AN INVESTIGATION INTO THE ROLE OF LEADERSHIP IN STRATEGIC PLANNING.

by

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DATE SUBMITTED: January 2001
DECLARATION

I, Luhan George van Wyk, hereby declare that:

- The work in this paper is my own original work

- All resources used or referred to have been documented and recognised; and

- This paper has not previously been submitted in full or partial fulfilment of the requirements for an equivalent or higher qualification at any other recognised educational institution.

LG van Wyk

Date
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ABSTRACT

Strategic planning will reach its full potential once leadership operates effectively within the South African organisation. In this research, theoretical views of strategic planning and the role leadership should perform within South African organisations in the year 2000 are investigated.

Firstly, the author conducted a theoretical study into the strategic management model, and the most important factors influencing it. Secondly, the author investigated the leadership theories in relation to strategic planning. Thirdly, an empirical study was conducted to determine to which extent South African managers are successful leaders, and the resulted impact on strategic planning. Lastly, the author evaluated the empirical study, and made recommendations based on the literature and empirical study conducted.
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CHAPTER 1

THE INTRODUCTION: PROBLEM STATEMENT AND SUB-PROBLEMS

1.1 MAIN PROBLEM

Management is about coping with complexities. Its procedures and practices have emerged with the development of large organisations during the 20th century. Large organisations tend to become unmanageable without good management, which threaten their very existence. Good management brings about a stable environment where quality and maximised profits can be achieved (Kotter, 1990: 104).

Management is about coping with change. Simply maintaining or making slight improvements are no longer good enough. The business world is changing so quickly and rapidly that changes and improvements that strengthen the organisation’s position to that of survival, and ultimately success, can be regarded as acceptable (Kotter, 1990:104).

According to Stacey (1993:128) two aspects of an organisation’s philosophy need to be managed, namely:

- The manager must help the employees cope with conflicts between their personal morality and the morality of the organisation collectively; and

- The manager must create a philosophy that inspire, and a morality with which employees can identify and attach themselves.

Pearce and Robinson (1997:353) identify two main criteria of organisational leadership, namely:
• Strategic Management starting at the CEO; and
• Management skills to cope with complexities.

They define strategic management as a set of actions and decisions resulting in the implementation and formulation of plans developed to meet the organisation’s objectives.

These aforementioned facts lead to the main problem of this study:

If leadership is as important as modern literature makes it to be, then how can we establish the role leadership plays in strategic planning?

1.2 SUB-PROBLEMS

In order for the author to develop a research strategy that will address and deal with the main problem, the following sub-problems have been identified.

• How can we create a leadership culture within the strategic planning framework?
• How can modern management leadership function effectively within the strategic management framework?

1.3 DEMARCATION OF THE RESEARCH

Demarcating the research serves the purpose of making the research topic more manageable from the researcher’s point of view. It focuses merely on areas the author felt empirical to the research, but does not imply that the other areas not covered is not important or that there is no need to research them.
1.3.1 Management
The primary focus in this research will be on top management. This is ultimately where strategic management starts; and the first level of management where, if it fails, then lower level management can not make strategic management work.

1.3.2 Size of the organisation
Organisations with a workforce greater than 300 will be used in this research. The rationale for this is that organisations with less than 300 employees do not have sufficient levels of management to warrant this type of research.

1.3.3 Geographical demarcation
The empirical component of this study will be limited to organisations within the following geographical areas:
The business areas of Port Elizabeth and Uitenhage covered by the Port Elizabeth Chambers and Commerce Indices.
The empirical survey will be conducted by postal questionnaire.

1.3.4 Leadership
Leadership will focus on top management and their ability to lead. The author will focus on the complexities involved in leadership with specific reference to the ability to lead in this ever-changing business environment in the year 2000 and beyond.
1.3.5 Creating a culture

The study will specifically focus on the impact that leadership of top management have on strategic management, and the culture within the organisation in support of strategic planning.

1.3.6 Strategic planning

This research will cover only planning as an element of strategic management. Strategic management is a wide concept that incorporates the whole organisation as a business unit with an in-depth focus on the future and the implementation of issues of strategic importance to the organisation.

1.3.7 Time zone

The research will focus on how top managers have managed to lead during the last decade of the 20th century. This information will then be used to formulate a model to understand how we can assist managers in the 21st century to lead and create a culture within their organisations to support strategic planning.

1.4 DEFINITION OF SELECTED CONCEPTS

1.4.1 Investigate

According to the Pocket Oxford Dictionary (1984:388) to “investigate” is to inquire into something, examine or to make systematic enquiry. This research is going to investigate a few concepts functioning together to make the investigation into the role leadership plays in strategic planning possible.
1.4.2 Role

According to the Pocket Oxford Dictionary (1984:648), a “role” is something’s function. The research will determine the role leadership plays in strategic planning. The exact detail of the functionality of how it operates and how it will support the main problem of the research will be described. This inquiry can be done through various forms of research.

There are numerous methods that can be used, for example:

1.4.2.1 Literature studies

1.4.2.2 Empirical studies

(a) questionnaires
(b) statistics

1.4.3 Leadership

Leadership requires results in all areas, such as revenue, resources, the analysis of the cost structure, cost centers and other (Drucker, 1968:120). According to Pearce and Robinson (1997:357) there is temptation by leadership to typically create and manage distinct cultures through a variety of methods, namely:

1.4.3.1 Emphasising key themes or dominant values

1.4.3.2 Encouraging dissemination of stories and legends about core values

1.4.3.3 Institutionalising practices that systematically reinforce desired believes and values

1.4.3.4 Adapting some very common themes in their own unique ways.
For purposes of this research, leadership can be seen as a person followed by others. (Pocket Oxford Dictionary, 1984:415).

1.4.4 Strategic planning

Strategic planning is usually done for a period of three to five years in advance. Strategic plans are normally not for implementation, but rather to create the right mind set for things to come (Reese, 1990:9). Pearce and Robinson (1997:95) identify some key indicators that previous research has found to be very important in terms of current executives. These are:

- Competitive domestic trends
- Customer or end-user preferences
- Technological trends
- Diversification opportunities
- Worldwide or global competition
- Internal capabilities
- Joint venture opportunities
- Qualitative data
- General economic and business conditions
- Regulatory issues
- Supplier trends
- Reason for past failures
- Quantitative data
- Past performance
Pearce and Robinson (1997:95) claim these indicators were identified during a study conducted amongst more than 200 company executives in New York. These executives were requested to identify key planning issues related to the increased importance of strategic management.

1.5 ASSUMPTIONS

It is assumed that top management regard strategic planning as important. It is also assumed that top management realises the importance of the leadership role they perform.

1.6 THE SIGNIFICANCE OF THE RESEARCH

The attitude of management in an organisation can affect the future profitability of a whole industry. Certain managers are very short-term orientated, disregarding possible future repercussions of such short-sightedness (Hegarty, Logan & Newman, 1985: 35).

According to Pitts and Snow (1986:9), competitive advantage is required against six major competitors. These are:

- Direct competitors
- Suppliers
- Buyers
- New entrants into the industry
- Product substitutes
- Government agencies
These are merely examples to outline the support and need for proper strategic planning. There are so many negative influences impacting on the well-being of an organisation. Top leadership has therefore an important task to counteract these threats and transform them into opportunities. According to Stacey (1993:18) top managers think strategically when:

- They visualise what they want the organisation to become
- They are able to redeploy their resources to compete in tomorrow’s markets
- They are accessing the costs, risks and revenues of the strategic alternatives available to them
- They are thinking systematically and logically about the planning model and steps they can use to mobilise their strategic thinking that impacts on the company’s operations.

Strategic planning relies on strategic thinking as the seed of the successful planning process. Top management must first do the necessary thinking and strategising before proper strategic planning can take place, and also the other way around (Reese, 1990:49).

1.7 AN OVERVIEW OF RELATED LITERATURE

The overview of the literature will first be introduced, before the meaning of strategic planning and leadership is examined.
According to Drucker (1968:42) a leadership position of an organisation is an economic term, and not a moral or aesthetic one. Leadership in the organisation is about money and how to maximise it. Leadership is about how to lead so that profits will be maximised and the future of the organisation will be prosperous.

1.7.1 Strategic Management

Pearce and Robinson (1997:3) define strategic management as a set of decisions and actions that will result in the formulation and implementation of plans designed to achieve the organisation’s goals. This definition consists of nine critical tasks:

1.7.1.1 Formulate the organisation’s mission, including broad statements about its philosophy, purpose and goals.
1.7.1.2 Develop an organisational profile that reflects its internal capabilities and conditions.
1.7.1.3 Access the organisational environment, both competitive and general factors.
1.7.1.4 Analyse the organisation’s options by comparing its resources with the external environment.
1.7.1.5 Identify the most desirable options by evaluating each option in terms of the organisation’s mission.
1.7.1.6 Select a set of long-term goals and strategies in support of the organisation’s primary goal.
1.7.1.7 Develop annual objectives and strategies that are supportive of the long-term goals and strategies.
1.7.1.8 Implement the strategic options through budgeted resource allocations of people, tasks, structures, technologies and reward systems.

1.7.1.9 Evaluate the success of the strategic process as a source for future decision-making.

These nine tasks indicate that strategic management involves planning, directing, organising, and controlling the organisation’s strategic plan of action.

1.8 RESEARCH DESIGN

A methodology of literature and empirical studies will be followed in this section.

1.8.1 Research Methodology

The following approaches will be used to solve the main problem and sub-problems.

1.8.1.1 Literature

The author has collected numerous literature resources, articles and books to approach the main problem and sub-problems from a literature point of view.

1.8.1.2 Empirical study

The empirical study will consist of:

(a) A questionnaire
A comprehensive questionnaire will be drawn up to determine the role top management plays in large and medium organisations (larger than 300 employees) involving leadership of strategic planning.

(b) Sample
The Port Elizabeth Chamber of Commerce will be approached to obtain the names of organisations believed to be intensely involved with the employment of strategic planning, realising the importance of leadership.

(c) Measurement
The literature, as well as the empirical findings will be combined onto a statistical measurement of the level of leadership in medium organisations and the role it plays in strategic planning.
CHAPTER 2

THE STRATEGIC MANAGEMENT MODEL

2.1 INTRODUCTION

The author will research the primary objectives of the modern organisation. The author will further investigate how the modern organisation balances the need of maximising profits, but at the same time adhering to the fulfilment of the social cries of all the stakeholders involved. The author will also investigate the role managers fulfil at the different levels of management within the organisation, and what they do to make strategic management work.

2.2 THE PRIMARY OBJECTIVE OF THE BUSINESS

Smit and Cronje (1992:7) view the main objective of any organisation in a free-market economy to be the achievement of maximum profits. This endeavour to meet the maximum need satisfaction with the minimum resources utilised is commonly known as the fundamental economic principle. This endeavour is the very reason for existence of management. Their role is to guide the organisation towards this primary objective that functionally serves as the first level of strategic management.

Stacey (1993:121) states that certain organisations exist for the benefit of its shareholders. The main purpose of the business is to maximise the wealth of the shareholder. All decisions are taken with this goal in mind. Other organisation leaders again believe that the existence of any organisation should be three fold, viz.

- Maximising the wealth of the shareholders
• The production of quality and good value products and services for their customers
• Providing rewarding jobs to its employees

This second type of organisation functions to satisfy all the stakeholders of the business, and not only the shareholders. Stacey (1993:122) quotes an example of such a business is the American electronic equipment manufacturer, Motorola. This company defines its purpose as “… to honourably serve the needs of the community by providing products and services of superior quality at a fair price to our customers; to do this so as to earn an adequate profit which is required for the total enterprise to grow; and by so doing provide the opportunity for our employees and shareholders to achieve their reasonable personal objectives.” The purpose as described by Motorola defines the above concept, especially if one defines it within the concept of meeting all the objectives, and at the same time considering the needs of the society it operates in.

Smit and Cronje (1992:8) state that management exists for the following reason, namely: “to attain the organisational goals with the highest level of efficiency possible”. This efficiency also measures the level of efficiency management carries out their tasks with. Ultimately the productive organisation is that one which is successful in most effectively utilising the resources available.

Smit and Cronje (1992:8) states that management directs the business towards the goals at hand. Without management involvement the business resources will not be channeled in the desired direction. An organisation which functions in a free-market economy will
not meet its profit objectives if the organisation does not have the correct type of leadership, especially if it doesn’t show a profit any longer. Without management a business is doomed for failure.

According to Pearce and Robinson (1997:4) strategic issues must fit into certain dimensional criteria to be able to be classified as issues of strategic importance, for example:

- A Strategic issue requires a top management decision. Only top management has the perspective needed to understand the broader implications of such decisions and has the power to implement and make the required resources available, for example people, equipment, capital and knowledge.

- Strategic issues require large amounts of organisational resources. A significant amount of resources must either be re-allocated or procured/recruited to support strategic objectives. The business resources/actions must be committed over extended periods of time.

- Strategic issues affect the long-term organisation’s prosperity. Strategic issues normally stay in effect for at least a five year period. The impact thereof can often last for much longer. This inevitably has an effect on the organisation’s image and competitive advantage. A business gets known for their products and/or service. A radical strategy change will force a shift from their traditional markets and products, to radically new products and services.
• Strategic issues are future orientated. Strategic decisions are based on what managers forecast, rather on knowledge they have. Because this is the case, emphasis is put on the development of projections that will enable the firm to select promising strategic objectives.

• Strategic issues usually have multi-functional or multi-organisational consequences. Decisions of strategic importance have complex implications for most areas of the business. Examples of such matters are: customer mix, competitive emphasis and organisational structure necessary to involve a number of divisions or SBUs (Strategic Business Units). All of the mentioned areas will be affected by the allocation or re-allocation of resources and responsibilities that result from strategic decisions.

• Strategic issues require considering the firm’s external environment. Every business exists within an open environment. It affects, and are affected by, elements within its own external environment, largely beyond the organisation’s own control. Managers must look beyond the borders of the business when they position it in its competitive niche against competitors and their activities. They must consider the macro environment as a very important factor to consider.

2.3 THE COMPANY MISSION

Pearce and Robinson (1997:13) describe the company mission as the business product, market and technological areas that are of strategic importance and reflect the true
business priorities and values of top management. Smit and Cronje (1992:58) refer to the mission as the purpose of the organisation. This can be separated into two different viewpoints, namely:

- The purpose of society. Cater for the needs of society by providing services and/or goods at an acceptable level of quality, service and price to the consumer.
- Earning the maximum levels of profits possible for its owners or shareholders.

Smit and Cronje (1993:58) claim that there are a group of managers who think the basic purpose of an organisation is to be survival. Long-term survival may not be the most appropriate purpose of an organisation. The general purpose of the organisation is determined by the following factors, viz. the aims of its founders, preferences of its management and/or the societal context of its environment it operates in.

The organisational mission gives an accurate outline of the required organisational culture, the tasks required for the future survival of the organisation, and what must be done to serve the best business interests of the society it serves, Smit and Cronje (1993:58). A mission statement is personalised in a way, because it gives the business a special identity, reason for existence, and also a certain character.

According to Smit and Cronje (1993:59) an organisation should focus on elements that makes the organisation potentially unique or different from the ordinary run-of-the-mill way organisations are being run. This makes the importance of the periodic review of the
mission statement so important. The activities of the organisation need to be periodically reviewed to determine whether the organisation is still on track, or whether the mission’s focus needs to be adjusted to improve the strategic intent or focus of the business.

The mission statement of the organisation should focus on its purpose. Smit and Cronje (1993:60) refer to certain elements Kotler outlined that need to be taken into consideration when drawing up the mission statement, viz.

- The organisation’s past and historic experiences reflected in its accomplishments and aims
- Available resources that can be utilised
- Distinctive competencies which differentiates the business from its competitors
- Business threats and opportunities based on its macro environment
- Strengths and weaknesses of the business at the present moment
- Current preferences, personal preferences and know-how of the key managers of the business.

Smit and Cronje (1993:60) further state that the mission formulation of any organisation is therefore based on certain very important fundamental principles, under which the following:

- Production strategies must be able to produce a product or service that will meet the correct levels of quality and price.
- Product or service offered must be able to meet the customers’ needs fully.
- Product or service should at least provide benefits equal to or better than the price.
• Product or service should encourage the consumers to promote the business to their family, friends and colleagues.

• Organisation’s public image

• Organisation’s intention to sustain growth and profitability

• Organisation’s philosophy that reflects its philosophical priorities, basic values, aspirations and beliefs.

Stacey (1993:120) refers to the Ashridge mission diamond, which is made up of the following elements, namely:

• Values

• Behaviour

• Purpose

• Strategy

These elements need to work together, reinforcing and resonating one another, and providing the organisation with a good integrity, and a clear rationale for positive policies and behaviour to be based upon.

2.4 THE BUSINESS ENVIRONMENT

Smit and Cronje (1992:61) view the organisation as an open system. This means that any changes in the macro-, market- or micro-environment can potentially have a positive or negative affect on the organisation. Values of the society have, for instance, an important role to play when we consider the social responsibility of the organisation. The role South African organisations currently play in nature conservation is a very good example
of the current values of society in our country, and the number of organisations currently supporting this very important cause, for example Ford South Africa (with their Mazda products) and Nedbank.

Smit and Cronje (1993:61) claim the organisation has no control over the external environment. Changes in the external environment may require the business to realign its mission and goals in line with the changed environment. Planning can alert the organisation to possible changes in its external environment. It can assist the organisation to be pro-active, rather than re-active, to change its interaction with the external environment. Pearce and Robinson (1997:15) describe the external environment as the macro- environment which consists of all the conditions and forces that affect the organisation’s strategic options and define its competitive situation.

2.5 THE VALUES OF MANAGEMENT

According to Smit and Cronje (1993:61), the values and ethics of the current team of managers play a very important role in the organisation. This element of strategic planning will determine the organisation’s devotion to their social responsibilities, development of their employees and other.

2.6 THE EXPERIENCE OF MANAGERS

Smit and Cronje (1993:62) states that managers need experience to be able to set realistic and attainable goals. They must scan the micro-, market- and macro-environments
constantly in order to adapt to changes in those environments. The organisation’s objectives must always be aligned with the changing environments of the organisation to ensure that the organisation’s goals are always realistic and attainable. This element of importance, together with proper communication and a participative management style, is definitely the most important elements of leadership in the modern business.

2.7 THE NEED FOR PROPER COMMUNICATION

Communication is, according to Smit and Cronje (1993:354), the obtainment of information for all the management functions, namely, controlling, leading, organising and planning. In a well-managed business everything a manager does evolves around some kind of communication aimed at specific individuals or groups. This happens at all levels of the business.

Robbins (1993:390) refers to a study that was conducted in ten leading companies which has successfully implemented major restructuring programs. The study specifically focused on employee communication. These companies were chosen because they developed excellent internal communication channels, both amongst managers and between managers and employees. The researchers were searching for common factors which could determine the effectiveness of communication within these companies.

The specific emphasis was on companies which had had major organisational changes such as restructuring and reorganisation. The reason for the above was that the
researchers wanted to test how well corporate communication can function, whilst going through major organisational changes.

The researchers found eight common factors relating to the effectiveness of communication within these ten companies. The research was conducted over a spread of different organisations and structures, and it can therefore be assumed that the findings of the research should apply to many types of organisations. These factors are as follows:

- **Commitment of the CEO to the importance of communication**
  Employee communication must be driven from top management. The most significant factor in a successful communication program is the commitment and leadership of the CEO in philosophy and behaviour, in terms of the belief that effective employee communication is required to meet business objectives.

- **The words and actions of managers match**
  Action speaks louder than words. Formal and informal messages must not contradict one another. This will cause managers to lose credibility with employees. Managers must communicate, but also support their own communication by their own actions.

- **Commitment of two-way communication**
  Successful communication channels balance upward and downward communication channels. Traditional organisations tend to focus on downward communication channels only.
• **Emphasis on face-to-face communication**

Maximum amounts of communication can be transmitted through face-to-face communication. Open communication with people at all levels of the business automatically makes management members part of the “team”, because employees believe that managers understand their concerns and needs.

• **Shared responsibility for employee communication**

Top management provides direction and the big picture in terms of where the organisation is going. Employees should hear about changes from their managers, and not through the grapevine or from their fellow employees. This creates a requirement for top management to ensure that middle and lower level management is always fully aware of intended changes that are to take place within the organisation. Managing in such a way will ensure that every single individual in the organisation is always totally sure about the direction in which the organisation is moving, and also provides a much better opportunity for individuals to support the organisation’s goals and objectives.

• **Dealing with bad news**

Effective employee communication can only take place if bad news is treated in the same way as good news. Only if individuals within the organisation have enough confidence to communicate “bad news”, will management become aware of all the weaknesses or threats from within the organisation and be able to manage accordingly.
• The message is shaped for its intended audience

Managers need to develop a communication plan for the different types of individuals, cultures, groups and disciplines within the organisation. Management will have to determine the communication method that will be most suitable, target group that must be reached (level and location of individuals within the organisation), and the kind of information they might be in need of. This requirement might mean that different communication methods might be used for different individuals and groups within the organisation. Management will have to design their communication program in such a way that everybody within the organisation obtain the information needed in the best suitable way.

• Communication must be treated as an ongoing process

The leading companies in the research identified communication as a critical management tool. They managed communication by:

- Management conveying the rationale of underlying decisions
- Communicating when information becomes available
- Continuously communicating
- Explaining the logic and implications of smaller decisions, and how this plays a role in the bigger decisions that were taken by top management
- Not dictating the individual’s feelings on communicated news

Georgiades (1990:15) refers to changing the emphasis from throwing life belts to drowning employees, to determining who or what the cause of the problem is, and why.
He also states that personnel must stop focusing on the short-term demands, and start to place strategy and leadership at the top of their agenda.

Georgiades (1990:13) further refers to a book with the title “When Giants learn to dance”, written by Rosabeth Moss Kanter. She writes about “the mad rush to improve performance and to pursue excellence”. She lists a number of demands on managers, which includes the following:

- “Be entrepreneurial and take risks, but don’t cost the business anything by failing.”
- “Continue to do everything you are currently doing even better, and spend more time communicating with employees, serving on teams and landing new projects.”
- “Know every detail of your business, but delegate more responsibility to others.”
- “Get lean and mean through restructuring, yet be a great company to work for and offer employee-centred policies such as job security.”

According to Georgiades (1990:13), sir Leonard Peach have added one paradox to this list, viz: “the need to pay off the substantial sums to those who have served less well, while retaining those who have made themselves indispensable but would clearly like to go”.

2.8 IMPLEMENTING THE STRATEGIC MANAGEMENT MODEL

Immelman (1995:28) states that Ian Wilson found the following concerns with the results of strategic planning in a major research project he conducted. The concerns were:
• Middle and lower management have little to do with the planning process, and little to do with the eventual outcome.
• The analysis of activities became too dominant, with too little focus on strategic intent.
• Failure to integrate the planning systems with the operating systems.

Immelman (1995:29) believes that every employee must be able to think strategically, relate to the micro-, market- and macro- environments, unbound by constraints, in the interest of the organisation as a whole. He explains how the organisation can achieve this strategic thinking in the minds of its employees through the implementation of the following five point process, namely:

• Step 1 – Admit top management is not in total control of the organisation’s future
• Step 2 – Decide what management is really responsible for
• Step 3 – Provide employees with all the information they need, and enable employees to monitor the complete organisational system, including external factors that might affect the organisation’s system through the individual’s interaction with the external environment
• Step 4 – Management must ensure a fair distribution of the gains realised through the co-operation of all the individuals within the organisation
• Step 5 – Equip employees with the skills necessary to function within the organisational system.
Pennington (1998:22) believes that after the strategic team objectives meetings are held, cascading team objective meetings must be held. This step is necessary to align the vision, goals and leadership objectives down to the next level. He also believes top management should write S.M.A.R.T. objectives. This means that objectives must be:

- Specific;
- Measurable;
- Agreed;
- Realistic;
- Time-bounded.

2.9 THE NEED FOR STRATEGIC MANAGEMENT

Pennington (1998:19) claims that world-class organisations are characterised by many improvement initiatives which result in the ongoing general upliftment of the organisation. He defines world-class as a journey with the destination being continuous improvement.

Pennington (1998:20) further states that there is a need to align management objectives with the extent to which the vision, goals, objectives and actions are shared throughout the organisation. He believes that top management does not have a purpose, until they provide clear direction to everybody else in the organisation.

Pennington (1998:22) also argues the need for strategic team objective meetings. These meetings are required to reach agreement amongst the top managers regarding the goals
of the organisation. This requirement exists even if top management participated in the compilation of the organisational plan.

2.10 CONCLUSION

The author has researched the interaction between management and the strategic planning model. The most important traits of management that are required for the support of strategic planning have been identified, as well as how management can use strategic planning to meet the organisation’s objectives. The next chapter will focus on leadership, and how effective leadership can support the strategic objectives of the organization.
CHAPTER 3

LEADERSHIP

3.1 INTRODUCTION

Today changes do not only require effective management, they also require new ways of leadership. Old science until recently were led by isolated systems. Organisations are broken into functions and people into roles. Assuming the working of each role, the whole organisation can be understood. This assumption is characterised by reductionism and materialism, with a focus on things rather than relationships. (April and Macdonald, 1998:15 – 16)

According to April and Macdonald (1998:16) new science see systems and organisations as wholes, and not simply as a collection of components. This holistic approach dismantles the age-old functional hierarchies, replacing it with functional and cross-functional teams, making it conducive to lifelong learning. Effective leaders do not seek stability, but rather the hidden, self-organising principles of the organisation. In the modern world, relationships are all there is to reality.

3.2 THE CHARACTERISTICS OF LEADERSHIP

Roodt (1999:35) claims that: “There’s immediacy and urgency for South African business leaders to seek their own answers to these crucial questions in a country where dangerous fracture lines divide poverty and wealth across the economic and political
landscape”, while Kellas (1997:23) states that leadership must create high expectations, visible and clear quality values, and a strong customer orientation.

According to Herbst (1998:33), leadership in the year 2010 will have to be exercised in a different way; a less traditional way than command and control. Leadership will have to become wiser and more inspired. Leadership will require management who facilitates and listens more. Management will have to involve employees to a greater extent. Herbst (1998:33) states that successful transformation is 70 – 90 per cent leadership, and 10 – 30 per cent management. He says that: “Managers must be able to see their organisation as a whole and the relationships among its various sub-units, and to visualise how the organisation fits into its broader environment. In the age of discontinuities, the capacity to conceptualise and synthesise the whole, to see the connections between the parts and be able to imagine the future, can be crucial.”

According to Herbst (1998:33) the role of leadership must be directed and guided by:

- A moral centre
- Legitimacy
- Visibility
- Credible codes of ethics
- Deeply held set of values

Herbst (1998:34) states that the new manager’s role has changed from scorekeeper to facilitator, and will require new levels of intelligence and human understanding, as well
as organisational and personnel flexibility and adaptability. He further implies that truly intelligent organisations of the future will understand that learning to harness and manage the emotional intelligence of the organisation will unleash a tremendous amount of power within the organisation, provided it is managed correctly.

Vermeulen (2000:20) defines emotional intelligence (EQ) as the ability to manage oneself in order to get the best out of other people. She believes that a healthy dose of EQ will help individuals to get their own way.

Abell (1995:12) says leaders will have to concentrate on improving their inter-relationships to be able to concentrate on the new, more competitive environment. He refers to three phenomena which are affecting the things managers do. These phenomena include:

- A new need to manage change parallel with today’s organisation
- The growing influence of technology
- A rising concern for the sound management of the systems and abilities at hand.

Abell (1995:14) further provides a few guidelines for leadership in this changing environment.

These guidelines are:

- Future organisational structures must include less levels than before
- Leadership must be able to function across organisational boundaries.
- Recognise that values and expectations are changing.
Birkin (1997:22) claims that South African managers are fast asleep behind the wheel and have missed the turn-off to the organisation’s future. He makes the statement that for South African organisations to be successful, our management will have to adapt their styles and systems, to match those of successful international organisations. He further states that South African organisations have followed an autocratic management style for too long, which prevents individuals from developing.

Edwards (2000:24) defines leadership as developing people, by giving them the ability and means to perform the function, and then require their willingness to get on with it. He believes that the single most significant reason why managers are not successful in their leadership roles is because managers are held accountable for what they get from people, and not what they give them. He further states that too much emphasis are placed on serving the boss, rather than serving the customer.

Edwards (2000:32) goes on to summarise African Explosives Limited’s current success in the following quotation: “The application of the leadership thematic combined with a focus on unconditional giving has resulted in a major, sustainable improvement in organisational health. These two are not mutually exclusive, but are in fact the result of a single root – correctness.”

Hardijzer (1998:22) believes that “Human Resource professionals must assist, lead, guide and counsel managers to manage the expectations, resistance, polarisation, conflict,
violence, overt acceptance and covert rejection which face them”. He outlines a 13-point plan which will contribute to the successful partnership between the Human Resources Department and management. The elements of this plan are:

- Be a good listener
- Be a coach/counsellor to staff and management
- Base all your focus on the customer
- Do not use your job as a popularity contest
- Be human
- Forget about any power base
- Be known for what you do, not prescribe
- Be radical without breaking the rules
- Be influential
- First establish partnerships to prevent any throat cutting
- Be able to learn
- Become actively involved. Do not only serve as a support function
- Provide quality and a reliable service to all.

April and Macdonald (1998:27) state that future leaders who intend to be successful in the future, will have to tolerate chaos, lack of structure and uncertainty, and must be prepared to avoid the premature completion of activities and avoid keeping employees in suspense. Covey (2000:4) makes the statement that we manage things, because they do not have a choice. People must be led, because they do have a choice. He believes that
people manage themselves. True leadership will create opportunities and cultivate real
greatness amongst employees.

Covey (2000:4) also claims that a poor leader has no moral authority over his employees.
He states that the first role of the leader is to be a model of principle centred leadership.
This means the person or organisation becomes a model to other people and
organisations, generating trust amongst employees and serves as a model they can
identify with. Wentzel (2000:26) claims that only 32 per cent of middle and upper
management had formal management training, compared to the 50 per cent of lower
management.

3.3 THE INFLUENCE OF LEADERSHIP ON STRATEGIC PLANNING

Roodt (1999:35) identified four concerns of strategic significance to the South African
business leaders, namely:

- Globalisation
- Socio-economic transformation
- Crime
- Corruption

He summarises the leadership challenge facing South African organisations as follows:
“Leadership is to create a workplace environment where principles of excellence provide
common ground for management and labour to build a productive culture as the
cornerstone of competitive enterprise.”
The successful execution of the organisation’s mission depends largely on the strategic leadership capacity to cascade the vision down to all employees. The more successful organisations today are able to diffuse leadership, and get more individuals to exercise across all levels of the organisation. A lack of strategic leadership affects the motivation of people to communicate, collaborate and share knowledge. This implies that effective strategic leadership can set the direction around which an entire organisation can pursue its vision with a high level of alignment. (Avolio & Berson, 2000:4 – 5)

Ferreira (2000:7) outlines certain requirements for the 21st century. These requirements include:

- “the development of an internal organisation context that values creativity, provides freedom, allows mistakes, encourages learning, and rewards exceptional performance;
- the ability to approach strategy opportunistically rather than as a comprehensive preplanned activity; and
- leadership that can create a corporate mind with the ability to operate in a state of paradox and capable of seeing and grasping opportunities.”

Strebel (2000:12) claims that for change to succeed within the organisation, the change leaders must realise that change is political, anticipate the different categories of resistance, and develop the influence needed to align the players involved with the change. The change leaders must then be ready to deploy organisational power at their
disposal at key points in the process. Heriz-Smith (1998:38) also believes that management’s key role is to enable individuals to perform to their full potential in order to enable the organisation to be profitably productive.

Kemp (2000:34) outlines the key aspects of strategic planning as being

- Direction
- Leadership
- Vision/Ambitions of the organisation
- Mission/purpose
- Resources available for the implementation of plans
- The interaction with the world
- The supply chain

He believes that “…it is the responsibility of the leaders of the organisations to ensure that the planning and implementation of strategic plans are activities high on both the people and task dimensions of the leadership model. Otherwise strategic planning will probably be a negative experience for most and their negative attitude towards it will be a direct outcome of the incorrect leadership style of the leaders.”

De Beer (2000:26) argues that meaningful change cannot take place overnight. He states that managers cannot do it alone. The bottom line must be expanded from profit only, to also include employee skilling. The author further states that if implemented correctly, employee skills will lead to increased productivity and global competitiveness.
He makes the following statement: “If employees are really able to identify with the organisations employing them, the positive energy release will be incredible. The essence of organisational will is the collective understanding, joint accountability and active commitment to a common vision and goals across all organisational levels, for both the present and the future.”

Maritz (1999:24) states that for any organisation to survive into the 21st century, they will have to drive the levering of information, and a passion for people. He refers to research his organisation has conducted, by stating that research in South Africa has indicated that most organisations do not have the capacity, nor the organisational design to compete as a key element of strategic advantage.

3.4 CONCLUSION

The importance of employee leadership is becoming a greater concern in South Africa. This concern is not only a organisational concern, but is also a government issue. Labour Relations Laws, such as the Skills Development Act is witness to this fact. Multi-skilling has become a buzzword everybody’s familiar with. Effective leadership requires skilled individuals and groups who will be able to follow. Organisations will have to change their focus from only being profit driven, to also include that of leadership.
CHAPTER 4

THE METHODOLOGY OF THE EMPIRICAL STUDY

4.1 INTRODUCTION

The main problem that was addressed in the survey is the leadership role management performs within the strategic management framework, as well as to determine what the status quo is in the relation between management, employees and the strategic management framework. This chapter describes the survey method used by the researcher and the theoretical basis for conducting the empirical research. It also describes the questionnaire, bias in research design, the survey population and how the survey was administered.

4.2 THE SURVEY METHOD

Schnetler, Stoker, Dixon, Herbst & Geldenhuys (1989:141–5), distinguish between three methods of data collection. Those are standardised, unstructured and structured data collection methods. Both standardised and unstructured data collection methods are specialised techniques and require considerable experience to administer. Structured data collection methods, on the other hand, are not as specialised and can be used by most researchers.

Various structured data collection instruments are available to the researcher. Schnetler et al. (1989:16–37) identify some of these instruments:

- Individual interviews
• Group completion of questionnaires
• The telephone survey
• The postal survey.

As the postal survey method will be used to collect the data required for this research, this method will be discussed in some detail. The postal survey method has certain advantages (Emory & Cooper, 1991:338):

• It is usually the lowest cost method.
• Respondents perceive this method to be more anonymous.
• It gives respondents enough time to think about questions.
• The stimulus provided to each respondent is identical in all cases, since the questionnaires is the only means of communication between the researcher and the respondent (Schnetler et al., 1989:19).
• Information can be speedily obtained from many respondents (Schnetler et al., 1989:20).
• Postal questionnaires are usually highly structured and little use is made of open-ended questions. These two facts make the postal questionnaire relatively easy to prepare for data capture on a computer (Schnetler et al., 1989:20).

The postal survey method is not without its disadvantages. Emory & Cooper (1991:339) explain some of these disadvantages:
• A low response rate is perhaps the major disadvantage of this method. Respondents who do not return the questionnaire may have definite opinions on the subject under investigation. Bias may be introduced into the data by a poor response rate.

• It is not possible for respondents to qualify their answers or to discuss their answers with the researcher.

Schnetler et al. (1989:21) provide further disadvantages of the postal survey method:

• There is a negative attitude towards questionnaires. People receive many forms and questionnaires via the post, consequently many questionnaires are not completed.

• The researcher has no control over how the respondents completed the questionnaire. Some respondents may purposefully fill in questionnaires incorrectly.

Based on the findings of Emory & Cooper (1991:338) and Schnetler et al. (1989:19–20), the postal survey method was used for the following reasons:

• It was the lowest cost method.

• Respondents perceive this method to be more anonymous.

• It gives respondents enough time to think about questions.

• The stimulus provided to each respondent is identical in all cases.

• Information can be speedily obtained from many respondents.
4.3 CONSTRUCTION OF THE QUESTIONNAIRE

Churchill and Peter (Schnetler et al., 1989:44) have shown that the measuring instrument has the greatest influence on data reliability. In view of this fact, questionnaires should be constructed according to certain principles.

4.3.1 QUESTION CONSTRUCTION

Numerous factors need to be considered when constructing questions: content, format, type and wording of questions, and order.

4.3.1.1 QUESTION CONTENT

Question content varies according to the type of information the question is designed to collect. Schnetler et al. (1989:45) identify three types of questions:

- Factual questions which are used to obtain biographical data about respondents.
- Questions concerning opinions and attitudes. Questions concerning opinions attempt to establish the respondent’s thoughts and feelings on a specific subject at a specific time. Questions on attitudes attempt to determine the integrated attitude-system underlying a particular opinion (Schnetler et al, 1989:45).
- Questions concerning behaviour. According to Schnetler et al. (1989:46), behaviour can be described in terms of five dimensions: whether the behaviour is present or not; the character of the behaviour; how often it occurs; its importance; and the extent of the behaviour on termination.

The researcher only made use of the last two types of questions, those being questions concerning opinions and attitudes, and questions concerning behaviour. These were presented in different ways, and the options were not standardised, so as to get a more relevant answer to each question.

4.3.1.2 QUESTION FORMAT

Two basic question formats are used in survey research, namely, open and closed questions (Emory & Cooper, 1991:366 and Schnetler et al., 1989:47). If the question is designed to test the presence or absence of a particular behaviour, a closed question format is appropriate. Open format questions are used when the question is designed to test opinions and extent of knowledge.

Both Schnetler et al. (1989:50) and Emory & Cooper (1991:367) conclude that a well-constructed closed question is preferable to an open question. Consequently, closed format questions were used throughout the questionnaire and therefore, only closed format questions will be discussed in any detail. Closed format questions require the respondent to select a category from mutually exclusive categories. Closed format questions are easy to administer and are more
economical and less time-consuming to administer. Respondents may, however, become frustrated with closed format questions as they may be forced into a choice which they, in reality, would not make (Schnetler et al., 1989:49–50).

4.3.1.3 MULTIPLE RESPONSE QUESTIONS

Should a closed format question allow the respondent multiple responses? According to Emory & Cooper (1991:367), the answer to this question is determined by the specific situation. If the question addresses a dichotomous topic, only two response categories are necessary. However, in many dichotomous questions a “do not know or not sure” category may be required. If the researcher desires to prevent respondents from not expressing their opinions or from not committing themselves to a particular response, the “not sure” category of response may be omitted.

Multiple choice questions, on the other hand, are used to provide finer distinctions concerning a particular topic or if there are obviously more than two possible responses.

The researcher tested both dichotomous topics and topics requiring multiple responses. An “uncertain” category was provided for the dichotomous topics. It is also present in some of the multiple response categories.
4.3.1.4 THE WORDING OF QUESTIONS

The use of good language and grammar does not necessarily exclude bias and errors in questions. According to Schnetler et al. (1989:57–65), certain basic principles should be adhered to when selecting the wording of questions:

- Questions should be formulated in specific terms and it is necessary for the researcher to be familiar with the respondent’s personal world.
- The language competence of respondents should be considered.
- Ambiguous, hypothetical and vague questions should be avoided.
- Leading and loaded questions that lead the respondent in the directions of a specific answer should not be used.
- Whether the researcher uses personal or impersonal questions should be guided by the purpose of the investigation, the nature of the information desired and the characteristics of the population.

The questionnaire was not translated into Afrikaans as English is accepted as the official medium of communication. Questions in the questionnaire addressed the potential respondent personally as the researcher intended to discover the opinions of that particular respondent.
4.3.1.5 QUESTION ORIGIN

The questions asked in the questionnaire originated from the important prerequisite characteristics that are accepted for the purposes of this study, as summarised at the end of Chapter 3. The questionnaires were forwarded to five separate organisations covering all levels of the organisation. The principal aim was to determine whether management was currently applying efficient leadership within the strategic planning framework.

4.4 BIAS IN RESEARCH DESIGN

Leedy (1993:213) states that data obtained through the survey method is prone to distortion through the introduction of bias into the research design. Researchers should attempt to minimise the effects of bias. Leedy defines bias as “any influence, condition, or set of conditions that singly or together distort the data from what may have been obtained under the conditions of pre chance. Furthermore, bias is any influence that may have disturbed the randomness by which the choice of a sample population has been selected”.

Various forms of bias may influence the research. Some of these forms of bias are:

- Inaccuracy of the sample. An accurate sample is one in which the “underestimates and the overestimates” are represented equally in the sample (Emory & Cooper, 1991:243). If the sample is accurate (unbiased) no influence will cause respondents’ answers to tend towards one direction more than the other.
• Biased wording of questions. Choice of words in questions is a major source of bias. Controversial words, superlatives and slang words should be avoided (Emory & Cooper, 1991:364). If the principles of questionnaire construction are ignored, bias may enter the data and cast doubt on the validity of the research.

• The bias influence of non-respondents. If the non-respondents had completed the questionnaire they may have responded differently to those who completed the questionnaire. To infer for the whole population, without taking into account the positive contaminating effect of non-respondents, would introduce bias into the data (Leedy, 1993:214).

The researcher cannot prevent bias from influencing the data. However, the researcher should acknowledge that bias may have affected the research and should make every effort to minimise the influence of bias (Leedy, 1993:215).

The following effort was made in this research to minimise the influence of bias, namely questionnaires were posted to five organisations focussing on all levels within their strategic planning environments.

4.5 THE POPULATION TO BE SURVEYED

Five organisations were identified and in total 150 questionnaires were posted to these organisations. The survey covered all levels of the organisations from their Managing Director down to the shop floor. In total 81 completed questionnaires were received back, which constitutes a 54 per cent response rate.
4.6 THE ADMINISTRATION OF THE QUESTIONNAIRE

The questionnaires were posted to the five organisations together with a covering note requesting the completion of the questionnaires.

4.7 CONCLUSION

In this chapter the researcher described the survey method adopted and the construction and testing of the questionnaire. This was carried out by presenting the theoretical basis of research design and then describing the actual research design in terms of the theoretical basis. The manner in which the postal survey was conducted and possible sources of bias in the research design were also discussed.

In chapter 5 the results of the empirical study will be presented and discussed.
CHAPTER 5

RESULTS OF THE EMPIRICAL STUDY

5.1 INTRODUCTION

The objective of this study is to determine how management leads their employees in terms of strategic planning, and the execution thereof. Questions related to strategic management involvement, knowledge of strategic planning, communication from superiors, frequency of communication, facilitation from superiors, goal setting and the human aspects necessary in the superior-subordinate relationship.

5.2 RESPONSE TO THE QUESTIONNAIRE

A total of 150 questionnaires were posted to five organisations. 81 were received back in the post. The number of responses received is equal to a 54 per cent response rate. The respondents ranged from Managing Directors, down to people on the shop-floor. The reason for this spread across all levels of the organisation was to see whether leadership was applied effectively within the strategic management framework across all levels of the organisations.

5.3 OUTCOME OF THE QUESTIONNAIRE

Question 1

“Do you know what your company’s mission statement is?”

Yes – 77%
The majority of respondents knew their company’s mission statement.

**Question 2**

“Is the organisation you work for long-term focussed, or does it only chase after small day-to-day gains?”

Yes – 62%

Sometimes – 33%

No – 5%

Nearly two-thirds thought that their organisation was always long-term orientated, while one-third said only sometimes.

**Question 3**

3.1) “Have you ever been involved with strategic planning?”

Yes – 59%

No – 41%

More than half of the respondents has been involved with strategic planning.
3.2) “If yes, please select which elements of strategic planning, and what is your current position?”

Strong customer orientation – 27%
Vision – 15%
Meeting of objectives – 38%
Visible and clear values and ethics – 24%
Goal setting – 22%
Other – Supply of materials; Manpower development; Seta and equity; Budgets; Export planning.

**Current positions:**

Pressings Manager; QA Manager; HR Manager; General Manager; LBS Manager;
Tubing Sales Manager; Receiving Manager; Purchasing Manager; Sales Consultant;
CNC Programmer; CNC Programmer; Supervisor: Production; Supervisor: Production;
Production Foreman; Sales Account Manager; Sales Administrator; Maintenance
Technician; Engineering Foreman; Toolmaker; Production Foreman; Toolroom Foreman;
Production scheduler; Production Foreman; Distribution Manager; Production Foreman;
Personnel Administrator; QA Manager; QA Manager; Quality Inspector; Machine
Operator; Managing Director; Tool Maker; Divisional Director; Supervisor: Production;
Toolroom Manager; Engineer; Managing Director; General Manager; Quality Engineer;
Product Manager; QC Inspector; Administrative assistant; Quality Supervisor; Toolroom Foreman.

**Question 4**

“Please specify the frequency of strategic team meetings held, in your area, with all employees.”

Yearly – 22%
Twice a year – 5%
Quarterly – 5%
Monthly – 23%
Weekly – 4%
Daily – 5%
None – 11%

More than half of the respondents answered either annually or monthly.

**Question 5**

“Does top management make the necessary resources available to support strategic issues?”

Yes – 51%
No – 49%
The respondents’ opinions were evenly divided.

**Question 6**

“In which department do you currently work?”

- Quality Assurance – 11%
- Receiving Department – 1%
- Materials Management – 8%
- Administrative Department – 11%
- Toolroom – 18%
- Corrective action team – 4%
- Sales Department – 11%
- Finance Department – 8%
- Maintenance Department – 1%
- Human Resources Department – 4%
- Engineering Department – 5%
- Production Department – 19%

The majority of respondents were from the Toolroom and Production Department.

**Question 7**

“How well would you rate top management’s ability to lead?
Excellent – 10%
Very good – 22%
Good – 27%
Fair – 34%
Poor – 6%

The majority of respondents indicated fair to good, with quite a few saying very good.

Question 8
“Is your superior a good facilitator?”

Yes – 78%
No – 22%

More than three-quarters of the respondents responded positively.

Question 9
“Is your superior a person who has a lot of human understanding?”

Yes – 85%
No – 15%

More than three quarters of the respondents responded positively.
Question 10
“Do you support the principle of the following quote:
‘Leadership is to create a workplace environment, where principles of excellence provide
common ground for management and labour, to build a productive culture as the
cornerstone of a competitive enterprise.’”

Yes – 99%
No – 1%

Only one respondent responded negatively.

Question 11
“Does your superior follow a participative management style?”

Yes – 90%
No – 10%

The overwhelming majority answered yes.

Question 12
“Does your superior communicate strategic issues of importance?”

Always – 34%
Most of the time – 27%
Sometimes – 29%
Never – 5%

The opinions were rather evenly divided with not one category receiving the majority vote.

**Question 13**

“What is the frequency of goal setting within your department through communication with your subordinates/superior?”

Once a year – 15%
Twice a year – 3%
Quarterly – 10%
Monthly – 41%
Other – 22%

The majority of respondents selected monthly.

**Question 14**

“Do you have a good communicative relationship with your superior that supports the exchange of thoughts and ideas, whether it is positive or negative?”
Yes – 90%
No – 10%

The overwhelming majority answered yes.

**Question 15**

“Is your superior a good listener?”

Yes – 80%
No – 20%

The majority answered positively.

**5.4 CONCLUSION**

The majority of respondents were aware of their mission statement, believed their organisations were long-term orientated, and were involved with strategic planning. Most organisations focussed on goal setting. The majority of strategic meetings were either held monthly or annually. Most respondents believed there is room for their superiors to improve their leadership abilities, although most believed their superiors were good facilitators with participative management styles, and a lot of human understanding.

Superiors generally encourage communication, although they themselves fall short in this particular element.
CHAPTER 6

RECOMMENDATIONS

6.1 INTRODUCTION

In this chapter conclusions will be drawn based on the results of the empirical study as discussed in Chapter 5. The aim is how we can improve the role of leadership within the strategic planning framework.

6.2 CONCLUSIONS

The following conclusions were reached based on the findings of the empirical study:

- The majority of employees know their organisation’s mission statement
- The employees believe their organisation to be long-term orientated
- The majority of employees are involved with strategic planning
- Organisations generally use goal setting as a means to achieve their objectives
- Strategic planning meetings are generally held on an annual or monthly basis
- Employees believe that their superiors are not good leaders
- Employees believe their superiors to be good facilitators
- The majority of managers follows a participative management style
- Most superiors have a lot of human understanding
- Superiors generally encourage communication, although they are not very good in communicating themselves.
6.3 RECOMMENDATIONS

Based on the conclusions in 6.2, the following recommendations are made:

- The frequency of strategic meetings need to increase dramatically
- Strategic meetings should be held at least once a week with all staff members
- All concerned must become aware that all meetings held in support of the organisational vision are strategic meetings, and not only those called in the name of strategic planning
- Every meeting within the organisation should be a strategic meeting. If not, then the meeting is a waste of time
- Management need to involve and develop employees to a greater extent
- The majority of managers do not communicate effectively to their subordinates, nor lead properly because they do not believe in their employees enough to delegate tasks, with more responsibilities being given to employees. Employee development should overcome this hurdle, should management allow it and not feel threatened by it.
- Management still has the mentality that only they can do the job right. This unfortunately leaves all the responsibility with management, making it impossible for employees to support the strategic plan of the organisation to its full potential.
- Management is simply not able to do everything themselves without their employees’ participation.
6.4 CONCLUSION

Management in South Africa have already become much better leaders than the autocratic generations some of us might have become accustomed to in the past. Improvement needs and opportunities are, however, still so great that South African managers will have to wake up, and not miss the turn-off to becoming true leaders in the growing South African economy. It will be a shame if we do not lead South Africa to financial success, whilst all the resources and means are within our reach. We have waited so long for our economic borders to be opened for trade. Come on managers. Let’s lead all our stakeholders in our organisations, to enable South Africa to become a first world country.
LIST OF REFERENCES


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LEADERSHIP IS DEFINED AS THE DEVELOPMENT OF PEOPLE, BY MEANS OF GIVING THEM THE ABILITY AND MEANS TO PERFORM THE FUNCTION, AND THEN REQUIRE THEIR WILLINGNESS TO GET ON WITH IT.

THIS QUESTIONNAIRE’S PURPOSE IS TO DETERMINE HOW WELL TOP MANAGEMENT LEADS IN THEIR ROLE OF STRATEGIC PLANNING IN THE YEAR 2000.

PLEASE INDICATE YOUR CHOICE BY MARKING THE APPROPRIATE BLOCK WITH AN X.

1.) DO YOU KNOW WHAT YOUR COMPANY’S MISSION STATEMENT IS?

| YES | NO |

2.) IS THE ORGANISATION YOU WORK FOR LONG-TERM GOAL FOCUSED, OR DOES IT ONLY CHASE AFTER SMALL DAY-TO-DAY GAINS?

| YES, THE ORGANISATION IS LONG-TERM ORIENTATED |
3.1) HAVE YOU EVER BEEN INVOLVED WITH STRATEGIC PLANNING?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

3.2) IF YES, WHICH ELEMENTS OF STRATEGIC PLANNING, AND WHAT IS YOUR CURRENT POSITION?

<table>
<thead>
<tr>
<th>STRONG CUSTOMER ORIENTATION</th>
<th>VISION</th>
<th>MEETING OF OBJECTIVES</th>
</tr>
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</table>

<table>
<thead>
<tr>
<th>VISIBLE &amp; CLEAR QUALITY VALUES AND ETHICS</th>
<th>GOAL S</th>
</tr>
</thead>
</table>

| OTHER (please specify) …………………………… | ………………… |

| CURRENT POSITION: ……………………………………… |

4) PLEASE SPECIFY THE FREQUENCY OF STRATEGIC TEAM MEETINGS HELD, IN YOUR AREA, WITH ALL EMPLOYEES?

<table>
<thead>
<tr>
<th>YEARLY</th>
<th>TWICE A YEAR</th>
<th>QUARTERLY</th>
<th>MONTHLY</th>
</tr>
</thead>
</table>
5.) DOES TOP MANAGEMENT MAKE THE NECESSARY RESOURCES AVAILABLE TO SUPPORT STRATEGIC ISSUES?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

6.) HOW WELL WOULD YOU RATE TOP MANAGEMENT'S ABILITY TO LEAD?

<table>
<thead>
<tr>
<th>EXCELLENT</th>
<th>VERY GOOD</th>
<th>GOOD</th>
<th>FAIR</th>
<th>POOR</th>
</tr>
</thead>
</table>

7.) IS YOUR SUPERIOR A GOOD FACILITATOR?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

8.) IS YOUR SUPERIOR A PERSON WHO HAS A LOT OF HUMAN UNDERSTANDING?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

9.) DO YOU SUPPORT THE PRINCIPLE OF THE FOLLOWING QUOTE:

"LEADERSHIP IS TO CREATE A WORKPLACE ENVIRONMENT, WHERE PRINCIPLES OF EXCELLENCE PROVIDE COMMON GROUND FOR MANAGEMENT AND LABOUR, TO BUILD A PRODUCTIVE CULTURE AS THE CORNERSTONE OF A COMPETITIVE ENTERPRISE."
10.) DOES YOUR SUPERIOR FOLLOW A PARTICIPATIVE MANAGEMENT STYLE?

YES  NO

11.) DOES YOUR SUPERIOR COMMUNICATE STRATEGIC ISSUES OF IMPORTANCE?

ALWAYS  MOST OF THE TIME  SOMETIMES  NEVER

12.) WHAT IS THE FREQUENCY OF GOAL SETTING WITHIN YOUR DEPARTMENT THROUGH COMMUNICATION WITH YOUR SUBORDINATES/SUPERIOR?

ONCE A YEAR  TWICE A YEAR  QUARTERLY  MONTHLY  OTHER (Please specify)  

13.) DO YOU HAVE A GOOD COMMUNICATIVE RELATIONSHIP WITH YOUR SUPERIOR THAT SUPPORTS THE EXCHANGE OF THOUGHTS AND IDEAS, WHETHER IT IS POSITIVE OR NEGATIVE?

YES  NO
14.) **IS YOUR SUPERIOR A GOOD LISTENER?**

| YES | NO |

**THANK YOU FOR YOUR COOPERATION**