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POLITICS AND PUBLIC MANAGEMENT DEPARTMENT

DISSERTATION TOPIC

**AN ASSESSEMENT OF STRATEGIC PLANNING IN ENHANCING THE
PERFORMANCE OF STATE ENTREPRISES: A CASE STUDY OF THE
INDUSTRIAL DEVELOPMENT CORPORATION OF ZIMBABWE (IDCZ)**

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MODE OF ENTRY-PARALLEL

*Submitted to Midlands State University in partial fulfilment of the requirements of
Bachelor of Science Honours Degree in Politics and Public Management.*

Gweru, Zimbabwe

2016



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YEAR GRANTED : 2016

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This piece of work is a product of my own tireless endeavour; it was not copied anywhere and as such it is my own work and original. The works of other scholars were used to substantiate arguments in this dissertation and they were all acknowledged.

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DEDICATION

I dedicate this dissertation to my mother, Raramisai Mutingwende and my sister Rumbidzaishe Audrey Jokonya. I hope that this achievement will complete the dream that you had for me all those many years ago when you chose to give me the best education you could. It is your unconditional love mother that motivates me to set higher targets.

ACKNOWLEDGEMENTS

There are a number of persons without whom this dissertation project might not have been written and to whom I am greatly indebted.

Foremost, I would like to express my sincere appreciation and gratitude to my supervisor Mrs Mutasa for her generous guidance, motivation and enthusiasm during my research.

I am hugely indebted to the Industrial Development Corporation of Zimbabwe staff for the support during my data collection period. Although they were very busy with their daily tasks, they have always been available to answer my questions.

To my mother, Raramisai Mutingwende, thank you very much for always wanting the best for me. Your unconditional love, concern, and trust in me has made me stronger, I can never thank you enough for making your children the main priority in your life. What I have done, I have done to make you proud.

My sincere thanks goes to my family, the Mutingwende family for their unflagging love and unconditional support throughout my life and studies, thank you very much.

Grateful thanks are expressed to my best friends Richard Boozai and Hopewell Mupanganyama for the support and encouragement throughout my studies.

Above all, utmost appreciation to the Almighty God for the divine intervention in the academic endeavour.

LIST OF ACRONYMS

CMED : Central Mechanical Equipment Department.

IDCSA : Industrial Development Corporation of South Africa

IDCZ : Industrial Development Corporation of Zimbabwe

ZIMASSET : Zimbabwe Agenda for Sustainable Socio-Economic Transformation

ABSTRACT

The aim of this study was to analyse the strategic planning in enhancing the performance of State Enterprises, with special focus on the Industrial Development Corporation of Zimbabwe (IDCZ) which falls under the Ministry of Industry and Commerce. The study had to explore the strategic plans and goals of the Corporation, examine the Corporation's resources and priority allocations, ascertain the current performance and the gap to the vision and how strategic plans were measured and reviewed by the Corporation. It also aimed to determine the strategic planning challenges faced by the Corporation. Bryson (1988) strategic planning theoretical framework was adopted in this study. Qualitative and quantitative methods of enquiry and presentation were used. Semi structured interviews, questionnaire and content analysis were used as data collection methods. Out of a population of 47 employees, a sample of 30 subjects participated in the research having been selected through purposive sampling on management and simple random sampling on non-managerial staff. Data collected showed that most of the Corporations' investments were performing below 50% due to lack of working capital and poor strategic planning. The Corporation adopted the 4-D strategy in which some of its investments were in the process of being disposed. There was a huge negative empirical gap between the current performance of the Corporation and its vision. There is evidence of poor strategic planning at IDCZ given the continued decline of production capacity and revenue from US\$128.1 million in 2013 to US\$97.3 million in 2014. The study recommended the need for Ministry of Industry and Commerce to intervene with turnaround strategies, policies and to provide funding for re-capitalisation as a salvation for IDCZ group companies.

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CHAPTER 1

1.0 Introduction

This dissertation examines the Strategic Planning in enhancing the performance of State Enterprises: A case study of the Industrial Development Corporation of Zimbabwe (IDCZ). The current dynamic changes in Zimbabwe is characterised by technological, economic, political changes, globalisation and competition which requires responsiveness to alignment of goals through strategic planning. The real test is on strategic planning of management in the current environment at the Industrial Development Corporation of Zimbabwe (IDCZ), a state investment vehicle for the promotion of local industrialisation. Also, the chapter will further provide the background of the study, problem statement, aim, main objectives, research assumptions, research methodology, research limitations and delimitations and chapter conclusion.

1.1 Background of the Study

The organization under study is the Industrial Development Corporation of Zimbabwe Limited (IDCZ) which was incorporated through its enabling Act (Chapter 14:10) in 1963 to invest in industry as a state agency. The IDC Act was amended in 1984 to allow the Corporation to promote investments and economic co-operation across borders. The Corporation identifies and develops industrial project opportunities into commercially viable ventures in partnership with local, regional, international investors, and technology and market access partners. Having been in business for the past 50 years, the Corporation has built an investment portfolio supplying quality products at competitive prices, with the core being in the sector of motor and transport, fertilizer and chemicals, cement, aluminium and base minerals processing, agro processing and glass products. It also has investments in textiles, granite processing, packaging, and insurance and real estate. It is a legal requirement for IDC that,

- “the economic requirements of Zimbabwe may be met and industrial development within Zimbabwe may be planned, expedited and conducted on sound business principles”
- Every application or proposal dealt with by it is considered strictly on its economic merits, irrespective of all other considerations whatsoever”.
- It is against this back-ground that the student researcher is studying the strategic planning by management of the Industrial Development Corporation of Zimbabwe (IDCZ).

According to Bulin (2001), strategic plans are the actions taken to carry out a strategic goal. These plans apply to the whole organization. They establish the business' overall objectives and try to position it in terms of its environment. Strategic planning results in strategic management. In relation to the strategic planning process, the strategic task determines what paths the organization will take to achieve its objectives. Jewell (2003) maintains that a strategic plan should consist of the following components; strategic planning as a map of the business, as a tool that defines the route to where the shareholders want the business to be and at the same time presents a framework of overcoming business obstacles that may be created by a wave of changes in the optimal environment.

There had been a change in the business environment due to new systems in technology, economic crises, political changes as well as competition from other contenders. This then requires more of strategic thinking from the practical business experiences companies and organisations are going through, to better manage one's business, than to stick to strategic planning which involves the application of strategy, not the development of strategy. In this view IDCZ management concentrates much on the application of traditional and cultural strategic planning, which led to the continued collapse of its group companies such as Zimglass, ZimCopper, Modzone Enterprises and Ginhole Investments which were distressed and unable to perform. Strategic planning instead of strategic thinking could arguably be the reason of IDCZ's call for dilution of its shares in some of its largest investments such as Chemplex Corporation, Motec Holdings and Olivine Holdings.

1.2 Statement of the Problem

The modern business environment in Zimbabwe requires organisational responsiveness to the changes in the macro environment, failure of which will lead to business closure. In his chairman's statement in the IDCZ 2013 Annual report, Dr J. P. Mangudya, now the Governor of the Reserve Bank of Zimbabwe reported that the Corporation had disposed of some of its investments such as Zimglass, ZimCopper, Modzone Enterprises and Ginhole Investments which were distressed and unable to perform. The Corporation called for dilution of its shares in some of its largest investments such as Chemplex Corporation, Motec Holdings and Olivine Holdings. The Chairman further reported that, for those IDCZ investments in economic distress due to change in market dynamics and whose business models were no longer viable, had to be closed. On the contrary IDCZ has a mandate of promoting

industrialisation in terms of its enabling Act, thereby creating and maintaining viable investments and at the same time creating employment nationwide. Given the above indications of failures by IDCZ and the rate at which it is closing its investments, the researcher was motivated to analyse the strategic planning and process of the Corporation in the continuous changing business environment.

1.3 Aim

1. To assess the strategic planning of Industrial Development Corporation of Zimbabwe against its legal mandate in terms of its enabling Act Chapter 14:10.

1.4 Research Objectives

- 1 To identify the strategic plans and goals of Industrial Development Corporation of Zimbabwe;
- 1 To examine the Corporations' resources and allocation priorities;
- 2 To ascertain the current performance and the gap to the Corporations' vision;
- 3 To establish how strategic plans are measured and reviewed by the IDCZ management; and
- 4 To determine strategic planning challenges faced by the Corporation.

1.5 Research Questions

- 1 What are the strategic plans and goals of Industrial Development Corporation of Zimbabwe?
- 1 Which resources does the Corporation have in place to carry out its mandate? ;
- 2 What is the current investment and operation level of IDCZ? ;
- 3 How are the strategic plans of the Corporation measured and reviewed? ; and
- 4 What strategic planning challenges are being faced by the organization?

1.6 Research Assumptions

- It is assumed that the strategic planning of management at IDCZ shall be statistically quantified and qualified through failures or successes of the organization.
- It is also assumed that the economic benefits which shall be expressed in the US Dollar will be of meaningful value to the National Budget given the value beneficiation mandate of IDCZ to the nation.

1.7 Significance of the Study

The purpose of this proposed study is to inform the Government of Zimbabwe through IDCZ and the Ministry of Industry and Commerce on how the IDCZ can be revived in terms of its management and strategic planning and processes thereby creating a sustainable socio-economic development in Zimbabwe through industrialisation. Promoting industrialisation will directly improve the socio-economic performance of the country through productivity generation and employment creation as opposed to the current position of retrenching employees across all industries in Zimbabwe. Thus strategic planning at IDCZ will realign the forty seven group companies of the Corporation nationwide thereby generating revenue for the government and improving the economy of Zimbabwe through value beneficiation.

Many researches have been carried out in developed countries. In Zimbabwe there are few researches which have been carried out considering that strategic planning is a new approach or system to the Public Sector making the research study more relevant. The findings and models to be identified by the researcher will be very useful in the Zimbabwean Public Sector. Most literature is Euro-centrism, hence making it difficult to implement in Zimbabwe or Africa because of different factors like economic performance. The study will in part the knowhow the student concerning the strategies taken on planning. This will help the student with necessary skills in his field of concern. To management, the research study will assist management to gain an insight on the course of action which the company should consider to gain competitive advantage. From the findings, the management will be able to understand and identify key success factors.

1.8 Research Methodology

Thornhill and Saunders (2005), defined research methodology as the systematic theoretical analysis of the methods applied to a field of study or the analysis of the board of methods and principles associated with a branch of knowledge. It typically encompasses concepts such as paradigms, theoretical models, qualitative or quantitative techniques that may be appropriate to the study. In this study, the researcher applied the triangulation research methodology in which processes, qualitative and quantitative methods of enquiry and data analysis were used.

1.8.1 Research Design

This research was a case study design which analysed the strategic planning in State Enterprises. The Industrial Development Corporation of Zimbabwe (IDCZ) was the case study. Stake (1995) argued that a case study is an in depth study of a practical case after

which practical solutions can be recommended to the organisation. By using a case to be examined, it gave the researcher a deeper knowledge about the studied question. Also it helped the researcher to grasp the social issues that are at hand. According to Braun and Clarke (2006), research design refers to the plan and structure of the investigation used to obtain evidence to answer research questions. Schwandt (2007) supported the arguments by Braun and Clarke (2006) by arguing that the importance of research design is that “a building contractor cannot start building blindly with only an idea of the building in mind and expect the building process to be without problems and that it will be built cost-effectively”.

1.8.2 Qualitative

Qualitative research is a broad study of a social phenomenon. Its various types are naturalistic interpretative and increasingly critical and they draw on multiple methods of enquiry such as structured or unstructured interviews, unstructured questionnaires and observations (Marshall and Roseman 2006:2). The salient feature of qualitative methods is that, it reports the findings in words through principles, models and theories. Probing is the order of the study during the interview session, sample size should not necessarily be representative but should ensure quality of data to be collected. Furthermore, data collection and analysis is based on themes, content and comparisons. This approach was used in the study, given that it was a social phenomenon in which some of the data was collected and presented in facts and theories that was in words.

1.8.3 Quantitative

Burns and Grove (199: 140) are of the view that a quantitative research involves the use of numeric information in order to acquire the knowhow of the world. Its purpose is to establish and explain more about social facts. The main purpose of the quantitative research is to prevent biasness of the study. Given the topic under examination, of which it was an analysis of strategic planning in the case of IDCZ, this type of approach was utilized in identifying the performance of the Corporation which was reported in numbers.

1.8.4 Population and Sampling

1.8.4.1 The target population

Saunders and Thornhill (2005: 34-35), defined population as the entire group from which information is to be collected. According to Schwandt (2007:18) a population was defined as the institution, community or class of people where data about a particular subject shall be collected. In this view, the target population of this study was the Industrial Development

Corporation of Zimbabwe (IDCZ) which consisted of forty seven (47) staff complement at the Head Office.

1.8.4.2 Sampling Procedures

Given the nature of the topic that was under study about the Corporation strategic planning, the sample was made up of management and non-managerial staff. The researcher used purposive sampling technique in the selection of management staff because of the critical role they played in the formulation and implementation of the strategic planning. Rubin and Babbie (1997), noted that this type of sampling is just a selection of a certain figure of the people who will participate as per researcher's knowhow pertaining the population, elements as well as aims of the research. Furthermore, the researcher adopted simple random sampling in the selection of non-managerial staff. Saunders et al., (2009), are of the view that simple random sampling consists choosing the informants from the population being targeted, making use of number random tables so that each unit has an equal chance of being selected and there is an equal chance of all different permutations of selection. The objective was to ensure that every employee stood a chance to participate in order to avoid biasness.

1.8.4.3 Sample Size

The sample size of this research was thirty (30) respondents. Schwandt (2007) was of the opinion that the size of the sample constitutes the number of informants who will take part in the study. Also, Sekaran (2003), argued that a sample represented the population under target by the researcher and that sampling was a process of choosing a sampled population. Out of the thirty targeted respondents of this study, ten (10) were managers who were interviewed including the Deputy Minister of Industry and Commerce and remaining twenty (20) were non managerial staff who participated by completing questionnaires.

1.9 Data Collection Instruments

Graziano and Raulin (2007:7) viewed them as the methods employed by the researcher in a bid to collect the information from respondents. In information collection the researcher used three strategies which were semi-structured interviews, questionnaires as well as the content analysis.

1.9.1 Semi-Structured Interviews

In collecting the information from the participants, semi structured interviews were used in this study. Only ten (10) from the managerial team were interviewed. Schwandt (2007) documented semi-structured interview as one on one information collection which involves

open ended questions by the researcher. The main idea is to have results which are accurate, to ask questions in an open ended method that will not limit the respondent on his or her input in this study. Higdon and Smith (1995:71), celebrated the use of semi-structured interview as it produces accurate information since interviewees will be made to give their answers without being assisted as is the issue in questionnaires. The interviews were scheduled from the 4th to the 8th July, 2016.

1.9.2 Questionnaires

Questionnaires were handed over to the twenty (20) non managerial team who participated in this study. Sekaran (2003), pointed out that a questionnaire involves questions that are set by the researcher where respondents will write down their answers. Both open and closed ended questions were used by the researcher to enable the respondents to give their views accurately concerning the topic under study. Questionnaires were randomly distributed to IDCZ staff or employees on the 11th of July 2016 and the collection was made on the 15th of July 2016, that is, five days which allowed participants to provide well thought out information.

1.9.3 Content Analysis

Since the research used secondary data for historical assessment of the Corporation, the researcher collected secondary data from the IDCZ Act chapter (14:10), IDCZ annual reports for 2013 and 2014 and ZIMASSET. Graziano and Raulin (2007:7) noted that secondary source involves a processed information which is obtained from published documents. This was very crucial as it gives trends and historical information.

1.9.4 Pilot Study

Stake (1995) defined pilot study as the process of testing instruments and validating them before administering to research participants. A pilot study was done two weeks before the final data collection procedure was at Sunway City, a division of IDCZ which did not participate in the actual research process as a way of improving validity of the data collection instruments before they were administered. The pilot study was undertaken with three non-managerial and two management staff. Recommendations particularly on the questionnaire were adopted to refine the instruments thereby making the questions more precisely.

1.10 Ethical Consideration

Denzin and Lincoln (2003) in their study viewed ethics as rules and regulations to be by the researcher when conducting the research. Also, Klaus and Jankowski (1991) postulate that

ethics set down regulations which must be confirmed by the researcher and should be in line with the society's expectations. The following shall be taken note as research ethics;

1.10.1 Voluntary participation- The researcher will only interview participants who are willing to participate in the research study. Thus the researcher will not force participants to participate in the research study.

1.10.2 Informed Consent- The researcher will provide information on the reasons why they are partaking the research study. Those who are not able to participate are expected to inform the researcher.

1.10.3 Confidentiality- The researcher will make assurance that respondents' views in the study shall remain confidential and not be published or commercialised in any form without prior approval or consent by the relevant authority from the organisation.

1.10.4 Respect- The views of respondents will be respected and data collected will be presented according to the way participants present it. The researcher will respect the views of respondents regarding the non-use of recording gadgets. Where respondents feel like withdrawing from research, the researcher will not force them to continue with the study.

1.10.5 Referencing- All the work used in the report shall be acknowledged in terms of their source of data. All scholarly ideas shall be acknowledged in terms of the author's name and year of publication through both in text and end text references.

1.11 Delimitation of the Study

Schwandt (2007) defined delimitation as the boundary line within the field of the study.

- This study is confined to the Zimbabwe's Industrial Development Corporation (IDCZ) under Ministry of Industry and Commerce. The Corporation has its headquarter in the capital Harare at number 93 Parklane Causeway.
- In its framework the study involves both practice and theory in strategic planning of IDCZ.
- The research process started in June 2016 and ended in October 2016.

1.12 Limitation of the Study

- Some may likely not to participate due to fear of being threatened by the management team basing on the fact that the Corporation is a State Enterprise. The researcher will

guarantee all respondents that names will not be disclosed from the data collected from the input contributed to this study.

- Some research participants may not take the study serious being in partial fulfilment of university studies. In overcoming this limitation, the researcher will explain to the participants the likely benefits of such a study which includes increased productivity that will ensure continuity of employment to all participants while at the same time improving the economic position of the country.

1.13 Definition of Key Terms

- **Corporation-** It is a company or group of people authorized to act as a single entity (legally a person) and recognized as such in law (Appleby 1994).
- **Employment generation-** According to Lepak and Gowan (2010) employment generation is a deliberate act of by the society or Government in creating meaningful and formal work for its citizens so as to improve the standards of living, poverty eradication and at the same time contributing meaningfully to the economy of the country.
- **Industrialisation-** Fisher (2007), defined Industrialisation as a way the state or a society graduates from societal agriculture to the goods and services provision.
- **Performance Management-** According to Torrington et al (2005:187) performance management was noted as a tool of improving the performance of any organisation by coordinating the employee, objectives as well as results of the organisation.
- **Public Sector** – Comprises of both the government, public entities, enterprises of the state other concerned companies which initiate national programmes. (Dube and Danescu 2011)
- **Socio and economic development-** is where by a society develop on both their social and economic activity and its unit of measure include GDP, life span, the literate rate and employment levels. (Drechsler 2000).
- **Strategic Business units** – these are market centers which deals with the product on offer as noted by Burnes (2009)
- **Strategic Management** - the implementation of processes of plans to be strategized in decision making. Strategic management enables the implementation of plans, controlling as well as evaluating them. (David 2006).
- **Strategy** – It is an action taken as well as resources allocation that are required in achieving the intended goals and objectives (Chandler 1962)

- **ZIMASSET**- it is an economic blue print formulated by Zimbabwe's policy makers in order to improve the economic situation across the country in the period October 2013-December 2018([www.zw.one.un.org/..](http://www.zw.one.un.org/))

1.14 Chapter Summary

This chapter presented the background of the study explaining the background of the case study, problem statement which necessitated the research, aim, main objectives of IDCZ, research questions, significance of the study and the research assumptions. Also the chapter presented the research methodology which was adopted for this study, the research design being a case study, sources of data (both primary and secondary), target population being IDCZ and the categories of the participants who were selected using scholarly sampling procedures. It also presented the sample size, being thirty research participants; the research instruments used being semi-structured, open ended questionnaires and content analysis. It further presented the data presentation and analysis approach as well as ethical issues to be taken note of during and after the research process and definition of key terms.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

Strategic planning has been employed by most organisations as the most vital tool of their planning. This study deals with the area of strategic planning since it is initiated by state organisations and private organisations. It gives literature flashback in the developmental field, function of planning techniques in the management of these strategies and on the implementation part by these organisations.

This study is organised into five main themes as follows: -

- Strategic plans and goals of the Industrial Development Corporation of Zimbabwe;
- The Corporations' resources and priority allocations;
- The current performance and the gap of the vision;
- Evaluation of the strategic plans by the management and;
- The strategic planning challenges faced by the corporation.

2.2 Theoretical Frame Work

According to Fisher (2007), a conceptual framework is a description of relationships between the concepts being used as a collection of interrelated concepts. Theoretical framework guides the research under study, that is, it helps to determine what to measure and the statistical relationships to use. The researcher adopted the strategic planning process or model according to (Bryson 1988). This also gave guidance to the researcher on what needed to be addressed in the research study.

For the purposes of this research, an eight staged model of technique planning was adopted with the intention that it gives more detailed information about the public organisation under study. This research is aimed at giving an input in the theoretical part through debates about the potential of an organisation to amalgamate as well as debasing techniques of planning.

2.3 Relevance of the Theoretical Framework to the Study

The study adopted the strategic planning theoretical framework as advanced by Bryson 1988. The Bryson (1988) model was relevant to IDCZ given that it is one of the State's largest investment vehicle which originally was running more than forty seven (47) different companies in different sectors of the economy.

The Strategic planning model enabled the researcher to identify the strategic plans and goals as well as the Corporation's resources and allocation priorities. Thus the Bryson 1988 model assisted the researcher to analyse the relationship between effective strategic planning and organisational performance.

2.4 Strategic Planning Process

Bryson (1995:9), argued that with planning techniques, all the leadership of both the public and the private companies should be well planners in order for their companies to be effective in achieving their laid down objectives in future. Strategic planning involves decisions that charts an organisations' long-term direction. Moreover, strategic planning is part of managerial skill where senior executive's roles are of exposing the position of an organisation, initiate strategic skills to provide long term objectives of an organisation. The strategic planning process is described as below: -

2.4.1 Development of an initial agreement concerning the Strategic Planning effort

The terms and conditions of this agreement should include the commitment, procedural steps to be taken, the type and time of reports, allocated duties, those who subscribe to that strategy, linking leadership and recourses to be used in executing the strategic (Bryson 1988). For companies to improve operations and also increase efficiency by adopting strategies to gain competitive advantage there is need for team work and initial agreement. However, according to Bonoma and Clark (2012), for companies to adopt a strategic planning process without laying ground for team work or coordination will lead to failure. This clearly shows that there is need for a strong coordination and team in order to achieve the desired goals. The researcher believes that there is need for initial agreement, coordination and team work for IDCZ to successfully achieve its objectives or gain competitive advantage.

2.4.2 Identification and Clarification of Mandates

The reason of this phase is to identify and clarify the laid down ethical codes within the organisation. IDCZ is a State Enterprise which is controlled and partly funded by Government. The board or top management do not make their own decisions because they have to report to the Ministry of Industry and Commerce and they are guided by the Act of Parliament. Bryson (1995), pointed out that both public and private organisation's rules and regulations are found within the charter of that particular organisation. Failure to identify these rules, the following challenges would occur. These are lack of coordination on the laid down rules and regulations and that the organisation will not be aware of what is supposed to

be done and not to be done. In Zimbabwe, IDCZ management make decisions according to the enabling Act (Chapter 14:10) as amended in 1984 and the information is furnished to the Minister of Industry and Commerce and to Parliament.

2.4.3 Development and Clarification of Mission and Values

Bryson (1988), is of the view that the purpose of an organisation should be in line with its rules and regulations in order to spell out the reason for its establishment. Before initiating the information concerning its existence, it should conduct a research about its members in support. Russel (2012) view a stakeholder as anyone who can put an order concerning resources of an organisation and who is prone to the result of an organisation. The mission statement should be able to provide a prototype of where the organisation is going. This implies that, when an organisation has a strong mission statement, the organisation will be able to clarify the role of each department, what needs to be attained and the values of the organisation. The IDCZ has a strong mission statement which has led the state enterprise to form eighteen (18) Strategic Business Units (SBU's). These Strategic Business Units (SBUs) have become competitive due to clear missions and values of the state enterprise. The Corporate mission statement is stated below: -

- To promote the establishment of new industries and industrial undertakings and the development of existing industries and industrial undertakings

2.4.4 External Environment Assessment

This is the examination of external factors that may paralyse as well as identifying the way forward of an organisation (Bryson 1991). In this regard factors such as politics, technology, among others may be examined by clients or potential competitors. According to Lawrence (2012), the situational analysis is done by gathering facts and analysing trends that give an objective picture of where the organisation stand in business, external pressures and factors likely to affect future achievement of general goals and objectives.

For an organisation to effectively scan the environment there is need to concurrently analyse the environment to identify threats. In Zimbabwe there are many factors which may affect state enterprise operations, which include IDCZ Act, government policies, technology and lack of funding.

2.4.5 Internal Environmental Assessment

This is whereby an organisation is closely examined in a bid to come up with weaknesses and strength (Bryson, 1981). In assessing the inside life of an organisation, three (3) methods have been brought forward. These are a model of simple system, which deals with the resources of an organisation, the current strategy and the performance. Regarding to this internal assessment, it is difficult for any organisation to provide truthful information about organisational performance and also their ability to perform than any other competitors. According to Bonoma and Clark (2012), there is also need to carry out a stakeholder analysis because this can help organisations to be pro-active to the environment. However, in Zimbabwe, IDCZ is facing a fierce competition, this can be noted by the dominance of the private sector in the market, for instance, pure-drop cooking oil versus olivine cooking oil. According to Industry and Commerce Annual Report (2014), the market shares of IDCZ – SBUs is 20% as compared to 80% dominance of the private sector. In this view, the researcher believes that the state enterprise is struggling to meet its mandate.

2.4.6 Strategic Issue Identification

Bryson (1985), points to strategic matters as the important questions regarding to the policy that may affect the rules and regulations, objectives, norms, human skills as well as the productivity of an organisation. For the organisation to succeed in its endeavours, it must firstly deal with issues of strategy. Stephen (2013) concurs that strategic matters is a very crucial policy chosen by the organisation and have an impact to it. However, Frank (2011) is of the view that failure to implement a strategic plan by an organisation will lead to its downfall. The organisation needs to understand its cost structures in order to attain its corporate objectives. There is need to develop on organisational design which is aimed at increasing sales and promoting goal congruence. According to the researcher, pricing model companies adopt can also affect the competitiveness of an organisation. According to Porter (1985) prices and strategies can lead a company to fail to cover its operational cost. This is the cross roads of strategic planning hence there is need for management to ensure that all threats are identified before implementing.

2.4.7 Strategy Development

These are designed to do away with previously identified challenges (Bryson 1981). A strategy is a way forward of an organisation in terms of its actions taken, decisions to be made, programmes to be undertaken, initiated policies and the allocation of resources that will clearly show what the organisation does and the reasons of acting in that way (Islam

2012). Hyden (2011), noted that strategical development starts with identifying its goals and aspirations. It is relevant to be realistic, however if the company does not want to employ them perhaps it must not take part in the planning of strategy. Islam (2012) also maintained that the goals must be attainable even to companies which are still emerging. In view of the above, IDCZ strategy development should start with practical business alternatives using the available resources and gradually improve as financial inflows increase.

2.4.8 Description of the Organisation in the Future

In order to obtain the objectives of an organisation, its vision of prosperity need to be considered. Few organisations have such a description or vision and this has assisted such companies to achieve goals. Russel (2012), argued that the information should comprise the mission statement, its skills, the way it performs, rules and ethics to sanction the employees in their activities.

The researcher adopted the above strategic planning process with the aim of gaining an insight on the strategic planning model being adopted by IDCZ. The model aims at addressing the first goal of the study which deals with the identification of the plans to be considered in the strategy and implementation of those goals and plans by IDCZ. Due to the complexity of the organisation, the researcher believes that the process will assist the company to achieve its goals.

2.5The IDCZ Act and Strategy

The Industrial Development Corporation of Zimbabwe Limited (IDCZ) was incorporated through its enabling Act (Chapter 14:10) in 1963 to invest in industry as a State Agency. The IDCZ Act was amended in 1984 after independence to allow the Corporation to promote investments and economic co-operation across borders. The Corporation identifies and develops industrial project opportunities into commercially viable ventures in partnership with local, regional, international investors, and technology and market access partners. Having been in business for over 50 years, the Corporation has built an investment portfolio supplying quality products at competitive prices, with the core being in the sector of motor and transport industry, fertilizer and agricultural chemical production, cement manufacturing, aluminum and base minerals processing, agro processing and glass products. It also has investments in textiles, granite processing, packaging, and insurance and real estate. It is a legal requirement for IDC that, the economic requirements of Zimbabwe may be met and industrial development within Zimbabwe may be planned, expedited and conducted on sound

business principles and that every application or proposal dealt with by it is considered strictly on its economic merits, irrespective of all other considerations whatsoever.

2.6 Strategic Planning as a Competitive advantages tool

Strategic planning is very important to an organisation especially when the organisation intends to out-compete its competitors. According to Porter (1995), an effective strategic plan can lead an organisation to achieve its competitive advantage. It is very important to ensure that resources are allocated effectively hence this assists an organisation in improving performance. Strategic planning is very useful towards organisational performance (World Bank report, 2013). This clearly shows that companies in both private and public sector should consider strategic planning as a strategy. IDCZ has been adopting strategic planning as a competitive advantage tool which the organisation has used when allocating resources. This has assisted the state enterprise to operate eighteen (18) Strategic Business Units (SBUs) which have remained competitive on the market.

However, according to Thomas (2013), the organisation which adopts or implements strategic planning requires adequate resources and allocation of such resources requires elements such as human skills, strategic marketing, planning and environmental scanning particularly when crafting strategic plans. Strategic planning is time consuming and it is important for companies to ensure that time, finance and skilled human resources are available for implementation (Lamp, 2014)

In this regard, the researcher may support Thomas (2013) and Lamp (2014) in that the Corporation had (47) forty seven (SBUs) but in 2008 the Corporation reduced to eighteen (18). This clearly shows that the reduction in size may be as a result of inadequate funding, lack of skills and poor environmental scanning by management. The authors laid out elements which the enterprise should consider if it intends to gain competitive advantage.

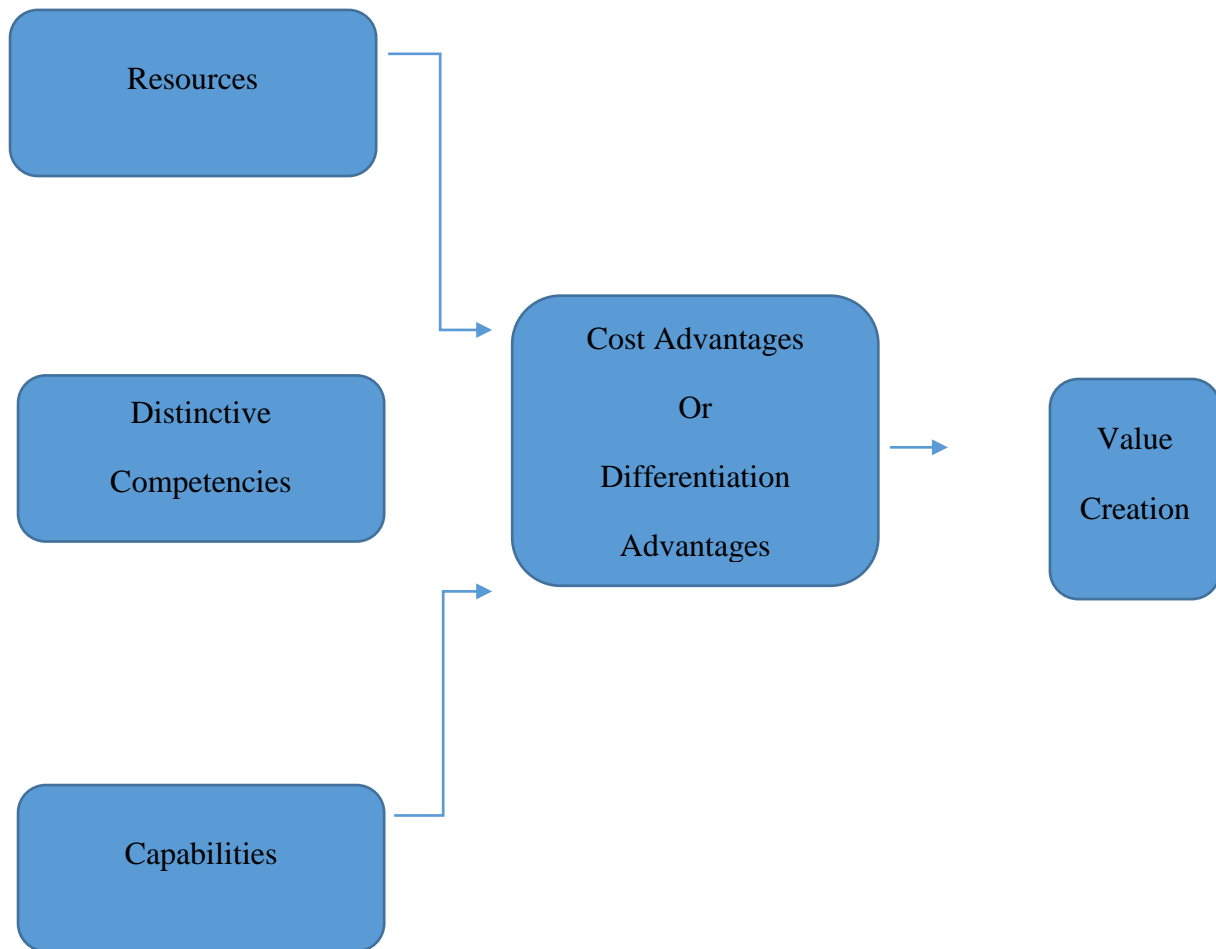


Fig 1. Model of Competitive Advantage

Thomson and Strickland (1982) as cited in Porters (1995)

2.6.1 Resources and Capabilities

From fig 1. above, it is asserted that for every company to overcome competition from its contenders, it should have adequate resources that are more than its contenders (Thomson and Strickland, 2011). If the organisation fails to maintain its best, it will lower the rate of its performance as is the case with IDCZ.

IDCZ has been competitive, but however, in the researcher’s view, the enterprise may be facing challenges of financial resources that are required for capitalisation of its business Investments. All this may have blurred the concept of strategy, this affected the performance of the company. According to Lamp (2013), a company should ensure that it carries out environmental analysis and also have resource capabilities which are needed to finance or assist the company to remain competitive.

In summation Thomson and Strickland's view of resource and capabilities is essential in implementation of business plans and maintaining a competitive position in the market which could be failing IDCZ.

2.7 The Corporation's Vision on the Organisational Performance

The IDCZ's vision statement is as follows,

Dynamic and responsive driver for sustainable industrial development in Zimbabwe

The vision was informed by the Corporation's legal mandate as provided for in its enabling Act (Chapter 14:10) which states that:

- “the requirements of economy of Zimbabwe may be achieved and industrial achievement in Zimbabwe is properly planned, and are used on the policy of any activity. may be planned.”
- “every application or proposal dealt with by it is considered strictly on its economic merits, despite all other considerations whatsoever” and that,
- “so far as may be practicable the corporation shall not be required to provide unduly large proportion of the capital which is necessary for such establishment or development”

A vision statement, according to Bulin (2001), is defined as an organisational aspiration and values which usually are appealing to its members' hearts and minds. It can also be regarded as management's view of the type of organisation it is trying to create and its intent to take out a particular business position.

Cascio (2003) supported that a vision consists of organisational fundamental aspirations and values which are appealing to its member's hearts and community at large. In the same view, Smit (2003), also stated that it is vital that a Corporation possesses a vision, an overall conception of what the company is striving to become, a road map of the company's future and of the direction it is headed. He further argued that a vision provides an inspiration and a challenge to the organisation.

2.7.1 The dynamic of IDCZ against the Vision

In terms of its Act Chapter (14:10), the corporation needs to adapt and adopt to any environmental changes such as technological and economic changes so as to constantly reposition itself and maintain a vibrant and self-sustaining industry. For example, Sunway

City which is an integrated park, is being considered by the government to be awarded the Special Economic Zone status due to its strategic positioning and self-financing model, and therefore, it should be reflected in its strategic vision and operational plans. Further to this, IDCZ, SBU-Surface Investment which provides pure drop cooking oil, soya mince and animal feeds, recently acquired and installed a new technological plant that produces thousands of bottles of cooking oil within an hour. This was in response to the production and technological investment.

However, IDCZ has other Business Strategic Units (SBU's) which they have failed to reposition in line with the dynamics of the current business environment in Zimbabwe, such as, Willowvale Mazda Motor Industries which lost market to the ex-Japan vehicles which are coming at very low prices. Burnes (2004), stated that with the current environmental changes, the Corporation need not to be bounded in its managerial operation but it needs to be flexible enough when tackling the issues that might paralyse it. Cummings and Worley (1997, maintained that the 21st Century business needs continuous organisational development. They further argued that the development of an organisation involves the application and transferring of behaviour of planned development, achievement and strategy to be reinforced, hierarchy and procedures that lead to organisational effectiveness. It therefore means that an effective organisation is one that continuously transforms itself in line with the changing business climate.

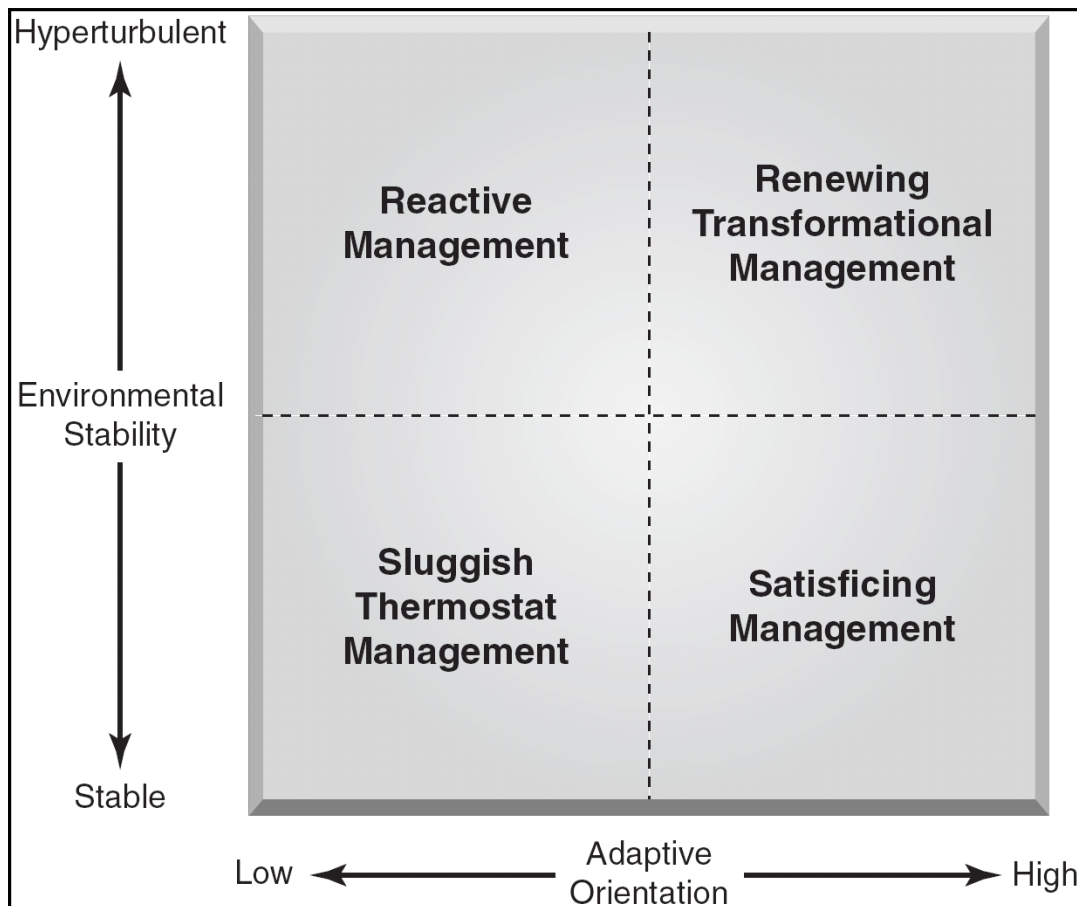


Fig 2 Model of Adaptive Orientation Adapted from Donal R. Brown. (2011)

With reference to the above model:

- a) Organizations that are in the reactive management panel have the following characteristics;
 - They operate in hyper turbulent environment and have low adaption to the business environment changes.
 - They react to crisis in a fire fighting fashion.
 - They have a tendency to wait until the problem can longer be ignored.
 - They respond to change by drastic cut in level of staff, production lines and functional SBU's.

- b) Organisations that are in the sluggish thermostat management panel are characterised by the following;
 - They operate in a stable environment and have low adaption.
 - Such organisations resist change until cost trade-offs warrants it.
 - Thermostats on low, insensitive to change.

- Management style is based on low risk, and have centralised structures and are top heavy.
- c) Organisations that are in the renewing transformational management panel have the following characteristics:
- They operate in a hyper-turbulent environment and have high adaption.
 - They are proactive and they take first mover advantage.
 - Have innovativeness and they are fast at developing ideas.
 - More sensitive to thermostat
 - They have the ability to change
 - They identify new opportunities to growth
 - They always gain a competitive advantage.
- d) Organisations in the satisficing management panel have the following characteristics:
- They operate in stable environment but are high in adaption.
 - Satisfactorily but centralised decision making.
 - They are top heavy because of stability.
 - They change to just keep pace with trends.
 - They are not pace setters.
 - They gradually decline in their performance.

In view of the above adaption orientation model, the researcher intends to establish which window panel IDCZ falls under, given the hyper turbulent environment in Zimbabwe and the problem statement of closure of companies which informed this study.

2.8 The Sustainability of Industry in Zimbabwe

In its vision statement, the IDCZ aspiration was to create and maintain industry in a highly productive and economic beneficiary position as also provided for under (paragraph 3.18 of ZIMASSET). Given at hand, examples such as, Zimphos which is owned by Chemplex Corporation a division of IDCZ, it would be noted that the corporation has failed to maintain a sustainable industrial position whereby they are actually reducing the level of productivity and subsequently loss of jobs by many employees. Therefore, the purpose of this study is to ascertain the performance gap of the IDCZ current and running projects against the vision of the dynamic for the sustenance development of industries in Zimbabwe.

2.9 Performance Management Cycle

Hellriegel (1996), defined performance management as a process of achieving effective management of individuals, groups and resources within the company to ensure that their shared and organisational goals are achieved. Its fundamental purpose is to increase productivity by realigning the organisation to the competing business environment. It also includes altering the business strategies in line with the changes in the environment. The performance management cycles has four (4) stages which are, performance planning (setting of goals and objectives); implementation and monitoring; performance measurement and evaluation and performance feedback.

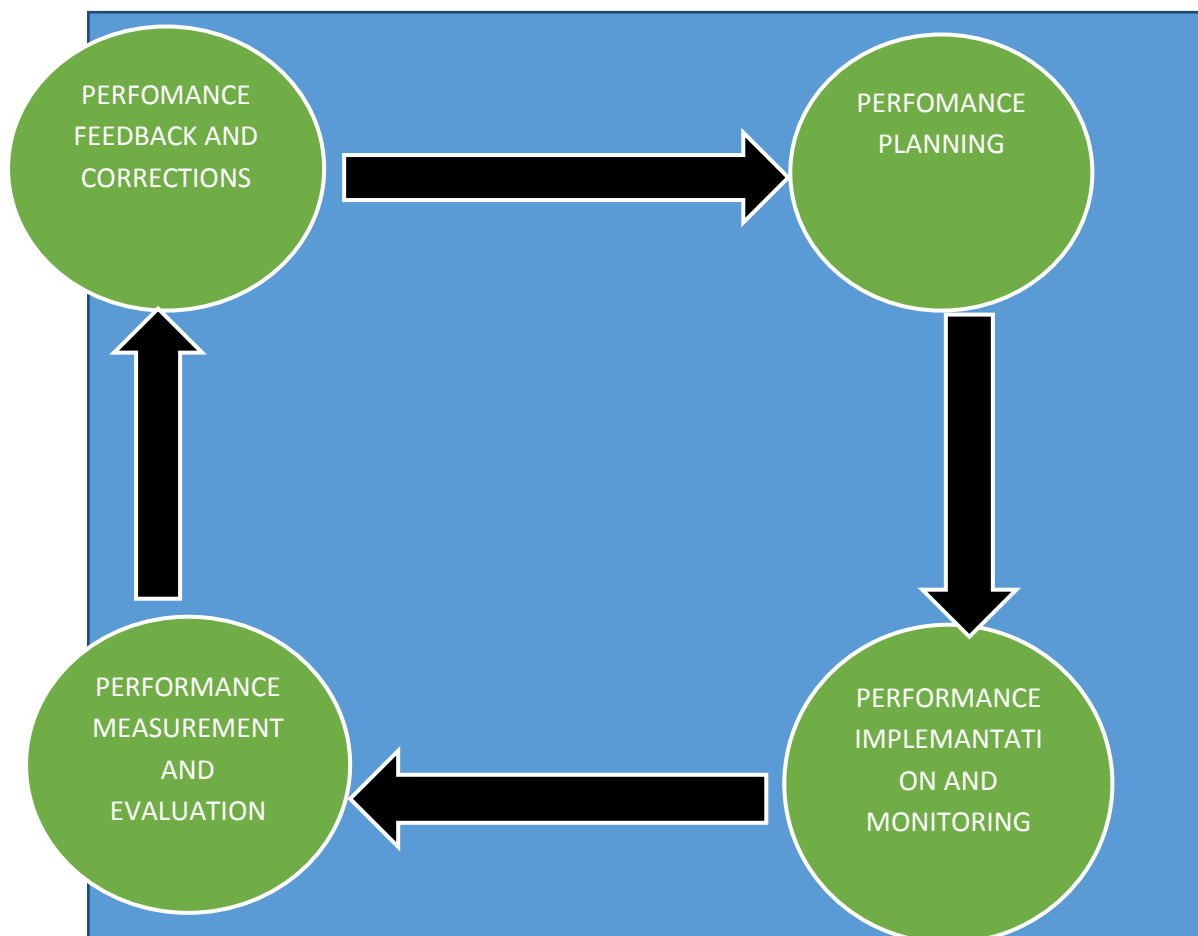


Fig. 3 The cycle of performance management: Adopted from Nel *et al.*, (2008)

2.9.1 Performance planning (setting goals and objectives)

In order to be effective the business performance must be strategically set in a process in which goals and objectives should be clearly defined. The process of performance planning entails the following steps:

Setting the direction of the organisation and defining expectations- The duty of the directors and the management team is to come up with objectives as well as the goals for the organisation to reach its strategic plans. This process will take note of all the dynamics in the environment of a business, and how the organisation will achieve its stated goals.

Determining key performance Indicators- Management and directors should clearly define the key performance indicators to be achieved after and agreed time. Performance of an organisation enables it to evaluate how it performs in its business activities as per the time agreed. The objectives of an organisation should SMART, that is intended results to be produced should be specific, able to be measured, realistically attainable as per the time set.

Determining techniques on evaluation- Management and their directors should unanimously agree on the method of assessing business performance as well as the contribution by each manager. For example, they can use the balanced score card, result based management and 360 degrees measurement.

Developing an action plan- Directors and management should agree on the strategy and chronological sequence of actions to be implemented to achieve the set goals. They should also agree on the take-on time and expected time of completion.

2.9.2 Performance Implementation and Monitoring

When goals and objectives have been set, it becomes the responsibility of management to timeously implement and continuously monitor the effectiveness of the business strategy. This stage entails the following;

- Implementing the business strategy and resolutions by directors; it is important that the plans be implemented in time, to avoid loss of market opportunities.
- Monitoring performance; management need to constantly monitor the business performance, for example, through sales analysis, management account analysis and regular feedbacks from all departments through management meetings.

2.9.3 Performance Measurement and Evaluation

In measuring performance, it is important to establish which aspects of an organisation need to be measured. These may include sales ratios, profitability indices, market share of the business, performance of employees through an appraisal system and efficiency ratios. Robinson (2011) views evaluation as the collection of information on the activities of the organization which will be used to inform the programme to be undertaken and its

important. Monitoring and evaluation are interwoven as they complement each other. The organization should implement and develop monitoring and evaluation system, in conjunction with the objectives of the organization (Covey 2012). This means that a sound monitoring is able to provide data required for an evaluation. This will assist the organisation or management to understand the performance of the company. Monitoring and evaluation act as an indicator on how the business performs and also where the state enterprise or company may invest in order to improve the performance

2.9.4 Performance feedback and Corrections

During this stage management needs to take feedback from the performance results from the preceding phase and take the appropriate action. Positive feedback needs to be reinforced for organisational effectiveness and any significant deviations need to be corrected or realigned to the business strategy. It is at this stage that the planning process for the next trading period can be done.

2.10 Principles of Monitoring and Evaluations

UNDP (2009) stated that for an organisation to successfully monitor and evaluate its strategic plan there is need for an organisation to ensure that key principles are analysed or followed. The researcher assumes that principles will provide and guide management or board of directors on best strategies or methods to attain organisational objectives. Issues such as trans-discipline are essential particularly when ensuring coordination within an organisation. The UNDP identified the following principles which organisations need to adopt to successfully gain competitive advantages:

- Monitoring and evaluation should respect participation and involve all programme stakeholders who include programme implementers, beneficiaries and local officials.
- Monitoring and evaluation should respect and protect the rights, welfare and confidentiality of all those involved in the programme.
- Monitoring should be linked to the specific programme objectives that were defined in the strategic plan
- Monitoring information should be used in decision making.
- Monitoring and evaluation are closely linked and there is need for organisations to ensure that the two elements are implemented effectively.

Porter (1998) applied microeconomics principles to business strategy and analysed the strategic requirements of industrial sectors, not just specific companies. The five forces are competitive factors which determine industry competition and include: suppliers, rivalry within an industry, substitute products, customers or buyers, and new entrants.

Although the strength of each force can vary from industry to industry, the forces, when considered together, determine long-term profitability within the specific industrial sector. The strength of each force is a separate function of the industry structure, which Porter defines as “the underlying economic and technical characteristics of an industry”. Collectively, the five forces affect prices, necessary investment for competitiveness, market share, potential profits, profit margins, and industry volume. The key to the success of an industry, and thus the key to the model, is analysing the changing dynamics and continuous flux between and within the five forces. Porter’s model depends on the concept of power within the relationships of the five forces.

Industry competitors -Rivalries naturally develop between companies competing in the same market. Competitors use means such as advertising, introducing new products, more attractive customer service and warranties, and price competition to enhance their standing and market share in a specific industry. To Porter, the intensity of this rivalry is the result of factors like equally balanced companies, slow growth within an industry, high fixed costs, lack of product differentiation, overcapacity and price-cutting, diverse competitors, high-stakes investment, and the high risk of industry exit. There are also market entry barriers.

Pressure from substitute products -Substitute products are the natural result of industry competition, but they place a limit on profitability within the industry. A substitute product involves the search for a product that can do the same function as the product the industry already produces. Porter uses the example of security brokers, who increasingly face substitutes in the form of real estate, money-market funds, and insurance. Substitute products take on added importance as their availability increases.

Bargaining power of suppliers –Suppliers have a great deal of influence over an industry as they affect price increases and products quality. A supplier group exerts even more power over an industry if it is dominated by a few companies, there are no substitute products, the industry is not an important consumer for the suppliers, their product is essential to the industry, the supplier differs costs, and forward integration potential of the supplier group exists. Labour supply can also influence the position of the suppliers. These factors are

generally out of the control of the industry or company but strategy can alter the power of suppliers.

Bargaining power of buyers - The buyer's power is significant in that buyers can force prices down, demand higher quality products or services, and, in essence, play competitors against one another, all resulting in potential loss of industry profits. Buyers exercise more power when they are larger-volume buyers, the product is a significant aspect of the buyer's costs or purchases, the products are standard within an industry, there are few changing or switching costs, the buyers earn low profits, potential for backward integration of the buyer group exists, the product is not essential to the buyer's product, and the buyer has full disclosure about supply, demand, prices, and costs. The bargaining position of buyers changes with time and a companies (and industry's) competitive strategy.

Potential entrants –Threats of new entrants into an industry depends largely on barriers to entry. Porter identifies six major barriers to entry:

- Economies of scale, or decline in unit costs of the product, which force the entrant to enter on a large scale and risk a strong reaction from firms already in the industry, or accepting a disadvantage of costs if entering on small scale.
- Product differentiation, or brand identification and customer loyalty.
- Capital requirements for entry: the investment of large capital, after all, presents a significant risk.
- Switching costs, or the cost the buyer has to absorb to switch from one supplier to another.
- Access to distribution channels. New entrants have to establish their distribution in a market with established distribution channels to secure a space for their product.
- Cost disadvantages independent of scale, whereby established companies already have product technology, access to raw materials, favorable sites, advantages in the form of government subsidies, and experience.

New entrants can also expect a barrier in the form of government policy and state regulations and licensing. New firms can expect retaliation from existing companies and also face changing barriers related to technology, strategic planning within the industry, and manpower

and expertise problems. The entry deterring price or the existence of a prevailing price structure presents an additional challenge to a firm entering an established industry.

There is need for IDCZ to constantly monitor and evaluate its strategic plans in order to ensure that the goals of the state enterprise are effectively and efficiently attained. The principles are also important especially when organisations aim to achieve its objectives and to gain competitive advantage.

2.10.1 Requirements for Effective Evaluation

The following criteria have been suggested as requirements for effective policy evaluation (Hansom 1987, p.9: Dunn 1994, p.405)

Relevance – the evaluation of a strategic plan should be relevant for the purpose of resolving an existing policy issue or problem. There is need for management or board of directors to ensure that monitoring and evaluation provides solutions to an organisation and also assist it to gain competitive advantage. The researcher believes that a strategic plan should be able to identify opportunities and also reduce cost to state enterprises, in this case, IDCZ will be able to monitor its performance and also improve SBU performance.

Significance - strategic planning, monitoring and evaluation must make a difference to an existing situation. According to Vedung (2012), strategic planning should be monitored and evaluated in order to align objectives and SBUs. This will enable state enterprises to change performance and also to operate efficiently. IDCZ has been monitoring and evaluating but however the organisation has faced competition which may have led to sales reduction. Rist (2011) argues that monitoring and evaluation has no significance and that companies should monitor and evaluate on each stage of strategic planning in order to avoid losses.

Originality – monitoring and evaluation must generate new information that was not available before the evaluation was undertaken. There is need for companies to ensure that monitoring and evaluation assist in identifying threats or ways to improve organisational performance. It is very important for a company to acquire all information which can provide solutions to current problems. Gunn (2011) supported the idea that monitoring and evaluation should provide new acquainted data which can be useful in decision making.

Legitimacy – It must enjoy the support of the major stakeholders involved for example participants, target groups and funders. Whenever monitoring and evaluation is not legitimate, it will face resistance from stakeholders. There is need for management to ensure

that organisations legitimately carry out monitoring and evaluation. Hogwood (2013) indicated that monitoring and evaluation should be within the frame-work of the country's policies, legislation and rules.

Timelines – the monitoring and evaluation should be in the time to influence future policy decisions about a specific project. Hogwood (2013) argued that monitoring and evaluation should be periodical in order to ensure that all decisions made are relevant and are able to provide solutions and make recommendations.

The above requirements should be considered whenever a state enterprise wants to carry out a monitoring and evaluation process. The researcher agrees with the above requirements in that failure to follow the requirements may lead organisations to fail to attain objectives. In Zimbabwe, some state enterprises have failed to fight competition due to poor monitoring and evaluation and also considerations of the monitoring and evaluation requirements. The researcher aims to gain an insight on whether IDCZ considered the requirements of effective monitoring and evaluation.

2.10.2 Types of Monitoring and Evaluation

Before and after comparison- According to Gunn (2012) the method calls for organisations to ensure that they compare the performance of the organisation before and after monitoring and evaluation. This will enable the organisation to measure and review on whether the state enterprise is gaining or improving performance. The researcher believes that when an organisation monitors and evaluates before and after, this enables the company to have an insight on the actual performance of the state enterprise.

Cost oriented approach- Monitoring is the systematic and routine collection of data during project implementation for the purpose of establishing whether an intervention is moving towards the set of objectives and projects goal (Ansoffs, 2011). A business is expected to analyse costs involved during and after monitoring and evaluation. This means that state enterprises need to monitor the programme expenditure and compare them with budgets prepared at the planning stage. The use of funds at the disposal of a programme are crucial for ensuring no excesses or over spending (Jackson, 2013). Financial monitoring is also important for accountability and reporting purposes as well as for measuring financial efficiency.

Technical monitoring- Technical monitoring involves assessing the strategy that is being used in project implementation to establish whether it is achieving the required results (Kotter 2012). It involves the technical aspects such as the activities to be conducted. There is need for state enterprises to understand the impact technology has and human skills play in order to achieve desired goals. However, Hosai Evaluation group: Draft Report (2013), indicated that technical monitoring is not important because a company may have abreast technology which can increase cost. It is very important for organisations to monitor and evaluate being guided by the vision and objectives of the organisation. The researcher also believe that physical progress monitoring is of importance than technical.

2.10.3 Physical Progress Monitoring

Neverauskas and Ratenis (2012) viewed that in process monitoring, routine data is collected and analysed in order to establish whether the project task and activities are leading towards the intended project results. In the same vein, Hogwood (2011) also stated that it authenticates the progress of the project towards the intended result. This kind of monitoring measures the inputs, activities and intended results. The state enterprises need to ensure that progress monitoring is ad-hocly carried in order to analyse the effectiveness of its SBU's. IDCZ should monitor and evaluate the performance of its SBU's in order to evaluate the strategic planning model being adopted by the organisation.

The researcher knew that the above monitoring and evaluation forms need to be considered by state enterprises to improve performance. The researcher supports scholars such as (Ansoffs 2013: Hogwood 2011: Jackson 2013) who indicate that different forms of monitoring and evaluation need to be undertaken during the monitoring and evaluation stage. This enables state enterprises such as IDCZ to identify potential threats and also to gain opportunities. The aim of this study is to understand the impact of strategic planning on organisational performance.

2.11 Challenges of Strategic Planning

Strategic planning has a myriads of challenges that are bedevilling the system. The most important of these constraints include the following:

- Lack of proper planners and monitors who compile an accurate information which will give tangible results as well as the conclusion of organisational performance (Hogwood: Gunn 2011, p.226). From the above, the researcher believes that insufficient planning may negatively affect strategic planning of

state enterprises which will lead to failure in achieving its objectives. The input through participation is greatly needed when making decisions in an organisation. However, Vendung (2012), argues that strategic planning is mostly affected by decision makers who are the top management. There is need for coordination and motivation for state enterprises to achieve much required action or objectives.

- Lack of organizational objectives that are specific and clear to the employees and some may be manipulated during the course of action (Howlett and Ramesh 2012,p.169) This will derail the achievement of intended results by the organisation. (Vedung 2011, p.224) The researcher believes that in most cases vision statement and corporate objectives are not aligned during implementation of strategic planning. There is need to ensure that strategic goals and objectives are clearly defined in order to achieve objectives.
- Hogwood and Gunn (2012) in their study documented that related programmes that complement each other make similar impact to the organisation. This clearly shows that the organisations needs to consider some stages at every level in order to prevent threats and also to ensure expected outcomes are achieved. The researcher aims to gain an insight on the factors which are affecting state enterprise such as IDCZ.
- The output of evaluation is full of theory as they lack action and they are a challenge to the top executives (Grant 2012). It is sometimes a challenge in terms of the implementation of both monitoring and evaluation as they have to be considered in each and every action taken by the organisation. According to Kay (2011), monitoring and evaluation may lead to high cost and misalignment of objectives and vision statement, making it difficult to practice.

The researcher believes that management and employees of state enterprises need to take note about the way forward of the organisation in achieving its intended goals and objectives. Kotter (2012) argued that due to factors that have an impact to the organisation, all employees should play a crucial role in preventing the barriers that interrupts its set down agendas. This will enable an institution or enterprise to measure its organisational performance. The research study aims to gain an insight on challenges if any, being faced by IDCZ during strategic planning process.

2.12 Evaluation of Business Performance

There is need for state enterprises to define a system which they use to evaluate organisational performance. Business performance excellence is achieved when an organisation is generating the maximum level of profitability possible given the human, financial, capital and other resources it possesses (Luftwing 1998). According to Kaplan (2013), there are business management tools which an organisation can use to monitor and evaluate its performance, these tools include, balanced scorecard, benchmarking and accounting records. For the purpose of this study, the researcher will adopt the Triple-P model as a performance evaluation tool.

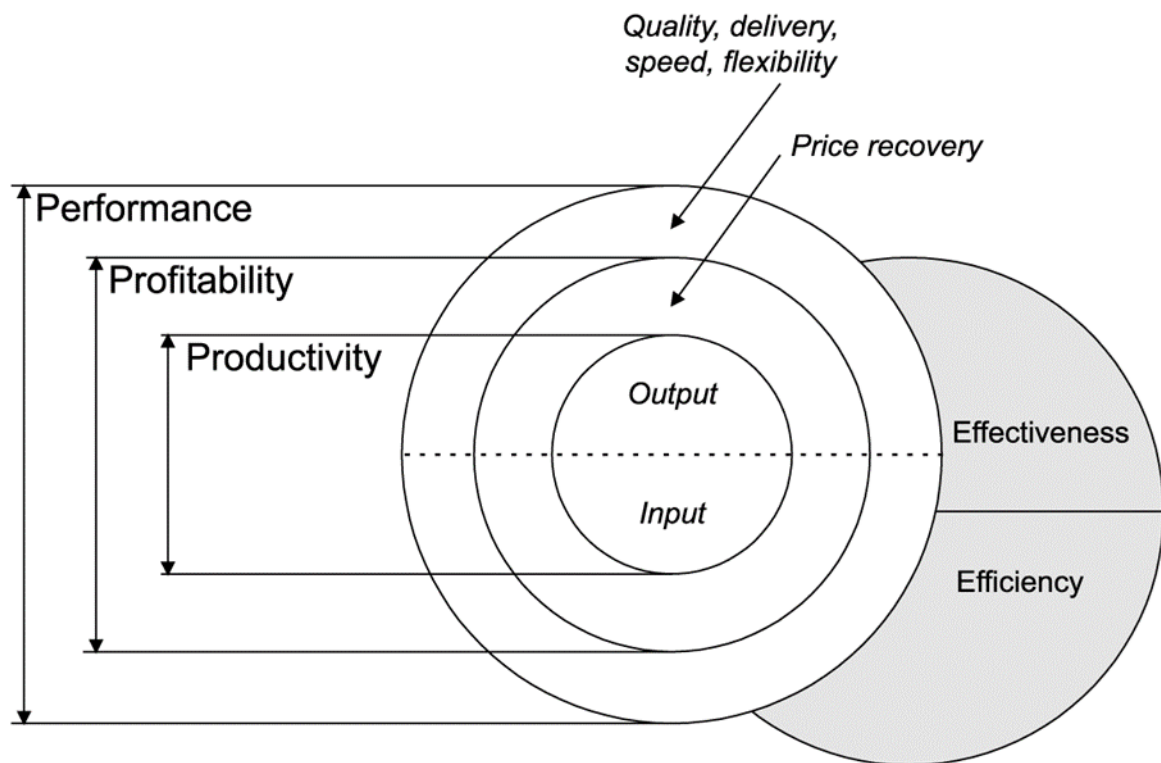


Figure 4. Triple-P Model

Adapted from Grunberg (2004)

According to Grunberg (2004), productivity is the central core of the Triple P-model and has a rather straightforward operational definition of productivity as the relation between output

quantity (i.e. correctly produced products which fulfil their specifications) and input quantity (i.e. all resources that are consumed in the transformation process). It is argued that even though it is difficult to measure different quantities by the same standard, the concept of productivity is purely a physical phenomenon and must therefore be defined as one. Profitability is also seen as a relationship between output and input, but it is a monetary relationship in which the influences of price-factors (i.e. price recovery) are included.

Performance is the umbrella term of excellence and includes profitability and productivity as well as other non-cost factors such as quality, speed, delivery and flexibility. The two terms effectiveness and efficiency are somewhat cross-functional when it comes to the other three terms. Effectiveness represents the degree to which desired results are achieved; Efficiency represents how well the resources of the transformation process are utilized.

Productivity is what man can accomplish with material, capital and technology. Productivity is mainly an issue of personal manner. It is an attitude that we must continuously improve ourselves and the things around us (Japan Productivity Centre, (1958). Productivity is defined as the ratio of what is produced to what is required to produce it. Productivity measures the relationship between output such as goods and services produced, and inputs that include labour, capital, material and other resources (Hill, 1993). Productivity means how much and how well we produce from the resources used. If we produce more or better goods from the same resources, we increase productivity. Or if we produce the same goods from lesser resources, we also increase productivity. By “resources”, we mean all human and physical resources, for example the people who produce the goods or provide the services, and the assets with which the people can produce the goods or provide the services (Bernolak, 1997)

Productivity is a comparison of the physical inputs to a factory with the physical outputs from the factory (Kaplan and Cooper, 1998). Productivity is considered a key source of economic growth and competitiveness and, as such, is basic statistical information for many international comparisons and country performance assessments. Broman (2004) points out the inherent similarities in many definitions of productivity; the basic content seems to be the same.

According to Krugman (1994) productivity is not everything, but in the long run it is almost everything. A country’s ability to improve its standard of living overtime depends almost entirely on its ability to raise its output per worker. Grossman (1993) stated that companies

need to realize that gains in productivity are one of their major weapons to achieve cost and quality advantages over their competition.

In view of the Triple-P model the researcher intends to evaluate the productivity of IDCZ through an assessment of its overall group company performance, profitability as reported in its financial statements and productivity in terms of the input and output ratio.

2.13 Cases of State owned organisations that have managed to remain in business as a result of strategic development under the current challenging times

2.13.1 Industrial Development Corporation of South Africa (IDCSA)

In his Chief Executive Officer presentation, Geoffrey Qhena on 16 April 2014 noted that Industrial Development Corporation of South Africa faced many challenges in late 2000 and 2010 like new growth path, industrial policy and national development plan, growing financial sector liquidity, climate change, and infrastructure constraints among others. The Chief Executive Officer also noted that as the environment changed over the decades IDCSA changed with it, in many times throughout the Corporation's history. Facing serious tough economic times globally and locally IDCSA as one of the key development finance institutions managed to position itself and responded well to the new challenges, as noted by the Minister of Economic Development, Ebrahim Patel at the IDCSA's 2015 annual results presentation. In this complex and tough economic environment, the Corporation registered success and indeed a very credible performance. In 2014 when many organisations held back on new investment due to the market uncertainty, the IDCSA opened R 11, 5 billion for new projects and disbursed R 10, 9 billion to project partners for investments that had been already approved, according to the Minister of Economic Development, Ebrahim Patel at the announcement of IDCSA annual financial results on 14 September 2015. This clearly shows that IDCSA managed to do strategic thinking during the tough economic times to remain in business, hence performing very well. IDCZ have a lot to learn from how IDCSA operate and as the environment changes in Zimbabwe, IDCZ must change with it to be competitive enough, to promote industrialisation, create jobs like its counterpart, IDC of South Africa.

2.13.2 Central Mechanical Equipment Department (CMED)

CMED is another state enterprise which have creative enough to remain in business through the introduction of other operations such as driving school (easy go), buses for hire, buses to South Africa over and above its mandate of servicing government vehicles and fuel provision while the Industrial Development Corporation of Zimbabwe (IDCZ) is actually coming up

with strategies of disposing and closing its investment thereby contributing to the rise and flooding of the labour market and most disturbing the economic meltdown.

2.14 Case of State Owned organisation that have collapsed as a result of poor Strategic Planning

2.14.1 Tyre Company Mabor

Tyre Company Mabor, a state owned organisation in Mozambique collapsed due to poor strategic planning. Mabor which was opened in 1979 as a partnership between Mozambique and American Tyre Company, was at one time a regional success story and exported tyres to neighbouring nations like Namibia, Botswana, South Africa and Zimbabwe. The Chairman of State Stake holding company Igepe, Apolinario Panguene noted that Mabor has been at a standstill for over ten years due to structural difficulties and as a result its facilities have been abandoned. This is a good lesson to IDCZ that if it continues with its strategy of Dissolution, Dilution, Disposal of distressed companies, the State Owned Company will collapse as the Tyre Company Mabor of Mozambique did. As a result, IDCZ should revisit its strategic planning.

2.15 Chapter Summary

In view of the forgoing literature review where the researcher interacted with different scholarly views and models, in line with the subject under study, the researcher is confident having been sufficiently equipped with wider ideas that the research will indeed close a gap within the Corporation. The literature review also assisted the researcher in refining and refocusing the strategic management areas for assessment within the IDCZ with a view to reposition its operations not only to its mandate of industrialisation but to the changing business environment.

CHAPTER 3

DATA PRESENTATION AND ANALYSIS

3.1 Introduction

This chapter includes the presentation, analysis and interpretation of data that has been gathered from the research participants through questionnaires distributed, interviews conducted and the content analysis. The data presentation shall be in the form of qualitative (words) and quantitative (figures, tables, pie charts and histograms). The findings would be based on research questions which would lead to the discussion and interpretations.

3.1.1 Response Rate

The researcher evaluated the questionnaire responses and structured interviews. The findings were consolidated and analysed, table-1 depicts the survey response rate.

Figure 1: Response Rate

Category of participants	Targeted sample size	Total responses	Percentage	Data collection technique used
Management	10	10	33	Semi-structured interviews
Non managerial	20	20	67	Questionnaire
Total	30	30	100	

Table 1-above shows that the researcher managed to get a 100% response rate from the targeted sample size which was thirty (30) participants

3.2 Demographic Information of the Respondents

3.2.1 Operational Departments at IDCZ

Table 2: Operational Departments at IDCZ

Operational Departments at IDCZ	Human Resource and Administration
	Finance Division
	I.T Department
	Marketing Department
	Research and Development

Table 2-above shows that there are five (5) operational departments at IDCZ which are Human Resource and Administration, Finance, Information Technology, Marketing and Research and Development.

3.2.2 Qualification Distribution

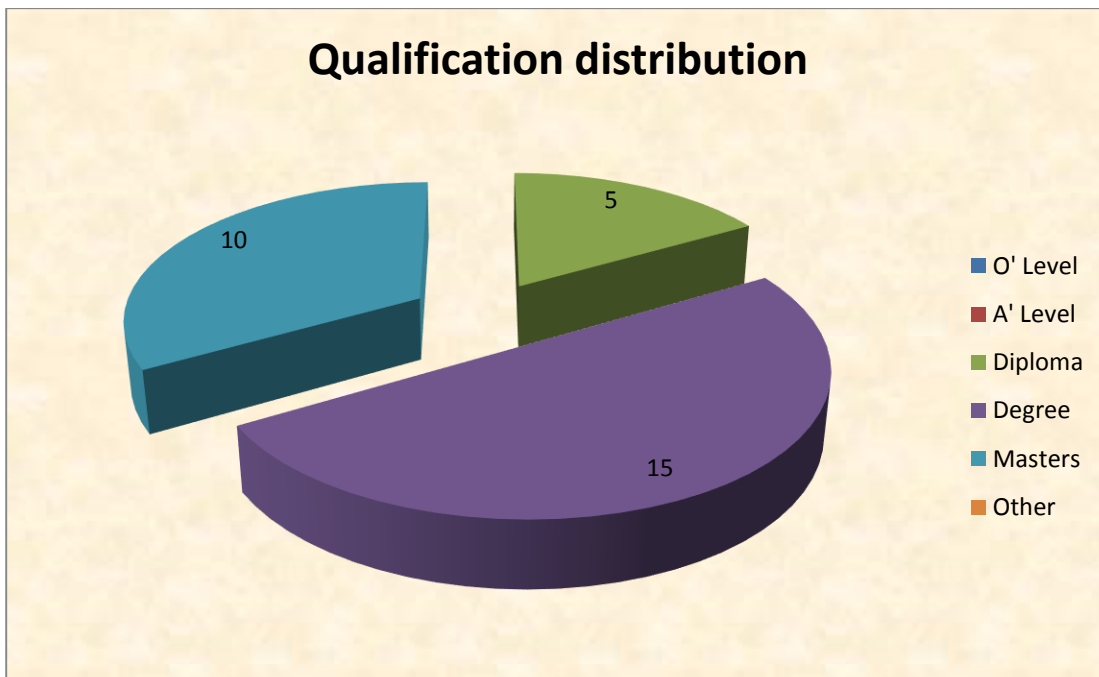


Figure 5: Highest Qualification distribution

Figure 5 above shows that of the research participants, there was no one with O' level as the highest qualification, there was no one with A' level as the highest qualification, five (5) participants were holders of various Diplomas, fifteen (15) were holders of various degrees in

line with their professions, ten (10) were holders of Masters Degrees and there was no participant in the other qualification category.

3.2.3 Gender Distribution

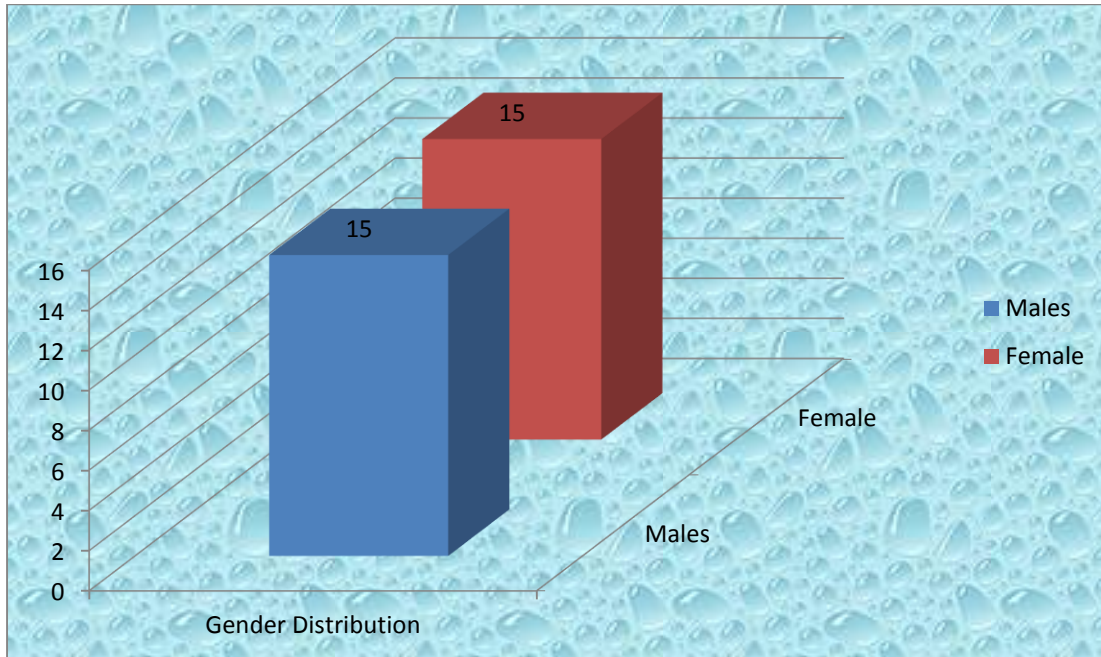


Figure 6: Gender distribution

Figure 6 above shows that, of the research participants fifteen (15) were male while the other fifteen (15) were females.

3.2.4 Age Distribution

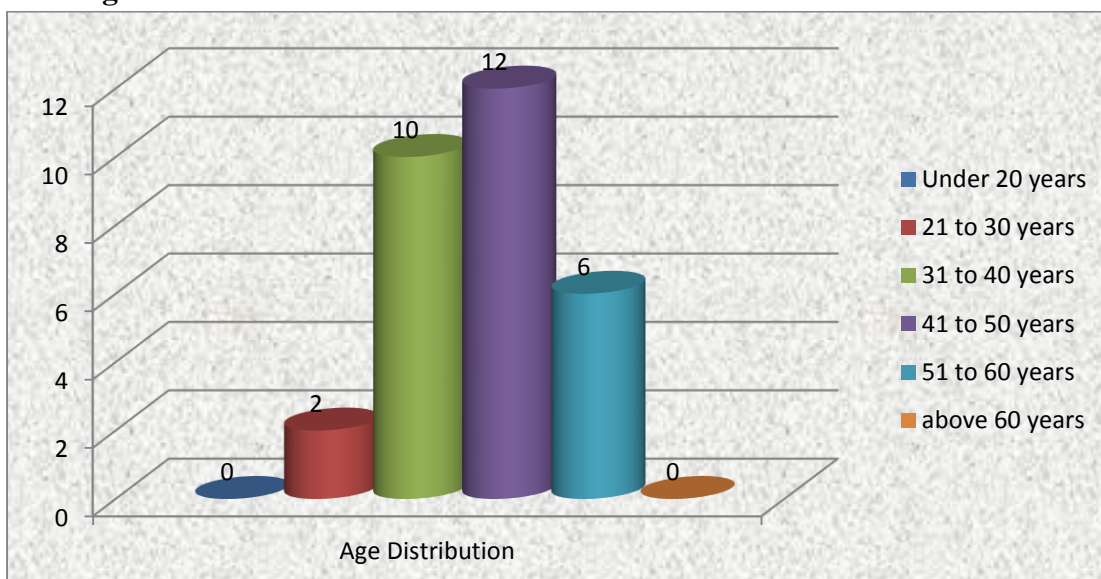


Figure 7: Age distribution of the participants

Figure 7 above shows that, there was no participant in the age range of below twenty one (21) years, two (2) research participants were between the age of twenty one (21) to thirty (30) years, ten (10) participants were between the age of thirty one to forty (31-40) years, the other twelve were between forty one to fifty (41 - 50) years of age. Six (6) of the participants ranged from fifty one to sixty (51 to 60) years and none was above sixty (60) years.

3.2.5 Length of Service

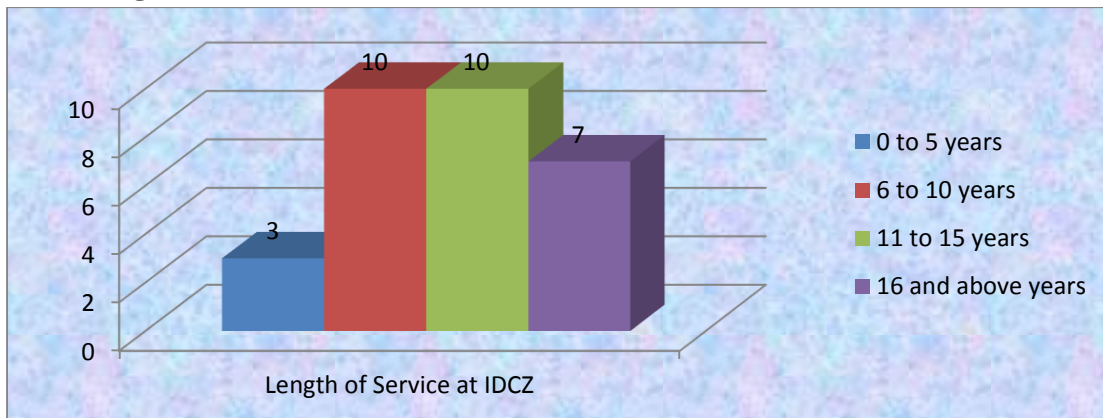


Figure 8: Length of service at IDCZ

Figure 8 above reveals, that three (3) research participants were in the service category of zero to five (0-5) years, ten (10) participants were in the category of six to ten (6-10) years, other ten (10) research participants were in the service category of eleven to fifteen (11-15) years, while seven (7) participants were in the service category of sixteen (16) years and above.

3.3 Data Presentation and Analysis

3.3.1 The Strategic Plans and Goals of Industrial Development Corporation of Zimbabwe

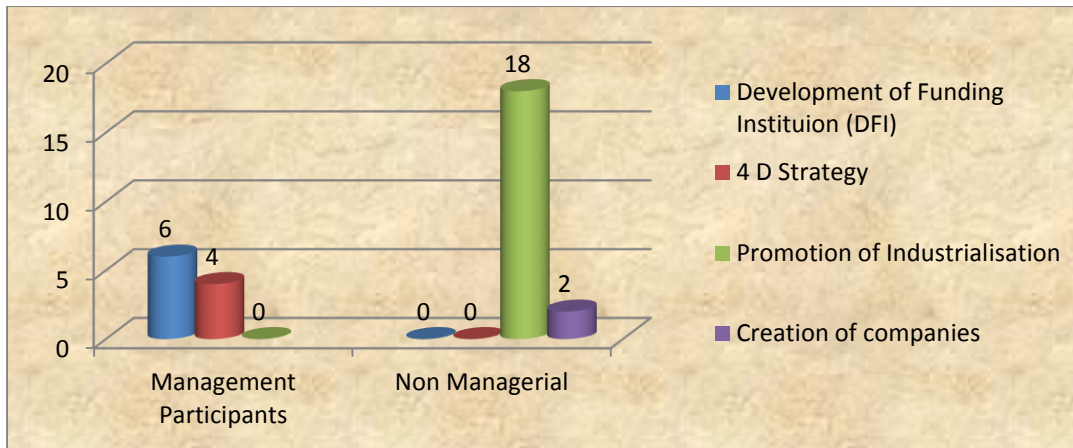


Figure 9: Views on strategic plans and goals of IDCZ

Figure 9 above shows that, from the interviews conducted, six (6) management participants said the strategic goals of the Corporation were to transform its current role of Investment Management to the role of Development Funding Innovation (DFI). They submitted that the corporation was planning to mobilise funds from financial institutions and play the role of financing various projects and companies nationwide thereby promoting industrialisation within the country. Four (4) management participants said the goals of the corporation were to implement the 4D strategy (Dilution, Disposal, Dissolution and Development).

From the questionnaires administered to non-managerial staff, eighteen (18) research participants said that strategic plans and goals of IDCZ were mainly to promote industrialization in Zimbabwe, while two (2) research participants said the strategic plans and goals of IDCZ were to create companies and manage them.

3.3.2 Strategies that are in Place to Achieve the Strategic Goals of IDCZ

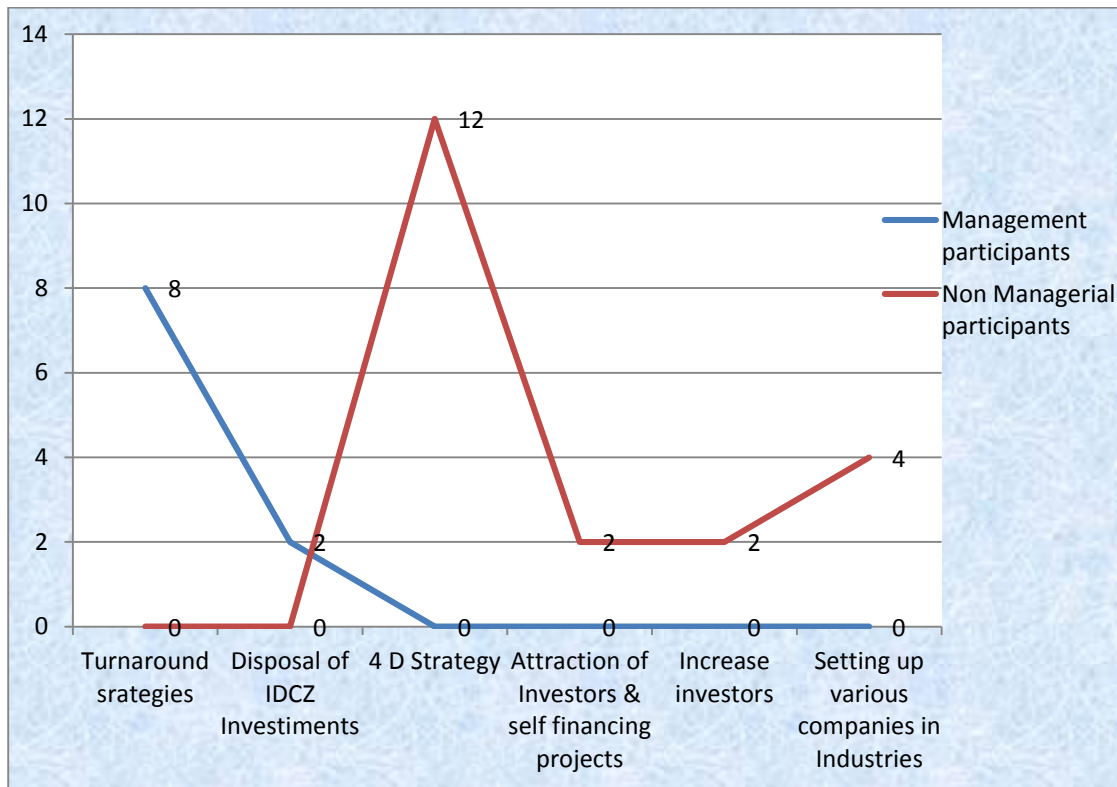


Figure 10: Opinions on strategies in place to achieve the strategic goals of IDCZ

Figure 10 above reveals that, eight (8) management participants said the strategies in place to achieve the goals of the organisation saw restructuring as a turn-around strategy for all the IDCZ group companies with a view that enhances their value creation as also provided for under paragraph 3:18 of the ZIMASSET document. Examples given during the interview of companies that were being restructured included Stone Holdings which used to export unprocessed stones. Two (2) management participants said the strategy which the corporation had in place was to speed up the disposal of some of the IDCZ Investments with a view to paving way for new investments from the funds realised after disposal of companies that were not performing well such as Olivine, Last Hope Estate etc.

From the questionnaires administered, twelve (12) research participants said that the strategies which IDCZ implemented to obtain its intended results were the 4-D strategy (Dilution, Disposal, Dissolution and Development); two (2) participants said the strategies in place were that of attracting investors and creating self-financing projects; other two (2) research participants said that the strategies were to increase investors in Zimbabwe;

while four (4) participants said the strategies in place were that of setting various companies or projects in all industries.

3.3.3 Resources which the Corporation has in Place to carry out its Mandate

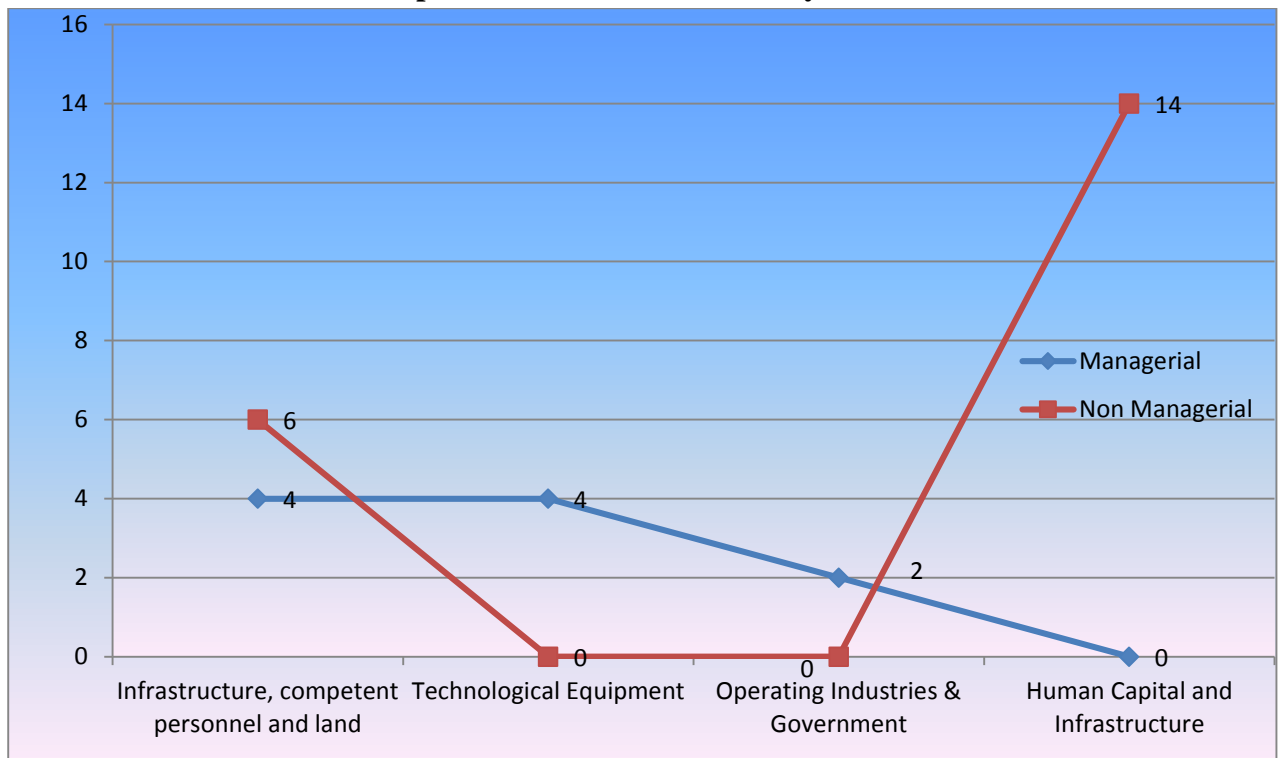


Figure 11: Views on resources which the Corporation had in place to carry out its mandate

Figure 11 above shows that, (4) management participants said the key resources which the Corporation needs to carry out its mandate were the establishment of infrastructure, competent personnel and other assets such as land it owns. Other four (4) management participants said the resources in place were technological equipment in manufacturing companies such as the plant at Surface Investment, plant at Olivine and motor assembly plant at Willowvale Mazda Motor Industry. While two (2) participants said the resources that enable IDCZ to discharge its mandate were the Operating Industries and Shareholders (being the government)

From the questionnaires administered, fourteen (14) research participants said that the resources which the Corporation had in order to carry out its mandate were the human capital and infrastructure, while six (6) other participants said the resources in place were land and other infrastructure.

3.3.4 Core-Competencies required in running the Corporation

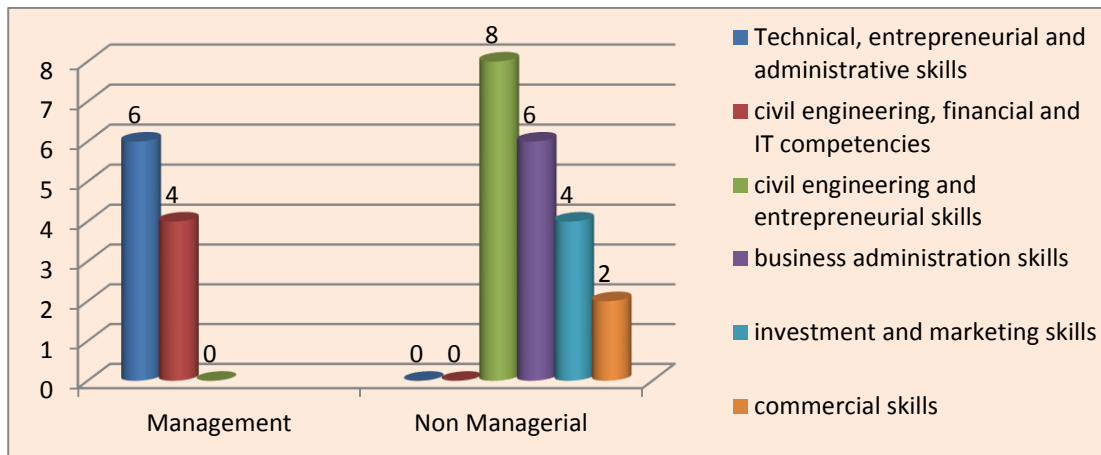


Figure 12: Views on core competencies required in running the Corporation

Figure 12 above shows that, six (6) management participants said that the core competencies required to run the Corporation were technical, entrepreneurial and administrative skills while four (4) participants said the core skill required were civil engineering, financial and IT competencies.

From the questionnaires administered, eight (8) research participants said the core-competencies required in running the Corporation were civil engineering and entrepreneurial skills; six (6) research participants said the core competencies required were business administration skills; four (4) research participants said the core competencies required were investment and marketing skills, while the two (2) participants said the core competencies required were commercial skills.

3.3.5 Strategies used by the Corporation in mobilizing financial resources for Capital Re-injection to its Investments

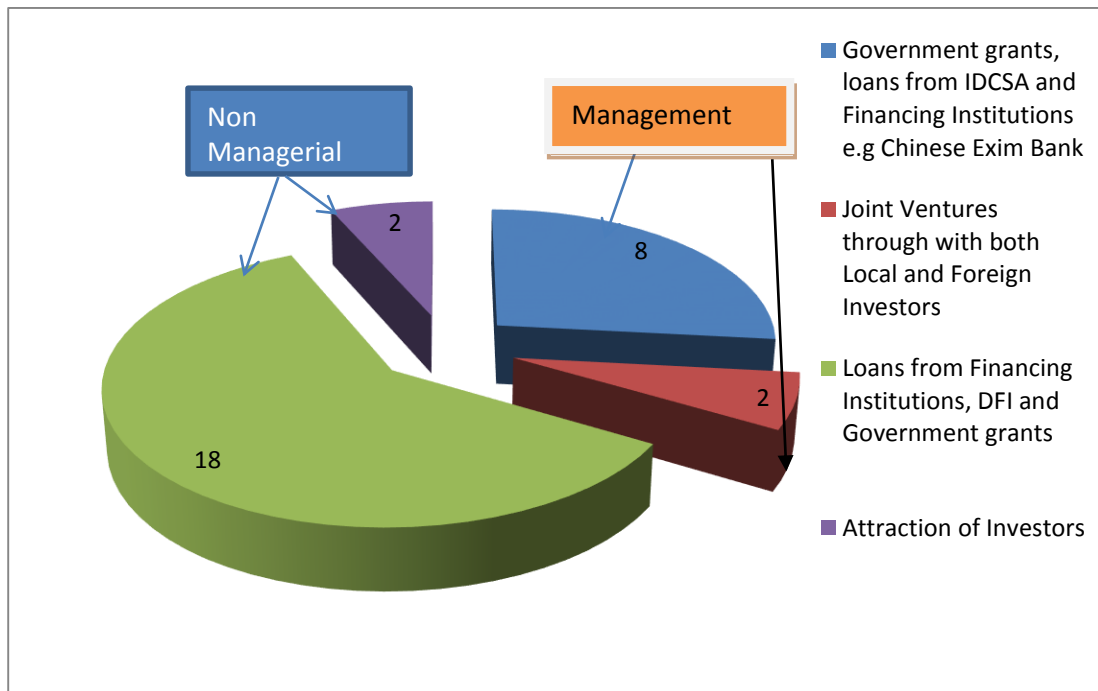


Figure 13: Opinions on how the Corporation mobilises financial resources for capital re-injection to its investments

Figure 13 above shows that, eight (8) management participants said the Corporation mobilises funds through Government grants, loans from IDCSA, and other financial Institutions such as Chinese Exim Bank. Two (2) management participants said the corporation mobilises funds through joint ventures with both local and foreign investors as well as self-financing markets from companies such as Sunway City.

From the questionnaires administered, eighteen (18) research participants said that the corporation mobilises its financial resources for recapitalization through loans from Financing Institutions and Development Funding Institutions (DFI) and Government grants, while two (2) participants said the Corporation mobilises financial resources through the attraction of investors.

3.3.6 Management prioritization in the allocation of Resources to its Investments

Table: 3 Opinions on how management priorities the allocation of resources to its investments

Category of participants	Views on prioritization in the allocation of resources to its investments	Number of participants on a view	Percentage
Management	Feasibility studies on its investments and uses the outcome in ranking	6	20
	Consider the audit reports and bankable business plan	4	13
Non Managerial	Feasibility study which determines the project viability and profit ranking order	18	60
	Assesses the performance of group companies before allocating financial resources	2	7
Total		30	100

Table 3 above shows that, six (6) management participants said the corporation conducts feasibility studies on its investments and uses the outcome in ranking the projects with the highest returns before directing its financial resources. Four (4) other participants said they consider the audit reports which reveal the financial performance of an entity and they also ask for a bankable business plan from each and every company wishing to be considered in funds allocation.

From the questionnaires administered, eighteen (18) research participants said that management prioritises the allocation of financial resources to its investments through the feasibility study which determines the project viability and profit ranking order; two (2) other participants said management assesses the performance of group companies before allocating financial resources.

3.3.7 Views regarding the current Performance of the Corporation

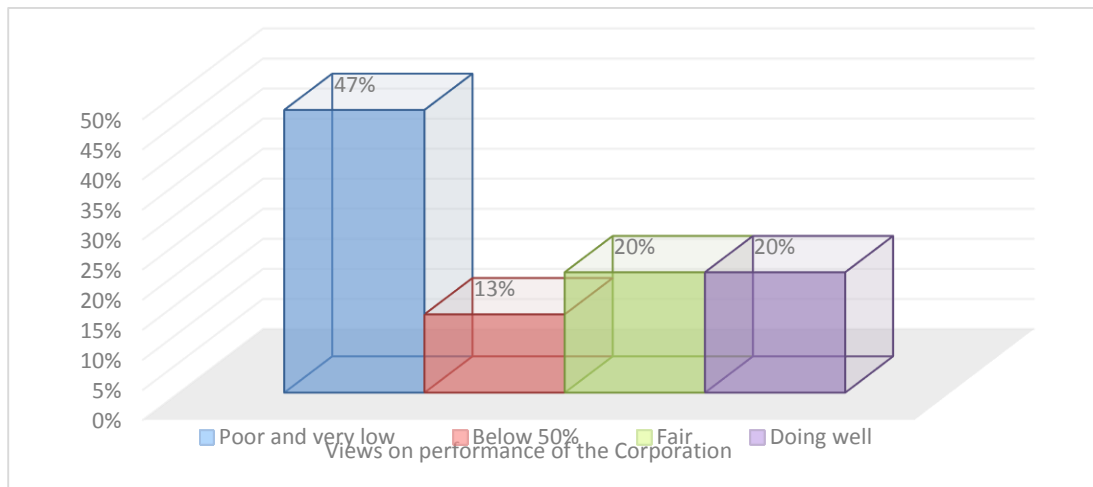


Figure 14: Views regarding the current performance of the Corporation

Figure 14 above, shows that 47% of the research participants said the current performance of the Corporation was poor and very low, 13% said the Corporation's performance was below 50% capacity utilisation, 20% said the Corporation's performance was fair, while the other 20% of the research participants said the Corporation was doing well.

Form the interviews conducted, it was highlighted that the reason for low and poor performance of the Corporation was mainly caused by economic challenges and poor government policies to support industrialisation in Zimbabwe. It was further submitted that the Corporation was listed on trade sanctions which was also affecting its international business partnership.

3.3.8 The role played by the Corporation in creating Employment in Zimbabwe

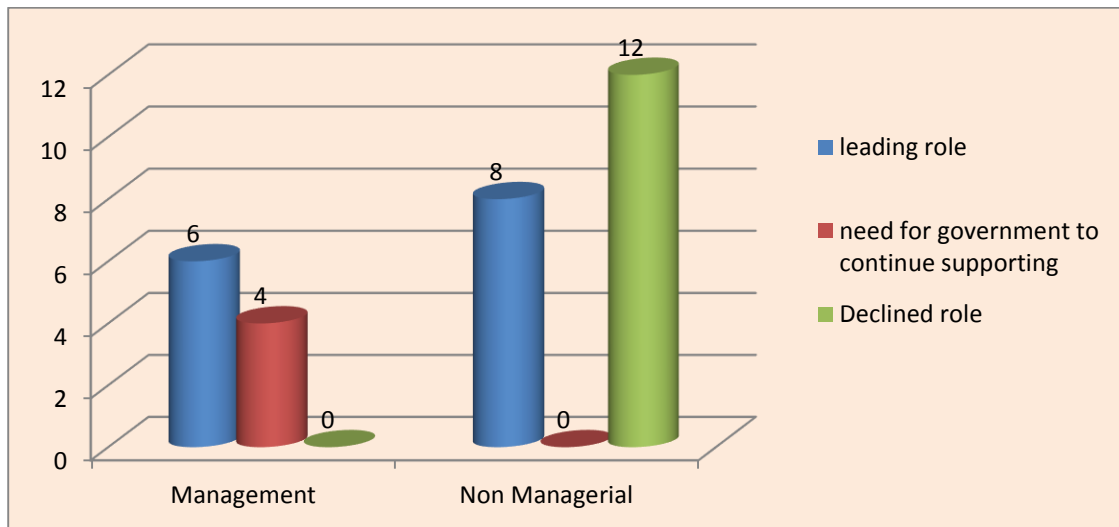


Figure 15: Views on the role played by the Corporation in creating employment in Zimbabwe

Figure 15 above shows that, six (6) management participants said that the corporation has played a leading role in creating employment throughout Zimbabwe. It was submitted that given its total of forty seven (47) companies in different sectors of the economy, IDCZ was in a process leading the role in employment creation thereby improving the standards of living of citizens. However, four (4) participants said there was need for government to continue supporting IDCZ such that its investments operate at 100% production capacity and create more employment opportunities.

From the questionnaires administered, twelve (12) research participants said that IDCZ used to play a leading role in creating employment in Zimbabwe, but such a role had declined due to downsizing in its group companies. Eight (8) other research participants said the Corporation was playing a major leading role in creating employment, thereby supporting the Government and its citizens.

3.3.9 New IDCZ Investments created in the past Five years to Date

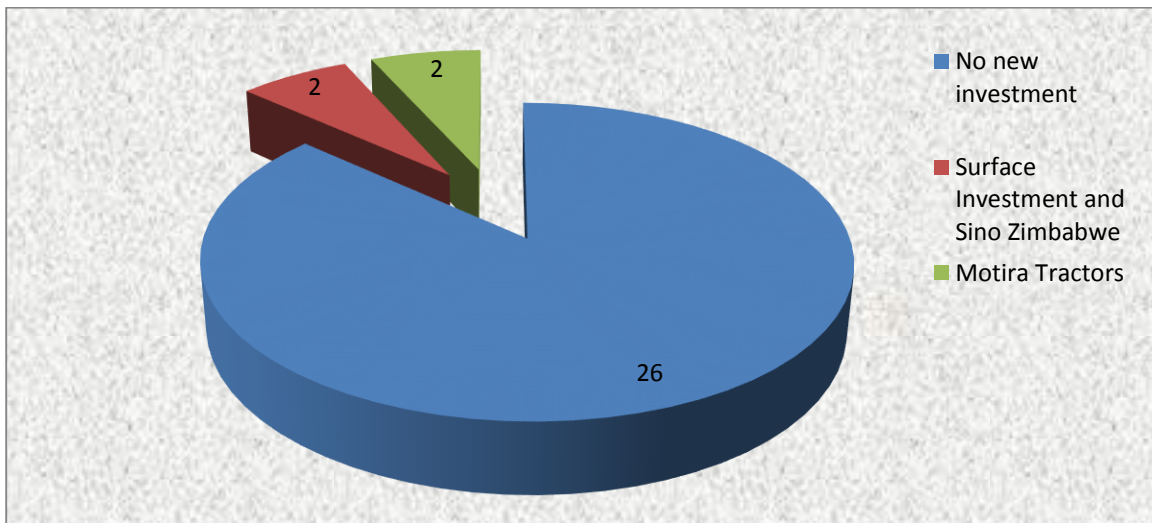


Figure 16: Views on new IDCZ investments created in the past five years to date

Figure 16 above shows that, all ten (10) management participants and sixteen (16) non managerial participants (26), said there were no new investments created in the past five (5) years to date.

Two (2) participants from the questionnaires administered said the new investments created by the Corporation in the past five (5) years to date were Surface Investment and Sino Zimbabwe, while the other two (2) participants said the new investment was Motira Tractors.

3.3.10 The current level of Production on the existing Group Companies of IDCZ

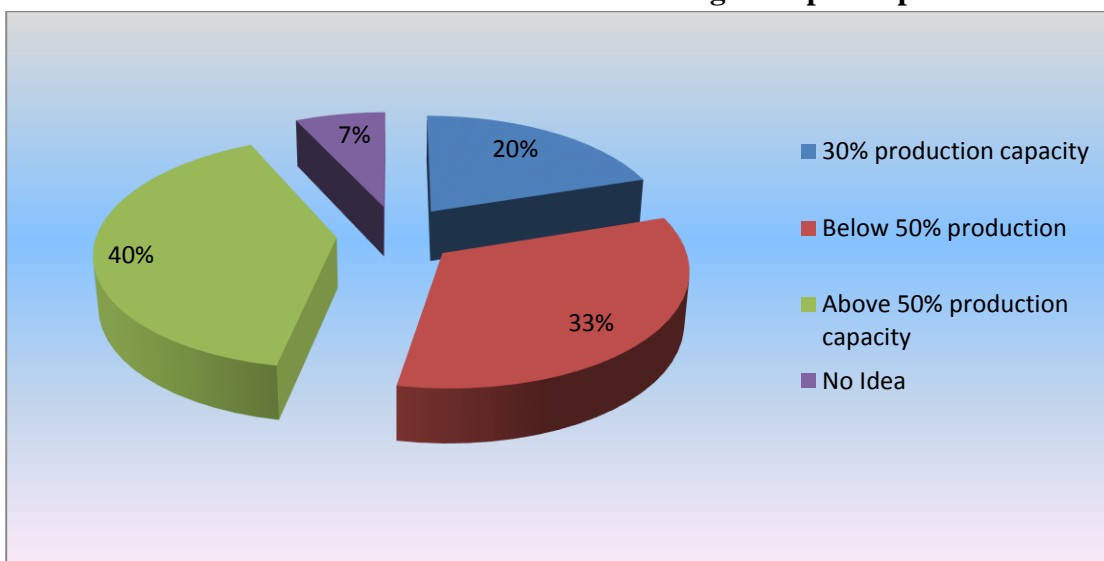


Figure 17: IDCZ group level of production

Figure 17 above shows that, 20% of the research participants said the Corporation and its group companies were performing at 30% production capacity, 33% of the participants said the Corporation was performing at below 50% production capacity, 40% of the research participants said the Corporation as performing at slightly above 50% while 7% of the research participants said they had no idea of the production capacity of the IDCZ group companies.

3.3.11 Measurement and reviewing of the Strategic Plans of the Corporation

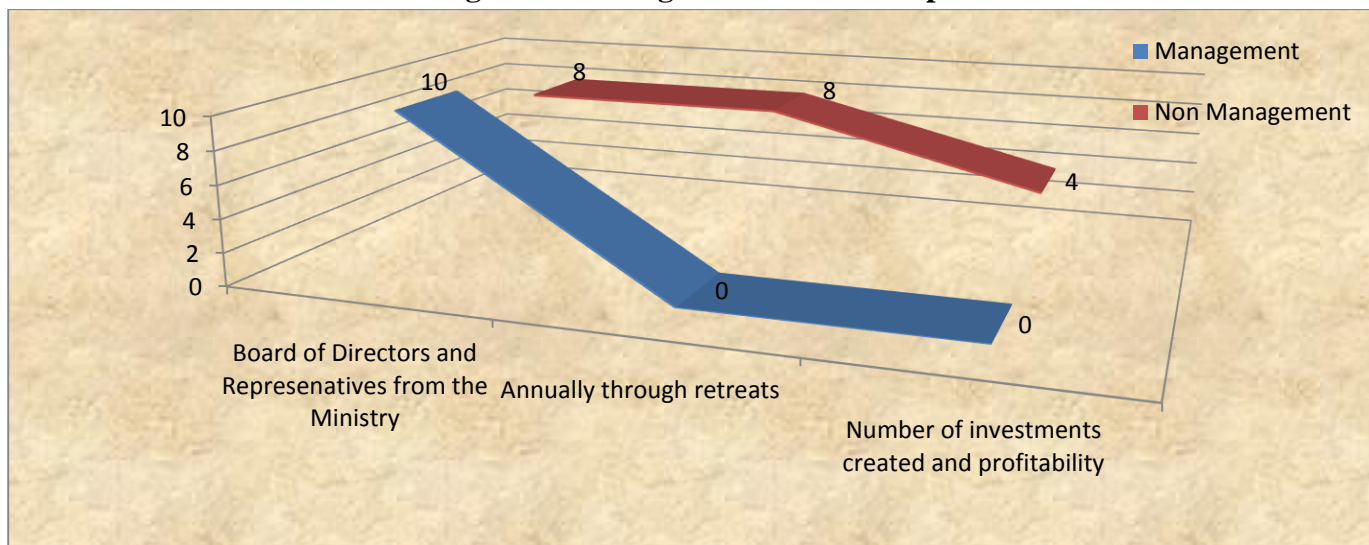


Figure 18 Opinions on measurement and reviewing of the strategic plans of the Corporation

Figure 18 above shows that, all ten (10) management participants said the strategic plans were set and measured by the Board of Directors comprising of non-Executive Directors and representatives from the shareholder through the Ministry of Industry and Commerce. It was also highlighted that such a process was done and reviewed at strategic meetings where the shareholder will attend.

From the questionnaires administered, eight (8) research participants said the strategic plans of the corporation were measured by the board of directors and shareholders through the Annual General Meetings, eight (8) participants said the strategic plans of the Corporation were measured annually through strategic retreats, while four (4) other participants said the strategic plans of the Corporation were measured through the number of investments created and profitability on such investments.

3.3.12 Setting up of the Key Performance Indicators for IDCZ management

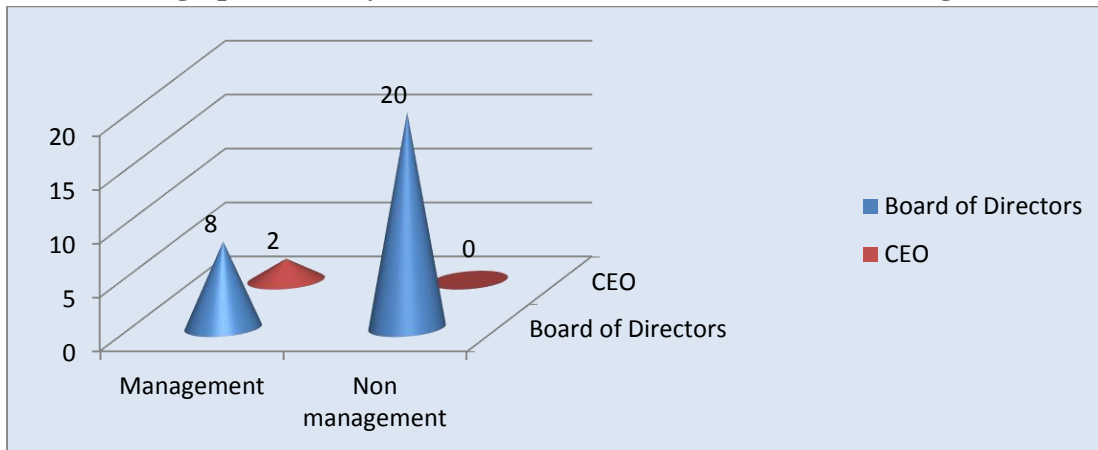


Figure 19: Views on setting up of the key performance indicators for IDCZ management

Figure 19 above shows that, eight (8) management participants concurred that the KPI's for management were set by the Board of Directors while two (2) participants said KPI's were set by the CEO of the corporation which cascades to all managers and non-managerial staff.

From the questionnaires administered, twenty (20) research participants said that the key performance indicators for IDCZ management were set by the Board of Directors in consultation with the Ministry of Industry and Commerce.

3.3.13 The role of the Corporation in promoting Industrialisation in Zimbabwe

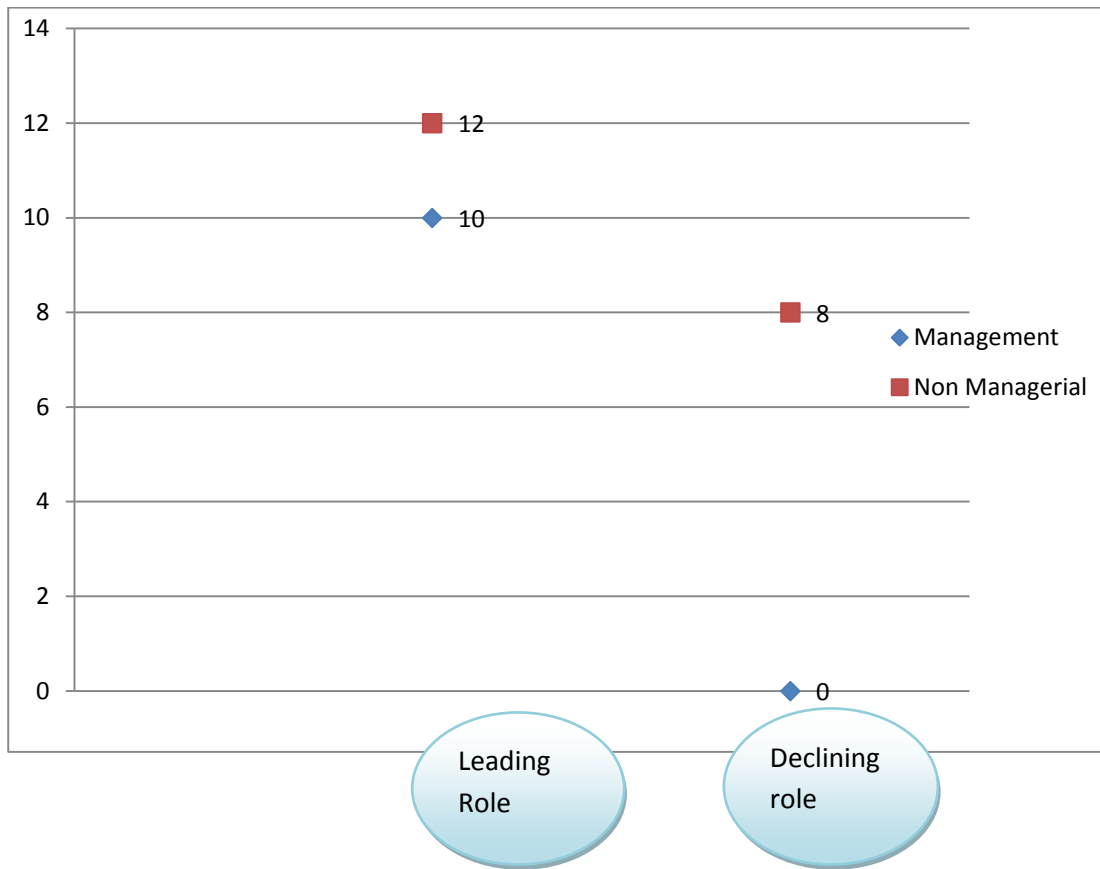


Figure 20: The role of the Corporation in promoting industrialisation in Zimbabwe

Figure 20 above shows that, all ten (10) management participants reported that the corporation has to date played a leading role in promoting industrialisation in Zimbabwe given its legal mandate in-terms of its enabling Act Chapter 14:10 and paragraph 3:18 of the current National Strategy (the ZIMASSET).

From the questionnaires administered, twelve (12) research participants said the Corporation played a leading role in promoting industrialization in Zimbabwe, while eight (8) other participants said the role of the Corporation in promoting industrialization in Zimbabwe had declined.

3.3.14 Strategic Planning challenges being faced by IDCZ

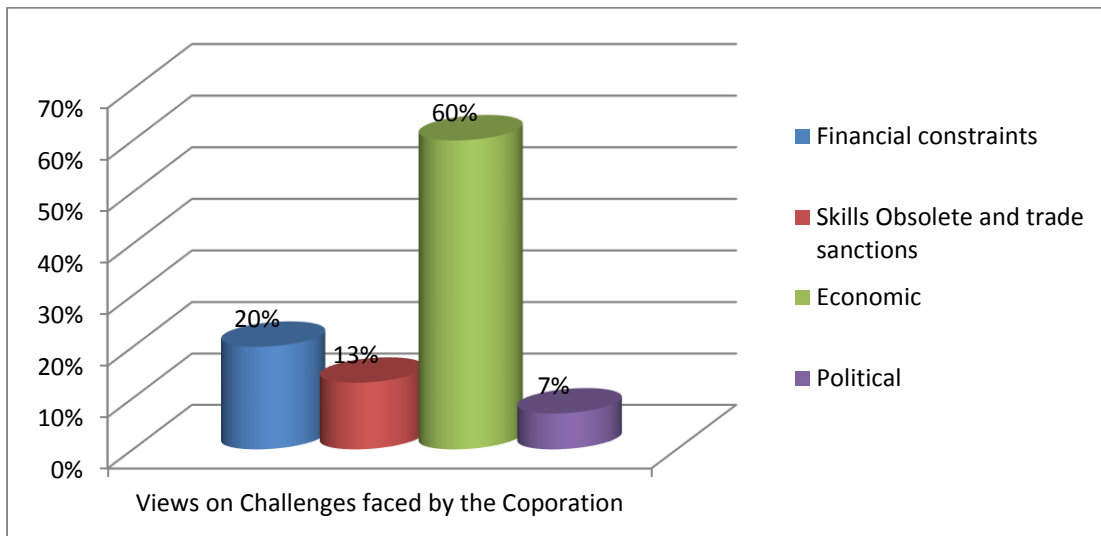


Figure 21: Strategic planning challenges faced by IDCZ

Figure 21 above reveals that, 20% of the research participants said that the Corporation's strategic planning process was being affected by shortage of financial resources, 13% said the challenges faced by the Corporation were skills obsolete and trade sanctions, 60% said the main challenges faced by IDCZ were economic and political sanctions imposed on IDCZ, while 7% said it was political interference in the IDCZ management processes.

It was further submitted through the interviews conducted that, in view of trade sanctions imposed by the British on IDCZ, some of its trade monies to the amount of US four million (4million) which was meant for recapitalisation in the IDCZ investment was intercepted by The Office of Foreign Asset Control (OFAC).

3.3.15 Five year's outlook of the Corporation

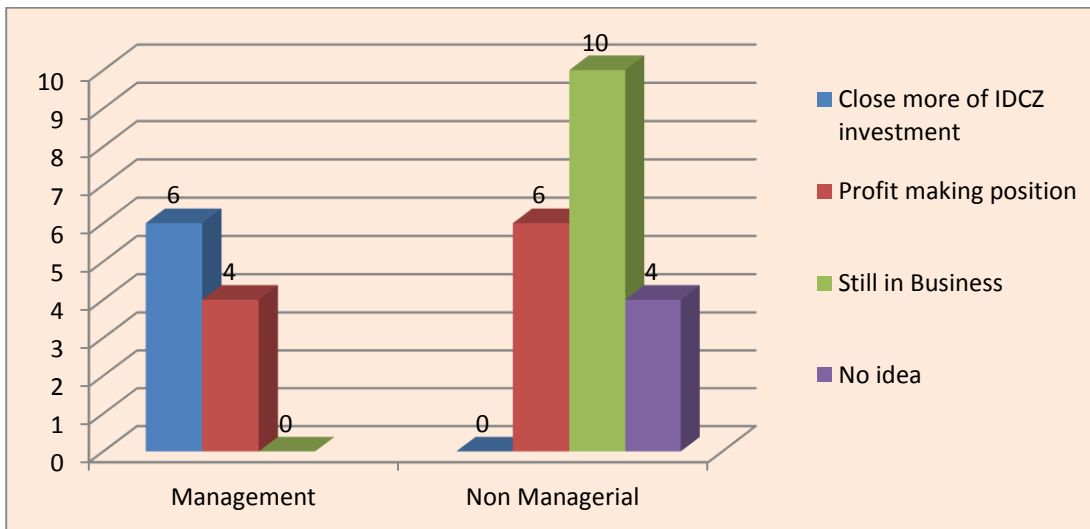


Figure 22: Views on five year's outlook of the Corporation

Figure 22 above shows that, six (6) management participants said if the Government does not support IDCZ through protective and empowering policies, the corporation may in the next five years close more of its investments thereby affecting the socio-economic development of the country. Four (4) other participants said they were confident that in the next five (5) years the corporation and its group companies will be back into a profit making position.

From the questionnaires administered, ten (10) research participants said the Corporation would still be in business five (5) years from now although operating at the same level, six (6) participants said the Corporation was likely to resuscitate the economy through the promotion of industrialization five (5) years from now, while four (4) other participants said they were not sure and had no idea of where the Corporation will be five (5) years from now.

3.3.16 Areas of Strategic Planning Recommended for Improvement at the Corporation

Table 4: Areas of strategic planning recommended for improvement at the Corporation

Category of participants	Recommendations for improvement	Number of respondents	Percentage of respondents
Management	Change of business mind-set	10	33
	Continuous assessment of the Macro environment & identify new business opportunities		
	Improved Communication within the Corporation		
	Government support financially and policy wise		
Non Managerial	International relations and attraction of investors	12	40
	Ways of raising capital for its group companies	4	13
	SWOT analysis for the group companies	2	7
	Innovation and diversification	2	7
Total		30	100

Table 4 above shows that, ten (10) management participants recommended the following areas for improvement at the corporation, a change of the business mind set; continuous assessment of the macro environment and identify new business opportunities; improved communication within the corporation; and Government support financially and policy wise to build a better Zimbabwe.

From the questionnaires administered, twelve (12) research participants recommended that the Corporation improves on international relations and attraction of strategic partnership or investors, four (4) research participants said the Corporation should improve on ways of raising capital for its group companies, two (2) participants said the Corporation should

improve on SWOT analysis for its group companies, while other two (2) participants said the Corporation should improve on innovation and diversification.

CHAPTER 4

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

4.1 Introduction

This chapter seeks to explore the summary of the study, draws conclusions from the data collected, presented and analysed and it will also present positive and negative implications and suggestions for future research and recommendations to the shareholder (Government) through the Ministry of Industry and Commerce for improvement at the Corporation under study.

4.2 Summary

Having used various legitimate scholar's ideas and models in the field of management, this study was an in-depth study of strategic planning in enhancing the performance of state enterprises, a case study of the IDCZ which was formed through an Act of Parliament Chapter 14:10, to promote and drive industrialisation in Zimbabwe. In this study the researcher employed both qualitative and quantitative techniques in collecting information. Also the gathered information was presented accordingly after a deep analysis. presentation and analysis. Using Sampling purposive technique, thirty (30) research participants were selected from the population of forty seven (47) employees at the IDCZ head office. Out of the thirty (30) research participants, interviews were conducted to nine (9) managers of the Corporation and the Deputy Minister of Industry and Commerce, while questionnaires were administered to twenty (20) non managerial employees of the Corporation. The study complimented the primary data obtained from the interviews conducted and questionnaires administered, with secondary data collected from the IDCZ Annual Financial Statements for 2013 and 2014, the current national strategy ZIMASSET paragraph 3:18 and its situational analysis and the IDCZ enabling Act Chapter 14:10. From the analysis of data collected and presented, the researcher noted that while the Corporation had an operational mileage in terms of its assets valued above US\$200 million, most of its investments were not performing due to the financial challenges the Corporation was going through and lack of strong government supportive legislations. It was further noted that the Corporation had since adopted a strategy which they term the 4D strategy which sadly spells out the Corporation's intentions to dispose some of its key investments as a survival strategy. It was also noted with concern that the Corporation had since ceased its role of promoting industrialisation thereby

creating employment but instead it is downsizing its workforce in investments such as Chemplex which further owns ZIMPHOS. Furthermore, the research participants confirmed that the Corporation had not created any new investments in that past five years to date which was against its legal mandate in terms of its enabling Act Chapter 14:10. Thus there is need for improved strategic planning and turnaround strategy at the Corporation as a salvation for IDCZ group companies and the economy of the country at large.

4.3 Conclusions

The study was set out to analyse the Strategic Planning in State Enterprises, a case study of the Industrial Development Corporation of Zimbabwe. The literature was analysed majoring on five themes on which the main empirical findings will be concluded below,

4.3.1 Strategic Plans and Goals of the Industrial Development Corporation of Zimbabwe

The majority revealed that the strategic plans and goals of IDCZ are a legal mandate as provided for in its enabling Act Chapter 14:10 which has not changed since the revision of the Act in 1984. The goals of the Corporation were further reinforced by the current national strategy the ZIMASSET paragraph 3:18 which provides for the government's total commitment to promote industrialisation through IDCZ by capital injection. Therefore, should the Shareholder through the Industrial ministry immediately intervene in IDCZ, there is a possibility of improving industrialisation in Zimbabwe given that the Corporation has investments in different and key industrial sectors of the economy.

4.3.2 The Corporations' Resources and Priority Allocation

Findings from the study showed that the Corporation's main resources were in the form of fixed assets which amounted to US\$ 200,321,495 as at 31 December 2014. These assets were largely made up of land and infrastructure. The Corporation also mobilises funds for capital re-injection from loans, government grants and joint ventures in most of its investments. The prioritisation in funds allocation were done subject to conducting of feasibility studies which would determine the project viability. Given the large asset base of IDCZ it means the organisation already has an advantage to revamp industrialisation should there be adequate capital injection for most of its operations across industries

4.3.3 The Current Performance and the Gap of the Vision

It was noted and is hereby concluded that productivity of the Corporation were below 50% production capacity, and that revenue for the Corporation continued to decline from US\$ 128.1 million in the year 2013 to \$ 97.3 million in the year 2014. It was also noted that the Corporations' role of creating employment had declined owing to a number of retrenchments in its major investments such as Chemplex which owns Zimphos fertilisers. It was further noted that the Corporation had not created any new investment in the past five years to date which was against its mandate and strategic goals. Therefore, there is a huge negative empirical gap between the current performance of the Corporation and its vision.

4.3.4 Measurement and Reviewing of the Strategic Plans of the Corporation

Findings show that strategic plans of the Corporation were measured and reviewed through strategic meetings by the Board of Directors after which process the CEO would set key performance indicators for the entire management team. It was further noted that IDCZ was using more of contingency planning where there are largely concerned with survival of head office as opposed to strategic planning which impacts on goals of the nation. Empirical evidence from the study revealed that the Corporation adopted the 4-D strategy which is mainly aimed at serving the head office at the expense of production generating investments. The adopted 4D strategy includes the **Dilution** of the IDCZ shares in some of its investments, **Dissolving** some of the investments, **Disposing** some of non -performing investments and at the same time **Development** of some viable projects. These factors taken together indicate that should this 4D strategy continue, the Corporation is most likely going to end up without any investment, having diluted, dissolved and disposed its current group companies.

4.3.5 The Strategic Planning Challenges faced by the Corporation

Findings from the study revealed that, in its strategic planning process the Corporation was experiencing the following challenges, skills obsolete, trade sanctions in which some of its funds amounting to US\$4 million were intercepted by OFAC, economic and political sanctions, political interference and lack of financial resources. It was further noted that the government of Zimbabwe did not have supporting policies to local industries particularly in

the motor industry where the market has been taken and flooded by the imported second hand vehicles from Japan at the expense of local IDCZ companies such as Willowvale Mazda Motor Industries.

4.4 Implications

Having intensively and extensively studied about strategic planning and the current state of IDCZ, the researcher submits the following positive implications.

- There is a possibility of improved productivity within IDCZ group of companies if funding for re-capitalisation is mobilized which will generate employment.
- There is a possibility of creating a vibrant and self-sustaining economy should all the IDCZ group companies perform at 100% production capacity.

However, if the Corporation does not improve on strategic planning, there are negative implications which are as follows:

- Continuous closure of IDCZ group companies.
- Slowdown of the socio-economic development of the country.

Failure of the ZIMASSET goals since IDCZ is directly contributing to the expected outputs.

4.5 Research Suggestions

The research dwelt on strategic planning within the Industrial Development Corporation of Zimbabwe. Therefore, there are other areas that later researchers may want to research on in State Enterprises which may include but not limited to:

1. The extent to which the Corporation complies with good practices of Corporate Governance, the problem which has affected many Public Institutions and State Enterprises in Zimbabwe.
2. Evaluation of the efficacy of the Result Based Management approach within IDCZ, since the RBM was made a compulsory performance management tool by the Government of Zimbabwe.
3. What turnaround strategy should be implemented at the Industrial Development Corporation of Zimbabwe to reposition the Corporation at a competitive position thereby promoting socio-economic development in Zimbabwe?
4. The areas mentioned above were not sufficiently covered in this study due to its theoretical delimitation on strategic planning. The researcher is of the view that the above highlighted areas, if further researched will promote the rejuvenation of the Corporation while at the

same time contributing significantly towards the wellbeing of the economy as well as employment creation.

4.6 Recommendations

Having conducted an intensive and wide research on Strategic Planning at Industrial Development Corporation of Zimbabwe (IDCZ), it was discovered and is hereby recommended to the shareholder (Government) through the Industrial ministry that,

1) Government of Zimbabwe through the Industrial ministry should immediately intervene in IDCZ to save the group companies from further disposals and improve on industrialisation in Zimbabwe. In its intervention, the Ministry should consider turnaround strategies such as restructuring of the Corporation.

2) The government should fulfil its commitment of directing funds for re-capitalisation of the distressed IDCZ investment as provided for in the ZIMASSET paragraph 3:18. Such capital injection will not only save IDCZ but will go a long way in creating productivity across industry thereby generating employment in the country.

3) Given the low production capacity in the IDCZ group of companies and the continued declining financial position, it is recommended that the Corporation should be privatised and be separated from Government control which could be locking some of its joint venture opportunities through political sanctions affecting its performance. Furthermore, when the Corporation is privatised, it will effectively use strategic planning as a competitive tool to generate profit as opposed to the current non-profit making mind set in the comfort of public institutions.

4) It is also recommended to the Ministry of Industry and Commerce that investment vehicles such as IDCZ need direct Ministry intervention and close supervision in strategic planning processes with the view to link its activities to the national goals.

5) The Government should promote local industries by instituting policies coupled by actions that support industrialisation in Zimbabwe. For example the government should restrict the amount of imported goods such as cooking oil and motor vehicles in order to promote the IDCZ companies such as Surface and Olivine companies and Willowvale Mazda Motor Industry.

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Midlands State University
Established 2000

Our Hands, Our Minds, Our Destiny

QUESTIONNAIRE FOR NON-MANAGERIAL EMPLOYEES

My name is Simbarashe Walter Jokonya. I am a student at Midlands State University studying Politics and Public Management Degree. I am conducting a research entitled **“Strategic Planning in enhancing the performance of State Enterprises” A case study of Industrial Development Corporation of Zimbabwe (IDCZ)**. I guarantee that your responses will not be divulged to anyone and shall remain anonymous. Information gathered is strictly for academic use only. The purpose of the research is in partial fulfilment of a Degree in Politics and Public Management.

INSTRUCTIONS

Tick on the appropriate responses on the squares provided in the questionnaire and responses to the questions should be written in the spaces provided.

SECTION A- DEMOGRAPHIC DATA

1. Job title

2. Highest Educational Qualification:







O' Level	A' Level	Diploma	Degree	Masters	Others(specify)
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3. Department.....

4. Gender:

Male  Female 

5. Age group

Under 20 years  21 to 30 years  31 to 40 Years 
41 to 50 years  51 to 60 years  above 60 years 

6. Length of service at Industrial Development Corporation of Zimbabwe

0 to 5 years  6 to 10 years  15 years  16 to and above 

SECTION B: ANALYSIS OF STRATEGIC PLANNING AT IDCZ

1) What are the strategic plans and goals of Industrial Development Corporation of Zimbabwe?

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.....
.....

2) What strategies have been put in place to achieve the strategic goals of the organization?

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3) Do you agree that the Corporation has no adequate resources to carry out its mandate?

Explain your answer.....
.....
.....

4) What is the core competencies required in running the Corporation?

.....
.....

.....
5) How does the Corporation mobilize financial resources for capital re-injection to its investments?

.....
.....
.....

6) How does management priorities the allocation of financial resources to its investments?

.....
.....
.....

7) Do you agree with the view that the Corporation's performance is low?

Give reasons for your answer.....
.....
.....

8) What role has the Corporation played in creating employment in Zimbabwe?

.....
.....
.....

9) Which new investments have been created by the Corporation in the past five years to date?

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.....
.....

10) What is the current level of production on the existing group companies of IDCZ?

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.....

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11) How are the strategic plans of the Corporation measured and reviewed?

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.....
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12) Who set the key performance indicators for IDCZ management?

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.....
.....

13) What role has the Corporation played in promoting industrialisation in Zimbabwe?

.....
.....

14) What strategic planning challenges are being faced by the Organization?

.....
.....

15) Where do you see the Corporation five years from now?

.....
.....

16) Which areas of strategic planning do you recommend for improvement at the Corporation?

.....
.....

THANK YOU FOR PARTICIPATING IN THIS RESEARCH PROCESS.



Midlands State University
Established 2000

Our Hands, Our Minds, Our Destiny

INTERVIEW QUESTIONS FOR MANAGERIAL PARTICIPANTS

- 1) What are the strategic plans and goals of Industrial Development Corporation of Zimbabwe?
- 2) What strategies have been put in place to achieve the strategic goals of the organization?
- 3) Which resources does the Corporation have in place to carry out its mandate?
- 4) What are the core competencies required in running the Corporation?
- 5) How does the Corporation mobilize financial resources for capital re-injection to its investments?
- 6) How does management prioritize the allocation of financial resources to its investments?
- 7) What are your views regarding the current performance of the Corporation?
- 8) What role has the Corporation played in creating employment in Zimbabwe?
- 9) Which new investments have been created by the Corporation in the past five years to date?
- 10) What is the current level of production on the existing group companies of IDCZ?
- 11) How are the strategic plans of the Corporation measured and reviewed?
- 12) Who sets the key performance indicators for IDCZ management?
- 13) What role has the Corporation played in promoting industrialisation in Zimbabwe?
- 14) What strategic planning challenges are being faced by the Organization?
- 15) Where do you see the Corporation five years from now?
- 16) Which areas of strategic planning do you recommend for improvement at the Corporation?

THANK YOU FOR PARTICIPATING IN THIS RESEARCH PROCESS.

