

## **Strategy Implementation Framework Used by SMEs in Zimbabwe**

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### **Abstract**

The field of strategic management has been expanding to embrace new concepts and models with a view to better understanding the field. One area of strategic management which is gaining currency is strategy implementation. Many a scholar and practitioner is exploring ways in which strategy implementation can be enhanced for organisations to function effectively. Several approaches have been proffered including the development of implementation models and frameworks. This study seeks to enhance strategy implementation knowledge among SMEs in Zimbabwe by developing a new framework that seeks to shed light on how the SMEs implement strategy. The development of the framework seeks to explain why, despite government policies to support economic growth, SMEs in Zimbabwe have failed to drive economic growth yet evidence from literature has indicated the significant role played by SMEs in growing economies in other countries. In depth interviews were used to gather the data from multiple case studies. The major finding of this study was that the framework used by SMEs in Zimbabwe emphasized both self and family survival. There appears to be a significant focus on inward behaviour that focuses on relationships and family anchored business survival. This could be the underlying reasons for the somewhat underperformance of SMEs in delivering strong economic growth in Zimbabwe despite a plethora of state driven assistance programmes. There is therefore need to test the applicability of this model in a longitudinal study and make adaptations to make the current framework have a more business focussed approach.

**JEL Classifications:** M19, L19, L29

**Keywords:** strategy implementation, implementation frameworks, SMEs, performance

**Abbreviations:** SMEs – Small to Medium-sized Enterprises; ZIMASSET – Zimbabwe Agenda for Sustainable Social and Economic Transformation

### **1. Introduction**

The future growth of the Zimbabwean economy has been anchored by policy makers on the establishment of robust SMEs in the face of business closures by the large scale and multinational companies. In this regard the Government has been calling for support towards the Small to Medium-sized Enterprises (SMEs), which is an acknowledgement of the potential benefits it can contribute to the economy (Tsarwe, 2014). Policies like the Zimbabwe Agenda for Sustainable

Social and Economic Development (ZIMASSET) was launched in 2013 with a view to drive economic development anchored to a larger extent on the growth of SMEs and beneficiation of local resources. However, Government support can only do so much in terms of the development of the SMEs but the bulk of the success of SMEs should be generated by the sector players.

One area that needs exploration is the behaviours of SMEs to collaborate government efforts. Despite the conviction of the policy makers of the potential of SMEs to grow the economy Tsarwe (2014) argued that “already barely into the year, the Zimbabwean economy has shown signs of weakness as judged by recent reports about the closure of a number of companies that are finding it difficult to stay afloat under the current economic hardships.” In addition, Zimbabwe adopted a multicurrency regime in February 2009 and according to Biti (2013), “as a result of policy measures, the years 2009-2011 saw serious economic rebound... averaging 9.5% growth, single digit inflation below 5%.” However 2012 onwards, there are signs that the economy growth has begun to taper off with economy said to have grown by less than 3.6%. This in way is indicative of the failure of policy regimes to uplift the development of SMEs into meaningful contributors to Zimbabwe’s economic development.

The answer for under achievement of SMEs’ ability to drive economic growth does not lie with policy but with the behaviours of these institutions. Strategic management and particularly strategy implementation has been considered to be the key behind SMEs success. Strategy implementation is the most complicated and time consuming part of strategic management and managers do not pay as much attention to the planning of implementation as they pay to formulating strategy (Shah, 2005). Understanding how SMEs operators in Zimbabwe behave might be the key to unlocking their inherent potential. Several scholars have been engaged in coming up with the best approach to the implementation of strategy with some arguing for the behavioural approach, others have advocated for the process approach while others have developed frameworks that guide strategy implementation.

The purpose of this research is to develop a new framework that SMEs in Zimbabwe are using in strategy implementation and to discuss whether the framework contributes to the survival and growth of SMEs. The existing frameworks were developed in developed countries and were developed using single case studies and large organisations. These were found to be partially applicable to organisations in developing nations. From a literature review, there is no evidence that such a framework for use by SMEs in Zimbabwe exists.

## 2. Literature Review

Several factors affect strategy implementation in any type of organisation and, in turn, affect organisational performance. A myriad of factors can potentially affect a comprehensive strategy or a single decision. Difficulties usually arise during the subsequent implementation process (Li, Guohui, & Eppler, 2008). Leaders’ thinking is often flawed; as a result, nine out of ten times, they fail to successfully implement the strategies they create (Speculand, 2009). Speculand argued that leaders habitually underestimate the challenge of implementing strategy and delegate this process to others, taking their eyes off what needs to be done; hence, strategies fail not because the strategy is wrong, but because the execution was poorly done. Allio (2005), as cited in Li *et al.* (2008) notes that:

*“Results of several surveys have confirmed this view: An Economist survey found that a discouraging 57 per cent of firms were unsuccessful at executing strategic initiatives over the past three years according to a survey of 276 senior executives in 2004.”*

A White Paper on strategy implementation in Chinese corporations reported that 83% of the companies surveyed failed to implement their strategies smoothly, and only 17% felt that they had a consistent implementation process (Li *et al.*, 2008). This underscores the importance of strategy implementation and indicates management failure in strategy implementation.

Strategy implementation defines the manner in which an organisation should develop, utilize and amalgamate organisational structures, control systems and culture to follow strategies that lead to competitive advantage and improved performance (Sorooshian, Norzima, Yusof, & Rosnah, 2010). It is obvious that strategy implementation is a key challenge for today's organisations (Li *et al.*, 2008). Business success is governed more by how well strategies are implemented than by how good the strategy is to begin with (Speculand, 2009); the implementation of the strategy delivers revenue, not the crafting of it. Several frameworks have been developed to facilitate strategy implementation. While organisations understand the need for strategy and effective implementation, the latter often falls short of the goals the organisation has set itself (Shah, 2005).

According Li *et al.* (2008),

*“There are many (soft, hard and mixed) factors that influence the success of strategy implementation, ranging from the people who communicate, or implement the strategy to the systems or mechanisms in place for coordination and control”.*

They also explained “the frameworks present strategy implementation in two ways: either through the simple categorisation of various factors into groups or categories (e.g. the studies by Skivington & Daft, 1991; Noble, 1999b; Noble & Mokwa, 1999; Beer & Eisenstat, 2000; Okumus, 2001) or by relating them to a (often graphic) framework (Noble, 1999a; Higgins, 2005; Qi, 2005; Brenes, Mena & Molina, 2007)” (as cited in Li *et al.* 2008). However, Okumus (2001) observes that, starting in the 1980s several frameworks were developed that are largely conceptual and/or descriptive. These merely list implementation variables, or illustrate them graphically, and then go on to describe each variable individually and note its importance in the implementation process (Okumus, 2001). However, Li *et al.* (2008) note that some researchers followed the framework and process approach, with the framework being represented by its rules and resources. They add that “based on Skivington and Daft's (1991) study, Noble (1999b) viewed strategy implementation research from a structural perspective (emphasising organisational structure and control mechanisms) and the interpersonal process perspective (emphasising strategic consensus, autonomous, strategic behaviour, diffusion perspectives, leadership and implementation style, communication and interaction processes)” (as cited in Li *et al.* 2008).

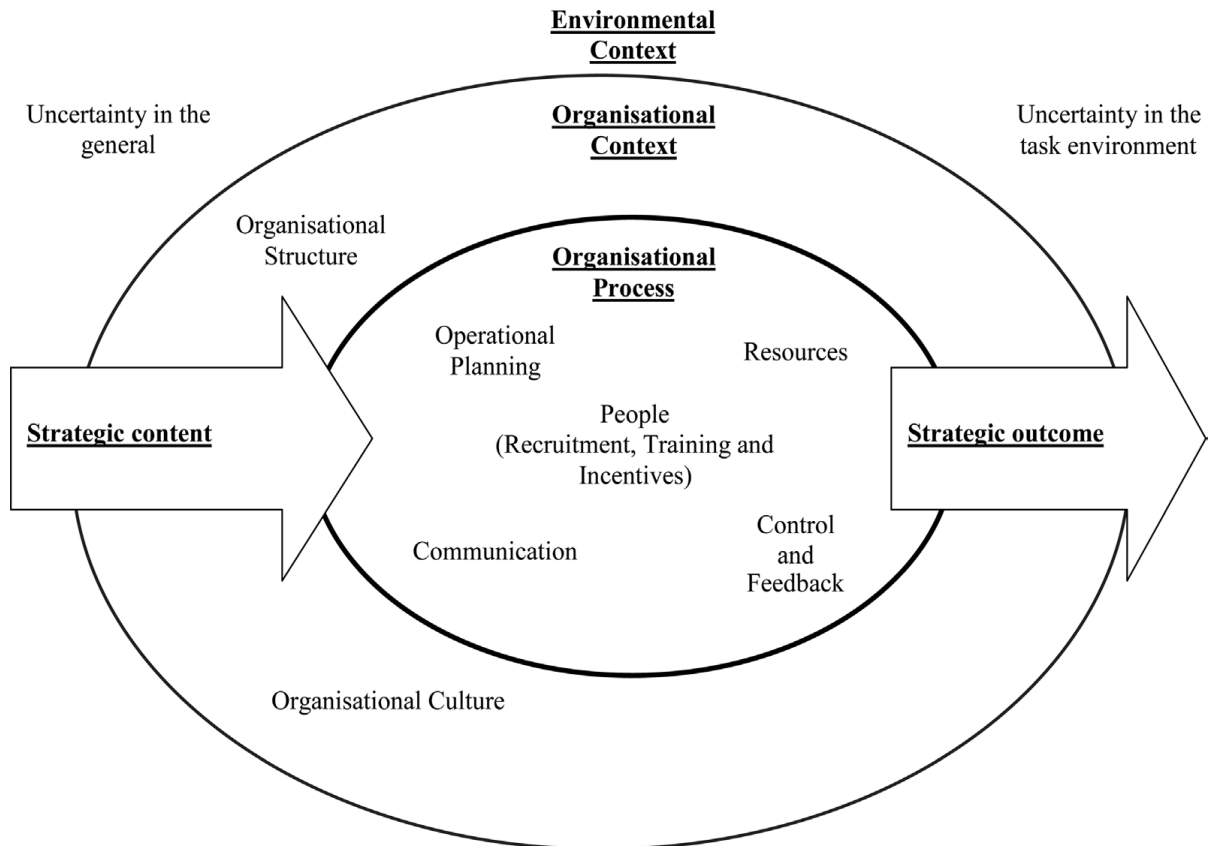
The fact that there are so many views on strategy implementation is indicative of the evolution of this field of study and the existence of several approaches that organisations can adopt in implementing strategy. This also suggests the need for further investigation in order to formulate an ideal framework for strategy implementation.

None of the previous research studies appear to provide in depth discussion and evaluation on how other variables interact and how these interactions affect the implementation process and outcome (Okumus, 2001). According to Eisenhardt (1989):

*“A prior specification of constructs can help shape the initial design of theory building research. Although this type of specification is not common in theory building studies to date it is valuable because it permits research to measure constructs more accurately.”*

In line with the above arguments, this study will employ the factors developed by Okumus and various other researchers to understand strategy implementation among SMEs. Okumus (2001) identified ten key variables namely: strategy formulation; environmental context, uncertainty;

organisational structure; organisational culture; operational planning; communication; people; control and feedback; and outcomes, which he constructed into a model built from previous models. The categories of strategy implementation factors used by earlier studies are strategic content; context (consisting of organisational context; organisational structure; organisational culture; and organisational context; uncertainty in general and uncertainty in the task environment); process (operational planning; resources; people; communication; control and feedback) and strategic outcomes (Okumus, 2001). This is reflected in the following model (Figure 1):



- This framework is not meant to be all-inclusive, rather its purpose is to provide a direction or a train of thought for executives faced with implementing strategies.
- It is argued that to implement a strategic decision, there should be a 'fit' or 'coherence' between the strategy and these variables and between all variables themselves.

**Figure 1.** Strategy implementation frameworks

(Adapted from "International Journal of Contemporary Hospitality, 13/7 by F. Okumus 2001)

According to Li *et al.* (2008), there are two types of strategy implementation studies: those highlighting the importance of factors and those that emphasize the 'big picture' of how such factors interrelate and form a strategic implementation environment. Li *et al.* identified nine individual factors that influence strategy implementation: the strategy formulation process; the strategy executors (managers and employees); the organisational structure; communication activities; consensus regarding the strategy; the relationship among different units/departments and different strategy levels; the tactics employed; the level of commitment; and the administrative systems in place. The second stream of the research analysis brings multiple factors together within a single (arguably comprehensive) framework or model (Li *et al.*, 2008). The above model

developed by Okumus (2001) captures the majority of the factors highlighted by Li *et al.* (2008) as follows:

*The revised implementation framework by Okumus includes four parts: context (strategic decision, multiple project implementation) context (internal context: organisational structure, organisational culture, organisational learning; external context: environmental uncertainty in general and task environment), process (operational planning, resource allocation, people, communication, monitoring and feedback, external partners) and outcome (tangible and intangible outcomes of the project).*

Dobni, Dobni, & Luffman (2001), categorised these as traditional implementation approaches and described them as the Achilles heel for many organisations. Okumus (2001) observed that strategies are initiated and implemented in a strategic context (the overall strategic direction of the company and the need to design new initiatives). Why are some organisations able to achieve outstanding results in both financial as well as non-financial terms (e.g. customer and employee satisfaction) while others are not (Feurer, Chaharbaghi & Wargin, 1995). Okumus emphasizes the importance of contextual variables; the internal context plays a key role in implementing strategic decisions (Li *et al.*, 2008). This is in view of the fact that environmental factors are less controllable than process variables (Bryson & Bromiley, 1993 as cited in Okumus, 2001). Strategy implementation is more effective because it is more operational (Voola & O’Cass, 2010) and operational activities are what organisations undertake to achieve performance.

In line with the above views, Okumus (2001) stated that operational process variables are primarily used and directly involved in the implementation process. It is assumed that companies have substantial control over these variables, at least in the short term. He adds that process variables are primarily employed to implement decisions, while context variables are merely taken into account due to obstacles and problems in the implementation process. In this regard it will be interesting to investigate the strategy implementation approaches adopted by SMEs in Zimbabwe, since studies on strategy implementation have focused on large organisations whose operational approaches differ significantly from those of SMEs. Finally, Okumus (2001) noted that the outcome variables are regarded as the expected results of the initiated strategy. This suggests that there are numerous challenges and that SMEs should adapt their implementation approaches in light of the fact that there is no single way to achieve successful implementation.

Most SMEs are significantly handicapped and might tend to follow a particular approach to strategy implementation. Meldrum and Atkinson (1998) observed that when things do not go according to plan, the *status quo* is maintained and that, where solutions are sought, they tend to be simplistic. They note that this underlines that something more than knowledge is required for successful implementation of a business imperative. Do SMEs in Zimbabwe have the necessary attributes to successfully implement strategies or they are limited to certain given approaches due to certain organisational handicaps? The proposition is that organisations should take a more sophisticated view of what is required to achieve better implementation. Meldrum and Atkinson (1998) stated that, this can be achieved by senior managers in the organisation taking responsibility for the development of team members. However, most SMEs in Zimbabwe have serious problems accessing the resources that they require to successfully implement strategies, particularly human resources. Storey *et al.* (1997) (as cited in Meldrum and Atkinson, 1998) postulate that many organisations are beginning to recognise the significance of management development as a prerequisite for improvements in the implementation of strategy. Human resources deficits impact strategy implementation among SMEs and in developing countries where resources are limited; management development tends to be considered a minor issue and resources are deployed to other organisational areas.



The above factors are summarised in the model developed by Okumus (2001), which is used as lens to carry out this study on strategy implementation among SMEs in Zimbabwe. It should be noted that SMEs might emphasise different factors which will result in different implementation approaches and degrees of success. The issues raised in this model are relevant to the study of how internal dynamics influence strategy implementation among SMEs. The model was developed for larger international organisations, but will be adapted for use in the Zimbabwean situation. The other models discussed by Li *et al.* (2008) contained only certain aspects of Okumus' (2001) model and his model is an aggregation of the various models' key variables. While strategy implementation is an under researched area (Li *et al.*, 2008), Sorooshian *et al.* (2010) reported that strategy has been receiving increased attention due to the fact that the process from project formulation to project implementation is not effective and therefore not adequate in today's business environment.

While Okumus' (2001) model suggests that if all organisations used it, they would be likely to successfully implement strategy, it should be noted that organisations vary in a number of ways. Each organisation will emphasize certain aspects of the model at the expense of others and accordingly achieve different results. It follows that those who adopt the model will be closer to achieving their goals while those that do not follow the model will not achieve the desired results. However, Li *et al.* (2008) pointed out that the strategic projects examined in their study were implemented without a proper fit between strategy and implementation. They add that it appears that any problem or inconsistency within one variable influences the other variables and consequently the success of the implementation process.

### **3. Methodology**

This was a qualitative study using the multiple case study approach. Eight organisations were selected using convenience sampling given the fact that only organisations with fewer than 100 employees and were five years or more were chosen for this study. Not all SMEs had the required characteristics hence the need for special targeting of the businesses to be involved in this study. Case specific interview outlines were formulated for each organisation to ensure that the interviewees in each organisation were asked the same questions (Suominen & Mantere, 2010). However, according to Stake (1995) "trying out the questions in pilot form, at least a mental rehearsal, should be routine." The researcher conducted a pilot test on two SMEs in Gweru which were not part of the study and made the necessary adjustments to the questions. In depth interviews were conducted with the owner/managers over two hour sessions and these interviews were collaborated by non-participant observations. Face-to-face individual interviews were held with eight SMEs owners in the major cities of Harare (3), Bulawayo (2), Gweru (2) and Mutare (1). After making the necessary appointments, the researcher visited the organisations concerned to conduct the interviews and to conduct a tour of the business premises in order to understand the business operations and conduct general observations of employees' behaviour in their work environment. After typing, the interview responses were given to the owner/managers for verification. The owner/managers were asked to make the necessary corrections to the typed transcripts. Once verified the information was coded using Atlasti after which code families and memos were created. Content analysis was used to analyse the data collected from the in-depth interviews and observations made during the study. According to Ellinger *et al.* (2003) (as cited in Spens & Kovacs, 2006) content analysis is a "method for the objective, systematic, quantitative and reliable study of published information, i.e. a suitable method for comprehensive literature reviews". Furthermore, content analysis can be used as an instrument for determining key ideas and themes in publications (Cullinane & Toy, 2000 as cited in Spens & Kovacs, 2006) and for measuring comparative positions and trends in reporting. The purpose was to come up with

concepts which were consolidated into a framework for strategy implementation among SMEs in Zimbabwe.

## 4. Findings

It was interesting to note that for the SMEs that were growing, the model developed by Okumus (2001) was substantially applicable; however, success was not only measured in terms of growth of the business in the Zimbabwean context where businesses were generally struggling under harsh economic conditions. In six out of the eight cases, success was measured in terms of the organisation's ability to survive as all organisations had survived for periods exceeding the five years threshold. Only two out of the eight businesses under study had a focussed growth strategy while the others focused on evolutionary growth as demonstrated by their conviction that growth should be internally driven; which according to the respondents was less risky. SMEs were found to be very conservative in growing their businesses and as a consequence the businesses did not reach their full potential. They used profits rather than loans and investors to grow their businesses which resulted in slow growth; for the purposes of this study, this is classified as survivalist strategies. In cases where profits were not significant, the SMEs sold previously acquired assets to bridge a business financing gap and as an example BYO1 sold a five storey building to raise funds to inject in the business, while GRU1 sold freight trucks for the same purpose. Figure 2 captures the pivotal approaches to strategy implementation by SMEs pursuing survivalist strategies, which is somehow different from organisations that are targeting business growth. Consequently, business growth, in such organisations tends to be delayed and is rather evolutionary and long term.

### 4.1 Visioning

The majority of the SMEs owners under study emphasized the social welfare approach to establishing and managing their business, both in the short term and past their retirement.

For example Respondent BYO 1 commented:

*“The sole purpose of starting a business was to eventually create employment for my children and to change my life style. The driving force was my social condition as my father had Parkinson disease and my uncle went blind at age 60 years. These conditions forced me to go into business to prepare for such an eventuality.”*

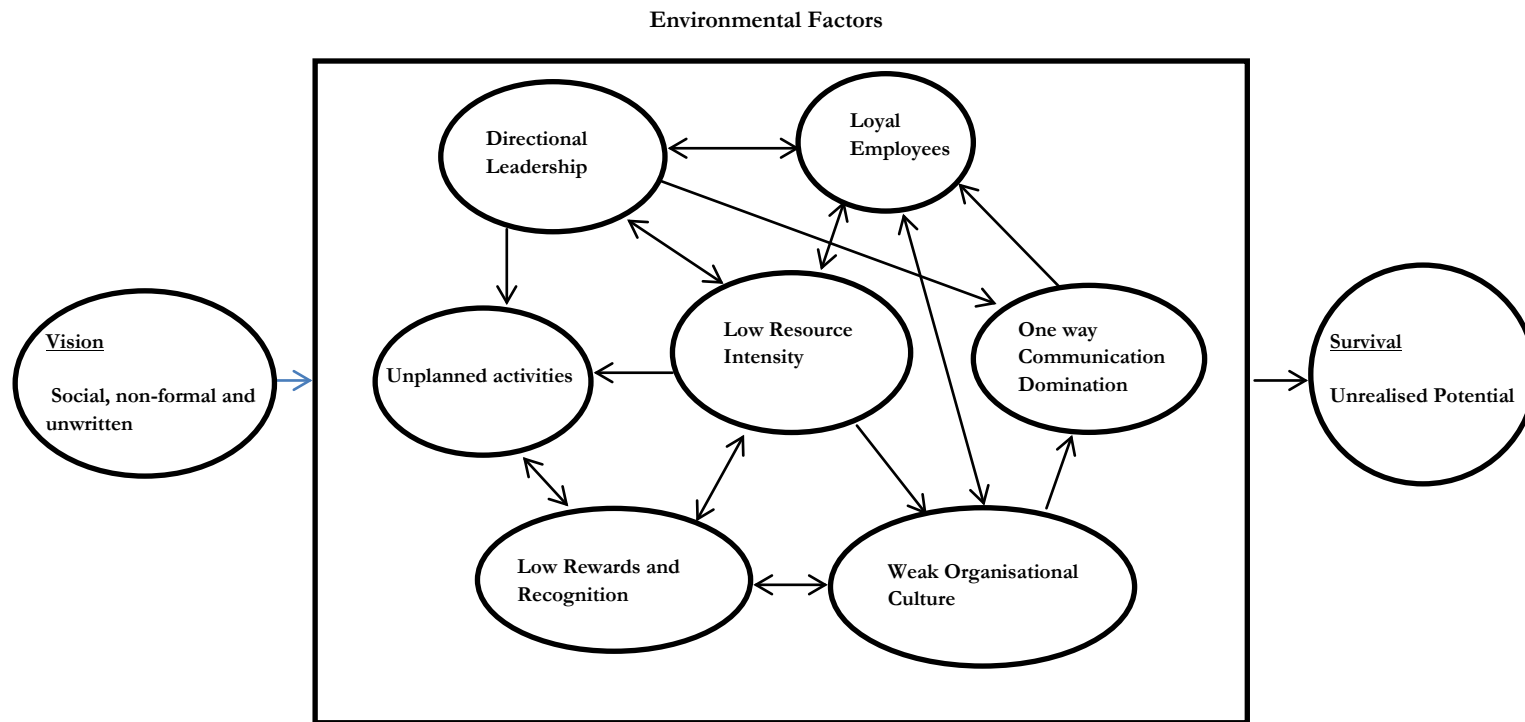
This was further corroborated by GRU 1, who stated:

*“When I started, I just saw an opportunity to make money because Sino-Zimbabwe Cement Manufacturing Company was failing to sell its product yet there was a large market for cement. An opportunity arose to sell the product. The motivation then was to make money and live a better life.”*

Their goals have always revolved around their personally lives even when they opted to start a business. They wanted to ensure a comfortable lifestyle for themselves and their immediate and extended families. Although pertinent, growth was never the driving force given that the vision of the business was formulated by the owner or the owner's family for the welfare of the family and not for business growth.

This is confirmed by BYO 1's vision which focused on and prioritised the family and its welfare both in the present and the future:

*“I wanted to prepare myself to be self-reliant in good health or poor health which formal employment could not provide for. Going into business was a sure way of preparing for old age disability.”*



**Figure 2.** Survivalist approaches to strategy implementation in SMEs



The visioning had an impact on strategy implementation; whereby the owner was cautious; aiming for safe bets that would preserve wealth like purchasing property with business generated income rather than targeting business growth. This approach has both negative and positive effects on strategy implementation. The motivation for the entrepreneurs involved in traditional business lines like retail, transport and construction was anchored in social needs and linked to improving the personal life of the owners and their immediate families.

Those with a vision of social wellbeing tended to pursue any idea that had the potential to raise additional income, as well as safe investments like property (GRU 1, GRU 2, MRE 1 and BYO 1). They shifted from one business idea to another. For example, GRU 1 had interests in transport, building materials, maintenance and construction and real estate management, among other activities. MRE 1 offered accounting and business advisory services, and moved into fuel retailing. Strategy implementation tended to vary according to the founding vision, with those in traditional industries pursuing anything with the potential to make money and improve their social position, while those in competitive sectors pursued one business line and sought to grow it.

#### **4.2 Directional Leadership**

The owners of SMEs in Zimbabwe used directional leadership where employees waited to be allocated tasks and had very little discretion. This was very apparent in the case of HRE 3, where employees were only given information for part of the task or the managers ended up undertaking all the activities for fear of projects being taken over by employees for personal rather than organisational gain. HRE 3 tried to withhold information regarding projects from employees:

*“It was very difficult to let all people know about projects because of the fear that ideas could be stolen and individuals will pursue them for their own good.”*

This control mechanism meant that employees could not move to the next level of implementation and had to wait for fresh instructions. This slowed down implementation. HRE 3 admitted that management ended up doing the work of subordinates. The following statement by HRE 3 illustrates this belief lucidly stated:

*“It was very difficult to let all people know about projects because of the fear that ideas could be stolen and individuals will instead pursue them for their own good. However now there is more sharing on the status of projects at our Monday meetings. This is where we share tasks and update each other on the progress being made on the various projects being undertaken by the organisation.”*

This resulted in very little involvement of the employees in organisational activities thereby denying the organisation of tacit knowledge with the owner or family was responsible for strategic planning and the pace of implementation.

Another aspect of their existence was that during their interaction with the environment, SMEs owners discovered opportunities that had no relevance to their current business operations and drove the organisation in new directions without any consultations. For example, BYO 1 saw opportunities in agriculture, decided to move the organisation in that direction and immediately recruited someone to implement this plan:

*“We have begun to diversify our operation to market gardening and beef cattle rearing at our Bulawayo and Mvuma farms respectively. We are trying to commercialise both operations since the bookshop business is now under serious threat. Going forward our business portfolio will be driven by the agriculture and can survive on that side of the business.”*

In the majority of cases, a trial and error approach was adopted in order to test what worked or did not work; this suggests a level of reactive strategic planning. The traditional businesses knew

what had to be done to make their family members' lives comfortable and uncoordinated diversification was a sure way of boosting their personal security. The hope was that the new ventures would generate quick profits which will be applied to original business operations.

### 4.3 Business Resources

A lack of resource intensity was another major finding of this research study. Consequently, most businesses preferred to grow organically which took a long time to achieve and attempted various ways to increase the capital base. Alternatively businesses often delayed implementation while they were mobilising resources from business operations.

Profits became the driving force, to the detriment of other business activities. This approach was detrimental to long term organisational performance. A case in point was the views expressed by HRE 3 who stated:

*“During the Zimbabwean dollar era we thought that we were making profits but these were wiped out and we had to build from scratch when the multi-currency regime was introduced. We needed fresh capital but this was not easy to access and we have had to rely on our own resources to grow the business. Organic growth in this environment is very slow given the business volumes and the low mark ups.”*

Most ruled out borrowing as the risk of failure was relatively high and this might jeopardise the business undertaking. This was also highlighted by the inability to attract quality employees. Where applicable the resources were generally raised from the sale of previous acquired assets that drained internally generated resources to finance their core businesses.

The emphasis was on loyal employees who would do the bidding of the employer and forfeit some of their rights such as salaries not being paid on time. For example, GRU 1 had salary arrears of about ten months but the employees continued to come to work and in compensation the organisation allowed them to carry small loads en route to an authorised destination. This allowed employees to generate income beyond their salaries. Misdeeds were quickly forgiven and as a result these employees became loyal to the employer. This was reinforced by selective recruitment from one's family or church.

In some cases, there was evidence of resource mobilisation to support strategy, mostly in the form of sale of assets; this was the case with BYO 1 and GRU 1. This was confirmed by HRE 3:

*“Due to lack of resources, we have lost many deals. We try to do everything or the manager responsible for a project will end trying to do everything due to lack in trust of subordinates and we eventually miss important deadlines. As an organisation we have lost a lot of money through the behaviour of our employees and in one case it amounted to US\$30 000. We do not have compliance policies and regulations in place and sometimes we have been forced to pull out of a contract due to the delivery breaches.”*

Other methods to mobilise resources included the pursuit of projects with potential positive cash flows in the short term, or slowly reinvesting profits in the business. The aggressive pursuit of such strategies was often lacking. Furthermore, save for HRE 2 and BYO, the other SMEs did not prepare budgets; hence resource allocations tended to be arbitrary and not supportive of strategy. SMEs in Zimbabwe generally had problems mobilising resources to implement the strategies adopted. Only one of the organisations under study claimed that they had few problems mobilising resources, but at the same indicated that human resources were hard to come by. This problem was common to most SMEs and is discussed elsewhere. However, only one organisation, BYO 2 sought to prioritise projects, producing budgets for all projects. BYO 1 and GRU 1 resorted to selling

assets or using existing assets to serve new purposes. HRE 3 decided to delay projects or completely pull out of projects and in the process tarnished the image of the company; no criteria were set to allocate the available resources and in the end resources were availed to the employees who were the most vociferous. Consequently, the SMEs with clear criteria for allocating resources grew faster than those that opted for organic growth or had no set allocation criteria.

#### **4.4 Human Resources**

The SMEs owners indicated that they recruited employees using different methods but it was apparent that it was difficult to get skilled and experienced employees. The brain drain was blamed by some, while others attributed skills shortages to the lack of resources to attract talented employees. HRE 2 stated that:

*“The major challenge in our line of business is the need for the right skills set in employees which are simply not available in the market place. We have had to recruit straight from colleges but these employees have the right academic qualifications but lack the skills necessary to compete in this industry. We have had to train these employees on the job but the lack of skills has resulted in delays and speed of action to get to our goals.”*

HRE3 concurred:

*“As an organisation it has been difficult to recruit the talent than is need to implement the strategy in place and we have to just do with what is available people without the necessary experience but with the right education. Hence the director is the only person focused on the long term bigger picture.”*

Consequent to the above, rewards and recognition tended to be absent. In the case of GRU 2, this resulted in employees demanding tokens of appreciation to serve bulk customers. They would demand US\$1 to serve a customer, which drove certain customers away. Being loyal was seen as the equivalent of being performing employees. All the SMEs tried to build a certain level of loyalty among their employees; employees were sometimes pardoned for blatant mistakes or had communal meals where everyone ate from the same plate, African style.

According to BYO 1:

*“Dismissal of employees does not work in small organisations like ours but would work for large organisations. In our case we get to know family members and the family situation. This helps a lot in monitoring and controlling the behaviour of employees at work. Once rehabilitated, they become very principled employees and very honesty in their business dealings as was the case with the stationery employee.”*

#### **4.5 Organisation Culture**

There was also evidence of a weak organisational culture; most organisations ended up evangelising their employees rather than motivating them to perform. A mixed bag of values was listed by the respondents. Each organisation purported to have separate values and these varied from organisation to organisation. Only two organisations, HRE 2 and BYO 2 had written value statements.

*“These values are written down because if you want a system to work for you, you have to write it down on paper and in our hearts. Values just like strategic plans are not just nice things to say but we have to live them. When we recruit new employees, we preach the word of God to them. Our interviews do not seek to know people from the flesh point of view but from a spiritual point of view. Thirty*

*percent of the interview questions or discussion focus on the skills, qualification and experience realm and the remaining 70% focuses on the spiritual side of the person. We will be looking for values that are compatible with our business world view and want people who will assimilate our values from the onset” (HRE 2).*

The values of the organisation were said to be in place, but no one bothered to enforce them. BYO 2’s owner and HRE 2’s owner for example stated:

*“However, in cases, we have had to fire employees but we normally do this within the confines of the Labour Act. This normally sends the right message to the other employees on how they should behave and in cases where we are dealing with contract employees; we normally do not renew contracts for employees who are problematic. Normally we let them go for say a month and thereafter call them back. On their return, they become the most well behaved employees, who are hardworking and loyal to the organisation.”*

The outcome of strategy implementation was survival rather than sustained growth. Most SMEs did not realise their potential and hence failed to drive the economic growth that SMEs elsewhere have achieved. SMEs need to do more in Zimbabwe if the economy is to grow. Organisations in survival mode will never deliver on job creation and economic growth.

Very few processes were followed by SMEs in strategy implementation. Although scholars have designed models that could be used to facilitate implementation in big organisations (e.g. Okumus, 2001), there is little evidence that such processes were evident in the SMEs under study. No changes were made to support the strategy being implemented.

#### **4.6 Organisation Structure**

This study did not establish realignment of the organisational structure to support the new direction, save for HRE 2 which included new structures in the new areas they moved into like Zambia, where local talent was recruited to complement the Zimbabwean staff; and BYO 2, who recruited specialised staff to meet certain requirements in certain projects. The remainder retained the same structure. As noted, communication was top down, with very little contribution from other levels; in HRE 3’s case, employees were starved of necessary information in order to maintain overall control and direction.

Allen and Helms (2006) contend that, "... a chosen strategy is a set of operationalized practices and tactics, which managers should understand and then follow the chosen strategy." They add that, "... managers must focus on all the practices which define their chosen strategy." They conclude that top managers must work with lower level employees to implement strategic practices consistent with and supportive of the chosen organisational strategy. This is not consistent with the findings of this study, as there is no evidence that the SMEs sought to secure the support of lower level employees. For example employees at GRU 2 acknowledged the changes they were told to institute, but were not convinced that they were necessary. This did not promote enthusiasm to implement such strategies that were designed to move the organisation forward.

Boddy and Paton (2005) argue that the nature of the project and whether the goal is stability or innovation will dictate the implementation approach. They indicate that some projects are intended to reinforce stability while others foster innovation. In projects that aim to support established, predictable routines, managers are likely to be well aware of the core technical and organisational changes required and can plan them with some confidence.

According to Alstete (2007), there is need to extract, share, and preserve the tacit knowledge base of organisations and combine this with explicit knowledge to enable on-going product/service innovation for revenue generation. He adds that understanding the nature of one’s own organisation

and its current performance is critical in benchmarking best practices with other organisational units, competitors and industry leaders.

The majority of the SMEs under study had no clear modalities in place to measure organisational performance. For example, GRU 2 was only interested in daily sales figures and only responded to a decline in sales by reducing its price after comparing prices with those of its competitors. Secondly, there were no efforts to consistently replace products that sold out fast, thereby wasting organisational knowledge and learning. In the long term, GRU 2 intended to benchmark on the Spar brand but this was a very long way off as they intended to build new shops before introducing the brand. The turnover of managers was also very high in this institution. Only HRE 2 and BYO 2 used benchmarks like budgets to review performance and were able to track both turnover and profits. HRE 2 was able to review the results of promotions with a view to improving performance and satisfying stakeholders. Both were involved in competitive sectors and this motivated them to learn from past experiences. As a result, both experienced significant growth.

## **5. Discussion**

The six entrepreneurs adopted an approach similar to that noted by Mboko and Smith-Hunter's (2009) study. They found that while those cases using complete planning have a vision, it is short term in nature and has a high situational responsiveness. BYO 1, GRU 1 and MRE 1 favoured this approach; they de-emphasized their business focus to pursue ideas that had income generating potential. This could have been influenced by the rapidly changing business environment in Zimbabwe. As businesses struggled to recapitalise in an illiquid market, SMEs could have been more inclined to focus on survival rather than growth.

Although there was evidence of growth in the SMEs due to some form of strategic planning, what was apparent was the nature of the vision adopted by the businesses. Traditional businesses including retailing and transportation operations in this study focussed more on socially driven visions, where the emphasis was on the social security of the owner. When they implemented strategies they tended to adopt diversification in unrelated businesses, e.g., GRU 1 started by retailing cement, then moved to transport, estate management, construction and is now gravitating towards real estate. This was also the case with the other five SMEs classified as traditional businesses. This provides evidence of some form of strategic planning and the selection of particular strategic choices. Mboko and Hunter-Smith (2009) concede that SMEs' planning tends to be survivalist oriented, which is slightly different from the findings of this study which points to a social security anchoring.

As noted by Mboko and Smith-Hunter (2009), they are driven by a short term focus. In the majority of cases, the vision driven by the owners was directed at their own social security and had very little to do with business development. As long as they were secure, they did very little to reshape the organisation to respond to organisational challenges.

Their ability to secure the best talent on the market was handicapped by the lack of financial resources. Therefore, they sought out people who would be loyal rather than focusing on quality employees that met the requirements of strategy implementation. Relations, church members and those recruited after serving as casual employees from time to time were in the majority. Recruitment was therefore not driven by strategy implementation requirements, but by social relationships. These employees rewarded the owner with support and allegiance rather than commitment, but added little or no value to the organisation's ability to pursue and implement chosen strategies. This was the case with GRU 1. In order to buy loyalty, employees were forgiven for serious offences; all the businesses acknowledged that forgiven employees were the most loyal. For example, in the case of GRU 1, a driver damaged both the gearbox and engine of a low-bed



truck while travelling at high speed and negotiating a very steep descent. The employee was quickly forgiven for having been honest. At GRU 2, employees were promoted to become branch managers without the necessary qualifications and experience. There were cases of large stock pilferage and stock outs for fast moving articles. The managers involved were suspended for two months and thereafter restored to their position or transferred to another branch. Both employers conceded that these employees had become the most loyal. Furthermore, BYO 1 and HRE 3 stated that dismissals were not in the best interests of SMEs.

Garengo and Bernadi (2007) found that employees were often managed in an unsystematic manner by entrepreneurs, and individual performance and knowledge were seldom measured; when they were, *ad hoc* systems were used. The current study confirmed these findings as all the organisations lacked performance management and reward systems. The owners blamed this on a lack of resources. Variyam and Kraybill (1993) argue that a planning strategy may yield higher returns to firms that have higher endowments of human capital, and technology may bring higher returns to firms belonging to a sector with a favourable technologies regime. Logic suggests that human capital will have a powerful effect on strategy formulation and implementation. Firms with higher levels of human capital have better command of technical information for implementing strategies and such firms have higher allocative abilities and hence are more efficient in utilizing the knowledge they acquire (Variyam and Kraybill, 1993).

Okumus (2003) stated that there is a need for training to enable employees and management to improve their understanding and skills in the areas where changes are envisaged. According to Okumus (2003), the key issues are:

- *“The recruitment of relevant staff for the new strategy implementation.*
- *The acquisition and development of new skills and knowledge to implement the new strategy.*
- *The types of training activities to develop and prepare managers and employees.*
- *The provision of incentives related to strategy implementation and their implications.*
- *The impact of company’s overall HRM policies and practices on implementing strategy.”*

## **6. Conclusions and Recommendations**

The major finding of this study was that the framework used by SMEs in Zimbabwe emphasized both self and family survival. Although some form of growth was realised the organisations exhibited significant unrealised potential. There appears to be a significant focus on inward behaviour that focuses on relationships and family anchored business survival. Satisfying family requirements in a way becomes the benchmark rather sustained organisational growth. This could be a result of the structural weaknesses in the manner in which the SMEs were being managed resulting in the overlooking of business focussed approaches to strategy implementation as outlined for example by Okumus (2001).

Despite these apparent shortcomings, there is therefore need to test the applicability of this model in a longitudinal study and whether it can be moderated to yield better organisational performance.

SMEs need to deemphasize issues like employee loyalty and adopt a more professional business approach and robust reward and recognition models. For SMEs’ growth there is need to balance the business from an inward looking approach to include other important implementation variables.



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