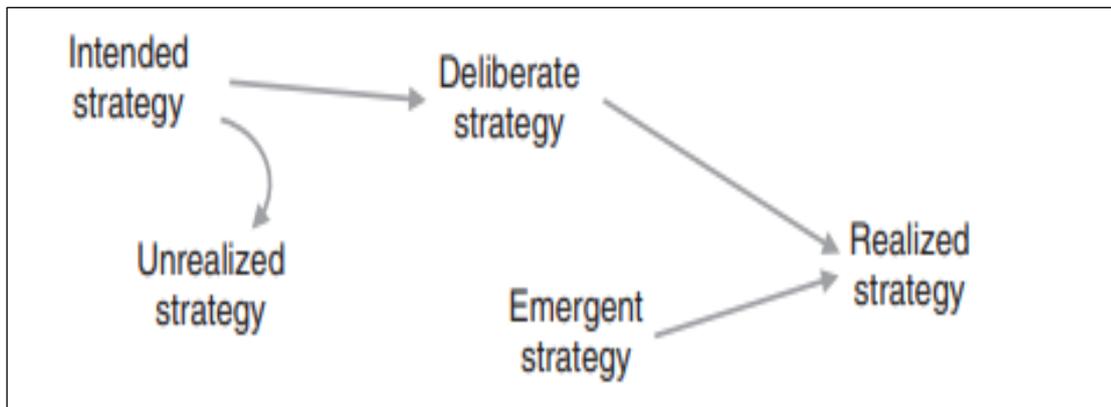
2.3.1 Strategy formulation

According to Brønn and Brønn (2018), “a plethora of theoretical perspective exist, which explain behaviour and informs decision makers as to the best approach to manage the mess” (p. 3) during the strategic decision making process. Indeed, managers face a daunting task and significant challenges when making strategic decisions to formulate strategy. They sometimes face, “complexity, uncertainty, long time delays between action and reaction, conflicting objectives, and multiple decision makers and other stakeholders” (Brønn & Brønn, 2018, p. 3). According to Tawse, Patrick and Vera (2019), “strategy formulation is hedonically rewarding since it focuses more on abstract long-term goals and is associated with positive emotions” (p. 256). For these reasons, “strategy formulation is central to why some firms seize novel opportunities while others fail” (Ott & Eisenhardt, 2020, p. 2275). Moreover, it must be noted that “strategy is an extremely broad concept that encompasses micro – to macro- level features” (Brønn & Brønn, 2018, p. 6).

In addition, strategy formulation is the process that is used to build a “set of interdependent activities by which a firm attempts to create advantage and succeed” (Ott & Eisenhardt, 2020, p. 2280). Brønn and Brønn (2018) argued that, “strategy in action is a process based on the past yet aiming for the future” (p. 5). According to Brønn and Brønn (2018) there is no one

grand theory strategy instead “the landscape is a patchwork of many different perspectives” (p. 5). Figure 2.3 below illustrates the implementation path from strategy formulation to the real individual elements and realisation. Accordingly, the intended formulated strategy can be implemented and realised. In the contrary, the intended strategy through implementation failure becomes unrealised strategy. The implementation of an emergent strategy is illustrated below in Figure. 2.3.

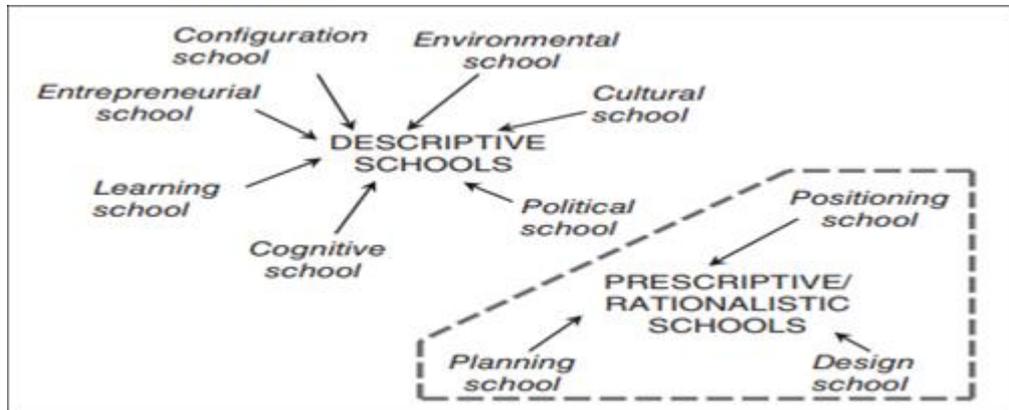
Figure 2.3: The evolution of strategy from formulation to realisation



Source: Mintzberg, Ahlstrand and Lampel 1998 (as cited in (Brønn & Brønn, 2018))

Brønn and Brønn (2018) pointed out that, the many different perspectives of strategy can be grouped into two views which include, the “prescriptive rationalistic view schools” (p. 6) which offers the management assistance in the form of “standard approaches, analytical tools and frameworks” (p. 6). Examples of this are the Strength Weakness Opportunities and Threats (SWOT) analysis, value chain analysis, and the five competitive forces” (p. 7). The other view is the “descriptive school” (p. 7) which includes the seven schools of thought. Figure 2.4 below illustrates the two views and the ten schools of thought. Moreover, in the prescriptive school by Mintzberg, Ahlstrand and Lampel (as cited in Brønn & Brønn (2018, p. 7) there are three schools of thought which are, (i) “Positioning school” where managerial attention is more focused on the external environment, (ii) Design school” which includes the earliest perspective of strategy and being led by the top executive in the organisation and (iii) “Planning school” which is similar to the design school with the top executive leading the process of formulation. However, it is more structured and formalised than the design school.

Figure 2.4: Ten schools of strategy



Adapted: Mintzberg, Ahlstrand and Lampel (as cited in Brønn & Brønn, 2018, p. 7)

2.3.2 Strategy implementation

In this section, the researcher focused on reviewing the literature on strategy implementation as a stage of strategic management. Weiser et al. (2020) asserted that the deep historical roots of strategy implementation literature go back many years. Earlier instances included, (i) Adam Smith in 1776 with the pin factory production efficiency consequence of implementing specialization, (ii) In 1911, Frederick Winslow Taylor's principles of scientific management, (iii) In 1933, Elton Mayo with the focus on employee motivation, human resources school, and (iv) The contingency theory (Burns & Stalker, 1961, Lawrence & Lorsch, 1967 & Thompson, 1967). In addition, strategic implementation became a research topic on its own after the emergence of strategic management as a discipline was dedicated to how strategies are formulated and implemented (Ansoff, 1965; Chandler, 1962; Hofer & Schendel, 1978). The main emphasis of strategy implementation research evolved from designing plans, structures, systems, incentives, and controls for effective strategy implementation to developing an adaptive dynamics of strategy implementation. The focus of this research study was to explore the dynamics of strategy implementation through exploring and understanding business activities for and obstacles to the strategy implementation within a South African SOE.

According to Porck et al. (2020), "implementing strategy demands an organisation-wide effort, where teams should not operate in isolation" (p. 234). The question faced by the management, including, the SOE management "is eradicating silo thinking and creating shared understanding of strategy between interdependent teams" (Porck et al. 2020, p. 234).

Furthermore, Ateş, Tarakci, Porck, Knippenberg and Groenen (2020) highlighted that before employees “can commit to the corporate strategy, they need to know and understand it” (p. 639). Also, Porck et al., (2020) asserted that “strategy implementation implies shifting salience from making decisions about the strategic direction to moving along that path and making things happen” (p. 234). Thus, the top management team including the CEO, and the senior team are at the forefront of strategy implementation (Pitelis & Wagner, 2019). It should be noted that, for SOEs, the dominant coalition is much bigger because it includes the members of the board, the chairperson of the board and the executive authority, as well as the minister responsible for that entity.

According to Weiser, Jarzabkowski and Laamanen (2020), “strategy implementation research comes in different guises because academic literature lacks its unified definition” (p. 969). In addition, “strategy execution involves concrete measures that translate strategic intent into actions that produce results” (Adobor, 2019, p. 386). Accordingly, Pitelis and Wagner (2019) highlighted that, “strategy implementation is the Top Management Team (TMT) members’ willingness to specify and pursue strategic objectives, and to adopt clearly defined metrics to monitor progress dynamically” (p. 118). Indeed, implementing strategy is about senior management providing leadership to the organisation to achieve the results.

According to David and David (2017), an organisation can only successfully implement its corporate strategy if it markets its goods and or services to raise sufficient working capital. As such, the authors highlighted that, “marketing, finance and accounting, Research, and Development (R&D), and Management Information Systems (MIS)” are central to effective strategy implementation. Moreover, strategy implementation affects an organisation from top to bottom, including all the departments and units of the business. On the other hand, studies have found that most companies struggle to implement the strategies (Sull, Homkes & Sull, 2015). To execute corporate strategies, the management “must foster coordination across units and it should also build the agility to adapt to changing markets” (Sull et al., 2015, p. 61).

David and David (2017) highlighted that strategy implementation is a “stage of the strategic management process” (p. 33). The success of an organisation may depend on effective corporate strategy formulation as well as on effective strategy implementation. Further, strategy implementation affects everyone in the organisation despite some employees not having participated in its formulation (Tawse & Tabesh, 2020). As pointed out by David and David (2017), strategy can only be implemented effectively and well, only if an organisation markets its goods and services to generate working capital. Strategy implementation is closely related to organisation change because strategy changes require changes in established

reporting lines (Barrick, Thurgood, Smith, & Courtright, 2015). Furthermore, Barrick et al. (2015) stated that for the executive management team to be useful, it must formulate strategy and play a prominent role in managing its implementation. While (Barrick et al., (2015) state that "it remains unwelcome that many strategies do not have the desired impact on performance" (p. 10), strategy failure is mainly attributed to poor execution, as such, research in the execution of strategy is critical and warrants attention.

According to Fred and David (2017), strategy implementation impacts the entire organisation. Barrick et al. (2015) argued that, "when implementation is effective, employees are more likely to see how their and other' roles contribute to the organisation's performance which, in turn, give employees a greater collective sense of value and purpose" (p. 118). In some instances, some staff members might not have been involved in the corporate strategy formulation.

The next sections describe other issues that should be considered when implementing strategies and these include but are not limited to the allocation of resources, strategy implementation activities and the challenges that confront organisations.

2.3.2.1 Resource allocation

Maritan and Lee (2017, p. 2411) asserted that, "resource allocation is fundamental to strategic management". Thus, "the allocation of resources is necessary to carry-out organisational goals" (Maritan & Lee, 2017, p. 2411). The pundits for strategic management posit that resource allocation is key to any strategic plan and they highlight that organisations formulate strategies to allocate discretionary strategic resources such as finances and human resources (Maritan & Lee, 2017). However, there is little research that has been carried out "about the allocation of financial, physical, human, and technological resources that support a firm's strategies" (Maritan & Lee, 2017, p. 2411). This does not mean that the firms have stopped allocating these essential resources to their goals. Resource allocation has been there for over six decades, but little has been said about that in research on strategic management. With reference to financial resources, firms generate budgets using the specific finance "models of capital budgeting and capital allocation to equip decision-making" managers with the relevant information (Maritan & Lee, 2017, p. 2411). Resource allocation also includes performance constraints and managerial incentives. These reward management systems help executives to make budget provisions for performance incentives.

Pasha and Poister (2017) stated that resource allocation is key to performance management because organisations have a mandate to their shareholders and customers. When allocating resources, managers should be cognisant that strategy formulation, performance

measurement and the utilisation of performance information should be done to make strategic decisions for competitive advantage. Information resources are essential organisational assets that should be closely guarded against competitors, therefore, everyone in the organisation should not access all types of information. In times of turbulences, the allocation of resources becomes a strategic priority for the organisation, where shareholders expect value creation. Turbulent environments require intuition and they are creativity supported by an equitable distribution of resources (Khatri & Ng, 2000).

Ates et al. (2018) asserted that no matter how well-formulated the strategy is, human resources are key determinants to its effectiveness because they put it into practice. Lee and Puranam (2016) posited that the failure of strategies is attributable to the lack of commitment from middle and lower-level management teams. This demonstrates that a competent skilled human capital with the right mindset should be identified and recruited to occupy strategic positions. Another issue that emerges is that organograms should be established to provide information to top management regarding the roles, accountabilities, responsibilities, and the vacancies in the firm that should be filled to achieve the goals.

2.3.2.2 Strategy implementation activities

There are different managerial activities and actors in the strategy formulation process. However, these activities might not be clearly defined in the whole strategy formulation process. If these activities and actors are clearly defined, that would contribute to the scholars and the society's better understanding of how strategy is developed. Regnér (2003) stated that there are a few studies that have interrogated "the actual activities and actors that are involved in the strategy development process" (p. 58), thus, creating a void for practitioners to understand what activities should be carried out.

Traditional strategy formulation processes were carried out by top level management. There has been a paradigm shift where everyone in the organisation and those stakeholders with a vested interest participate in the strategy management practices. Other activities "focus on knowledge assimilation activities such as how managers inform themselves about strategies-sense-making" (Regner, 2003, p. 59). Indeed, planning, and budgeting activities are important to strategic management because they help the management to determine the financial resources that are required to fund operations (Khatri & Ng, 2000). Planning is an overarching process that allows management to deduce concepts into documents or working plans that guide the firm on what, how and when to carry out certain activities.

With reference to the roles and responsibilities of management teams, one key activity is to ensure that a supportive organogram is established to provide human resources and staffing information. Without an organogram, the organisation can face challenges and it will not be able to achieve its vision and mission. Ates et al. (2018) were of the view that strategy implementation requires commitment from everyone in the organisation, thus, everyone has responsibilities that contribute to performance measurement. With the organisational unit, everyone should share voluntary effort, and they should also cooperate as well as support the strategy (Ates et al., 2018).

2.3.2.3 Challenges faced when implementing strategy

Despite past research work that was conducted on the strategic management concept, there are issues that have not been fully interrogated such as resource allocation, corporate plan implementation and the activities that are undertaken during the process (Elbanna, Katheeri & Colak, 2020). Furthermore, “strategy implementation is widely perceived to be a significant determinant of organisational performance” (Elbanna & Fadol, 2016, p. 75). Some organisations fail to implement their strategies due to a lack of skilled human resources or poor planning. In addition, “in order to implement strategic plans effectively, organisations need to align key organisational factors with their strategic plans” (Elbanna et al., 2020, p. 563).

When management teams and individuals lack commitment towards strategy implementation, many strategies fail despite the perception that they are well-formulated (Ates et al., 2018). Everyone is expected to cooperate and engage in extra role behaviour that serves organisational interests. The willingness to extend effort in implementing the strategy alleviates resistance to change. There are reports of employee complacency and resistance towards strategic change initiatives.

Other scholars have raised the issue of absent leadership as a major challenge during strategy implementation. A serious lacuna is faced when top management does not feel leadership presence in the strategy process (Ates et al., 2018). An organisational “strategy is an embodiment of an organisation’s desired future state and its path to realise its vision and mission” (Mubarak & Yusoff, 2019, p. 31), therefore, the absence of visionary leadership demotivates the organisation’s followers. In addition, the absence of visionary leadership demonstrates that leadership is less concerned about the future state of the organisation (Ates et al., 2018).

Mubarak and Yusoff (2019) pointed out that the “the lack of leadership skills, precision planning, unifying resources and actions” (p. 32) can impede strategy implementation. The authors also highlighted that the absence of teamwork or presence of silo mentality are major contributors to the failure of strategies. The Individuals or management teams that do not share information or ideas create silo approaches in the organisation, thus, curtailing the organisation’s vision. People with different skills should be appreciated and teamwork actions should be prioritised. Mubarak and Yusoff (2019) also pointed out that the “incorporate absence of coordination and support from different levels of association and the lack of planning endeavours are some of the main hurdles to the execution of strategies” (p. 34).

2.3.3 Strategy evaluation

Having discussed the formulation of a corporate strategy which was followed by how to implement the formulated strategy above, this section discusses how to evaluate the corporate strategy. In other words, what we set out to do is it working well or not?

David and David (2017) pointed out that, “strategy evaluation is necessary for all sizes and kinds of organisations” (p. 363). Firstly, it monitors the overall performance of the organisation and it ensures that the set strategic objectives are achieved (Elbanna, Katheeri & Colak, 2020). Secondly, it monitors the overall performance of the organisation and ensures that the set strategic objectives are achieved (Elbanna, Katheeri & Colak, 2020). Finally, it ensures that the formulated plans are indeed implemented and evaluated correctly (Elbanna et al., 2020). Moreover, it is about the appraisal of how well the organisation has performed against the set objectives (David & David, 2017).

David and David (2017) also posited that, any formulated strategies and best implemented strategies become obsolete if the internal and external environment do not evolve. Therefore, the evaluation of the implementation of the strategy is an ongoing process. Consequently, the managers, and the other employees of an organisation will always be aware of the progress towards achieving the corporate strategy. The managers need to know the strategy evaluation activities and they should also know that they are effective.

David and David (2017) asserted that the strategy evaluation process includes three basic activities; (i) “Examine the underlying bases of a firm strategy” (p. 360) (ii) “Compare expected results with actual results” (p. 360), and (iii) “Take corrective actions to ensure that performance conforms to plans” (p. 360). Figure 2.5 below summarises the three activities that are to be performed during strategy evaluation. Furthermore, the “key questions that should be addressed, have alternatives answers to those questions, and they also have

appropriate actions for an organisation to take” (David & David, 2017, p. 360). The below matrix firstly addresses the questions to be asked based on the internal and external environment of the business. This is followed by the progress in implementing the corporate strategy’s final corrective actions.

Figure 2.5: A Strategy-evaluation assessment matrix

Have Major Changes Occurred in the Firm’s Internal Strategic Position?	Have Major Changes Occurred in the Firm’s External Strategic Position?	Has the Firm Progressed Satisfactorily Toward Achieving Its Stated Objectives?	Result
No	No	No	Take corrective actions
Yes	Yes	Yes	Take corrective actions
Yes	Yes	No	Take corrective actions
Yes	No	Yes	Take corrective actions
Yes	No	No	Take corrective actions
No	Yes	Yes	Take corrective actions
No	Yes	No	Take corrective actions
No	No	Yes	Continue present strategic course

Adapted: David and David (2017)

Johnson et al. (2008) pointed out the three qualifications that should be discussed in relation to corporate strategy evaluation. These are, (i) “Conflicting conclusions and management judgements” (p. 382). This is managing conflicting conclusions on the “application of the criteria of suitability, acceptability, and feasibility” (Johnson et al., 2008, p. 382). In other words, a formulated strategy can seem acceptable to internal stakeholders, however, it is not acceptable to external key stakeholders. For this reason, the managers still require the reconciliation of any conflicting views before implementing the strategy. (ii) “Consistency between the different elements of strategy” (Johnson et al., 2008, p. 382). Corporate strategy must make sense, that is, the components must work together as a “package” (Johnson et al., 2008, p. 382). For example, according to Johnson et al. (2008), “competitive strategy such as low price or differentiation” (p. 382) and or “strategy direction such as product development or diversification” (p. 382) are all component parts of the strategy that must work as whole package, and (iii) “Implementation and development of strategies” (p. 382). At times new options emerge which necessitate the change of course of action. The initial course of action might be unfeasible or unsuitable, thereby leading to reshaping, or “even abandonment of initial strategy” (Johnson et al., 2008, p. 382). The next section discusses the strategy concept.

2.4 Strategy

Brønn and Brønn (2018) argued that the strategic process involves surfing through different options to reach a decision which has “long-term perspective” (p.1). Furthermore, strategic

decisions are, “ill-structured, nonroutine, and require complex decision rules that affect the entire organisations” (Brønn & Brønn, 2018, p. 1). The guiding values in strategic management practice are about strategic decision making (Mubarak & Yusoff, 2019). Indeed, strategy exists in both private and public organisations. According to Joubert (1988), two reasons contributed towards the emergence of strategy in the public sector. Firstly, strategy is profiled in SOEs through identifying aims, outputs, and outcomes. Finally, strategy is, “signalled greater devolved responsibility in the public sector for both acquiring resources and achieving results” (Joubert, 1988, p. 955).

On the other hand, strategic management, “is not rooted in the public sector so strategies have to be planted in the public sector” (Joubert, 1988, p. 955). Largely due to the SOEs cultures being uncultivated ground for strategic thinking (Joubert, 1988), it would have been interesting for the author to differentiate between commercial and non-commercial SOEs. Meanwhile, Ferguson (2019) highlighted that indeed SOEs, as well as the private sector have been formulating corporate strategies since the emergence of corporate strategy in the 1950s and 1960s.

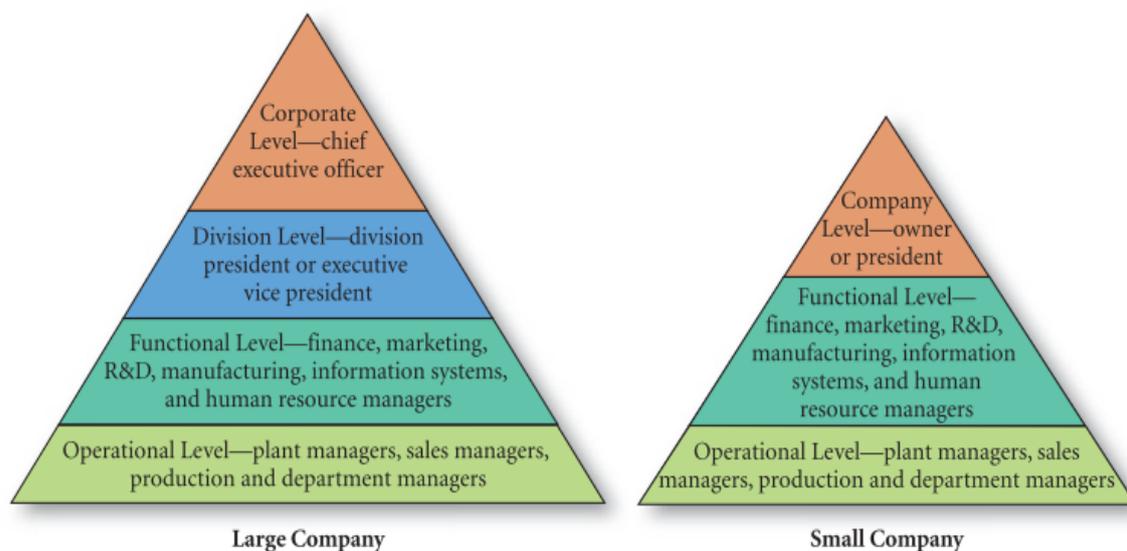
Meanwhile, different definitions of strategy are encountered in practice. Firstly, Johnson et al., (2008) highlighted that “strategy is the direction and scope of an organisations over the long term, which achieves advantages in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations” (p. 3). Another definition as asserted by Sull et al., (2017, n.p) was that “strategy is a set of choices that diversified corporations such as IBM, Walt Disney, and Tata Group make to create and capture value across their businesses over time”. In addition, Ott and Eisenhardt (2020) defined, “strategy as the set of interdependent activities by which a firm attempts to create advantage and succeed” (p. 306). In addition, strategy is defined as part of the dynamic capabilities framework which determines the competitive advantage of an organisation (Teece, 2018).

Having considered what is strategy, it must be noted that, it exists at a number of levels in an organisations, as shown in Figure 6 below. Johnson, Scholes and Whittington (2008) distinguished the three levels of strategy within an organisation as: (1) “Corporate-level strategy” (p. 7), which is top level, referring to the expectations of shareholders, owners, and stock market. The corporate level of strategy is concerned with the direction of the business or organisation and how the business will deliver value at a profit, (2) “Business -level strategy” (p. 7), according to the author is sometimes referred to as the “competitive strategy” (p. 7). Furthermore, it is about how business units should operate within their markets. A further instance of this is, “ a Strategic Business Unit (SBU), which is part of the organisation where

there is a unique market for goods or services” (Johnson et al., 2008, p. 7). For example, Yahoo Photos and Yahoo Music are Yahoo’s strategic business units and (3) finally, “the third level of strategy is operational strategies” (Johnson et al., 2008, p. 7). This is concerned with how effectively parts of a business deliver the corporate and business level strategies.

Meanwhile, David and David (2017) pointed out that large firms have four levels of strategies as illustrated in Figure 2.6 below; namely, (1) “Corporate strategy” which is the most senior person, business owner, chief executive officer and or managing director who is responsible for the achievement of this level of strategy, (2) “Divisional” (p.126) which deals with the president or the vice president (3) “Functional” (p.126) which deals with the respective functions or business activities with the chief financial officer, chief information officer, human resources officer, and the chief marketing officer, and (4) “Operational” (p.126) which deals with plant managers, sales managers, production and departmental managers. In contrast, smaller organisations have only three levels of strategies namely, (1) “Company” (p.126) that addresses the business owner or the chief executive officer responsible, (2) “Functional” (p.126) which addresses the chief financial officer, chief marketing officer, and human resources officer (3) “Operational” (p.126) which includes the plant managers, sales managers, and production managers. Figure 2.6 below illustrates the levels of strategies in both large and small organisations.

Figure 2.6: Levels of strategies with persons most responsible



Source: David and David (2017)

With reference to the above discussions, this study focuses on corporate strategy. The person who is responsible is the chief executive officer, president, or the owner. Table 2.2 below explains the different types of strategies that an organisation can employ.

Table 2.2: Types of Strategies

Strategy	Definition	Example
Forward Integration	Gaining ownership or increased control over distributors or retailers	Amazon began rapid delivery services in some U.S. cities.
Backward Integration	Seeking ownership or increased control of a firm's suppliers	Starbucks purchased a coffee farm.
Horizontal Integration	Seeking ownership or increased control over competitors	BB&T acquired Susquehanna Bancshares.
Market Penetration	Seeking increased market share for present products or services in present markets through greater marketing efforts	Under Armour signed tennis champion Andy Murray to a 4-year, \$23 million marketing deal.
Market Development	Introducing present products or services into new geographic area	Gap opened its first five stores in China.
Product Development	Seeking increased sales by improving present products or services or developing new ones	Amazon just began offering its own line of baby diapers and wipes.
Related Diversification	Adding new but related products or services	Facebook acquired the text-messaging firm WhatsApp for \$19 billion.
Unrelated Diversification	Adding new, unrelated products or services	Kroger and Whole Foods Market are cooking meals, becoming restaurants.
Retrenchment	Regrouping through cost and asset reduction to reverse declining sales and profit	Staples closed 250 stores and reduced by 50% the size of other stores.
Divestiture	Selling a division or part of an organization	Sears Holdings divested its Land's End division to Sears' shareholders.
Liquidation	Selling all of a company's assets, in parts, for their tangible worth	The Trump Taj Mahal in Atlantic City, New Jersey, faces liquidation.

Adapted from: Johnson et al. (2008)

Bova and Yang (2018) pointed out that the SOEs are regulated to make strategic decisions which do not necessarily maximise profits. This restriction benefits the consumer as well as the public through improving public welfare.

2.5 Identifying the gap in literature

Bova and Yang (2018) stated that significant focus remains on strategy whilst there is very little focus on the development of strategy. Therefore, the development of strategy is "only half the battle" (Bova & Yang, 2018, p. 587). The framework for the development of strategy in public entities is a great plan but it is only half the battle. Strategy must be implemented. Moreover, it is acknowledged that strategy execution is critical and equally requires attention. In addition, a successful strategy depends on the effective implementation of strategy. Similarly, Bova and Yang (2018) agreed that organisations have mostly focused on strategy

formulation and the external environment, and not on the execution. To sum up, the continued focus on strategy development does not deliver a successful strategy but successful implementation does deliver.

The discussions in this chapter have extensively focused on the strategy formulation, strategy implementation, as well as on strategy evaluation in the private sector. There has not been any literature that describes corporate strategy in the public sector, which reinforces that there is little or no past studies that have been carried out to understand and explain the corporate strategy implementation in South African SOEs. Therefore, there was a need for the current study to close the gap by exploring the concept in relation to the practices and the approaches in the SOEs in South Africa. This will give people a better understanding and explanation of why SOEs operate and conduct their activities the way they do.

2.6 Conclusion

To sum up, this chapter provided the literature research map. An overview of SOEs was presented through demonstrating their roles in the South African economy. In addition, the motivation for establishing SOEs was discussed in this chapter. Next, the strategic management process including its three stages was discussed and these are namely strategy formulation, strategy implementation and strategy evaluation. Moreover, the stages of the strategic management process helped to understand what was involved and how top management oversaw the entire process. After that, strategy was discussed towards the end of the chapter showing why it is necessary in the contemporary business environment. It should be noted that the gaps in literature showed that there are no past studies or that there is little information relating to implementation of strategy in the public sector moreover, it became relevant for this study to generate new information and knowledge towards the understanding of strategy implementation. In the next chapter, the research questions are formulated in line with the reviewed literature.

CHAPTER 3: RESEARCH QUESTIONS

3.1 Introduction

The preceding chapter reviewed the literature relating to the strategic management concept process. In this chapter, the focus is to highlight the research questions that guided the study. The research questions were designed in line with the interpretivist philosophical stance that informs the study. The researcher's belief of how data was gathered, analysed, and used is a key consideration in research. The next section describes the research questions in line with the reviewed literature.

3.2 Research questions

This study adopted and implemented a qualitative research method for data collection, analysis and interpretation. Creswell and Creswell (2018) state that inquirers in a qualitative study "state research questions, not objectives (specific goals for the research) or hypotheses (predictions that involve variables and statistical tests" (p. 13). In addition, the research questions assume two forms: (a) A "central question" (p.133) which is a broad question exploring the central phenomenon of the study, and (ii) "Associated sub questions" (p.133) to expand on the central question.

3.2.1 Central research question

How does the selected South African commercial state-owned entity execute its corporate strategy?

With reference to the reviewed literature, the researcher highlighted several pertinent issues related to the absence of studies on strategy implementation in South African commercial SOEs. The above primary/central research question guided this study with the objective of explaining the concept of strategy formulation and implementation in a selected commercial SOE. In addition, the question helps the research study to explore the obstacles that are faced by SOEs when implementing corporate strategies. McGregor (2019) states that research questions are imperative in qualitative studies because they reflect what the researcher wants to know in relation to the problem under investigation.

Sull et al. (2015) state that, "a recent survey of more than 400 global CEOs found that the executional excellence of strategy was the number one challenge faced by the executives" (p. 60). The question as posed by Ateş et al., (2020) is, "how organisations can build strategic commitment in their teams during strategy implementation" (p. 639). "Strategy implementation implies the translation of a deliberate strategic intent into organisational practice" (Friesl et al., 2020, p. 2). Despite the above, Maritan and Lee (2017) state that, studies have found many

organisations that struggle to implement their strategy. "Why is strategy implementation difficult"? (Lynch & Mors, 2019, p. 255) Finally, Bezuidenhout et al. (2018) show the "cost of strategy failure being very high in emerging economies" (p. 11) such as South Africa. Therefore, strategy implementation is a challenge facing many business executives. The views raised by different authors demonstrate that executives can formulate good strategies, but the challenges are faced at implementation. It is one aspect to craft a particularly good strategy, but it is a different aspect to implement a strategy and realise its benefits. There is a penalty for failed strategies, which is the loss of investor confidence which leads to divesture.

According to Maritan and Lee (2017), despite the importance of resource allocation, "it is surprising to find that there is not a larger body of strategy research specifically about the allocation of financial, physical, technological, and human resources that support the implementation of corporate strategy" (p. 2411). In addition, Sull et al., (2015) state that, "we have a clear and widely accepted definition of strategy, but we know less about translating strategy into results" (p. 60). As such, the question is, what are the activities that are required to implement corporate strategy? (Friesl et al., 2020).

McGregor (2020) states that there is "a lay and a research question" (p. 5). Moreover, the lay questions are informal and comprise of what is asked daily while on the other hand, research questions are more formal and are specifically for scholarly research (McGregor, 2020). The highlighted gaps in the above literature drive the motivation for the research question. With reference to the discussions provided above, the researcher was convinced that the formulated primary research question was relevant to address the management problem that was identified in this study. The next section describes the associated sub-question.

3.2.2 Associated sub-question 1

What obstacles hinder the selected state-owned-entity from executing the formulated corporate plan?

The primary research question provided the fundamental precepts of corporate strategy. In this question, the study explores the impediments that hinder the selected SOE from successfully implementing its strategies. In the preceding chapter, the study indicated that the strategic management process involves strategy formulation, strategy implementation and strategy evaluation. These distinct processes operate in a synergistic and logical way, but they are susceptible to challenges. However, the nexus of this research question is the specific challenges encountered at the implementation phase. The development of this research question is to buttress the focal point and help readers, practitioners, and researchers to

comprehend the underlying factors which might add to the dearth of studies on strategy implementation in SOEs.

Sull et al. (2018) paused the question, “how can leaders translate the complexity of strategy into guidelines that are simple and flexible enough to execute” (p. 13). Furthermore, Sull et al., (2018) argued that, "due to the great percentage of strategy implementation efforts that fail, it is imperative to look more closely at the causes" (p. 15). Indeed, research supporting the experience of many executives indicates that ineffective strategy implementation "squanders the value of a great corporate strategy" (Sull et al., 2018, p. 14). Thus, strategy implementation needs to be a "management top priority" (Weiser et al., 2020, p. 971). Finally, strategy implementation remains a challenge and an unresolved management problem. The “research questions for the qualitative method are classified as central and sub questions” (Edmonds & Kennedy, 2020, p. 20). In total, “research questions are expected to evolve and change in a manner that is consistent with the assumptions of an emerging design” (p. 25) during the research study (Edmonds & Kennedy, 2020).

Both research questions guided this research study through the development of the research instrument. The concept of corporate strategy is multi-faceted in that one must understand the role players, level of employee involvement, communication process and the activities that are involved in the implementation of corporate plans. Moreover, Barrick et al. (2015) assert that strategy implementation should be a top management priority, because delayed implementation can be costly to the organisation thereby resulting in competitors gaining a competitive advantage. An example of this is organisations which have not responded to the COVID – 19 Pandemic disruptions and they be left behind for a long time.

3.2.3 Conclusion

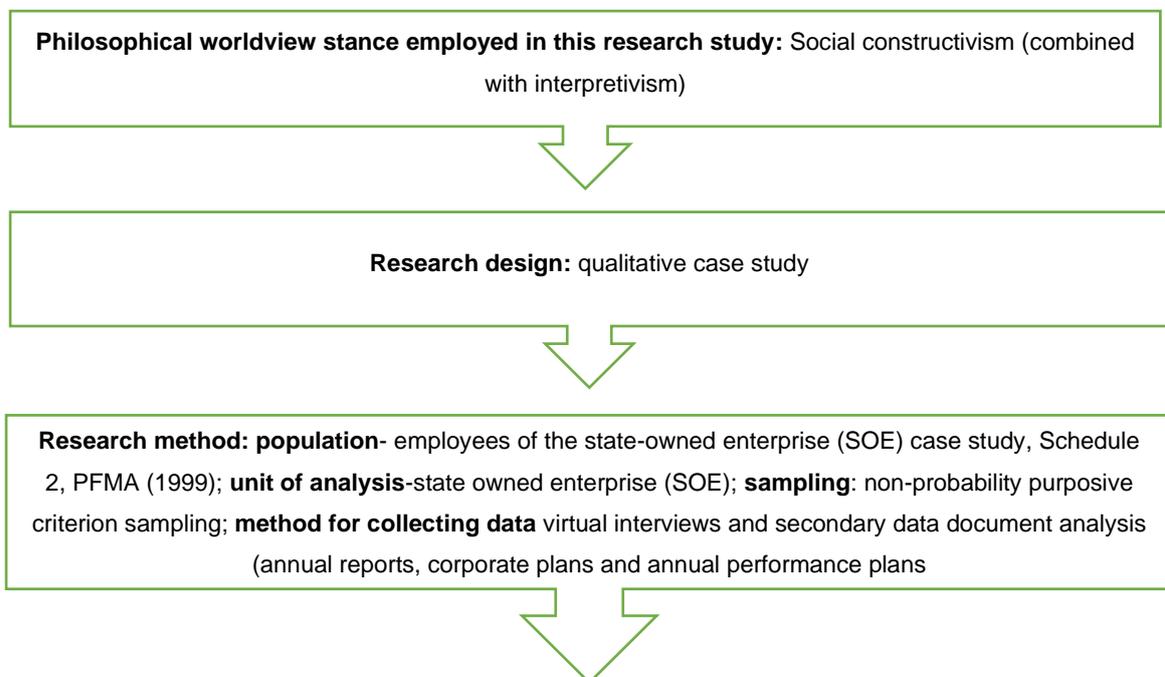
In conclusion, this chapter described the central/primary research question and its relevance to the study. Furthermore, various sources of literature were cited to support the essence of research questions in qualitative studies. It was revealed that the research questions reflect what the researcher knows about the problem under investigation. The associated sub-question was developed to augment some aspects that might not have been addressed by the central question. In addition, the associated sub-question addressed a key area that has a significant impact on strategy implementation. In the next chapter, the research methodology is discussed.

CHAPTER 4: RESEARCH METHODOLOGY

4.1 Introduction

Having discussed the research questions in the preceding chapter, this chapter discusses the adoption of the social constructivism worldview (assumption) by the researcher. Furthermore, the research design, target population and associated research procedures are also discussed in this chapter. The research methodology was designed based on the research problem, and the literature review of the implementing strategy. Creswell and Creswell (2018) described the research approach as the plan and the procedures for the research. In other words, it is a plan which entails several decisions that are made in chronological order. Therefore, the approach that is to be employed by a researcher is the overall decision that is to be made. Furthermore, as stated by Creswell and Creswell (2018) informing this overall decision are, (i) “The philosophical assumptions or worldviews that a researcher holds or brings into the study” (p. 5), (ii) “The research design that is related to this worldview” (p. 5), and (iii) “Specific methods or procedures of research that translate the approach into practice” (p. 5). The research approach is summarised in Figure 4.1 below.

Figure 4.1: The research process



Source: Author (2021)

4.2 Research philosophy

Creswell and Creswell (2018) posited that the “philosophical worldview” (p. 5) helps to explain a researcher’s selection of a research approach. In other words, it explains why a researcher chose quantitative, qualitative, or mixed methods approaches for conducting a research. Philosophical assumptions provide a holistic understanding of how research data was collected, analysed, and used. According to Gaus (2017), “social constructivists believe that individuals seek an understanding of their world where they live and work” (p. 101). Moreover, social constructivists also believe that, “individuals formulate subjective meanings of their own experiences on how they view certain objects or things” (Creswell & Creswell, 2018, p. 7). This research study relied on the participants’ views on strategy implementation in their organisation so as for the research to gain a pattern of meaning. In addition to the above motivations, the researcher’s personal experience of working in the public sector through providing support during the formulation of corporate strategy and its implementation influenced the selection of an interpretivist research philosophy. This study adopted and applied the “constructivist or social constructivism method (often combined with interpretivism)” (Creswell & Creswell, 2018, p. 5). Furthermore, the constructivist worldview “is typical seen as an approach to qualitative research” (p. 7). A qualitative research method was selected to complement the attributes of the interpretivist research philosophy. This is discussed in the next section.

4.3 Qualitative research method

Having adopted the philosophical assumption stated above, the next component is the use of distinct methods or procedures in approach to research. This research study explored and gained an understanding of the activities for and the obstacles to implementing a formulated corporate strategy in a selected South African SOE. According to Creswell and Creswell (2018), “a researcher does not only select a qualitative, quantitative, or mixed methods study to conduct but the inquirer also needs to decide on a type of study within these three choices” (p. 11), “Others have called research design strategies of inquiries” (Creswell & Creswell, 2018, p. 11). For the purposes of this research study, a qualitative research method was used to obtain data through open-ended and conversational communication. In addition, the researcher engaged in telephonic conversations regarding strategy formulation, communication, and implementation at the selected SOE.

Creswell and Creswell (2018) argued that the qualitative method is employed to examine phenomena using “words” (p. 13). In addition, Gerring (2017) stated that “a qualitative method represents a form of data collection and analysis with a focus on understanding and an emphasis on meaning” (p. 2). Therefore, a qualitative method “is considered emerging and

nonexperimental" (p. 2). This research study was about gaining an understanding of corporate plan implementation activities and obstacles. Qualitative research methods are not only about what people think but they are also about why they think so. The researcher used the qualitative research method to reveal the behaviour and perceptions of the target audience with reference to the problem under investigation. Gerring, (2017) suggests that "a qualitative process is generally inductive, although it can be abductive and emerging" (p. 2). As such, the researcher tended "to take a naturalistic approach to the world" (Gerring, 2017, p. 2) through "studying things in their natural settings and attempting to understand the research topic through the voices of the participants" (Gerring, 2017, p. 2).

To complement the qualitative research method, Creswell and Creswell (2018) argued that researchers can use exploratory or case study research designs. For the purpose of this study, a case study research design was used because the study was an "empirical inquiry which investigated a phenomenon within its real-world context" (Creswell & Creswell, 2018, p. 13). Flick (2018) pointed out that many studies employ a case study to examine an individual or phenomenon within a specified context. The case study research design helped to develop an in-depth analysis of the research problem, and the corporate strategy implementation of the formulated corporate plan. Indeed, "the case study design was useful in this study because the researcher explored the phenomenon within its context using different data sources" (Gerring, 2017, p. 3). Moreover, "a case study research design allows the researcher to use multiple data sources to enhance the validity and reliability of the study" (Gaus, 2017, p. 103).

4.4 Target population

The term population refers to people who live in an area. On the other hand, in research, one must identify the population from where the research data would be collected, analysed, and used. Therefore, the concept of population as used in social research means "the entire collection or every case – of people, places, behaviours, things, or time" (Loseke, 2020, p. 2). For example, "population can refer to, types of people such as, college students or football lovers or politicians and vegetarians" (Loseke, 2020, p. 2). Furthermore, population can also refer to places such as public universities, SOEs, and women owned businesses. Thirdly, it can relate to behaviours such as marriages in 2015 and divorces in the past decade (Loseke, 2020). Finally, it can refer to things such as television programs and romance novels and time such as days and or week. Indeed, the selection of the study population is an important methodological consideration (Loseke, 2020).

Loseke (2020) stated that it must be noted that while a population is a whole, there are indeed many ways the whole can be defined. In fact, the researchers "can only study particulars" (p.

2) despite being interested in generalities. In other words, there is a relationship between the whole, called a population, and the part, which is being studied, which is called a sample. It is the place where the research questions can be answered (Schensul, 2012). Loseke (2020) concluded that the population is the study site where the participants are selected from. In this study, the target population was all the senior managers, and executives who were involved in strategy formulation and implementation. In addition, this target group of people were decision-makers and people who were in positions that involve the mobilisation and the allocation of resources.

The rationale for the selection of the study population may include several factors. Firstly, according to McGregor (2020), a researcher's goal is to work towards the definitions of the relevant population that is consistent with the study questions and with conceptualisations. In other words, defining the population requires limiting the global population to something more relevant and conceptually clear. The total population for the study was 25 executives, senior and middle level managers. In a qualitative study, it was not feasible to include the whole population, thus, a sample was chosen from the population.

4.5 Sampling method

Sampling is a design task of deciding which elements in a population will be chosen and how those elements will be chosen (Loseke, 2020). Furthermore, Flick (2018) argued that case studies require complex decisions on multiple levels. In the first level, a state-owned entity must be selected from the 21 listed under the PFMA (1999) Schedule 2. The sample size is irrelevant in qualitative research (Flick, 2018). Selecting one state owned entity which was information-rich was more critical than the sample size (Flick, 2018). Moreover, as stated by Flick (2018), information-rich, pertained to responding to the two research questions that were mentioned in Chapter 3. Therefore, samples are critical for a research study as they determine the ability of researchers to generalise their findings.

The second level is the selection of the participants inside the site. Creswell and Creswell (2018) suggested that it is best to select not more than five participants within the site. Boddy (2016) pointed out that "in qualitative research, the determination of sample size is contextual and partially dependent" (p. 426) up on the researcher's philosophical worldview. For example, "the sample size involving one single case can be highly informative and meaningful" (Boddy, 2016, p. 426). However, in constructivist research, a single example can be highly instructive (Boddy, 2016). For these reasons, the sample size for this case study was limited to five participants. Furthermore, the identities of the participants were not revealed as agreed. Pseudonyms were therefore used to identify the participants.

According to Flick (2018), the non-probability purposive or purposeful (criterion) sampling method is generally employed in qualitative research. All the 21 entities were approached for permission to collect data, however, only one written approval was obtained on time. As such this single entity was ideal and convenient. Moreover, the critical principle in purposive sampling strategy is ensuring that the selected instances are "information-rich" (p. 5) with a view of fully responding to the research questions (Flick, 2018). This single entity is a major telecommunication state owned entity. However, five participants were selected through non-probability purposive and convenience sampling techniques. The participants were readily available, accessible, possessed relevant data and they were willing to participate in the study when it was conducted.

Furthermore, in order to collect data, a researcher must establish relationships and interact, both with the participants and the influential person who may control access to participants within the case (Flick, 2018). This interaction is referred to as "reflexivity" (p. 7), in other words it is being part of the social world that is being studied (Flick, 2018). For the purposes of this research study, written permission was obtained from the CEO to gain access to the executive management team. In brief, all the five participants occupied senior executive positions responsible for different strategic business units.

To reduce potential biases which can exist in a particular case study, secondary document data content analysis was done. Triangulation guards against the accusation of biases. The data content that was drawn from the secondary document for example, annual reports, strategic plans, and annual performance plans was used to contextualize the findings that were collected from the participants. The secondary document was available on the website of both the entity and the National Treasury. Given (2012) highlighted that, secondary document content analysis does suggest specific areas that need to be investigated about the execution of strategy within the state-owned entity. The units of analysis are described in the next section.

4.6 Unit of analysis

According to Gaus (2017), defining, "what the case" (p. 103) or "the "unit of analysis" (p. 103) is an essential step of research design. Furthermore, "the units or instances can be diverse both in format and in nature: people, villages, documents and events" (Gaus, 2017, p. 2). Therefore, based on the employed strategy of inquiry, the unit of analysis was the senior managers from the selected commercial South African SOE. In the next section, the focus is to describe the data collection techniques that were used in the study.

4.7 Data collection technique

McGregor (2019) stated “that one of the defining features of qualitative research is that the researcher is the primary data collection instrument” (p. 2). Therefore, the researcher proposed to serve as the measurement instrument since this is a qualitative research study. Moreover, the researchers are still the ones who gather the information and interpret it. Also, according to Creswell and Creswell (2018), "a protocol is as an instrument for recording data" (p.181). For the purposes of this research, study data was collected through virtual meetings that were dictated and saved electronically. A telephonic interview with each of the participants was held. The researcher used a telephone interview approach in line with the Covid-19 pandemic healthcare regulations (social distancing, avoidance of overcrowding). In addition, the study was conducted during the lockdown period, thus, the participants were working from their homes.

The research instrument comprised of two sections: Section A focused on gender, position, department, level of education and the number of years working for the SOE. These demographic profiles were important to ensure that inclusivity was achieved. Involving people from diverse backgrounds enriches the study through diverse perceptions and experiences (Creswell & Creswell, 2018). Section B comprised of ten open-ended questions that were developed from the two research questions that were described in Chapter 3. The first question explored the strategy formulation process, and it was followed by the SOE’s strategic objectives. Question three, established if the employees and the managers understood the strategic objectives. The communication processes were explained in question four. The role of the organogram and the implementation activities were explored in question five and question six, respectively. The study revealed the policies that supported the implementation of corporate plans in question seven, and this was followed by an evaluation of the resources that supported the corporate plans. In line with the associate sub-question discussed in Chapter 3, in question nine, the study established the challenges faced when implementing the corporate plans. The last question explained the human resources issues that impacted corporate plan implementation. The next section describes the data collection process.

4.8 Data gathering process.

After developing the research instrument, the researcher discussed the data collection process. Gontcharov (2019) argued that knowing what type of data one needs to respond to the research questions aids in choosing a data collection procedure. In addition, Gontcharov, (2019) lists the following data collection procedures, "observation, focus groups, and document or artefact analysis" (p.12). According to McGregor (2019), the most common data collection methods include, (a) “Observation – observing people in their natural environment

and taking notes in the field” (p. 20), (b) “Individual interviews – researcher conducting in-depth interviews, using an interview guide, probes and follows” (p. 20) (c) “Focus groups – researcher facilitating, keeping participants focused through open – ended questions” and (d) “Document or artifacts analysis – researcher procures documents and/or artifacts in the field setting that were created for the study” (p. 20).

Despite the above, data can be collected through natural sources, or it can be elicited from the sample that is selected from the population (McGregor, 2020). Therefore, as stated by (McGregor, 2020), “a semi-structured interview approach was used using open-ended questions that allowed the participants” (p. 19) to give their personal opinions without restrictions. In instances where the researcher felt that the participants were deviating from the scope of the research conducted, the researcher politely engaged participants to remain focused. McGregor (2019) stated that qualitative research employs “the triangulation method of using multiple data collection methods” (p. 19). The researcher collected data from secondary documents such as from the annual reports, corporate plans and annual performance plans which were created for other purposes by the SOE, but these were also relevant for the research.

4.9 Ethical considerations

Creswell and Creswell (2018) emphasised “that the researcher needs to anticipate the ethical issues that may arise during their research study” (p. 88). Moreover, the research process involves collecting data from participants about people within the state-owned entities. Similarly, Gontcharov (2019) emphasized that, “research with the human has ethical issues” (p.12). As such, adhering to the agreed and approved GIBS Ethics clearance process is essential and critical. As a result, the participants’ identities were protected using pseudonyms. Meanwhile, the researcher developed and maintained professional relations during the research and guarded against misconduct and impropriety. Moreover, “ethical questions are apparent in such issues, for instance, as personal disclosure, authenticity and the credibility of the research report” (Gontcharov, 2019, p. 4). Indeed, ethical issues have to be observed on an ongoing basis as illustrated by Creswell and Creswell (2018). Moreover, they must be observed before conducting the study, at the beginning the course, during the collection of data, when analysing data, when reporting, sharing and when storing the data.

Prior to conducting this study, the gatekeeper’s permission was sought and granted from the selected South African SOE’s top management. This permission augmented the permission that was granted by GIBS to conduct this study in partial fulfilment of the requirements of the Master of Philosophy degree. The participants were politely asked to grant their permission

by signing consent forms. Their names and surnames remained anonymous to protect the identity of their organisation. The purpose of the study was clearly outlined to participants at the start of each interview session. Lastly, the researcher assured the participants that their contribution to the study was for academic purposes only. The participants were assured that the shared information would not be shared with third parties without their express permission. The data analysis process is discussed in the next section.

4.10 Data analysis

Qualitative data deals with huge volumes of data which may be useless if not analysed with the right Qualitative Data Analysis (QDA) tools. Thus, Edmonds and Kennedy (2020), point out that the protocol for analysing the data requires interrogation of research questions, design of research, text and archival as well as audio-visual records. In addition, Braun and Clarke (2013) defined qualitative data analysis as the process of adding meaning to raw facts (p. 17). Indeed, it is about as stated by Creswell and Creswell, (2018) “analysing the various forms of qualitative data” (p. 190). Furthermore, it is about making sense out of text and image data” (Creswell & Creswell, 2018, p. 190). For the reasons above, a thematic analysis was employed for this study, as, it is a widely used qualitative analytic method” (Braun & Clarke, 2006, p. 77). In addition, it offers an accessible and theoretically flexible approach to analysing data” (Braun & Clarke, 2006, p. 77).

4.11 Trustworthiness of the research

Creswell and Creswell (2018) highlighted that the trustworthiness of findings occurs throughout the research study. If the research instrument is unreliable, the product is an inaccurate research study fraught with errors and reporting that is not trusted. The accuracy and the credibility of the research findings have an effect on the researcher’s reputation; therefore, all the processes should be put into perspective to ensure that the research is credible and plausible. In qualitative research, the “researcher checks for the accuracy of the results by employing specific procedures” (Schensul, 2012, p. 8). The first step was to develop an interview guide which was piloted with two sample elements that were chosen from the selected SOE. During the interviews, the researcher established that the research questions were properly aligned to the problem under investigation and that the participants understood the questions. This pilot study was imperative to the final study because the issues that were raised by the participants were used to fine-tune the research instrument that was used for the final data collection process.

The researcher's approach was consistent across the different procedures that were performed in this study (Gontcharov, 2019). The adoption of triangulation allowed the research study to gather, analyse and interpret data from the multiple sources as a way of enhancing

the credibility of the findings. This verification ensured that both the research instrument and the data were dependable (Creswell & Creswell, 2018).

4.12 Limitations to the research

According to McGregor (2020), limitations are the boundaries or limits beyond the researcher's control. They refer to the aspects of the research design that place constraints on the interpretation and the application of results or findings. In other words, these were the potential weaknesses of the study findings and they could be an issue for critics. First, the research study only focused on commercial, public entities and did not include other non-commercial SOEs. Secondly, due to time constraints, the research study was only limited to a single case study out of the global population of the 21 SOEs. Therefore, the findings from the commercial entity do not represent the general view from other non-commercial entities. Such a limitation can be mitigated if future research involves all the SOEs to have a better understanding of how strategy implementation happened. Thirdly, the participants were interviewed via virtual platforms thereby reducing the face-to-face interactions due to the COVID-19 pandemic disruptions. If the research had used face-to-face interviews, the researcher would have been able to notice the participants' facial expressions and their gesticulation. Finally, the culture and working environment of the SOE case study could be a potential weakness since the public sector has secure networks that are rooted in political organisations.

4.13 Conclusion

To sum up, this chapter described the research procedures that were employed in this study. In addition, an interpretivist philosophical stance was adopted and applied in the study. First, to complement the research philosophy, a qualitative research method and qualitative case study design were used in the study. The methods allowed the researcher to contextualise data to a natural setting. The sample for this study was five senior executives working for the selected South African SOE. Telephonic interviews were conducted in line with the dictates of the global COVID-19 pandemic health regulations. In the next chapter, the results are presented and interpreted.

CHAPTER 5: PRESENTATION OF RESULTS

5.1 Introduction

Having discussed the research design, this chapter presents the qualitative research results. In addition, the structure of the chapter includes a detailed description of the thematic data analysis steps that were applied, the presentation of findings in the form of themes and in some instances the participants' contributions are captured verbatim. The presentation is aligned to the research questions that are contained in the interview guide, thus, allowing the study to dissect the different sections. The chapter is then concluded to denote the end of the discussions.

5.2 Thematic data analysis

A total of five participants were purposively selected for this study because they met the inclusion criteria of being in senior positions in a SOE. Furthermore, the participants had spent a considerable number of years in senior positions within an SOE. In addition, the participants also possessed the knowledge and data that was required to address the research problem.

Braun and Clarke (2006) highlight that, "thematic analysis, is a widely used qualitative analytic method" (p. 77). Furthermore, it has "advantages of flexibility as it can be employed in other epistemological and theoretical perspectives" (p. 78). Therefore, for the purposes of this research, "latent and semantic thematic data analysis were applied" (p. 78). According to Braun and Clarke (2006), "semantic thematic analysis refers to looking at what the participant says with the objective of addressing the research problem" (p. 80). Therefore, the "latent analysis helped to identify or examine the underlying ideas, and assumptions that informed the semantic content of the data" (Braun & Clarke, 2006, p. 84). As suggested by Braun and Clarke (2006), the researcher employed a six-step approach in the analysis of data and these steps were:

Step 1: Becoming familiar with the data

The researcher was involved in the interviews and became part of the data collection instrument as he was familiar with both the data and the participants. Apart from the data collection process, the researcher read the interview transcripts several times, making notes on the early impressions. At times, the researcher played the audio recordings to listen to what the participant said. In this study, the participants granted permission for the researcher to use a tape recorder, therefore, there was adequate back-up for references.

Step 2: Generation of initial codes

Having become familiar with the data, the next step was to generate initial codes. First, the researcher organised the data into meaningful information. The data was captured into NVivo 12 which is a qualitative data program, which can be used to generate codes. NVivo 12 allowed open coding. Working with large interview transcriptions requires the use of a qualitative data analysis software to get effective and useful results (Bree & Gallagher, 2016).

Step 3: Searching for themes

Using the initial codes generated in the previous step, the researcher examined the codes and most of them fitted well into themes. The codes that related to the allocation of resources, the effectiveness of policies and the challenges faced in the SOE were grouped separately. The codes were organised into broader themes that highlighted parts of the research question. Some of the codes were associated with more than one theme.

Step 4: Reviewing themes

Having concluded the searching for themes, the researcher reviewed and developed the original emerged themes that were identified in step 3 above with the objective of establishing if they made sense and could be used. It was important to gather all the data that was relevant to each theme. This was done through the lens of NVivo 12 because it was quicker and easier. The main aim of this step was to check if the data supported the themes, and whether there were any overlaps or themes within the data.

Step 5: Define themes

In the fifth step, the objective was to refine the themes “by seeking to describe patterns across qualitative data” (Braun & Clarke, 2006, p. 92). The researcher verified if the subthemes, and their interactions were related to the main theme.

Step 6: Writing-up

Finally, the last step of data analysis was writing up the report. This master’s dissertation is the final report culminating from the research procedures and the data analysis that was done. The next section provides the research results.

5.3 Results

Having described the six-step approach that was employed to analyse the qualitative data, the demographic characteristics of the participants for the study are discussed. Indeed, it was critical that the right participants are selected to ensure that the quality of the data collected

could expand and support the research that was conducted. In addition, it was inappropriate to exclude potential participants. It should be noted that, the identities of the participants were not revealed for confidentiality purposes. As such, pseudonyms in the form of alphabetical letters were employed. In addition, the study was conducted at a selected SOE whose name will not be shared in this study for confidentiality and privacy.

5.3.1 Profiles of participants

As described above, five participants were selected for the study. These participants comprised of three males and two female participants. They were drawn from the leadership of the strategic business units of the selected SOE. Furthermore, the CEO recommended their selection due to their seniority. The demographics are discussed in the next subsections.

5.3.1.1 Gender

As shown in Table 5.1 below, three male participants and two female participants were selected for the study. Apart from this, the researcher through emails approached all 21 commercial SOEs that are listed under Schedule 2 of the *Public Finance Management Act* no 10 of 2009 (2009), requesting permission to involve their employees and management to participate in the study. Consequently, only one commercial SOE responded positively, and its CEO nominated five executive managers to participate in the study. Table 5.1 below summarises the demographic characteristics of the participants that were selected for the study.

Table 5.1: Demographic profiles of participants

Participant	Gender	Position	Divisional Executives	Level of education	No of years
A	Male	Chief Technical Officer	Eng., Infra. & Technology	BSc (Hons) Electrical Eng.; MBA; Pr. Eng. (ECSA); MSAIEE & MIEE (UK)	12
B	Female	Acting: Executive Human Resources	Human Resources	Bachelor's degree in Labour Relations	11
C	Male	Chief Financial Officer	Finance & Supply Chain Management	BCom (Hons); CA (SA) & Cert. Short Term Reserving Techniques (UP)	5
D	Male	Executive: Compliance, Risk & Audit	Compliance, Risk & Auditing	B Compt-Accounting Science	8
E	Female	Chief Marketing and Sales Officer	Marketing	BCom (Acc.) & MBA in e-Commerce	1 year and 10 months

Source: Author (2021)

5.3.1.2 Position, level of education and number of years in that position

With reference to the illustration in Table 5.1 above, all the participants were senior divisional executives. Participant A is a Chief Technical Officer who possessed a BSc (Honours) degree in electrical engineering. In addition, Participant A has been working for the engineering department for 12 years. Participant B is the Acting Executive of the human resources department and possesses a Bachelor's degree in Labour Relations with more than 11 years in the human resources department. Participant C is a Chief Financial Officer working in the finance and supply chain management department for more than five years. Furthermore, the participant is a Chartered Accountant by profession.

Furthermore, Participant D is a senior executive with more than eight years working experience in the Internal auditing, Compliance, Risk, Governance and Strategy department. In addition, Participant D is a qualified internal auditor in possession of a Bachelor of Accounting Science degree. Finally, Participant E is a Marketing Director working in the marketing department for more than one year and eight months. The participant also holds a Master of Business Administration (MBA) degree in Electronic Commerce (e-Commerce).

5.4 Emerging themes

Having discussed the demographics previously, this section presents the emerging themes following the six-step process that was discussed earlier in the chapter. Table 5.2 below presents the research questions and corresponding themes for each question. In the next subsections, the summarised themes in Table 5.2 are presented and interpreted in line with the research questions. A total of ten questions were posed during the MS Teams virtual interviews.

Table 5.2: Summary of themes

Research question	Theme(s)	Theme(s)	Theme(s)
How are corporate plans developed?	Multi-stakeholder consultative approach	Formal strategic planning sessions are led by the CEO and his Executive Management Departmental inputs aligned to strategic objectives	Determined by the mandate from the shareholder government
What are the strategic objectives of the SOE?	Excellent customer services; 5% cost reduction and increase profit margins	Penalties for not meeting customer expectations; Governance	Business expansion by acquiring 15 customers in the next financial year
Are the strategic objectives clearly outlined?	Clearly articulated and easy to understand	Employees easily identify with the objectives; consensus that strategic objectives are clear and understandable	No agreement on what are the strategic objectives of the organisation
How does the SOE communicate strategic objectives?	Senior management during strategy formulation process communicates to departments	Through the corporate strategy document	
Does the organisation have an organogram and how does it support corporate plan implementation?	Permanent organogram for continuity purposes Organisation has an organogram	Identify skills database in the organisation	Identify vacancies in the organisation
Explain strategy implementation activities	Planning and budgeting	Reward management	Multi-stakeholder consultations
How do policies support corporate plan implementation?	Inform parameters of governance	Tender processes	National Treasury guidelines
How do resources support corporate plan implementation?	Financial resources to fund all activities	Transparency financial resource allocation	Optimum utilisation of resources for the right purpose
What challenges impede implementation of corporate plans?	Resource allocation Political influences	Policy directives	Lack of skilled personnel
How do human resources issues impact corporate plan implementation?	Employee morale	Competent skilled human resources are required	Employment and performance contracts

Source: Author (2021)

5.4.1 How are corporate plans developed?

There were two themes that emerged from this question. All the five participants agreed that the corporate plans were developed through (formal process/strategy sessions) a multi-stakeholder consultative approach. Furthermore, the second theme was that the departments contributed to crafting the corporate plans. In addition, the planning is informed by the mandate of the government shareholder.

5.4.1.1 Theme 1: Multi-stakeholder consultative approach

All participants stated that:

“This is a State-Owned-Enterprise, therefore there are multiple stakeholders who have a vested interest in its operations. Government, Eskom, employees, shareholders, management and customers contribute to the development of our corporate plans. Development of corporate plans is not a one-man or top management responsibility, but it’s a collective effort” (All participants).

A total of four participants agreed that various stakeholders such as government, Ministry of Public Enterprises, customers, employees, management, shareholders, Eskom and suppliers played an influential role in the development of corporate plans. The participants acknowledged that the inclusion of all stakeholders created a sense of ownership in the eyes of the stakeholders, and that a wider and broad spectrum of ideas would be captured to develop effective corporate plans for the SOE. Participant C indicated that all the strategic planning meetings that they attended, had corporate plans that had already been developed. Interestingly, the views from Participant C who is the Acting Executive: Human Resources was that the top executives had developed the corporate plan and the departments were only involved with the development of the divisional plan.

5.4.1.2 Theme 2: Departmental inputs aligned to strategic objectives

There was consensus amongst the participants in the following statements:

“It is also important that departments contribute significantly with their departmental inputs, strategies, perspectives so that the objectives are aligned to corporate strategies. Thus, departments have a huge role to play in the formulation of corporate plans allowing employees to have first-hand access to the plans” (All participants).

Significantly, it emerged that the participants wanted departments to play a huge role in the development of corporate plans. The main reason was that the departments were the ones that were responsible for implementing the plans to achieve the strategic objectives and not the external stakeholders. In addition, the departments were well-versed with their strengths and weaknesses in terms of human, financial, technological and information resources. It is also clear that the involvement of stakeholders is valued as the perception of the public is that the SOEs are not performing to the expected standard levels. The participants also believed that the involvement of departments helps to disseminate the strategies to employees faster.

The participants also indicated that the employees should buy-into the firm's corporate objectives for these to succeed.

5.4.2 What are the strategic objectives of the SOE?

There were four themes related to this question and these were:

5.4.2.1 Theme 1: Excellent customer services

One of the key strategic objectives for the SOE was to provide excellent customer service. Some of the statements were that:

"We are a technical company providing technical solutions. We come up with a set of the strategic objectives, which for example will be, to provide excellent services for our customers, but that is a big statement in itself. It will then get broken down into how do you provide excellent services to your clients? What exactly do you measure? Which service are you talking about? And if you need to act because maybe there is a fault on the network. We get customer complaints and expectations" (Participant A).

The views raised by Participant A demonstrate that as a technical organisation, there were high expectations from their customers, therefore, providing excellent customer services was key. It also emerged that excellent customer service was a marketing strategy that was required to expand the firm's services and products. Participant A revealed that the company received complaints and requirements, thus, it means that there was need to address the customer complaints effectively as well as to meet the customer's expectations. Participant C collaborated Participant A's views by stating that:

"...in terms of obviously reducing the price of broadband and all that. Ensuring that as many people as possible can have access to internet. So obviously, at an affordable price, because we all know that internet access... or access to internet and data is expensive in our country. To come and try and make sure that they give access to other service areas or areas where there is no access... when anything of that nature... and make sure that schools, clinics, all those institutions have got access to that. So... on the other hand we are expected to provide all these services at an affordable rate, but we also expected to make revenue".

The issue of excellent customer services cannot be disputed as shown by the participants' perceptions and comments in the above extracts. The participants indicated that cost effective,

accessible, and reliable services were pertinent metrics for excellent customer services. The need for excellent customer services is buttressed by Participant A who stated that:

“Within five seconds you have got your major customers, screaming, and shouting and deciding to go to the alternative and remember the alternative is Telkom and Telkom is super rich”.

5.4.2.2 Theme 2: 5% cost reduction and increased profit margins

An invaluable strategic objective was to reduce costs by 5% and increase the profit margins within the next financial year. Some comments and opinions raised during the interviews were:

“And then you will have financial objectives, maybe, to reduce the cost of doing business by 5% for this financial year and to increase the profit margin by a certain amount, to increase the revenue by a certain amount” (Participant A).

“...so, from a finance perspective, one of the targets that we have is strategic objectives, financial sustainability to maintain our activities and processes and procedures and policies of how that can be achieved” (Participant B).

The participants acknowledged that the financial stability of the organisation is a major strategic objective for many shareholders. The shareholders would be happy if the company reduces costs, whilst increasing the profit margins. The company activities should be maintained to increase the revenues by certain margins.

5.4.2.3 Theme 3: Penalties for not meeting customer expectations

There are penalties for not meeting customer expectations. However, the participants did not specify what these penalties are as indicated in the extract below:

“What are the penalties that may be paid? And so on. So, that would just be one strategic objective providing excellent services and so on. And then you will have, maybe, you want to grow the business. You want to build more. Maybe expand the business, so, on the building part of it, where do you want to build? Where do you want to expand?” (Participant A).

The participant stated that as part of the SOE's strategic objective to meet and surpass customer services, the employees and management should also be cognisant that failure to

meet those expectations can be costly and there are penalties. To mitigate the penalties that might be paid, everyone in the firm should work hard to improve customer services.

5.3.2.4 Theme 4: Business expansion by acquiring 15 customers in the next financial year

With reference to the responses given, it emerged that one of the strategic objectives of the organisation was to grow and expand. This is evidenced by the following responses:

“If you have got ten customers, you are planning as a strategic objective to get fifteen customers in the next financial year. That becomes an objective. Are you going to bring in new products, so that you can expand the type of people or consumers, or are you going to sell more to the existing, or are you just going to make sure that you provide such a good service, that you retain the current customers and there is no churn?” (Participant A).

“So, we would continue building because uh, our networks still needed to uh, uh, uh, you know, built capability in or-, in order to continuously increase the customer base. The growth included aspects of growing. Not just the customer base but the service base expanding to other areas. So, expansion also then included aspects of saying expansional customer based, expansional footprint but also expansion of service” (Participant E).

Both the above extracts are clear that expansion or business growth is non-negotiable, with projections of acquiring 15 new corporate customers in the next financial year. Participant A went on to state that product expansion helps the organisation to expand its customer base, thus, it becomes a strategic objective. In addition, the participant believes that product and services offerings should define the organisation’s customer service excellence. Participant C collaborated the views by Participant A by stating that expansion should entail the expansional footprint of service and presence in other areas.

5.4.3 Are the strategic objectives clearly outlined and understandable?

This question sought to establish the participants’ views regarding the level of clarity and understandability of the strategic objectives that were raised in the preceding question. Only two themes emerged, and these were:

5.4.3.1 Theme 1: Clearly articulated and easy to understand

This view is captured in the extract below:

“The objectives are clearly understood because there are multiple stakeholders involved in their development and implementation. Departments contributed significantly in crafting and implementing them, thus, employees have an idea of the organisation’s long term objectives. So, they are very clear, they are well communicated and easy to understand” (Participant D).

The participants confirmed that the organisation’s objectives were clearly articulated and were easy to understand. With reference to the extract above, the involvement of all stakeholders in developing corporate plans made the objectives easier to understand and to articulate. Involvement in the development of corporate objectives would give the stakeholders a sense of ownership.

5.4.3.2 Theme 2: Employees easily identify with the objectives

The second theme that was highlighted is the aspect of identifying or resonating with objectives. The participants that are involved in the development of corporate plans would easily identify with the objectives as pointed in the responses below:

Ja, I think it’s critical for a business to have clear objectives so that you can understand in a way is that the company has to deliver on and also for employees to identify and make it simple for them to actually identify with it. You take whatever you’ve developed, you say how do I then execute on this corporate plan based on the objectives and the programmes that you have defined (Participant B).

They are attainable, they are very clear to me in terms of what needs to be done. And obviously, each and every department would make sure that their objectives are aligned to the strategic objectives of the company or else, if they are not, we might not be able to meet them. In fact, we will not be able to meet them if they are not aligned. The only time that we would get involved with the Corporate Plan is when we develop our Divisional Plan, which has to fit into the Organisational Plan. There was only just one time where we were invited to a Corporate Plan meeting, but it was already developed” (Participant C).

The participants were happy to see the employees and the management being involved in the development of corporate plans because it becomes easier to work on the objectives they know and are familiar with. When one is familiar with something, they would be better positioned to explain it to others. It emerged that the departmental objectives should be aligned to corporate objectives so that the departments are able to meet them.

5.4.4 How does the SOE communicate strategic objectives?

Three themes emerged during the interviews and these were that communication occurred during the strategy formulation process, as well as during the drafting of the corporate strategy document and it was through the divisional heads and managers.

5.4.4.1 Theme 1: During strategy formulation process

The SOE's strategic objectives were communicated during the strategy formulation process, where all stakeholders would have been involved in the development process.

“Yes, so the first part of the communication is during the formulation. During the formulation, that is when we gather everybody in one room, and we start formulating the strategy together with the senior managers with ourselves and so on and so that is part of the communication” (Participant A).

“The senior managers are already part of the development of strategic objectives, so they are very much a part of it” (Participant B).

“Yes... that one I am fairly aware in terms of how it is developed. So, there I have been involved. Even when I was not a Senior Manager, our team is very small so everybody would be involved” (Participant C).

There was consensus among all the five participants that the SOE's strategic objectives were communicated during the formulation process. This was echoed in the above extract from the three participants who gave detailed examples of how the strategy formulation process facilitated the communication. When people are engaged in a certain topic or subject, there are opportunities to interrogate the issue in detail. During the formulation process, various stakeholders discuss, agree, and disagree on certain issues, but in the end, the objective is to develop a strategic objective for the SOE's benefit.

5.4.4.2 Theme 2: Through the corporate strategy document

Some of the responses that confirmed that the objectives were communicated through the corporate strategy document were:

“By the time we come out of there, we have kicked out certain things that are not important, we concretise on the important things, then we write a document. It is called a Corporate Strategy document. That document, you get reviewed, that is part of the

communication strategy. It gets reviewed by all the members that were part of that and after it is reviewed, then it goes to the shareholder, part of the other communication to the organisation, when it is approved then, not only does it go to parliament, but then we disseminate it within the organisation via direct email communication or via regular meetings” (Participant A).

“So obviously, when a Corporate Plan is formulated, they need to look in terms of how they are going to make sure that they stick to the mandate” (Participant C).

“So, in terms of the cascading, I think that happens and once the document is being approved, then that is where we leave a formal communication of the document and, and that get shared with their, the divisional, all the divisions and, and across the company” (Participant D).

It emerged that the corporate strategy document was the final output from the strategy formulation process and this document was shared from the top, middle, lower levels of management and the employees in the SOE. This effectively meant that everyone in the organisation was privy to the document. The organisations that involve various stakeholders in the development of corporate strategies are more open and transparent to their employees because they create a sense of ownership of the plans.

5.4.4.3 Theme 3: Through divisional heads and managers

There was consensus that the divisional heads and managers were responsible for communicating the corporate objectives to their teams. This is evidenced by the following responses:

“The lower managers who I would say, would give us some of the key information. The executives who will be there to make sure that they compile it and together with the board, we share all these things and in some cases, we bring in the shareholders, who sit in one room, facilitated by some external facilitator” (Participant A).

“What we do afterwards, after the corporate plan has been approved by the board and the shareholders, we disseminate that into the organisation so each executive will present that to their respective teams” (Participant B).

“Every department will have to make sure in terms of how they going to deliver on the mandate. But I just know from HR side, we would have a session with the Head of the

Division and the Management team. And... in fact, we were involved in terms of making sure that we put together their strategic objectives” (Participant C)

“So, post the development of the draft company plan, we do, engage senior managers as well to, for their take in terms of the corporate plan, before it can be approved. Because you know senior managers are playing the role of intermediary role between executives and employees at the one level. So, we get them involved and also what happen is, each executive must involve their teams, in the, you know, so cascading the information down” (Participant D).

“It includes our senior managers who are the next level” (Participant E).

All the five participants provided their different perspectives regarding the level of involvement of their divisional heads or line managers in communicating the corporate plan. The participants were happy to see that their managers were involved and were articulating the corporate plans.

5.4.5 How does the organogram support corporate plan implementation?

The study sought to establish the role of the organogram in the implementation of corporate plans. There were three themes that emerged in this question. The first theme was that a permanent organogram provides continuity in the organisation because there are established posts, accountabilities, and responsibilities. The second theme was closely linked to the first one but with a focus on establishing the skills in the organisation. The last theme helped the management to identify the vacancies that needed to be filled. The responses to the themes were as follows:

5.4.5.1 Theme 1: Permanent organogram for continuity purposes

The participants’ responses were captured verbatim showing how the organogram was an integral part of the implementation of the corporate plans.

“For example, on how the organograms support the corporate planning implementation, was when we had few salespeople and we were adequately resourced on the engineering teams, and we saw that on the sales side, we were lacking a little bit. Then we had to go to the engineering team and say, “look who is interested in technical sales, so that you can develop your career from just the hard nuts and bolts of engineering, you go into the sales area and support the sales” (Participant A).

“The more the job is done, the job is done with the KPI’s. The KPI’s are the one that are being measured on a monthly and quarterly basis. So, what happen is on a monthly basis we do each unit, or each person submits their KPI’s and those KPI’S get consolidated to a division, that on a monthly meeting, every executive presents their progress in terms of their KPI’s, in terms of how far they, in terms of implementing the, the KPI’s” (Participant D).

The participants indicated that an organogram supports a corporate plan if the management is confident that every department or position is well-resourced. This is demonstrated by Participant A’s opinion in the above extract. The responses also showed that the Key Performance Indicators (KPIs) were necessary to help assess the performance of each unit or department, which in turn had an impact on individual employees. The presence of KPIs is applicable when there is a permanent organogram that is occupied on a permanent basis by the people who plan and implement corporate plans.

5.4.5.2 Theme 2: Identify skills database in the organisation.

The organogram was used by the management to identify the present or the required skills. Some of the feedback was:

“Absolutely. Umm this is one of the key areas that the board also supports us, where they review our corporate plan and they say, “alright, so you want to branch out into new technologies, so that you can capture new customers?” How many people do you think you will need and how much will it cost? Over what period do you think you will start getting back the returns and so on? So, at every twist and turn, the organogram supports what we are implementing to the extent that where we are not sure, we actually have to use temporary people for some time, while we are developing a new area on the corporate plan, until we are sure how it is going to be implemented, then we cement it to the permanent organogram” (Participant A).

“What we do is, part of the corporate plan when we develop it and when we get to the budget phase, you have to define the number of people that you require to deliver the programmes obviously in the corporate band and obviously there is money attached to that” (Participant B).

As a technical company that provides technical products and solutions, specialist skills are mandatory for the organisation to carry out its operations. The participants were happy to see

that the organogram provided pertinent information about the types of skills that were available and those that were deficient in the organisation. It emerged that a well-resourced organisation with the right skills, and permanent appointments was likely to succeed than one whose personnel was employed on a contract basis. Organograms were preferred because they assisted the management to understand the number of people that were required to deliver certain projects and plans on time.

5.4.5.3 Theme 3: Identify vacancies in the organisation

Though all the five participants indicated that the organogram was supportive of the overall corporate plan, the responses below from two participants aptly capture the fundamental issues:

“There are people that are trained to go into the new development areas. So, it goes across the board from the technology, from the finance, from the customers, the people that you need and for each and every one of those, we do have specific objectives” (Participant A).

“...but it is a problem when the organogram now shows you have got a lot of vacancies. Because on the organogram you can identify all these vacancies – people that you need. If you are not in a position to fill the positions then it is a problem. You know that you have got those vacancies and if you have them occupied and get the resources... and get the right resources you will be able to make your corporate strategy or objectives of the company” (Participant C).

What is clear from the participants' contributions is that an organogram captures the positions and developmental areas so that people get further training and development. The participants also indicated that the management can easily identify vacancies that should be filled. To fill the vacancies, the right people should be recruited and appointed so that the corporate objectives can be performed accordingly. Failure to fill the identified vacancies can create problems for the organisation.

5.4.6 Explain strategy implementation activities

The study sought to establish the activities that were performed when implementing the corporate plans. The key activities that emerged during the interviews include planning and budgeting, reward management and consultations from multiple stakeholders.

5.4.6.1 Theme 1: Planning and budgeting

Planning and budgeting are core activities undertaken when implementing corporate plans. Haphazard planning and insufficient financial resources can derail the implementation of plans. This statement was supported by the following responses:

“Strategy implementation activities include the planning that starts right from the word go. The planning that goes with that. The budgeting that comes together with the planning, so you plan, you budget, so that you know whether you can actually do this and whether you have the resources to sustain it and so on” (Participant A).

“I’m talking about what tasks or processes do we need to put in place to implement that corporate plan that you, obviously organogram is one of them communicating it across the organisation, what assists the organisation to ensure that that corporate plan is implemented” (Participant B).

“So, let us say we want to put together a succession plan program for the whole company, we do list the activities of what needs to be done first, before we can even achieve what we want to” (Participant C).

It was clear that planning was a core issue that helped management and employees to successfully implement corporate plans. Planning helped the managers to ascertain their resource capabilities to implement corporate plans. The participants revealed that developing an organogram was a fundamental process for the organisation because the managers would identify the vacancies and the skills that are required to be able to proceed with the corporate plans. The mobilisation of financial resources was required because without adequate funding, the projects would not succeed. Interestingly, the participants also highlighted the concept of succession planning. There are some employees or managers who are reaching retirement age or who have become incapacitated through various challenges, and a succession plan is imperative for the organisation.

5.4.6.2 Theme 2: Reward management

Quite often, rewards management or remunerations are overlooked by many organisations, yet this is a key activity for recruiting and appointing competent skills. Some organisations lose key people due to poor rewards management. This is supported by the responses below:

“There are people that are adequately well remunerated, so that you do not lose your key people and so on” (Participant A).

“We are guided by the Basic Conditions of Employment Act in terms of rewarding our employees. This keeps them motivated” (Participant C).

It was the desire of the participants to see that key people were adequately remunerated to mitigate their departure from the organisation. Though there were basic employment conditions guided by Acts, the participants were of the view that organisations could do better and keep their employees motivated. Intrinsic and extrinsic rewards have been widely used in other organisations to captivate employee morale.

5.4.6.3 Theme 3: Multi-stakeholder consultations

The study reiterates that corporate strategy development is involved in multiple stakeholders, therefore, at implementation phase, it was paramount to engage them. This was supported by Participant A who stated that:

“Strategy implementation without consultation or alignment with the shareholders and key stakeholders. Let me just say key stakeholders. It will not work so well. You need that alignment. There is no implementation without the buy in from the people and then you have the actual follow through. In our cases, we do have action items”.

Since different ideas were shared during the planning process, the participants felt that the same ideas were required and were also required at implementation phase. Thus, the consultations should be an on-going process. People might have different interpretations to certain processes, but wider consultations mitigated errors, and in some instances, they sped up the implementation process.

5.4.7 How do policies support corporate plan implementation?

This question sought to highlight the role of policies in the implementation of corporate plans. The key issues that emerged were that policies informed the parameters in which SOEs operated, and in how the tender processes work. They also highlight how the National Treasury guidelines complimented the corporate plans.

5.4.7.1 Theme 1: Inform parameters of governance.

The key responses that emerged were:

“Alright, the policies are quite fundamental. They are very crucial to the support of corporate plan implementation. If you look at the internal policies, they tell you the parameters within which you must govern. They tell you for example, let us say you want to go and implement a brand-new technology” (Participant A).

“Okay, I think I have answered that, so obviously external will be the government policies and also of importing departments policies because obviously they are far reaching, from a government it starts with NDP I assume you understand that? You need to connect the other service areas in the country, we want it to be done by 2025 but they will take that NDP and break it up into different plans, into their own policies” (Participant B).

“But I think also from HR side obviously, we do have our internal policies within the Organisation to help us to do certain things and drive a certain behaviour within the Organisation, which is good. I think our policies that we have are very supportive of our plans and if we can see or identify that there is a gap in terms of policies, we can make sure that we develop cases, establish policies/put together policies and make sure that the business understands how we are supposed to work” (Participant C).

There was consensus from all the participants that policies were fundamental to the activities of public enterprises because these institutions were funded by taxpayers. The public officers should be accountable and answerable to the public in terms of expenditure and how they run these public institutions. Government policies are needed to ensure that the regulations are followed to mitigate corruption. It was succinctly revealed that policies are needed to do certain things and to drive certain behaviour within the organisation. The absence of stringent policies can be a breeding ground for corruption.

5.4.7.2 Theme 2: Tender processes

One of the most problematic areas in public institutions is attributable to tender processes transgressions. In the preceding theme, it was mentioned that policies are required to do certain things and to drive certain behaviour within the organisation. The following responses were vital to understanding why tender processes should be conducted within the confines of regulations:

“They still want to follow the whole long process of looking for quotations... doing that and that. I mean, if you know that a particular organisation can provide this service

and they have done it before for us and all that... but... so you end up with irregular expenditure and all that” (Participant C).

“PMSA would be captured in how we also write the policies to ensure that there is compliance with both uh, uh, regulation as well as any um, you know, other governmental policy that we need to comply with” (Participant E).

The participants agreed that the adherence to the Public Finance Management Act was fundamental and it protected the people against unwarranted behaviour. Tender processes required quotations or bidding, and these gave everyone an equal chance to compete for the tender. Short-cuts and corruption develop when people in power manipulate the tender processes. Complying with all the policies was a must for everyone in the organisation as pointed out by Participant E.

5.4.7.3 National Treasury guidelines

With reference to the tender processes pointed above, the participants also indicated the importance of working according to the National Treasury’s guidelines. The response was:

“We have to work according to National Treasury guidelines, obviously. And they are not easy at all. Very difficult. Sometimes, I just feel that they delay us. Even if we... let us say, if you have got an emergency procurement of a service. Something that is not planned in your yearly plans and all that. Even if we... let us say, if you have got an emergency procurement of a service” (Participant C).

The guidelines from the National Treasury were clearly outlined on how to procure goods and services. Though the participants indicated that the process was strenuous, everyone was expected to adhere to the guidelines, or else they would subject themselves to prosecution. The views raised in this theme also show that there are some directives that come from external or political forces to senior management compelling them to perform certain activities or procure goods and services, but these were not in the initial plans and budget. The pressure that is exerted creates challenges for management as they must grapple with the National Treasury’s guidelines on one hand and immediate action on the other.

5.4.8 How do financial resources support corporate plan implementation?

The study sought to establish how financial resources supported the implementation of corporate plans. The three key issues that emerged were:

5.4.8.1 Theme 1: Financial resources to fund all activities

The first theme was that financial resources were required to fund all the corporate plan activities. This statement was supported by the participants' responses:

“This is key, this is the bread and butter of corporate plan implementation. If you do not have resources, you can forget about that particular objective in the corporate plan. So, at the end of the day, it comes down to that” (Participant A).

“Of the organisation and in those programmes you will have the objectives programmes, so the budget allocation will be based on those programmes that you have to implement, so from a resource allocation, you will say okay, to be financially sustainable, these are the activities that you allocate the budget for each one of those activities” (Participant B).

Financial resources are the requirements for corporate plan implementation. With adequate financial resources, all activities can be funded with ease. Organisations can hire the best human resources skills because they can reward them accordingly. However, the financial resources should be used wisely to ensure the sustainability of the organisation.

5.4.8.2 Theme 2: Transparency of financial resource allocation

This was a follow-up theme to how financial resources supported the corporate plans. The participants indicated that there should be transparency in the allocation of financial resources as indicated in the following extracts:

“Okay, so... in terms of a process within our organisation, as soon as there is a corporate plan we also put together a budget to support that plan. But as you know that finances will always be a problem. Nobody can say “I have got a lot of money”. It is always a challenge. So, we need to put together a budget for the year as to how we are going to support our plan, but... it is the most challenging thing here” (Participant C).

It was clear that financial resources were a huge challenge. The participants felt that their organisation was not getting adequate funding yet there was a huge task and expectation from government and the public to improve its services and product offerings. There was a feeling that the insufficient financial resource allocation to their organisation hamstrung their activities. Thus, the allocation of financial resources to other departments should be transparent so that everyone knows their budget and what was expected of them from the allocation.

5.4.8.3 Theme 3: Optimum utilisation of resources for the right purpose

The optimum utilisation of financial resources should be supported by employing skilled and experienced human resources. In addition, the organisations should also ensure that they employ permanent people who would be able to proceed with the corporate objectives.

“I mean practically we budget for the organisation; you say these are the employees, these are the contracts that we have, are we going to continue with them and then you budget like that and then we take it and disseminate it from there to the different programmes. Then you look at the work to be done versus the employees you have. There should be a match between the skills and the work to be done” (Participant B).

Participant B succinctly said that the available human and financial resources should be optimally used to achieve the desired results. The participants would be happy to see the organisation employing people on a permanent basis so that there is continuity. If people are employed on a contract basis, when their contracts are terminated, the progress yielded over time can be derailed because there is no one to continue with the tasks.

5.4.9 What challenges impede the implementation of corporate plans?

This was a fundamental question that sought to understand the challenges that impeded the implementation of corporate plans. A total of four themes emerged from this question and these are resource allocation, political influences, policy directives and lack of skilled human resources. These themes are presented as follows:

5.4.9.1 Theme 1: Resource allocation

Resources entail financial, human, technology, information, and strategy. These resources should be fairly allocated to everyone in the organisation as pointed out by the participants:

“Do we have sufficient money to do all those things?” Of course, the answer is no. The resource constraints, the finance constraint allow you to do only so much. Funding is different to having money, so in other words, you sometimes you are not allowed to borrow so freely because you are a state-owned company. It comes with the shareholder restrictions” (Participant A).

“There are certain risks like market factors and the allocation of funding by government for arguments sake which you have no control of, like the pandemic that we have now, if you go to a pandemic, National Treasury just decides. So internally the things that will impede on your ability to execute is having sufficient budget to do

that, obviously and then of course [noise] everyone within the same department level” (Participant B).

“Out of the objectives that we have in this financial year, I can see that (obviously from HR’s side) 50% of them will not be met because financially we cannot afford. We know that it will not happen because of financial constraints, because everything... in almost everything it is money” (Participant C).

“Another issue is issue of funding. Issue of funding is, we don’t have really easy process to easily get funding. Especially for corporate, for capital projects, so it is also one of our challenges, one of our decisions to say we are challenged in term of funding, where the process is, it is quite sort of difficult for us to secure funding, that can assist us in terms of running the corporate plan” (Participant D).

Due to inadequate financial resources, the organisation was also expected to generate as much revenue from its activities. The participants indicated that their funding came from the National Treasury and there was not much room to get funding from other sponsors because the government was the majority shareholder, and as such it required to be in control. One limitation to funding was the inability to borrow from financial institutions because this was a state-owned enterprise which required approval from the Cabinet and the National Treasury. The participants advised that they would be happy if some of the capital projects were successfully completed had there been adequate funding. The lack of financial resources affected the implementation of certain corporate objectives. It emerged that the final decisions were made by the National Treasury despite the presence of a Board of Directors, which clearly shows that some of the directors were senior executives in the National Treasury.

5.4.9.2 Theme 2: Political influences

Political influences can make or break an organisation because decisions are made premised on political affiliation. Being a state-owned enterprise, the chances of political influences are rife, thereby creating conflicts and corporate governance challenges for the shareholders and the directors.

“It is also good to have buy-in from the highest levels. When you are going to do something, you get buy-in from the Board and the Senior Management and you are able to do that. If you do not have buy-in, then you end up not achieving what you want to achieve” (Participant C).

“Yes, I think the first one behest constraint. That is number one. Number is those risks that are emanating from external sort of source. So, majority of our challenges, they are coming from external. You are working hard, you address but there are still the challenges, they are sitting on our strategic risk” (Participant D).

“But we also have a mandate of a universal access, so there’s even involvement from government. So, we needed to understand this as well” (Participant E).

The study revealed that no plans would be implementable without top management buy-in, which is a clear indication that the political forces had to approve all the plans, objectives and resources that were used in the organisation. Most of the challenges were coming from external forces, which in this case involve government and political influences. The participants stated that they would have been happy if their activities were not politically influenced as that would give them the autonomy to make informed decisions that would enable them to achieve the desired goals.

5.4.9.3 Theme 3: Policy directives

Being a state-owned enterprise, every activity should be driven by policies to mitigate corruption and enhance efficiency. However, policy directives seem to work against the organisation’s corporate objectives as shown in the responses below:

“Policy directives and then it is also sometimes the industry that we operate in. The industry that you operate in can be constrictive in the sense that they, the industry is allowed to do everything that they want because they are in the private sector, but we are bound by the rules. Strict rules of how we need to operate, of how we need to talk to acquire, to talk to the suppliers and so on” (Participant A).

“The Minister of Finance, budgets need to be cut by 40%, you have no control over that” (Participant B).

“I mean, sometimes there is also a factor of you getting all these other projects that were not part of the plan, but you have to be involved and be a part of them. Last year we did a skills audit. It was not part of the plan. An order just came ‘do this skills audit within a set period of time’, so something had to give in” (Participant C).

The issues that emerged were that the industry in which the organisation operated in, had so many regulations, therefore, it was required to adhere to them as it was bound by those rules.

The budget cuts by the Minister of Finance negatively affected the organisation's operations because it did not have control or the power to contest the directive. It emerged that the organisation was instructed to conduct a skills audit at short notice, thus, attention was focused on the exercise instead of on attending to the corporate objectives. The skills audits are good exercises to identify fraudulent qualifications and people appointed into wrong positions which are not aligned to their capabilities.

5.4.9.4 Theme 4: Lack of skilled personnel

There is a shortage of skills in certain disciplines in South Africa and these include but are not limited to industries such as engineering, accounting, and finance, as well as in information technology. With reference to the scarce skills, public and private sector enterprises are competing for them, thereby resulting in high remuneration in the private sector. This leaves the public sector with less skilled labour. The following extract confirms the challenge of lack of skilled personnel.

“Number three is, we got a challenge in terms of resources internally. For the past two years we have been, there is a moll, end of that to be boost to us as a company, so we cannot replace some of the critical position that when people have left” (Participant D).

It was evident that certain assignments could not be performed by the organisation because there were no skilled people and the ones who had left the organisation, could not be replaced. The lack of skilled personnel is linked to succession planning. One would ask if the organisation had succession plans in place?

5.4.10 How do human resources issues impact corporate plan implementation?

The last question of the interview protocol sought to establish how human resource issues impacted the implementation of corporate plans. There were three themes that emerged from this question and they were:

5.4.10.1 Theme 1: Employee morale

At the core of employee performance is the concept of morale. Morale is a huge determining factor in many organisations. This is confirmed in the following extract:

“...in terms of making sure that the morale of the employees is there, you should be able to count on that. The morale's affect. Other people just decide to not give it their all and if you have an environment where you are experiencing that, you

end up having a lot of grievances and disciplinary enquiries and you just do not want that kind of environment” (Participant C).

The participants’ opinions were that employee morale should be boosted and it should always be positive. The working environment, working conditions, working relationships, grievances and disciplinary procedures should create an atmosphere of fairness.

5.4.10.2 Theme 2: Competent skilled human resources are required

In Subsection 5.4.9.4 above, the study indicated that the lack of skilled human resources was a huge challenge in South Africa. In this theme, the participants indicated that the implementation of corporate plans required competent skilled personnel. The following responses were given:

“Like I said earlier on, if you have a fantastic corporate plan, which you got all the consultants assist you to write and the board and so on, but you don’t have the human resources to actually do the implementation, then you have got a very good theoretical book which you can just put on your shelf there” (Participant A).

“Our area is not the only one, but it is a very important one actually to execute and again, the resources that you have available again will directly impact your ability to either fully your organogram or not. So that’s the one side of it, do you have the right people and then those people in the right places in the organisation. Are they the best suited to execute and to deliver on what you want them to actually be doing?”(Participant B).

“That we, our resources sort of capacity now is a challenge and to a very large extent it will impact the delivery of the corporate plan, or the KPI’s that we have said in corporate planning” (Participant D).

“Finance in as far as making sure there liquidity in the organisation and there’s funding that’s available for us to implement on the sales that are delivered. HR in as far as making sure that the staff, the, the, the, the organisation is fully capacitated to execute on the, on, on, on, on the, on the KPI’s” (Participant E).

The organisation might have a fantastic corporate plan, but the implementation was another thing. The participants agreed that competent human resources were required to do the actual implementation. In addition, the personnel’s capacities should be evaluated as well. There

might be a few competent personnel expected to do the work of many people, thus, the workload will outweigh their capacities. These factors were outlined by the participants as key indicators that should be looked at or considered by the organisation in their plans.

5.4.10.3 Theme 3: Employment and performance contracts

The last theme focused on employment and performance contracts. Competency should be evaluated through performance targets. The participants stated that:

“...then it’s just a matter of managing those resources to actually deliver what they are capable of delivering and therefore you will have a good performance contract with them to make sure that you cover all the aspects of contract with an employee from a performance contract so you will know, human side, financial capital and all of those aspects. I can’t remember, there’s a word for it but it slipped my mind” (Participant B).

“The Organisation has with unions or with Labour. Especially in an organisation where there is a union presence. And we have employees here and we want to take care of them, one, two, after that and all that. As much as the union wants certain things that they want, what if we were not able to offer it? So that relationship is very important. Because that can actually cause chaos within an organisation” (Participant C).

“That get broken down to individual performance. So, it means there must be home body to deliver on those performance contracts. So, it is very important that we have the home bodies there in those positions to make sure that they run the individual KPI’s that eventually will add up to divisional and to the company” (Participant D).

Though it was not explicitly stated, the participants unanimously agreed that every person should have an employment contract which outlines their performance expectations. This means that every employee should be clear about their performance targets. Finally, also raised is the presence of trade unions representing employees and the maintaining of good relations with it, as it is responsible for ensuring the welfare of its members.

5.5 Chapter conclusion

In short, this chapter presented the six-step thematic data analysis process. Furthermore, this was followed by a presentation and interpretation of the research findings. In fact, one section

focused on the demographic profiles of the participants and this was followed by the themes that emerged from the study. On the one hand, a total of ten open-ended questions were used during the telephonic interviews. All the five participants provided different opinions and perspectives to the issues that were asked, thereby resulting in rich datasets. The emerging themes were interpreted in line with the respective research questions from which they were associated. In the next chapter, the research findings are discussed in line with the literature reviewed in Chapter 2.

CHAPTER 6: DISCUSSION OF FINDINGS

6.1 Introduction

The research results were presented in the preceding chapter. This chapter discusses the results in line with the emerging themes for each research question. The two research questions developed and presented in Chapter 3, are restated followed by a discussion of the findings. The researcher makes constant reference to the literature review to address the research problem. The research questions are restated as follows:

The central research question was:

- *How does the selected South African commercial state-owned entity execute its corporate strategy?*

While the associated sub-question was:

- *What obstacles hinder the selected state-owned-entity from executing the formulated corporate plan?*

6.2 Discussions

A total of five senior executives were purposively selected for this study. Of the total, three were males while the other two participants were females. It was necessary to include a diverse sample to obtain diverse opinions and personal experiences that enriched the study. This section comprised of two subsections namely: the discussions related to the central research question and the discussions related to the associated sub-question.

6.2.1 Discussions related to the central question

It was imperative to dissect the discussions into two sections because the central research question influenced the development of most of the open-ended questions that were used during the interviews. These were as follows:

6.2.1.1 How are corporate plans developed?

The study explored the processes followed by or that was inherent in the SOE's approach to the formulation of corporate plans. There were two themes that emerged, and these were multi-stakeholder consultations and the inputs from the departments to align with corporate strategies. The participants indicated that since the SOE was controlled by the government, there were multiple stakeholders that were involved in the formulation of these strategies. The participants acknowledged that the inclusion of all the stakeholders created a sense of ownership in the eyes of the stakeholders, and they also advised that a wider and broad spectrum of ideas would be captured to develop effective corporate plans for the SOE. The views raised by the participants resonate with the way SOEs operate or are managed globally

as stated by Rudy, Miller and Wang (2016) who posit that there is a defined way in which these entities operate. It therefore made sense that the multiple stakeholders had a vested interest in the activities of the SOE, thus, they should be involved in the strategy formulation and implementation process. Moreover, the planning school within the prescriptive / rationalist schools view as highlighted by George (2020) is employed to formulate corporate strategy. As it is structured, it offers a standard approach and various tools and frameworks to support and guide the top executive management. For example, the National Treasury documents prescribe the timing and the process of strategy formulation.

Pollanen et al. (2017) define SOEs “as a state-owned entity is a legal entity created by government, to partake commercial on the government’s behalf” (p. 727). This statement buttresses that many stakeholders are involved and have a keen interest of how value is created by SOEs. In addition, the participants indicated that the departmental strategies were incorporated into mainstream corporate strategies. With reference to the multi-stakeholder approach in strategy formulation, the literature demonstrated that there are various forms of state interventions that are parallel to their corporate strategies. The departmental managers or executives developed their strategies under the auspices of; the PFMA of 1999, the National Treasury guidelines and under the Constitution of the Republic of South Africa. This also demonstrates that ultimately the strategies are developed by the central government, unlike in the private sector where strategy formulation is evolving. The employees and managers are granted the autonomy to contribute to the process and nurture a sense of ownership (Adobor, 2019).

The literature supports that the involvement of the central government as a key shareholder and contributor to the strategic management process also raises concerns that the SOE executives cannot operate independently or in line with the private sector practices. This view is supported by Hansen and Ferlie (2016) who highlighted that the application of strategic management utilities, including strategy formulation in the public sector could be restricted by the SOE’s mandate and the applicable legislations.

6.2.1.1 What are the strategic objectives of the SOE?

This question established the strategic objectives that were pursued at the selected SOE. The key themes were to provide excellent customer services, cost reduction and to create an increase of profit margins, business expansion and introduce the penalties for not meeting customer expectations. Being an organisation that provided technical services to its customers, the participants indicated that there were competitors in the same sector as the SOE. Therefore, superior customer services were a major differentiator for competitive

advantage. Excellent customer services could be improved by eradicating incessant complaints, as well as by developing a well-understood complaints policy. Furthermore, the participants stated that the customers needed to access reliable services at affordable costs. The financial stability of the SOE could be enhanced through cost reductions and increased profits.

With reference to the commercial SOEs that were described in this study such as the SABC, Broadband Infrastructure, ACSA, PRASA or ATNS, the study revealed that these institutions are established to make a profit for government whilst creating value for society. Their relevance is shown by Bova and Yang (2018) who demonstrate that SOEs are strategic to the global economy by providing important services. Thus, the statement supports the participants' opinions of providing excellent customer services. Excellent customer services are an integral part of the government's achievement of social, economic, and national development goals (Rentsch & Finger, 2015). Therefore, it is important for SOEs to develop, implement and monitor their corporate strategies in line with the society's expectations, failure of which is detrimental to the SOE. The participants indicated that everyone in the organisation should work towards achieving the strategic objectives to mitigate the penalties that accrue when customers are not happy with the services.

During the interviews, it emerged that one of the strategic objectives for the SOE was business expansion and this was non-negotiable. There were opportunities to expand product offerings to the existing customer base. This involved innovation and new product development, to define the organisation's customer service excellence. It was also revealed that the expansion of the organisation should consider markets where it was not visible or not known. The corporate plans addressed business growth expansion and the approaches that enable the firm to reach out to unserved markets.

As the participants stated the SOE's strategic objectives, the researcher was interested to establish if the strategic objectives were well-outlined and understood by everyone in the organisation. The next section discusses the opinions raised during the interviews regarding the outlining of strategic objectives.

6.2.1.2 Are the strategic objectives clearly outlined?

In this question, the study revealed two themes: clearly articulated and easy to understand; and the employees can easily identify with the objectives. All the participants confirmed that the objectives were clearly understood by all the employees because the strategy formulation process involved multiple stakeholders. Though the final output corporate plan was discussed

and debated by the top leadership, the overall processes involved the employees at departmental levels. The involvement of multiple stakeholders was a competitive advantage because this minimised further training that might be required to impart knowledge and understanding to employees who might not be privy to the strategic objectives.

The participants also indicated that due to the intensity of the strategy formulation process and the level of employee involvement, most of the employees identified themselves with the objectives thereby creating a sense of ownership in the strategic objectives. It was revealed by the participants that their desire was to see management and employees working together during the strategic management process. When one is familiar with the whole process, it becomes easier to understand and resonate with what is expected of one. Foss (2020) states that in the contemporary business environment that is fraught with global challenges and pandemics, the organisations should move away from traditional strategy management processes to inclusive and consultative processes. This demonstrates that everyone should be involved to have a better understanding and explanation of the process. The literature also states that before employees commit to the corporate strategy, they need to know and understand the corporate strategy (Ateş et al., 2020). This assertion buttresses the views raised in the above two questions.

6.2.1.3 How does the SOE communicate strategic objectives?

This question helped the researcher to explore the strategies that were used to communicate corporate plans. The researcher was cognisant that the participants had indicated that the formulation process was a multi-stakeholder consultative process, therefore, at formulation process, communication took place. The participants also indicated that the senior managers were responsible for communicating the corporate plans in their departmental meetings. When people are engaged in a certain topic or subject, there are opportunities to interrogate the issue in detail, which might result in agreements and disagreements, thus, communication takes place in such environments.

The SOE's strategies were communicated through the corporate strategy document. It emerged that the corporate plan was the final document, which was shared with top, middle and low-level management and the employees in the organisation. Everyone in the organisation was privy to the organisation's objectives, goals, and vision, and were thus, expected to align their departmental and individual goals to that of the corporate strategy. The organisations that involve various stakeholders in the development of corporate strategies are more open and transparent to their employees because they create a sense of ownership of the plans (Bova & Yang, 2018).

There is evidence from the literature that everyone in the organisation was privy to the corporate plans. Johnson et al. (2008) state that the three management levels which are top, middle, and low are guided by the firm's strategy. The shareholders are concerned with value creation across the organisation, while the middle level managers are concerned with the business within particular markets. As corporate strategies cascade downwards through the different levels, they become less complex and become easier to decipher at operational level. With limited literature on the strategic management process in SOEs, there was no literature that discussed the communication processes used.

6.2.1.4 Does the organisation have an organogram and how does it support corporate plan implementation?

With reference to the preceding question, the study explored if the organogram supported the implementation of corporate plans. Johnson et al. (2008) allude to the three levels of management in most organisations. This supports the participants' views when they stated that divisional heads and line managers were responsible for communicating corporate plans. It emerged that permanent organograms provided continuity because established and permanent positions required people to be appointed in those positions for accountability. In addition, the participants stated that every post in the organisation should be occupied by skilled human resources. The organograms are designed in line with corporate objectives so that they support the organisation's vision and mission, therefore, the KPIs are necessary to help assess the performance of each unit or department, which in turn had an impact on individual employees.

The participants also stated that the organograms are important because they contain an organisation skills database for future succession plans. It was stated that the selected SOE provided technical solutions, therefore, specialist skills were mandatory for its operations. The participants were happy to see that the organogram provided pertinent information about the types of skills that were available and those that were deficient in the organisation. It emerged that a well-resourced organisation with the right skills, and permanent appointments was likely to succeed than one whose personnel were employed on a contract basis. Organograms were preferred because they assisted the management to understand the number of people that were required to deliver certain projects and plans on time.

The views by Barrick et al. (2015) that when "implementation is effective, employees are more likely to see how their and other' roles contribute to the organisation's performance which, in turn, give employees a greater collective sense of value and purpose" (p. 119) tend to support

the role of organograms in the implementation process. The participants indicated that their divisional managers and heads of department played significant roles in communicating corporate plans, and this demonstrates the existence and roles of organograms on strategy implementation. Barrick et al. (2015) support the participants by stating that, "collective organisational engagement is an important motivational capability that influences the entire organisation" (p. 130).

The participants indicated that the organograms were imperative in the organisation because the managers were able to identify the vacancies that required to be filled. It emerged that the managers used the organograms to redeploy the resources to more demanding projects or assignments. If managers are not able to fill the vacancies, this might lead to failure to achieve its strategic objectives such as excellent customer services, the acquisition of new customers within a defined period and value creation for its shareholders. Fries et al. (2020, p. 2) assert that, "strategy implementation implies shifting salience from making decisions about the strategic direction to moving along that path and making things happen". This also supports the participants' opinions about the importance of the organogram in the organisation. Everyone has a collective duty to play in the implementation process. Thus, the top management team being the dominant coalition, including the CEO, and the senior team are at the forefront of strategy implementation (Pitelis & Wagner, 2019). It should be noted that, for SOEs, the dominant coalition is much bigger because it includes the members of the Board, Chairperson of the Board, the executive authority, and the minister that is responsible for that entity. The impact of the organogram cannot be underestimated because it helps the managers to identify the areas with weaknesses. In the next section, the different strategy implementation activities are discussed.

6.2.1.5 Explain strategy implementation activities

The study evaluated the activities that were carried out during the implementation process. The themes that emerged included planning and budgeting, reward management and multi-stakeholder consultations. The researcher believes that planning and budgeting are some of the key activities that precede any strategy implementation process. The mobilisation of resources, putting together plans and ensuring that the plans are executed were highlighted by the participants. Planning helped the managers to ascertain their resource capabilities to implement corporate plans. The participants also highlighted a fundamental area of planning which was often overlooked in many organisations' successions planning. There are reports that the working conditions and the rewards management in the public sector are not as competitive as those in the private sector, therefore, there is a high chance that the key people can be head-hunted by the private sector. If such situations occur, the question that arises is,

does the SOE have contingency measures to replace the employees who left the entity? In most instances, due to the lack of succession plans, it becomes difficult to replace certain skills. This relates to the importance of organograms which help managers to identify such vacancies and skills shortage.

The participants emphasised the concept of rewards management as a key activity in the strategy implementation process. It was highlighted that at times key people leave the organisation amid implementing strategies, thus, paralysing the projects. The participants' desires were to see a review of the rewards and incentives management systems in the SOE to retain talent. Reviewing the rewards management system would be viewed as a good management practice as suggested by Lockett et al. (2020) who assert that every organisation influences the adoption of good management practices to enhance employee trust and confidence. The concept of New Public Management was cited in literature as the apparatus for infusing good management practices (Rudy et al., 2016).

Adobor (2019) points out that, "strategy execution involves concrete measures that translate strategic intent into actions that produce results" (p. 386). All the activities carried out should contribute significantly to strategy implementation. Thus, the participants indicated that stakeholder consultations become the order of the day because everyone has a keen interest in the result of the strategy. It is imperative to involve multiple stakeholders because there were multiple stakeholders during the formulation process. This would help to get clarity in certain areas. People might have different interpretations to certain processes, but wider consultations might mitigate errors and, in some instances, speed-up the implementation process.

When undertaking all these activities, the management is cognisant of the implementation timelines and objectives. Therefore, there should be defined periods of carrying out each of the activities to mitigate expenses. Numerous activities have the potential to divert the scope of the project which might lead to prolonged completion, more financial resources, and failure to complete the strategy implementation project.

A very important concept that arose during the study was the impact of policies on strategy implementation. It was acknowledged that the SOEs are government run institutions, and by default, the government is the major shareholder with supervening authority and power on the affairs of every SOE. The literature states that a key activity is to develop the firm's organogram to provide information for strategic decision-making. The top management needs to understand its staffing levels or deficiencies which might curtail the organisation's goals

(Ates et al., 2018). The next section explains the role of policies on corporate plan implementation.

6.2.1.6 How do policies support corporate plan implementation?

Successful strategy formulation does not necessarily deliver successful strategy implementation (Pitelis & Wagner, 2019) as such, strategy implementation should not be allowed to slip under the radar. The views by the authors are important to understand how policies influence the implementation of strategies. The study revealed that every decision taken in an SOE should be informed by the PFMA of 1999. This was viewed as the best form of controlling activities of public officers to mitigate corruption.

The participants also agreed that the policies were important because most of the strategic objectives of the SOE were aligned to the National Development Plan (2025) goals, thus, the government has a vested interest to see to it that its goals are achieved. It emerged that the policies were instrumental in the procurement of tender processes. The participants succinctly revealed that the policies were needed to do certain things and to drive certain behaviour within the organisation. The absence of stringent policies can be a breeding ground for corruption especially in the procurement systems. The participants' views are supported by Rentsch and Finger (2015) who stated that SOEs are regulated by specific legislations and public service regulations. Their mandate and governance are informed and guided by these specific legislations and public regulations. It was also highlighted that the public organisations can be restricted by their mandate (Hansen & Ferlie, 2016).

However, these SOEs face a challenge of finding ways to deal with these various forms of state interventions in parallel with their corporate strategies. In other words, the managers seek some managerial freedom during strategic management. One such instance state intervention, is the National Treasury various regulations and frameworks, the Constitution of Republic of South Africa, and other legislations such as the Public Finance Management Act (PFMA) of 1999. Moreover, the National Treasury's engagement with the Policy Framework for the Government Wide Monitoring and Evaluation system revolves around ensuring that the information on corporate strategy monitoring and control underpins the corporate plans formulation and corporate plan implementation (Policy Framework for the Government-Wide Monitoring and Evaluation System, 2007). However, the participants argued that the National Treasury's guidelines were cumbersome and tedious, thus, the procurement of certain goods and services was curtailed. One participant indicated that there was no emergency procurement in SOEs. If one violated the NT guidelines, that warranted prosecution.

The views raised in this theme also showed that there were some directives from external or political forces to senior management compelling them to perform certain activities or to procure goods and services, but these were not in the initial plans and budget. The pressure that was exerted created challenges for management as they had to grapple with the National Treasury guidelines on one hand and immediate action on the other. The researcher concurs with the participants' views that considerable pressure can come from external sources because a public entity attracts interest from tax-payers, as well as would-be investors, therefore the minister responsible for public enterprises has the mandate to intervene and take full control of the SOE.

For State-Owned Enterprises, the dominant coalition is much bigger because it includes the members of the board, the chairperson of the board, the executive authority, and the minister responsible for that entity (Pitelis & Wagner, 2019). The question that arises is, to what extent does the external force positively or negatively impact on strategy implementation? This is a very important question because it helps strategic management scholars to understand the severity of political influence on the SOEs' endeavour to engage in the strategic management process. Packard and Clark (2019) asked, "when should the managers formulate corporate strategies furthermore when should they adopt a more dynamic, adaptive strategy" (p. 766)? It is argued that managers face a challenge when having to decide when to employ a "predictive planning approach versus a more adaptive and flexible (non-predictive) strategic approach" (Packard & Clark, 2019, p. 766). The views by Packard and Clark (2019) affirm that the top management might develop exceptionally good strategies but their efforts to implement them might be scuppered by external policies or directives.

The impact of policies on strategy implementation has demonstrated that management might face dilemmas in the daily activities because of policies and external directives. In the next section, the study explored the role of financial resources in strategy implementation.

6.2.1.7 How do resources support corporate plan implementation?

George (2020) states that little is known about the conditions under which corporate strategies are successfully implemented, resulting in a lack of evidence-based insights into how to successfully implement corporate strategies in SOEs. In addition, Tawse and Tabesh (2020) state that, "effective strategy implementation is a critical component of an organisation success and a potential source of a competitive advantage" (p. 1). In addition, Sull et al., (2015) point out the difficulty of executional excellence as a major obstacle in most organisations. For instance, the commitments across functions and business units are imperative as these help management to determine which areas require resources. The views

raised in the literature review resonate with the participants' opinions which emerged during the interviews. It was stated that the financial resources were the requirements of corporate plan implementation. The lack of financial resources cripples everything. With adequate financial resources, a firm can fund its activities such as hiring highly skilled personnel who can be rewarded competitively. It was revealed that the financial resources should not be misused, and a high degree of accountability should be emphasised.

The participants indicated the need for transparency and equitable distribution of financial resources. Many organisations run on very stringent and tight budgets; thus, the allocation of financial resources should be transparent. The lack of transparency can lead to conflicts and mistrust amongst managers and employees. The study also revealed that available resources should be used optimally with proper accountability. Therefore, the National Treasury, PFMA of 1999 and external directives might be relevant to mitigate the wastage of resources. Another important view was attributable to the permanent appointments of staff members for continuity and stability purposes. When people are appointed in permanent positions, they become knowledgeable and they also become experts in their responsibilities, unlike contracting employees for a period and then replacing them with new employees who might require some training.

6.2.1.8 How do human resources issues impact corporate plan implementation?

Strategy execution should provide guidance while allowing some flexibilities for management to seize novel opportunities, mitigate unexpected risks and adapt to the local environment (Sull, Turconi, Sull & Yoder, 2018). To execute corporate strategies, the management must foster coordination across units while building the agility to adapt to changing markets (Sull et al., 2015, p. 61). Furthermore, Ateş et al. (2020) state, "that when employees are committed to the corporate strategy, they recognize that their efforts are an integral part of the organisation's successful strategy implementation" (p. 639).

Ates et al. (2018) assert that "no matter how well-formulated the strategy is, human resources are key determinants to its effectiveness because they put it into practice" (p. 639). Furthermore, Lee and Puranam (2016) posit that the failure of strategies is attributable to the lack of commitment from middle and lower-level management teams. Indeed, this demonstrates that competent skilled human capital with the right mindset should be identified and recruited to occupy strategic positions. The participants also highlighted the importance of hiring competent and skilled people into permanent positions. The corporate plans should consider the organogram and the accountabilities in each role. The argument postulated was that the SOE provided technical solutions, thus, skilled technical personnel were a must. In

line with the assertions by Lee and Puranam (2016), the participants stated that, competent personnel's capacities should be evaluated as well. There might be a few competent personnel expected to do the work of many people, thus, the workload will outweigh their capacities. Evaluation in the form of performance contracts and appraisals is key.

The role of human resources cannot be complete if the organogram is left in the discussion because organograms help management to determine the staffing levels and deficiencies. Without an organogram, the organisation can face challenges that might hinder it from achieving its vision and mission. Ates et al. (2018) are of the view that strategy implementation requires commitment from everyone in the organisation, thus, each individual person has a responsibility and accountabilities that contribute to performance measurements. With the organisational unit, everyone should cooperate and support the strategy (Ates et al., 2018). The views by Ates et al. (2018) are supported by the participants' responses in that low employee morale can negatively impact performance. It was revealed that employee morale should be ever-present in the organisation and this was exhibited through working conditions, working relationships, grievance and disciplinary procedures as well as rewards management systems.

6.2.2 *Discussions related to the associated sub-question*

In this section, the study discusses the challenges that impeded the implementation of corporate plans. The researcher acknowledges that the associated sub-question augmented the primary research question by addressing the factors that might have contributed to the failure of some SOEs.

6.2.2.1 *What challenges impede the implementation of corporate plans*

The participants indicated that the unfair allocation of resources often created conflicts and failure to implement strategies timeously. It emerged that the scarce financial and human resources have been major impediments to carrying out strategic projects in organisations. With reference to market risk factors such as the COVID-19 pandemic, the firms might not successfully implement their strategies because people are working from remote locations. Some assignments might require people to work close to each other. One limitation to funding was the inability to borrow from financial institutions because this was a state-owned enterprise which required approval from the Cabinet and from the National Treasury. The participants stated that they would be happy if some of the capital projects were successfully completed had there been adequate funding.

According to Porck et al. (2020), "implementing strategy demands an organisation-wide effort, where teams should not operate in isolation" (p. 234). The challenge faced by the management including the SOEs management is, "eradicating silo thinking and creating shared understanding of strategy between interdependent teams" (Porck et al., 2020, p. 234). The views by Porck et al. (2020) were highlighted by the participants when they highlighted that the contemporary business environment demands a consultative and engaging strategy formulation process. This allows the sharing of information and the exchange of ideas. The participants also indicated that there are multiple stakeholders that are involved in the strategy formulation and implementation process as a way of diffusing the silo mentality that was highlighted by Porck et al. (2020).

Before employees can commit to the corporate strategy, they need to know and understand it (Ateş et al., 2020). In addition, Fries et al. (2020) assert that "strategy implementation implies shifting salience from making decisions about the strategic direction to moving along that path and making things happen" (p. 2). Formulating and implementing corporate strategy results in decisions that can have significant, long lasting consequences as such there is a requirement to continuously evaluate, monitor and control the corporate strategy (Elbanna et al., 2020).

Strategy implementation is closely related to organisation change because strategy changes, require changes in established reporting lines (Barrick et al., 2015). Moreover, for the executive management team to be effective, it has to formulate strategy and it must also play a prominent role in managing its implementation (Barrick et al., 2015). Elbanna et al. (2020) point out that it, "remains unwelcome that many strategies do not have the desired impact on performance" (p. 561). Indeed, strategy failure is mainly attributed to poor execution as stated by Elbanna et al. (2020) that research in execution is critical and warrants attention.

The SOEs are controlled by the government through the Minister of Public Enterprises, thus, the management of these institutions gets its directives from the respective minister. The participants indicated that the external directives and political influences curtail strategy implementation, unless there is approval from the minister and the parliament. With external forces are issues related to policy directives that are given at short notice, thus, the normal course of operations is affected by the new directives. For example, if the Minister of Finance decides to cut the SOE's budget by 40%, the management does not have control over such decisions, and this affects all the other activities of the organisations. Another example of policy directive was the instruction to conduct skills audits at short notice, thus, attention was shifted from strategic objectives.

There are reports that there are certain skills that are in short supply in South Africa. This supports the participants' views where they indicated that the implementation of strategies with limited or no skilled human capital was consequential to the organisation. It was evident that certain assignments could not be performed by the organisation because there were no skilled people or the ones who had left the organisation, could not be replaced. The lack of skilled personnel is linked to succession planning. The presence of an organogram would help top management to identify these deficiencies and take appropriate actions before the situation gets out of control.

6.3 Conclusion

This chapter discussed the primary research question as well as the associated sub research questions. It was pointed out at the onset that the primary research question informed most of the open-ended questions that were explored in the telephonic interviews while the associated sub question focused of the challenges confronted at strategy implementation. Moreover, the discussions in this chapter were supported by the literature review to address the research problem. As such, the researcher was satisfied that the research questions were successfully addressed through the emerging themes. In the following final chapter, the conclusions and recommendations are made.

CHAPTER 7: CONCLUSIONS AND RECOMMENDATIONS

7.1 Introduction

Having discussed the research results in Chapter 6, this chapter presents the conclusions and recommendations. The structure of the chapter entails conclusions from the primary research, and it is followed by conclusions from the literature review. The suggested recommendations are based on the summaries of the primary research question and the literature review. The implications to practice policy, and future research are presented before the final research conclusion is presented.

7.2 Conclusions from primary research

Data collection was guided by the two research questions which are a central and an associated sub-question. The primary research question informed the development of most of the open-ended questions that were used during the telephonic interviews. While the associated sub-question focused on the challenges that were confronted by the SOEs in the implementation of corporate plans. Five senior executives were purposively selected to participate in the study because they satisfied the inclusion criteria. All the managers possessed relevant working experience and were knowledgeable about the selected SOE, thus, they were in better positions to address the research questions that were posed.

The first question of the study explored the process of developing corporate plans. The participants indicated that the development of strategy was a formal, rational approach, and consultative process involving multiple stakeholders because the entity was largely controlled by the government. The employees, management, suppliers, and the customers were involved in the process. The study concludes that the strategy formulation process was not a prerogative of top management as many people were involved even though formal and rational. This approach is in line with trends in the contemporary business environment which have seen a lot of firms moving away from the traditional strategic management to more inclusive and consultative approaches. Moreover, Foss (2020) states that in the contemporary business environment that is fraught with global challenges and pandemics, the organisations should move away from traditional strategy management processes to inclusive and consultative processes. The executive managers developed their strategies under the auspices of the PFMA of 1999, the National Treasury guidelines and the Constitution of the Republic of South Africa. Hansen and Ferlie (2016) highlight that the application of strategic management utilities, including strategy formulation in the public sector could be restricted by the SOE's mandate and must be applicable to relevant applicable legislations.

Some of the strategic objectives included excellent customer services, cost reduction by 5% in the next financial period; the acquisition of 15 customers in the next year and the expansion to areas where the organisation's products were in high demand but there was no footprint. To achieve these strategic objectives, the participants were asked a follow-up question which evaluated the extent to which the strategic objectives were clearly outlined and understood. All the five participants indicated that the employees and the managers were well-versed with the strategic objectives because most of them would have participated in the formulation process. In addition, the participants indicated that at departmental level, the strategic business units' strategies were developed, and these were used in the corporate plans, thus, the objectives were understood very well. Their relevance is shown by Bova and Yang (2018) who demonstrate that the SOEs are strategic to the global economy by providing important services.

In the fifth question, the study analysed the communication processes and strategies used by the selected SOE to communicate its objectives. The participants indicated the use of the corporate plan document which is produced at the conclusion of the formulation process. The divisional managers and or the heads of department were instrumental in communicating the corporate plans. The most effective process of communicating the corporate plans was during the strategy formulation period where people engaged and debated on topics to find a common solution. The organisations that involved the various stakeholders in the development of corporate strategies are more open and transparent to their employees because they create a sense of ownership of the plans (Bova & Yang, 2018). The intranet and emails were used to impart information to employees and shareholders. The study concludes that various approaches were used in the belief that they were aligned to the organizational value system.

The concept of the organogram and its role on supporting strategy implementation was discussed through the lens of question six. It emerged that the organograms are strategic management tools that define the roles, accountabilities, vacancies, and deficient areas for the management's attention. In addition, the management uses organograms as databases of skills if the human resources must be redeployed to other tasks. Barrick et al. (2015) state that when implementation is effective, "employees are more likely to see how their and other' roles contribute to the organisation's performance which, in turn, give employees a greater collective sense of value and purpose" (p. 119). It is concluded that the organogram is imperative in the corporate strategy implementation because it provides information for strategic decision-making.

When firms implement strategies, planning and budgeting, the development of the organogram helps the management to mobilise the right and relevant resources to fund the organisation's activities. The participants emphasised the concept of rewards management as a key activity in the strategy implementation process. Reviewing the rewards management system would be viewed as a good management practice as suggested by Lockett et al. (2020) who assert that every organisation influences the adoption of good management practices to enhance employee trust and confidence. Other activities include stakeholder consultations to ensure that the scope of implementation is fully understood. The study concludes that the concept of implementation activities varies from organisation to organisation, therefore, there is no cast in stone approach to affirm which activities must be done. Each situation should be treated separately or as it presents itself.

The SOEs operate within the prescripts of the government or the political realm therefore, various policies should be adhered to. The participants also agreed that the policies were important because most of the strategic objectives of the SOE were aligned to the National Development Plan (2025) goals, thus, the government has a vested interest to see to it that its goals are achieved. It emerged that the policies were instrumental in the procurement of or in the tender processes. The participants succinctly revealed that the policies were needed to do certain things and to drive certain behaviour within the organisation. The absence of stringent policies can be a breeding ground for corruption especially in the procurement systems. The participants' views are supported by Rentsch and Finger (2015) who state that the SOEs are regulated by specific legislations and public service regulations. The study concludes that the policies are important to guide the activities of SOEs and they drive certain behaviour within the organisation.

To execute corporate strategies, the management must foster coordination across units and furthermore it must build the agility to adapt to changing markets (Sull et al., 2015, p. 61). Ateş et al. (2020) state, "that when employees are committed to the corporate strategy, they recognize that their efforts are an integral part of the organisation's successful strategy implementation" (p. 638). The study concludes that human resources play a significant role in driving the strategy implementation processes. Demotivated employees are likely to curtail and resist strategic change in the organisation.

Various challenges were highlighted by the participants. The emergence of the COVID-19 pandemic had the normal way of operations therefore, some assignments could not be carried out. It emerged that scarce financial and human resources have been major impediments to carrying out strategic projects in organisations. Porck et al. (2020) state that, "implementing

strategy demands an organisation-wide effort, where teams should not operate in isolation” (p. 234). The challenge faced by the management, including, the SOEs’ management is, “eradicating silo thinking and creating shared understanding of strategy between interdependent teams” (Porck et al., 2020, p. 234). The participants also indicated that multiple stakeholders are involved in the strategy formulation and implementation process as a way of diffusing the silo mentality that is highlighted by Porck et al. (2020). The participants indicated that the external directives and the political influences curtail strategy implementation, unless there is approval from the minister and the parliament. With external forces are issues related to policy directives given at short notice, thus, the normal course of operations is affected by the new directives. The study concluded that there is a myriad of challenges that hinder the implementation of corporate plans. In the next section, the conclusions from the literature review are presented.

7.3 Conclusions from literature review

The study revealed that the SOEs are business entities that are established by central and local governments whose supervisory officials are from the government. These institutions have a formal independence from public administration (Rentsch & Finger, 2015). The government creates SOEs for commercial purposes on behalf of the government (Pollanen et al., 2017).

The literature revealed that the SOEs are regulated by specific laws and public service guidelines because their mandates and governance are informed and guided by the Acts of Parliament. It was established that the SOEs fall within the ambit of the PFMA, 1 of 1999 as national public entities. In South Africa, the Department of Public Enterprises is the parent ministry that oversees the management of all SOEs. There are two categories of SOEs which are commercial and non-commercial. There are 21 commercial SOEs in the country. The National Treasury’s engagement with the Policy Framework for the Government Wide Monitoring and Evaluation system revolves around ensuring that information on corporate strategy monitoring and control underpins the corporate plans formulation and corporate plan implementation.

Globally, it is acknowledged that the “SOEs provide strategic important services such as communications, transport, energy, insurance and financial services” (Rentsch & Finger, 2015, p. 620), for example, the Federal Home Loan Mortgage Corp (FHLMC) and Freddie Mac both in the US, Development Bank of South Africa, Eskom all in South Africa and the British Broadcasting Corporation in the UK.

There is acknowledgement that little is known about the conditions under which corporate strategies are successfully implemented thereby resulting in a lack of evidence-based insights into how to successfully implement corporate strategies in SOEs. This demonstrates a dearth of studies specifically focusing on strategy formulation, implementation, and on the evaluation of SOEs (George, 2020). Despite the SOEs continuing to thrive in today's economy, they remain underexplored by management scholars (Bruton et al., 2015). The possibilities of applying strategic management in the public SOEs, including contemporary New Public Management based public organisation depends on the type of organisation that is involved. For instance, strategic management is less appropriate in traditional settings but it is more relevant in commercial "market-like-service-delivery", trading state owned enterprises (Hansen & Ferlie, 2016, p. 1).

Ferguson (2019) defines strategic management as, "a process of getting things done and the people as managers action this process of getting things done" (p. 273). Different authors define strategic management differently, but the common theme that emerges from all the definitions is that there are three stages in the strategic management process which are namely strategy formulation, strategy implementation and strategy evaluation (David & David, 2017, p. 31).

Strategy formulation is, "the process used to build a set of interdependent activities by which a firm attempts to create advantage and succeed" (Ott & Eisenhardt, 2020, p. 2280). Thus, managers formulate strategies to seize opportunities (Elbanna et al., 2020). Packard and Clark (2019) asked, "when should the managers formulate corporate strategies furthermore when should they adopt a more dynamic, adaptive strategy"? It is argued that managers face a challenge when having to decide when to employ a "predictive planning approach versus a more adaptive and flexible (non-predictive) strategic approach" (p. 774).

The second stage in the strategic management process is strategy implementation, which was the focus of this study. The main emphasis of strategy implementation research evolved from designing plans, structures, systems, incentives, and controls for effective strategy implementation. The challenge faced by the management is the silo mentality which impedes information sharing and idea generation. In addition, employees commit to implementing something they are sure of (Ateş et al., 2020).

Within the context of strategy implementation, the literature highlighted some issues that must be attended to. Maritan and Lee (2017) assert that resource allocation is fundamental to strategic management, thus, the allocation of resources is necessary to carry-out

organisational goals. When allocating resources, the managers should be cognisant that strategy formulation, performance measurement and utilisation of performance information should be done to make strategic decisions for competitive advantage. The other issue relates to the undertaken activities. However, these activities might not be clearly defined in the whole strategy formulation process. If these activities and actors are clearly defined, that would contribute to the scholars and the society's better understanding of how strategy is developed.

The study established that the lack of managerial skills, as well as incoherence between teams and the lack of commitment towards strategy implementation can adversely affect the success of a strategy (Balogun & Johnson, 2005; Labianca et al., 2000). Other scholars have raised the issue of absent leadership as a major challenge during strategy implementation. A serious lacuna is faced when the middle and lower-level managers do not feel the leadership's presence in the strategy process (Ates et al., 2018). Mubarak and Yusoff (2019) establish that the lack of leadership skills, precision planning as well as unifying resources and actions can impede strategy implementation.

David and David (2017) assert that the strategy evaluation process includes three basic activities; (i) "Examine the underlying bases of a firm strategy" (p. 360) (ii) "Compare expected results with actual results" (p. 360), and (iii) "Take corrective actions to ensure that performance conforms to plans" (p. 360). Joubert (1988) suggested two reasons for the emergence of strategy in the public sector. Firstly, strategy profiled SOEs through identifying aims, outputs, and outcomes. Strategy exists to acquire resources and achieve results.

7.4 Recommendations

With reference to the conclusions presented above, the following recommendations are suggested:

7.4.1 Improve strategic management processes in the SOEs

Both the literature review and the participants have highlighted a dearth of studies on strategic management in the SOEs. There was a belief that due to government control and political influences, the SOEs and public entities do not require strategic management approaches and methods. In the context of New Public Management, this study recommends that commercial SOEs should move away from the traditional management styles that are premised within NPM. This approach will create a paradigm shift in how SOEs are managed to create value for their shareholders and society at large. Furthermore, a prescriptive / rationalistic view, is a preferred strategy formulation by the public sector (George, 2020) in fact all the levels of government. It is not clear how flexible this structured/ formal approach of making strategic decision is to the top management who are expected to deliver results?

7.4.2 Mitigation of political interference

The participants indicated that they receive directives to do assignments that might not be planned and budgeted for, from politicians who demand that certain things should be done in a certain way which is against the organisational objectives. What was most worrying to the participants was that there were political directives and interference on one hand and stringent polices on the other, which made their work difficult. This study recommends that the parliament should enact legislation that forbids politicians from interfering with SOEs. The politicians should also be reminded that the SOEs have a fiduciary duty to create value for the society which pays taxes.

7.4.3 Rewards management review

The study has revealed that people are at the centre of formulating, implementing, and evaluating strategies. In addition, it emerged that the SOEs were faced with scarce skilled human resources due to poor working conditions and salaries. Furthermore, the skilled human resources were leaving SOEs for the private sector where there are perceived better benefits, conducive working conditions, and incentives. The loss or high staff-turnover impacts on corporate strategy implementation. The participants also indicated that the organogram provides strategic information such as vacancies, skills database, and areas where there are deficiencies. Therefore, the study recommends that SOEs with government intervention, should review the rewards management systems to retain and attract talent.

7.4.4 Strategy implementation activities

It was established that there are a few studies that have interrogated the activities and actors of strategic management. Though the participants highlighted issues on planning, budgeting, and the development of the organogram, not much is known about whether these activities are dependent on the type of organisation. This study recommends that during the strategy formulation process, the management should engage stakeholders to brainstorm on the activities that impact strategy implementation. This will help to mobilise and allocate resources for the specific activities. In addition, the clearly articulated activities also help to mitigate or accommodate external directives.

7.5 Implications for policy

The recommendations suggested in the preceding section have implications for policy. The issues that require urgent attention were the level of political influences, external directives, and the absence of literature on the strategic management processes in the SOEs. Therefore, there is a need to reinvent the wheel by taking strategic management seriously as a key determinant for the competitive advantage for SOEs. Government should pronounce a policy for all the SOEs on the need for the development of corporate plans.

7.6 Implications for practice

Literature has revealed several gaps regarding strategic management in SOEs and in general. The specific areas that have been under-researched include resource allocation and strategic management activities. The results and recommendations from this study have profound implication for practitioners who have or are not privy to strategic management processes. A paradigm shift in terms of mindset change towards embracing and applying the concept of strategic management should be adopted by everyone in the organisation. This mindset change will enable everyone in the firm to accept and practice the organisation's values and ethos.

7.7 Implications for future research

There are gaps in literature which illustrate the lack of research in resource allocation, strategic management activities, as well as the understanding and application of corporate strategies in South African SOEs. For future research, this study recommends that scholars of strategic management must interrogate the concept in more detail using comparative studies to obtain a better understanding. One SOE might be using the concept in a certain way that is different from the others, thus, comparative analysis studies will generate invaluable insights and make recommendations to SOEs. Further comparative analyses can be undertaken between SOEs in South Africa with the ones from other countries. The study also recommends that future research should extend to the impact of information and communication technologies on the strategy management process.

7.8 Final conclusion

In summary, the study explored the implementation of corporate strategies in a selected South African commercial SOE. The motivation for conducting the study was the absence of debates or studies on strategy implementation in SOEs. The first chapter of the study described the problem statement. In the second chapter of the study, literature was reviewed in relation to SOEs and the strategic management process. It was revealed that there were few studies that were done but there was a gap that needed to be filled because scholars found it difficult to comment on the subject in relation to SOEs.

The research questions were discussed in Chapter 3. The primary research question explored the approaches that were adopted by the SOE in executing its corporate strategy. The associated sub-question evaluated the challenges that hindered successful strategy implementation. The research procedures for the study were an interpretivist philosophical stance that was complemented by a qualitative research method. The appropriate data collection techniques were telephonic interviews and document reviews. The results were

presented in Chapter 4 and they were followed by an elaborate discussion of the research findings in Chapter 6. This last chapter of the study concludes and provides recommendations.

Having implemented the research processes, the aim of the study was achieved by collecting, analysing, and interpreting research data. The implementation of strategies is a huge issue in SOEs, although, the concept has not been practiced for a long period of time in the natural settings of government-controlled entities. The participants provided detailed insights about the issues that were happening in their environments, thus, there is new knowledge and information that was generated by traversing this research journey.

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APPENDIX 1: INTERVIEW CONSENT FORM

Research topic: Implementing corporate strategy: A case study of a selected South African State-Owned Enterprise (SOEs).

Researcher: Mr. Thembelani Mangena, MPhil student at the Gordon Institute of Business Science (GIBS), University of Pretoria.

I am a conducting a research on the implementation of a formulated corporate plan in South African State-Owned Entities (SOEs). Our interview is expected to last about an hour, and it will help us to understand how SOEs implement formulated corporate plans. Please note that this interview will be audio recorded. **Your participation is voluntary, and you can withdraw at any time without penalty.** All data will be stored and reported without identities. If you have any concerns, please contact my supervisor or me. Our details are below.

Researcher Name: Thembelani Mangena

Email: 19405805@mygibs.com

Phone: 082 569 5897

Researcher Supervisor Signature:

E-Mail: jabumaphalala88@gmail.com

Contact Number: 071 679 2770

Signature of participant: _____

Date: _____

Signature of Researcher: _____

Date: _____

APPENDIX 2: INTERVIEW GUIDE

Name:

Organisation:

Job Title:

Date:

Start time:

End time:

Thank you for attending this virtual meeting. I value your time and input into my research. Study is titled "Implementing corporate strategy: A case study of a selected South African State-Owned Enterprise (SOEs).

The research aims to explore the activities and obstacles to the execution of corporate plans in South African SOEs.

The nature of the research is exploratory and the insights to my research will be through conversation. In responding to the questions, I am interested in your experiences and examples from working in the State-Owned Entities. All the data that will be collected will be reported without identifiers therefore you will remain anonymous.

Before we begin, may you please read and sign the consent letter, furthermore, may you confirm that you are happy with me recording the virtual interview meeting.

Demographic data questions

1. How many years in total have you worked for state-owned entities?
2. What is your highest level of academic qualification and in which area of study?
3. What is the level of your position within the structure of your unit and the organisation?

Central Question 1

How do State Owned Entities (SOEs) describe the activities for executing formulated corporate plan?

Introduction questions

4. Can you describe based on your experience how the corporate plan gets developed? Please state how you are involved and who else is involved (inside and outside the organisation)?
5. Can you describe what are the strategies objectives, explain if they are clear and easy to understand?

Body questions

6. How are the strategic objectives communicated across the organisation?
7. Does the organisation have an organogram, and how does the organogram support corporate plan implementation?

Conclusion questions

8. From your experience and knowledge in your role, what do you consider as strategy implementation activities? Please list and explain.

Associated sub-question 1

What are the obstacles to the execution of the formulated corporate plan?

Introduction questions

1. How do policies (both internal and external) support corporate plan implementation?

Please provide examples.

2. How does resources allocation (budget) support corporate plan implementation?

Please provide examples.

Body questions

3. Based on your knowledge, what are the obstacles to corporate plan implementation? Please explain each.

Conclusion questions

4. From your experience, describe how human resource issues are making or breaking corporate plan implementation?

APPENDIX 3: ETHICAL CLEARANCE LETTER

From: **MastersResearch2020** <MastersResearch2020@gibs.co.za>
Date: Tue, 6 Oct 2020 at 09:39
Subject: Ethical Clearance Approved
To: 19405805@mygibs.co.za <19405805@mygibs.co.za>

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

ETHICAL CLEARANCE APPROVED

Dear Thembelani Mangena,

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.