

**A CORPORATE STRATEGY FRAMEWORK TO INCREASE FINANCIAL
PERFORMANCE IN ZIMBABWEAN FIRMS**

BY

F. MATANHIRE

2021



**A CORPORATE STRATEGY FRAMEWORK TO INCREASE FINANCIAL
PERFORMANCE IN ZIMBABWEAN FIRMS**

By

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**Submitted in fulfilment of the requirements for the degree of Doctor of
Business Administration (DBA) to be awarded at the Nelson Mandela
University**

December 2021

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Co-supervisor: Prof K Pieterse



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A CORPORATE STRATEGY FRAMEWORK TO INCREASE FINANCIAL PERFORMANCE
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ABSTRACT

The world over, contrasting company performance by firms in the same operating environment and industry has been a conundrum. Firms do not operate in a vacuum, but within spheres where various factors around them affect their performances. To that end, heterogeneous firm performance is a common phenomenon that is influenced by a number of factors, including how management develops appropriate selections, trade-offs and calculated choices to be dissimilar from other players in the market in order to gain a competitive advantage that will lead to superior financial performance. A collection of actions that management puts in place to outperform competing firms in order to achieve greater profitability is called corporate strategy. These plans of action include the effective management of the socio-political and cultural institutions in a manner beneficial to the organisation. This plan of action on the socio-political and cultural institutions gives rise to institutional strategic management. The formulation of corporate strategies is done through a process that involves a set of rules, ideas or beliefs called frameworks, which include the Resource Based Strategy Framework, Business Models, Innovation and Institutionalism. Research has shown that the financial performance of firms is driven by a number of factors, namely corporate strategy, industry competitiveness, operating environment and core competencies amongst other factors. There is a plethora of determinants for the performance of firms and the complexity in the current business environment that has contributed to some models becoming obsolete while others remain relevant. It is against this background that the primary research objective of establishing a corporate strategy framework used by Zimbabwean firms to increase financial performance was developed. To answer this primary research objective, secondary objectives to (a) determine the impact of the Resource-Based Strategy Framework on the financial performance of firms in Zimbabwe; (b) ascertain the impact of business models using Porter's Generic Strategies Framework on the financial performance of firms in Zimbabwe; (c) determine the impact of the Institutional Strategy Framework on the financial performance of firms in Zimbabwe; (d) determine the impact of the Innovation Strategy Framework on the financial performance of firms in Zimbabwe; (e) establish the joint impact of the Resource-Based Strategy framework, Business Models, Institutional

Strategies and Innovation Strategies on the financial performance of firms in Zimbabwe; and (f) establish other corporate strategy frameworks used by Zimbabwean firms to increase financial performance, were developed. The study population was the Zimbabwe Stock Exchange (ZSE) listed firms that fairly represented all the major operating sectors and firms in Zimbabwe. The researcher adopted a mixed research design incorporating both qualitative and quantitative methods in order to best reflect the critical strategy elements that were increasing financial performance in Zimbabwean firms. Qualitative data was collected through interviews conducted with executive managers of ZSE firms. Triangulation was achieved by comparing and contrasting data collected from interviews to secondary data extracted from websites, reports and audited financial statements. Both qualitative and quantitative data analysis was done using RQDA, an open-source computer-aided data software. ZSE listed firms were categorised into the five sectors of basic materials, consumer goods, consumer services, financial services and industrials. These firms were further categorised into excellent, medium, poor and very poor performers. Collected data was analysed to establish strategies that were used by excellent, medium, poor and very poor firms to see if they were using the same and figure out the impact of the various strategy frameworks on the financial performance on Zimbabwean firms. Data was analysed using univariate, ordinal and binomial logistics regression analysis. These data analysis models confirmed that RBS was a significant driver of financial performance for ZSE listed firms when all the strategy frameworks were combined. However, evaluating the impact of each strategy framework separately showed that all the frameworks were significant in driving financial performance, with the exception of the Institutional Strategy Framework. All the firms were doing more or less the same on Institutional Strategy Framework (ISF), hence it could not be a predictor of financial performance under the regression models. However, the ISF had a high score on univariate evaluation method.

It is against this background that the study recommended the use of the Resource Based Strategy Framework (RBS) in pursuit of increasing financial performance of firms as this has been empirically found to have a significant impact on the financial performance of firms in Zimbabwe.

DEDICATION

This thesis is dedicated to Otilia, my wife and our lovely children Dylan, Divine and Praise, as I set a challenge before them on academic excellence. Yes, it is a struggle, but it can be done!!!

ACKNOWLEDGEMENTS

First and foremost, I would like to thank my God who gave me the strength, wisdom and good health, amongst many other requirements, that made this dream come true. “When the time is right, I the Lord will make it happen” (Isaiah 60:22). Yes, this is the time, thank you my LORD.

Furthermore, I would like to acknowledge the support and guidance that I received from my supervisors, Prof Gert Pelser and Prof Koot Pieterse. Your patience and attention to detail challenged me to do more at the background of pressing needs, considering that I did this program whilst working full time elsewhere as a Finance Director. Prof Gift Mugano, here we are, the challenge has paid off! You inspired me to go for the DBA at a time when I thought I was done with academia. I am grateful Prof, thank you for pulling me on this academic journey.

To my family; you were a pillar of strength. You allowed me to spend time away from you and associated important family activities as I pursued my treasured dream. In all these challenging times, my lovely wife Ottilia stood in for me on a number of occasions that needed my attention. Thank you for taking the burden on my behalf.

Dr Tonderai Kapesa, you allowed me to call upon you at any time for guidance on academic technical matters. That cannot be taken for granted. May God richly bless you. The rigorous data analysis was made possible by none other than Dr. Shylock Muyengwa, an ever-busy man. Thank you for creating space for me. It will be a remiss on my part if I do not recognise Ms. Tendai Dzinoreva who assisted me with data collection, facilitating interview meetings with your team and proof-reading the thesis. Indeed, your contribution made it relatively easy for me to cross over. Your follow-ups and persuasion to dedicate time to ensure that this thesis was done and dusted as I was growing weary is appreciated. Ms. Mercillene Perrene Mathews, your language editing at a very short notice was excellent, thank you.

I cannot exhaust all the people and institutions that made this study possible, however, I would like to acknowledge all their contributions and once again express my profound appreciation to them all, thank you!!

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LIST OF ACRONYMS

AAR	-	Apple Annual Report
ABC	-	Agricultural Bank of China
ADB	-	Africa Development Bank
AIC	-	Akaike Information Criterion
AR	-	Annual Report
BLR	-	Binary Logistic Regression model
BM	-	Basic Materials
BM	-	Business Models
BMI	-	Business Models Innovation
BSC	-	Balanced Scorecard
CEO	-	Chief Executive Officer
CFI	-	Corporate Finance Institute
CFO	-	Chief Finance Officer
CG	-	Consumer Goods
CIFOZ	-	Construction Industry Federation of Zimbabwe
CIMA	-	Chartered Institute of Management Accountants
Co.	-	Company
COO	-	Chief Operating Officer
CPR	-	Corporate Political Responsibility
CS	-	Consumer Services
CSR	-	Corporate Social Responsibility
CV	-	Co-efficient of Variation
CZI	-	Confederation of Zimbabwe Industries
DCT	-	Dynamic Capabilities Theory
EA	-	Environmental Analysis
EPS	-	Earnings per share

FDI	-	Foreign Direct Investments
FMCG	-	Fast Moving Consumer Goods
FS	-	Financial Services
GDP	-	Gross Domestic Product
GNU	-	Government of National Unity
GRI	-	Global Reporting Initiative
GT	-	Grounded Theory
HIV	-	Human Immune Virus
ICBC	-	Industrial Commercial Bank of China
IFRS	-	International Financial Reporting Standard
IND	-	Industrials
INV	-	Innovation
ISF	-	Institutional Strategy Framework
ISO	-	International Standard Organisations
MOF	-	Ministry of Finance
MOIC	-	Ministry of Industry and Commerce
NAR	-	Nokia Annual Report
NEC	-	National Employment Council
OECD	-	Organisation for Economic Co-operation and Development
OLR	-	Ordinary Logistic Regression
PESTELG	-	Political, Economic, Social, Technology, Legal, Governance
Potraz	-	Postal and Telecommunication Regulatory Authority of Zimbabwe
R and D	-	Research and Development
RBS	-	Resource Based Strategy
RBT	-	Resource Based Theory
RBV	-	Resource Based View
RBZ	-	Reserve Bank of Zimbabwe
ROA	-	Return on Assets
ROCE	-	Return On Capital Employed

ROI	-	Return on Investment
ROS	-	Return on Sales
RTGS	-	Real Time Gross Settling
SADC	-	Southern Africa Development Community
SAR	-	Sears Annual Report
SBRC	-	Small Business Research Centre
SCA	-	Sustainable Competitive Advantage
ST	-	System Theories
SWOT	-	Strength, weakness, Opportunities Threats
TB	-	Treasury Bills
UK	-	United Kingdom
UN	-	United Nations
USA	-	United States of America
WAR	-	Walmart Annual Report
ZBCA	-	Zimbabwe Building Contractors Association
ZIMSAT	-	Zimbabwe National Statistics Agency
ZSE	-	Zimbabwe Stock Exchange

CHAPTER ONE

1.1 Introduction

Research has shown that the financial performance of firms is driven by a number of factors, including corporate strategy, industry competitiveness, the operating environment and core competencies, amongst other factors (Aosa, 2011; Ansoff and McDonnell, 1993; Becker and Huselid, 2011; Chandler, 1962). A company's strategy is described as a collection of actions management puts in place to outperform competing firms in order to achieve greater profitability (Gamble, Peteraf and Strickland, 2016; Thompson and Sony, 2016). Strategy is concerned with creating protective measures around the company to counter competitive forces or locating the company where competition is minimal and weakest (Porter, 2008). The corporate strategy of a firm is seen as a long-term development action plan which defines a domain of operation, means and forms aimed at achieving financial performance stability (Saksonava and Savina, 2016).

From the foregoing, it can be concluded that corporate strategy is internal to the company relating to all the actions that management takes to make appropriate selections, trade-offs and, in other instances, calculated choices to be dissimilar so as to gain competitive advantage that will lead to superior financial performance (Gamble, Peteraf, Strickland and Thompson, 2016; Nickols, 2016; Porter, 2008; Sony, 2016). Thus, the plan of action to effectively manage the socio-political and cultural institutions in a way beneficial to the organisation falls within corporate strategy

. This plan of action on the socio-political and cultural institutions gives rise to institutional strategic management (Marquis and Raynard, 2014; Mahomed, 2015). Clearly, corporate strategy is a wide phenomenon that includes navigating the institutionally diverse contexts in which firms operate to achieve superior firm performance (Marquis and Raynard, 2014). Corporate strategy is about leaders acuminating their ways of competing, where to compete and how best to grow and manage their organisations (McKinsey and Company 2008). The formulation of corporate strategies is done through a process that involves a set of rules, ideas or

beliefs called frameworks (Maleka, 2014). The set of rules, ideas or beliefs used by firms to plan or decide their corporate strategies is called a corporate strategy framework (Corporate Finance Institute (CFI), 2019). Therefore, corporate strategy combines business strategies on one hand and institutional strategies on the other (CFI, 2019; Mahomed, Mohamud and Mahomud, 2015; Marquis and Raynard, 2014).

The theoretical literature review has shown many corporate strategy frameworks used by various firms over the years, including McKinsey and Company's 7-S framework, strategic control map, three horizon growth matrix, the portfolio of initiatives, structure-conduct performance and the business system, amongst many others (McKinsey, 2008). Other popular corporate strategy frameworks include the Resource-Based View (Barney and Clark, 2007); Porter's generic strategies or business models framework (Black, Rashed and Washington, 2014; Porter, 2008); innovation strategy (Kaplan and Palmer, 2002; Pisano, 2015), institutional strategies (Kinuu, 2014; Kubie and Kilika, 2016; Marquis and Raynard, 2014); value chains (Porter, 1985); Blue Ocean Strategy (Kim and Mauborgne, 2004), Scenario Planning (Mintzberg, 1994) and many others.

The empirical literature review on corporate strategy frameworks of 2018's global profitable firms showed that the top ten profitable firms were using the resource-based framework, innovation, Blue Ocean Strategy, institutional strategy and Porter's generic strategies, amongst others (Fortune 500, 2020).

Contrary to the view that strategy has a positive effect on financial performance, the empirical literature research has shown that there exists no association between formal planning processes and company performance since performance is also affected by many other factors (Becker and Huselid, 2011, Chandler, 1962; Economist, 2012; Falshaw, Glaister, Huseli and Tatoglu, 2006; Ogaga, 2017). Franklin (2001) further argued on the relevance of strategy in today's dynamic and volatile operating environment and postulated that either "we continue to practise strategy knowing that it has so many meanings that strategy is meaningless, or we adopt a contingency

approach where strategy has no meaning at all, where it has become demeaned.” He concluded by asking, “is strategy still relevant? There is no answer. It is up to you.”

There is a plethora of determinants for the performance of firms and the complexity in the current business environment that has contributed to some models becoming obsolete while others remain relevant (Mcknesy, 2008). It is this background that drove this study in an attempt to investigate amongst the corporate strategy frameworks, namely the resource-based view, business models, innovation and institutional strategy that are used globally by the most profitable firms, to ascertain which ones are obsolete or have endured the Zimbabwean context, resulting in increased financial performance. Furthermore, the study sought to establish a corporate strategy framework that is used by Zimbabwean firms to increase financial performance.

In the first section of this chapter, the author discusses the background to the study and defines key terms. Thereafter, the problem statement of this study is presented. An outline of the relevance, objectives, hypotheses and layout of the overall study ensues.

1.2 Background to the study and definition of key terms

This section reviews the background to the study, looking at the financial performance of Firms at a global, regional and finally Zimbabwean context to establish some trends. Definitions of key terms are presented, followed by the linkages of corporate strategy to financial performance.

1.2.1 Background of the study

The world over, contrasting company performance by firms in the same operating environment and industry has been a puzzle. A review of the performance of the two retailing United States of America (USA) incorporated businesses of Walmart and Sears clearly showed contrasting performance. Sears was founded in 1906 whilst Walmart was established in 1969, which was 63 years later. However, by 2001, Walmart’s sales revenue at US\$193.3 billion as reported in its 2001 Annual Report was about five times higher than Sears’ US\$41.1 billion, as reported in

Sears' 2001 Annual Report. From the 2001 base, revenue for Walmart grew by 150% to USD\$485 billion as reported in Walmart's 2015 Annual Report (WAR 2015), whilst Sears suffered a 39% decrease as reported in Sears' Annual Report of 2015 (SAR 2015) by the year ended 31 January 2016. It can be observed that the performance gap grew wider with the passage of time because as at 31 January 2018, Walmart's revenue at US\$514.4 billion (WAR 2018) had grown from 5 times that of Sears of US\$16, 7 billion (SAR 2018) to 30 times. Whilst Walmart recorded a US\$7.2 billion profit before tax for 2018 (WAR, 2018), Sears recorded an operating loss of US\$0.4 billion for the same period (SAR, 2018).

The heterogeneous performance puzzle is also evident in the telecommunication industry as an analysis of the global mobile telecommunication giants Apple Incorporated (Apple) and Nokia Limited (Nokia) showed a similar phenomenon. In 2006, whilst Apple was about to launch its iPhone, Nokia was selling half a billion phones each year (Alcacer, Khanna and Snively, 2013). Nokia as market leaders, considered themselves too big to join an open handset alliance and declined the invitation for cooperation from Google and others. It did not take long before Nokia, which had a market capitalisation of €110 billion in 2007 (Nokia Annual Report (NAR) 2007), hit turbulence and its market capitalisation tumbled to €14.8 billion by 2012 (Alcacer, Khanna and Snively, 2013). To further cement the downfall of Nokia, the business was eventually sold to Microsoft in 2013 for \$5.4 billion (Alcacer, Khama and Snively, 2013). An analysis of these two firms during 2006 to 2014 shows heterogeneous performance. When Nokia was experiencing a value decline, Apple Inc. recorded phenomenal growth. In 2005, Apple's revenue was US\$13.9 billion (Apple Annual Report (AAR), 2005) which grew 19 times to US\$265.6 billion by September 2018. According to Apple's 2007 Annual Report, the company's fortunes changed in 2007 following the launch of the iPhone.

The heterogeneous performance shown in developed markets is also evident in developing countries. As such, Zimbabwean firms also show heterogeneous performances despite operating in the same environment. To further demonstrate this point, a review of the three mobile Zimbabwean telecommunication firms was undertaken. These telecommunications firms are Econet Wireless Limited (Econet), Netone and Telecel Zimbabwe Private Limited (Telecel). It

was found that Netone, established in 1996, was fighting to gain market share from Econet that was founded in 1993. In 2015, Netone had a 34.2% market share, whilst Econet maintained dominance at 52.5% (Postal and Telecommunication Regulatory Authority of Zimbabwe (Potraz), 2015). Both Netone and Telecel that were incorporated in 1998, further lost market share to Econet at 25.2% and 8.5% by end of 2018 (Potraz, 2018).

It has been established that organisational performance is not a straight-jacket where older firms in terms of incorporation dates would always have superior performance when compared to new entrants, as was the case shown by the local telecoms firms. The comparative analysis of Sears and Walmart and Nokia and Apple, where new entrants were performing better than the early entrants, brings a conundrum to the performance equation.

To confirm the existence of heterogeneous financial firm performance, a review of the Zimbabwe Stock Exchange's (ZSE) listed firms was done. The review covered all firms listed on the ZSE as there is a fair representation of all the economic sectors of the Zimbabwean economy. Following the review of the financial performance of Zimbabwe Stock Exchange listed firms, the researcher noted performance differentials. Therefore, this study was motivated by the need to establish the corporate strategy frameworks used by the ZSE listed firms to improve financial performance.

Ansoff (1991), Awino (2011), Machuki (2011), Mkalama (2014), and Strickland and Thompson (2003) argued that the performance and long-term survival of organizations are based on varied factors including internal structural configuration and how strategy is aligned with such a configuration to create a seamless fit with the business environment. It is therefore important to discuss factors which influence corporates to make choices that increase the value of the company, as opposed to value destruction. The Corporate Finance Institute (2019) classified all the factors that result in improved firm performance as strategy components.

This study postulates the view that corporate strategy has a fundamental impact on the performance of Zimbabwean firms. As seen in selected global retail, telecoms and some local

telecoms firms, firms operating in Zimbabwe and listed on the Zimbabwe Stock Exchange (ZSE) perform differently, despite operating in the same environment.

1.2.2 Definition and description of key terms

In this section, key terms including corporate strategy, organisational performance, financial and non-financial performance and the balanced scorecard are defined and briefly discussed to justify their relevance in this research. Further definitions and discussions on diverse strategic resources, innovation, institutional strategies and key environmental analysis factors are undertaken.

1.2.2.1 Corporate strategy

The term strategy was adopted from the Greek word “strategia”, which means ‘general’ (Hart, 1967). The word “General” has been used in management to refer to managers that must plan and execute corporate strategies with the object of outwitting opponents, just like its use in military ranks where the “General” is charged with the planning and execution of military actions to crush opponents.

A firm’s corporate strategy determines its corporate identity and governance (Campbell and Gooled, 1995). In other words, corporate strategy determines the industry or industries in which the firm will operate, whilst business strategy will determine the basis on which the firm will compete for business within the industry (Andrews, 1980). Strategy requires the input of all within an organisation as it is a way of providing focus and review to all members, from low-level employees to top management (Kidombo, 2007; Mintzberg, 1998). Providing guidance regarding the setting of objectives and priorities is the primary goal of strategy so that these are re-focused towards attaining superior performance (Ogaga, 2017). Strategy gives direction to organisations through the meticulous development of plans and a series of connected opportunities that the organisation seeks to pursue (Handerson, 1979).

Strategy further focuses on the interconnectedness between organizations and their environment; the management and leadership of internal and external stakeholders; incorporates all activities

undertaken by the organization such as products, competition, services, market and environmental changes (Ansoff, 1991; Machuki, 2011; Ombaka, 2014). At the centre of strategy is the creation of a competitive advantage. This is done by using added value and reduced costs to help organisations draw attention to ways to create a feasible competitive advantage or survive in declining market situations (Awino, 2011; Mintzberg, 2003; Porter, 1995; Schmidt, 2010). Firms venture into business to grow, hence success is measured in terms of business performance (Porter, 1985; Waweru, 2008). Therefore, it follows that the effectiveness of a corporate strategy is measured in terms of the performance of the organisation.

Strategic management has two major perspectives, namely rational and emergent/adaptive strategies (Bourgeois, 1980; Machuki, 2011). Rational strategy making is founded on the rational analytical approach which centres on evaluating environmental conditions, coordinating organizational actions, and setting a strategic direction (Ansoff, 1991; Hofer and Schendel, 1979). On the hand emergent strategies, on the other hand, are created through a learning process, generally as a response to external forces (Mintzberg, 1983). The strategy making process can be conceptualised to comprise of three main elements of strategic analysis, choice and implementation that transform an organization's vision into tangible obtainable goals and objectives (Aosa, 2011; Arasa and K'Obonyo, 2012; Johnson and Scholes, 1999; Kotter, 1996; Pearce and Robinson, 2007; Waweru, 2008)

Therefore, corporate strategy is an expansive phenomenon that includes navigating the institutionally diverse contexts in which firms operate to achieve superior firm performance (Marquis and Raynard, 2014). In as much as market-place success is important to organisational survival, so is the efficacious control of socio-political and cultural institutions (Mair and Seelos, 2007; Marquis and Qian, 2014). In other words, the plan of action to effectively manage socio-political and cultural institutions for the benefit of the organisation gives rise to institutional strategic management (Marquis and Raynard, 2014; Mahomed and Mahomud, 2015).

1.2.2.2 Resources

Resources are all the assets (material and immaterial), competences, organizational processes, firm elements, information and data managed by a company to allow it to devise and apply strategies that enhance its efficiency and effectiveness (Ombaka, 2014; Penrose, 1959; Richardson, 1972). Strategic resources are rare, valuable, non-imitable and non-substitutable, as well as organisationally orientated (Barney, 1991; Black and Boal, 1994). As a result of strategy, an organisation is able to fully utilise its resources and possibilities in attaining its concomitant objectives. This gives rise to the Resource-based strategy framework, which is measured in terms of the assets (material and immaterial), competences, organizational processes, firm elements, information and data managed by a company.

1.2.2.2.1 Strategic resources

A strategic resource is a profitable, scarce, unique, non-imitable and irreplaceable asset that creates a competitive advantage and sustainable company performance (Barney, 1991). Moreover, a valuable resource creates market opportunities and can reduce the challenges that exist in the market for the company that owns it. A resource is rare when it is scarce and unique. In other words, its existence is difficult to find as it is not shared with other firms and cannot be imitated. In this research, strategic resources were measured by their non-imitable, non-substitutable and organisational orientation.

1.2.2.2.2 Resource-based strategy

The Resource-based strategy is a management philosophy that suggests that a company has the ability to achieve a competitive edge by using its strategic resources (Teece and Pisano, 1997).

1.2.2.3 Business models

Chesbrough and Rosenbloom (2002) articulated business models as the value propositions for specific identified market segments under a delineated structure within the firm's value chain. The business model is used to develop and populate the product and ascertain the accompanying

resources required to enhance the position of the firm within the chain. It also “estimates the cost structure and profit potential of producing the offering, given the value proposition and value chain structure chosen” (Chesbrough and Rosenbloom, 2002:7). Linder, Shafer and Smith (2005) and Osterwalder (2004) define a business model as the bedrock of a company’s fundamental principal rationality and strategic decisions. Thus, it is a conceptual instrument containing a group of components and their associations that is useful for expressing, within a value network, the business logic of a particular firm for developing and encapsulating value. A business model summarises the value a company extends across its segments of customers; the firm’s structure; its system of partners for developing; and its eco-system of partners for developing, promoting and distributing its value and relationship capital to bring about beneficial and feasible streams of income (Osterwalder, 2004). In this study, business models were evaluated using Porter’s competitive generic strategies of differentiation, cost leadership and focus.

1.2.2.4 Innovation

Lin (2006) describes innovation as originating from the Latin word, “innovare”, meaning to form anew. Innovation involves revolutionising an opportunity into a brand new concept and bringing out novel or amplified processes, services or products to the market to wow customers (Afuah, 1998; Bentz, 1997; Bessant, Pavitt, Tidd and Wiley, 1998). In a nutshell, innovation refers to any new organisational practices including equipment, products, services, processes, policies and projects (Lin, 2007). Drucker (1985) defines innovation as a field which can be mastered and executed to allow the firm to take advantage of alternative ideas for multiple business or service provision. Thus, innovation is “an idea, practice or object that is perceived as new by an individual or other unit of adoption” (Rogers, 2003).

1.2.2.4.1 Innovation strategy

In innovation strategy, scientific, technical, commercial and financial steps are taken to successfully develop and market novel or enhanced products or better procedures or equipment,

or the establishment of original approaches to social service that result in a company having a competitive advantage (OECD, 2005).

1.2.2.5 Institutional strategy

Institutional strategy is a comprehensive collection of plans and undertakings to form a firm's response to its external environment (Arman, Bozkur and, Kalkan, 2014; Marquis and Raynard, 2014). Therefore, institutional strategy is a component of corporate strategy (Arman, Bozkurt and Kalkan, 2014; Mair and Seelos, 2007; Marquis and Qian, 2014; Marquis and Raynard, 2014). In a volatile operating environment like Zimbabwe, it is critical to comprehend the impact of institutional strategies on the financial performance of firms operating in such environments. To that effect, institutional strategy was measured by the socio-cultural and bridges, infrastructure-building strategies and relationship-building strategies.

1.2.2.5.1 Socio-cultural bridges strategy

Socio-cultural connecting strategies refer to how firms address 'socio-cultural and demographic' issues that firms are challenged with, arising from their operating environments (Marquis and Raynard, 2014, Seelos and Mair, 2007). These include how successful firms manage creating opportunities for the economically active youth; rapidly expanding workforce; rapid levels of urbanization; navigating ideology-fuelled conflicts in a country; creating opportunities to reduce gender inequality; navigating ethnic factionalism in a country, navigating linguistic factionalism and understanding and appreciating the social norms, customs and historical traditions of a country's citizens.

1.2.2.5.2 Infrastructure building strategies

Infrastructure Building Strategies refer to how firms put infrastructure in place to develop their markets, as well as how they provide for social, technological and physical infrastructure to grow their businesses and increase their competitiveness (Marquis and Raynard, 2014; Seelos and Mair, 2007).

1.2.2.5.3 Relationship building strategy

Relationship Building strategies refer to the stakeholder management and corporate political strategies that firms use to protect and grow their businesses (Marquis and Raynard, 2014; Seelos and Mair, 2007). These strategies include how successful firms manage accessing government subsidies and government licenses for doing business, pursuing tax exemptions through mergers and inter-organisational rapport to develop the company.

1.2.2.6 Environmental factors

Environmental factors refer to various elements that interact with the business in one way or the other, and can influence or be influenced by the business activities of the company. It is key to note that firms do not operate in a void. External environmental factors were measured by the use of SWOT, PESTELG and Porter's Four Corners analysis and Five Forces model.

1.2.2.7 Financial performance

Financial performance is an estimate of the firm's comprehensive financial state over a stated time frame in contrast to identical firms within the one industry or sector. It is a calculation of the outcomes of a company's plans and functions based on fiscal values as a way of demonstrating levels of success of laid down financial objectives. Financial performance is “a subjective measure of how well a firm can use its assets for its primary business to generate revenues” (Orajaka, 2017). Financial indicators of performance widely employed to measure firm performance include, Return on Assets (ROA), Return on Investment (ROI), Return on Sales (ROS), Cash flow, earnings per share (EPS) and market share (Ogaga, 2017). In this study, financial performance was measured by ROI.

1.2.2.8 Non-financial performance

Non-financial performance estimates are non-monetary targets which may include market share, efficiency, customer service and leadership and which have a positive effect on future financial

performance (Banker, Potter, and Srinivasan, 2000). The Balanced Scorecard is a tool used to measure non-financial performance measures and was adopted in this study.

1.2.2.9 The balanced scorecard

The Balanced Scorecard is a “performance measurement framework” whose key elements are transforming strategy into with two key objectives, namely converting strategy into distinct goals for the various departments within an organisation and spreading that strategy throughout the organization (Milgiorato et al., 1996). Strategy and vision are key in the scorecard and goals are established without prescribing how people will achieve those specific goals (Kaplan, 2011). The scorecard promotes “cross-functional integration, customer-supplier partnerships, global scale, continuous improvement, and team rather than individual accountability by combining the financial, customer, internal process and innovation and organizational learning perspectives, and thereby keeps firms looking—and moving—forward instead of backward” (Kaplan, 2011). Having defined the key terms used in the study, the next section looks at the linkages between the study variables of corporate strategy and firm performance.

1.3 Linkages between the key concepts of the study

The study aimed to show the linkages connecting financial performance to corporate strategy frameworks in organizations. Ansoff (1991), Grant (2013) and Porter (1996) argued that determining the impact of various corporate strategy frameworks on heterogeneous firm performance remains the unresolved question within strategic management discourse. Variances in company productivity can be explained by many factors, principal being corporate strategy, innovation, business models, industry and resource availability (Aosa, 2011; Ansoff and McDonnell, 1990).

Contrary to a direct correlation between corporate strategy and firm performance that was observed by Mintzberg et al. (1998), Ogendo (2014), Porter (1980); and Falshaw, Glaister and Tatoglu (2006) did not observe any associations linking the formal planning process and company performance.

There is empirical evidence that environmental factors, including industry competitiveness, influence performance (Bain, 1968; Maison, 1939; Porter, 1980). Therefore, there is still an argument that strategy on its own cannot explain variations in firm performance. The varied theoretical views concerning the impact of corporate strategy on firm performance clearly show a gap in literature, more so in the Zimbabwean context as there has not been a conclusive study to establish a corporate strategy framework that is being used by Zimbabwean firms to improve the financial performance of firms operating on the Zimbabwe Stock Exchange.

Against this background, the research question emerges on the role of corporate strategies in these differences in performances by firms. Given the relatively poor state of the Zimbabwean economy and the associated environmental hazards, it is important to understand what role corporate strategy frameworks play in driving company performances in Zimbabwe.

1.4 Research problem

The question relating to the heterogeneous financial experiences and levels that firms in similar industries remains a disputable issue in the strategic management field (Ansoff, 1965, Porter, 1980, Rumelt, Schendel, and Teece, 1994). Strategy has a significant impact on structure and firm performance (Ansoff, 1991; Aosa, 1992; Chandler, 1962; Porter, 1996). Some researchers have further noted the effect of industry competition on performance (Porter, 1996; Rumelt, 1991; Schmalensee, 1978). Varied performances by organizations in identical environments, with indistinguishable resource endowment has been an issue of interest to many stakeholders.

In some earlier strategy studies, Gregory and Stanley (2001) used strategy implementation and performance as independent and dependent variables respectively, whilst Day (2004) used core capabilities and market-driven strategies as the independent and independent variables respectively. White (2000) focused on industry competitiveness and firm performance. Although conjectures have been made regarding the different elements that affect organisational performance, there are no known studies of the same in conjunction with corporate strategy frameworks. Even though the variables have been hypothesized individually

as notions affecting firm performance, they are yet to be linked to corporate strategy frameworks (Busienei, 2013; Grant, 2013; Porter, 1989).

Although Ansoff (1965), Aosa (1992), Awino (2011) and Schmidt (2010) studied the relationship between strategy and performance in general, it was not focused on specific corporate strategy frameworks as proposed in this thesis, more so relating to Zimbabwe Stock Exchange Listed Firms. Many researchers and experts have contended that “as modern industries experience fast technological change, hyper-competition, globalization and information revolution, the days of the structural approach, and to some extent the traditional concept of strategy itself, may be over” (Beinhocker, 2006). In this context, the effect of corporate strategy frameworks on organisational performance, given the hyper-changing environment and globalisation, is an interesting study in the Zimbabwean context.

Therefore, the study endeavoured to fill the existent conceptual gap by jointly incorporating corporate strategy with its constructs of business strategy and institutional strategy as independent variables, whilst the environmental factors are the intervening variables and financial performance as a secondary dependent variable with a view to coming up with a specific corporate strategy that is increasing financial performance in Zimbabwe.

Researchers in different geographical contexts, including Europe, the United States of America (USA), South America and Asia, have established a positive effect of corporate strategy and other factors on organizational performance (Day, 2004; Johnson and Scholes, 1999; Porter, 1996; Rumelt, 1991; Schemensee, 1978; Schmidt, 2010). Since these studies were conducted in different jurisdictions with varying manifestations, they may not be fully applicable to the phenomena obtained in the Zimbabwean situation. Many studies in Kenya and Sub-Saharan Africa have also established a correlation between strategy and performance (Aosa, 2011; Awino, 2011; Kidombo, 2007).

Bategeka (2012), Fubara (1986), Macharia (2014), Madara (2014), Ogollah et al. (2009) and Owino (2014) explored the effect of strategy on firm performance within differentiated

environments utilising numerous conceptualisations as well as strategies, leading to variances in the findings and thereby creating conceptual and contextual gaps. The current study attempts to address the methodological variances by applying an explorative research design. Very little is known of any study that has applied the independent function played by corporate strategy frameworks as well as the counter-balancing effect of role of corporate strategy frameworks and the moderating influence of environmental factors in influencing the financial performance of firms listed on the ZSE, the subject of empirical investigation in this study. The conceptual and contextual gaps were addressed by including corporate strategy constructs of the resource-based strategy, business models, institutional and innovation strategies as independent variables; whilst financial performance is the secondary dependent variable focusing on firms listed on the ZSE, with the proposed new corporate strategy framework being the primary dependent variable.

A review of empirical literature further revealed a scarcity of studies relating to the associations of corporate strategy frameworks to environmental factors in Sub-Saharan Africa, and Zimbabwe in particular. The aim of this research study was to address current conceptual, contextual and methodological gaps within literature reviews and previous empirical research. Consequently, the question the study endeavoured to answer is: What is the impact of corporate strategy frameworks on increasing financial performance of firms in Zimbabwe, focusing on the listed entities on the ZSE?

1.5 Research objectives

The main research objective was to establish a corporate strategy framework used by Zimbabwean firms to increase financial performance.

Pursuant to the main research objective are the following secondary objectives:

- a. To determine the impact of the resource-based strategy framework on the financial performance of firms in Zimbabwe;
- b. To ascertain the impact of business models on the financial performance of firms in Zimbabwe (using Porter's generic strategies framework);

- c. To determine the impact of an institutional strategy framework on the financial performance of firms in Zimbabwe;
- d. To determine the impact of the innovation strategy framework on the financial performance of firms in Zimbabwe;
- e. To establish the joint impact of a resource-based strategy framework, business models, institutional strategies and innovation strategies on the financial performance of firms in Zimbabwe;
- f. To establish other corporate strategy frameworks used by Zimbabwean firms to increase financial performance; and
- g. To discuss the findings, draw conclusions and provide recommendations to managers of Zimbabwean firms.

1.6 Research propositions

The propositions in this study are:

P₁: Corporate strategy positively affects the financial performance of firms in Zimbabwe.

P₂: Diverse strategic resources of the firm contribute to a sustained competitive edge amongst firms that own resources, leading to increased financial performance.

P₃: Business models frameworks using Porter' generic strategies significantly influence the performance of firms in Zimbabwe.

P₄: Innovation strategies significantly impact the performance of firms in Zimbabwe.

P₅: Institutional strategies significantly influence the performance of firms in Zimbabwe.

P₆: The environmental factors within which the firm operates and the subsequent chosen corporate strategy framework moderates the association between the company's resources and the competitive advantage level that influences its financial performance.

P₇: There are other factors affecting the financial performance of firms in Zimbabwe.

1.7 Significance of the study

Theoretically, this study investigates the Behavioural theory of the firm and Chaos theories. The study may contribute to existing literature related to corporate strategy frameworks and firm

performance. Conceptualisation of the interconnectedness of the variables studied may facilitate scholars and management alike to:

- Further understand theoretical and empirical knowledge around the Zimbabwean and global context, thereby formulating foundations for additional research, teaching and application.
- The study may contribute to theory in general in Zimbabwe and across the globe.
- Use the study to set their policies and practices on corporate strategy and performance management.
- Improve the extant knowledge on strategic management strategies employed by organizations in the different sectors of the Zimbabwean economy.
- Design appropriate and efficacious policies and management operations to direct planners involved in the construction of effective strategies or interventions to enhance performance in the ever unpredictable business environment.
- Track performance versus set strategic and operational goals. The findings may also be useful to public sector management.
- Assist in the timely implementation of company strategies in pursuit of gaining a sustainable competitive advantage and ultimately enhancing financial performance.
- Based on the finding, the research may influence future research methods in studies on corporate strategy and financial performance.

It is interesting to note that most research on strategic management, over the years has concentrated on advanced economies, particularly the United States and Europe, and has paid scant attention to undeveloped countries (Dragusin and Welsh, 2009).

From the research undertaken by the researcher and existing literature, no research has been conducted in Zimbabwe focusing on the establishment of a corporate strategy framework that combines business and institutional strategies interacting with the various environmental factors to increase financial performance in Zimbabwean firms. Furthermore, the research may add new knowledge and understanding on corporate strategy and firm performance.

The research may add new knowledge and understanding on corporate strategy and firm performance from:

- The triangulation of grounded theory to findings obtained on the ground and recommendations of a proposed corporate strategy framework that increases financial performance of firms in Zimbabwe.
- The development of a corporate strategy framework that combines business and institutional strategies and business models, interacting with the environmental factors combining theory and new findings from the research.
- The linkages between firm resources and business models to drive firm financial performance in Zimbabwe
- The formation of sustainable competitive advantage in industries where firms possess similar, comparable and movable resources.
- Drawing lessons from the firms in Zimbabwe that are doing well despite the harsh economic environment, the knowledge of which could be used by other Zimbabwean firms and across the region as well.
- The research seeking to provide reasons for heterogeneous firm performance as a result of corporate strategies. This study will therefore fill this fundamental void in literature.

On one hand, a number of firms have closed shop in Zimbabwe purportedly due to the prevailing harsh economic environment, yet on the other hand, other firms operating in the same economic environment are doing relatively well. The research sought to establish a corporate strategy framework used by highly performing firms that accounts for the heterogeneous financial performance. Furthermore, the study sought to unpack shrewd management strategies used by some firms which can be adopted by those that seem not to be doing well in Zimbabwe.

1.8 Delimitation/ scope of the study

The population of the study was 60 functional Zimbabwe Stock Exchange Listed Firms. The study was restricted to ZSE listed firms as there is a challenge in obtaining financial information

for non-listed firms that do not publish their financial statements. The research period is from 2012 to 2017 as the country was registering economic growth and the use of a stable currency under the multi-currency regime. The study focused on the possible impacts of corporate strategy development and implementation for sustainable firm performance.

1.9 Methodology of the study

The study was located within the epistemological paradigm of positivism. Sakyi (2017) asserts that “a paradigm is a pattern or broad approach or perspective taken towards a method of research or study.” Compte (1857) defines positivism as a blend of rationalism and empiricism, now also known as triangulation. The assumption guiding triangulation is that the use of many data sources, methods and investigators is an effective way of removing bias from any research data set or methodological approach. Bryman (1988) argues that using different sets of methodologies to investigate a phenomenon might increase confidence in the findings and conclusions drawn from the investigations. However, Fielding and Fielding (1986) argue that using triangulation only provides a broader, not objective truth, hence its interpretation and presentation of results must be in that light.

Saunders et al, (2015) recommend the use of a positivist paradigm of epistemology in a qualitative study. Therefore, the researcher adopted this approach in this study. Perceptions of managers were quantified using a Five-Point Likert scale. These quantified data were analysed using the RQDA which was used for qualitative data and content analysis. A self-constructed instrument was developed to evaluate independent and dependent variables included in the study.

1.10 Thesis outline

The research began with a review of relevant theoretical literature, where both theoretical and empirical literature on corporate strategy were looked at. The approach applied in this research follows the prescription advocated by Berson, Avolio and Kahai (2003), where the process begins from an inductive position. In this process, prior observation, personal experience; or other research by the researcher is used to develop insight into the research.

1.10.1 Chapter Two: Zimbabwean firms and the appraisal of the environment

This Chapter focuses on operating firms in Zimbabwe, targeting their performance trends with the classification of such firms into the various clusters as per the Zimbabwe Stock Exchange listing requirements.

1.10.2 Chapter Three: Review of the related literature on corporate strategy

This chapter covers the theoretical literature on various theories of corporate strategy and firm performance. Various empirical studies on corporate strategy and organizational performance are reviewed. The researcher discusses various schools of thoughts conveyed in the empirical studies on corporate strategy and the linkages of the key study variables. A discussion of the corporate strategy development process and various strategies being implemented by organisations to drive performance ensues. An outline of the procedural factors in corporate strategy development and a discussion of the environment scanning tools as intervening variables used to appraise the Zimbabwe operating environment framework are reviewed. The chapter further explores research gaps from the literature review, culminating in the construction of the conceptual framework.

1.10.3 Chapter Four: Research methodology

In this chapter, the researcher outlines the choice of methodology employed. This includes comprehensive discussion on the research paradigm and approach, data collection and analysis methods, and instruments used to measure the various independent and dependent variables central to the study.

1.10.4 Chapter Five: Empirical findings on the sectoral performance of ZSE listed firms

The researcher unpacks the findings from the data collected and analysed. This is followed by the provision of the findings from the dataset collected. Findings regarding proposition testing for business strategy and institutional strategies are presented.

1.10.5 Chapter Six: Reviewing the impact of corporate strategy frameworks on ZSE listed firms

This chapter further outlines the results for the various variables, as well as an analysis of patterns accruing from the dataset. The various implications for corporate strategy in driving firm performance are debated based on the main outcome. In conclusion, a summary is provided on the significance and contributions of this study, its limitations, implications as well as possible opportunities for further research.

1.10.6 Chapter Seven: Summary, conclusion and recommendations

This chapter presents a summary of the important findings of the thesis in relation to the research questions and the objectives, as tabulated in Chapter One.

CHAPTER TWO

ZIMBABWEAN FIRMS AND THE APPRAISAL OF THE ENVIRONMENT

2.1 Introduction

Al-Moursy (2007) argued that part of the elements giving rise to success or failure in business include its environment and noted the rapid business environment changes bringing extreme uncertainty and convolution, resulting in the reconstruction of the operating environment rules, policies and methods applied in order to meet the organization's mission and objectives. The rules are changed to identify the strengths and opportunities that will increase the financial performance of the organisation, whilst appropriate strategies are also developed to mitigate the impact of environmental constraints where threats are narrowed to attain the objectives of the organisation. Therefore, the focus of this chapter is to provide an analysis of the operating environment using the PESTEL model, followed by a review of Zimbabwean listed firms.

2.2 Appraisal of the corporate environment in Zimbabwe

Firms do not operate in a vacuum, but within spheres where factors around them affect their performance. This section discusses the Zimbabwean business operating environment to put into context the performance of firms operating in Zimbabwe. To understand the Zimbabwean Corporate environment for the period of the study 2010 to 2017, the PESTEL analysis model was used. Each of the PESTEL elements are discussed individually to show their effect on business performance. The section briefly discusses the PESTEL framework obtained in Zimbabwe.

2.2.1 Political

Zimbabwe's political landscape was characterised by political instability, particularly from 1998 following the land redistribution exercise (UN, 2010). The emergence of effective opposition

political parties from 1999 changed the Zimbabwean political landscape. The 2008 harmonised elections conducted in line with Southern Africa Development Community (SADC) guidelines did not produce an outright winner, resulting in a controversial presidential run-off, which then culminated in the formation of a Government of National Unity (GNU) on 13 February 2013 (UN, 2010). Although the country has been able to hold general elections in line with the country's constitution, there has been growing activism against electoral reforms, leading to some disputed election outcomes.

In early 2000, the Government of Zimbabwe went on a fast-track land redistribution exercise. In this regard, white commercial farmers' land was grabbed without compensation (Mugano, Brookes and Le Roux, 2013). Against the background of the 2000 land redistribution program, in 2008, the Government of Zimbabwe enacted the Empowerment and Indigenisation Policy which demanded that foreign-owned firms cede 51 percent of their equity to local marginalised Zimbabweans. These measures were seen as draconian. Resultantly, Zimbabwe suffered a massive capital flight. Following the expropriation of white commercial farmers' land by the Government, the country was given a tag in the global economy as one that does not respect property rights and the rule of law.

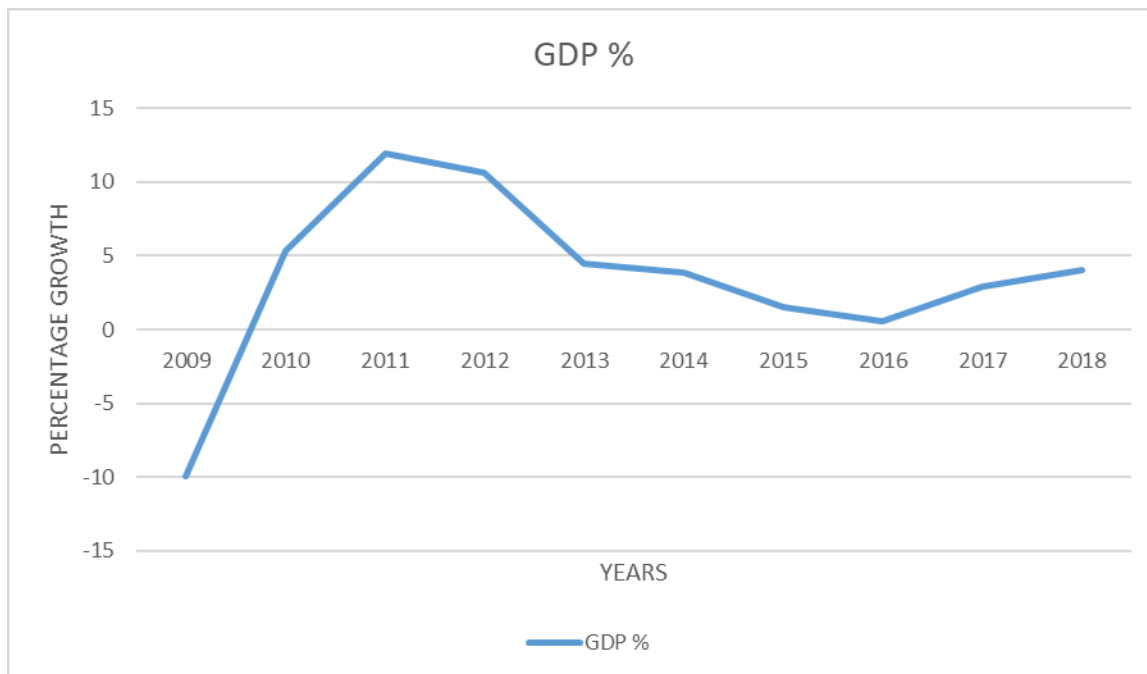
In summary, the political situation discussed above has resulted in a number of firms failing to attract new capital, which has affected their performance capacity. The next section discusses how the state of the economy affected firms' performance in Zimbabwe.

2.2.2 Economic

The Zimbabwean economy suffered major deterioration from 1980, following the attainment of Independence, with a significant decline witnessed in 1984 as a result of drought. Some general recovery was recorded up to 1991, but the country was hit by another severe drought in 1992 (Reserve Bank of Zimbabwe (RBZ), 2007). Worse times were still to come as witnessed by an all-time low Gross Domestic Product (GDP) of over negative 16% in 2008. The decline started in 2002 following the controversial land redistribution exercise (UN, 2010). Hyperinflation

reached unprecedented levels at 231 million per cent in July 2008 (ZIMSAT, 2008). Food and basic utilities shortages became the order of the day as supplies were not available due to looting following the introduction of price controls at the background of managed exchange rates that made exports unviable (Ministry of Industry and Commerce (MOIC), 2012). Manufacturing capacity utilisation rates at less than 10% were too low to meet the country's production requirements (Ministry of Finance (MOF), 2012). The unprecedented inflation forced Zimbabwe to adopt the use of 'multiple currency 'in February 2009 up until 24th June 2019. The use of 'multiple currency came with its own challenges as the Reserve Bank of Zimbabwe had no control over the money supply in the economy.

Figure 1: Real GDP growth (%) of Zimbabwe



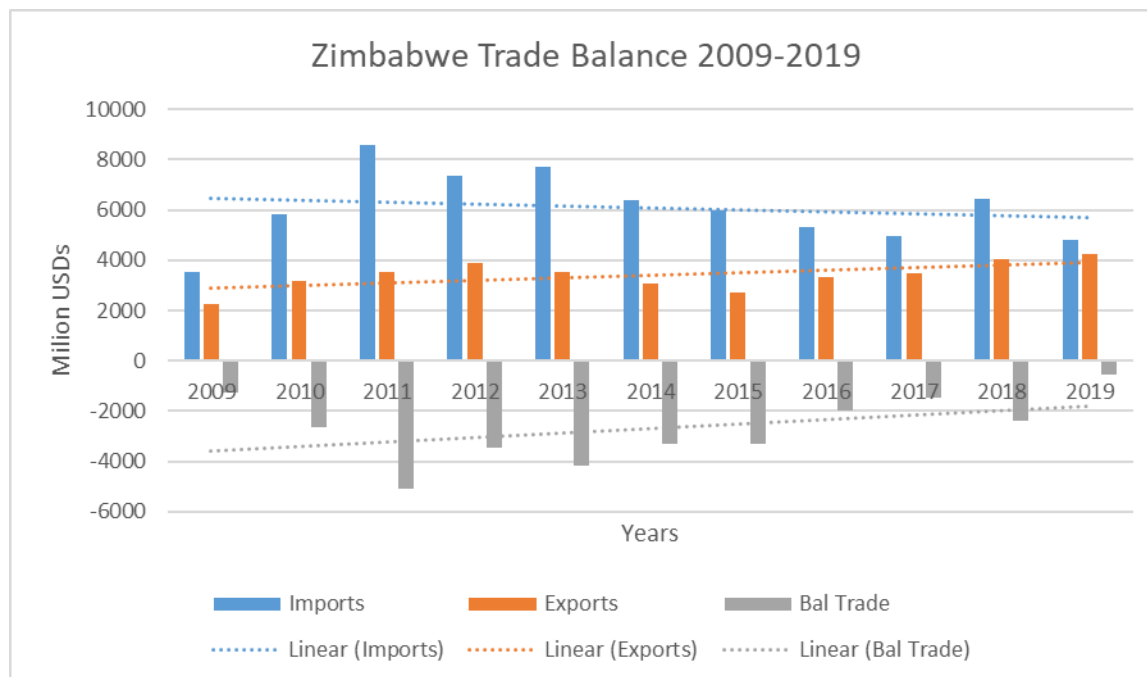
Source: World Bank, (2018).

Arising from the low manufacturing capacity utilisation, price controls, low exports and lack of foreign exchange, the government had difficulties in mobilising resources to finance key imports such as grain, drugs, raw materials, fuel and electricity. According to the Ministry of Industry

and Commerce (2012), the country was importing 100 per cent of its fuel and 40 per cent of its electricity, amongst other imports. Moreover, capacity utilisation still remained very low and the economy is heavily dependent on imports.

Since industry was operating below optimal level, the economy has largely been having a net import bill as shown in Figure 2.

Figure 2: Trade balance (\$Million)



Source: Trendeconomy, (2019).

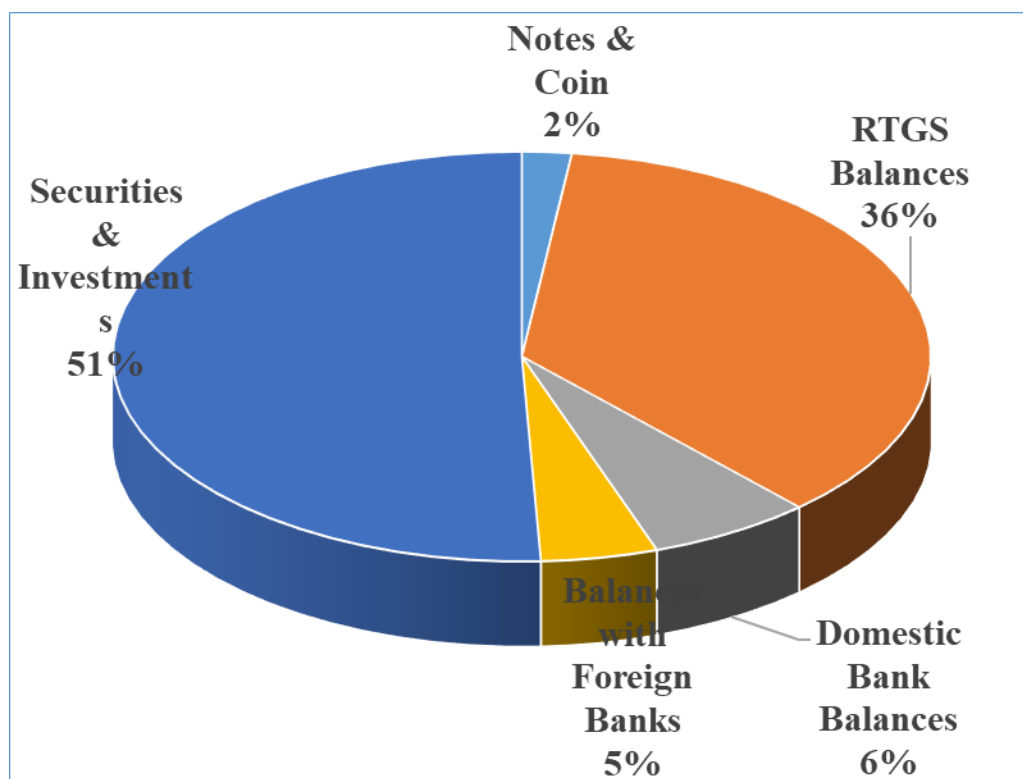
This is an undesirable situation in a dollarized environment. The country's liquidity comes from exports, foreign direct investments, diaspora remittances and aid. The major two sources Zimbabwe should build its liquidity on are exports and FDIs. However, as discussed above, evidence has shown that these pillars are performing poorly.

Currently, Zimbabwean firms are struggling to fund their foreign currency accounts for the importation of essential inputs. This has negatively affected firms' performance at a time when

domestic demand has largely remained subdued. Additionally, the 2016 aggregate demand was expected to fall by 8 percent (Ministry of Finance and Economic Development, 2016). This undoubtedly has a negative effect on firms' earnings.

The shortage of cash or the liquidity crunch has been cited as one of the root causes of constrained demand. Figure 3 that shows that notes and coins constituted only 2% of the bank liquid assets.

Figure 3: Bank liquid assets



Source: RBZ, (2017).

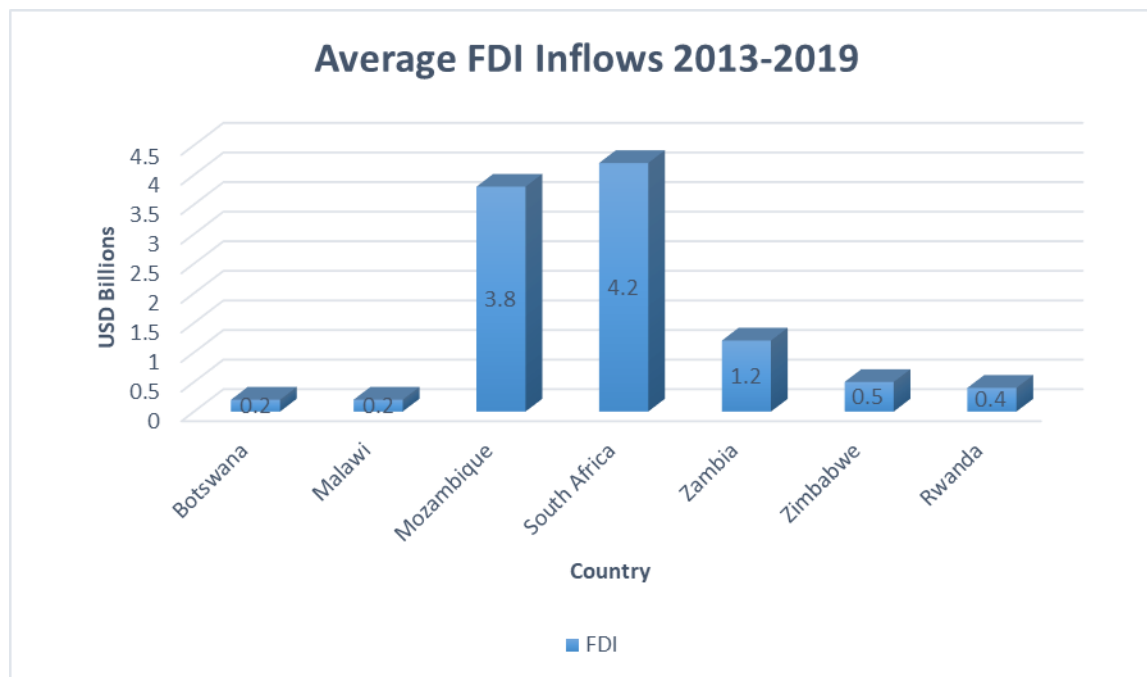
Based on statistics from the Reserve Bank of Zimbabwe, 51 percent of total deposits has been used to finance budget deficits through the issuance of treasury bills (TBs). This situation, in the

absence of significant inflows of FDIs, has crowded out the private sector which is in dire need of funding for re-tooling and working capital requirements.

The cash and coins which are available for withdrawal is only 2 percent of total deposits. This explains why there are incessant queues for cash at banks. A significant amount totalling 36% of money is kept in real-time gross settlement (RGTS), which works well in urban areas due to the presence of swiping machines. The case is different in the rural settings, where a considerable number of the population resides, but where plastic money use is still limited. This situation has a negative impact on demand and ultimately firms' performance.

Within the region, Zimbabwe is ranked as performing at the lowest financial levels in terms of stimulating foreign direct investment. Between 2013 and 2019, Zimbabwe brought in a mere USD0.5 billion (see Figure 4).

Figure 4: FDI to SADC countries



Source: UNCTAD, (2019).

Zimbabwe had been experiencing a very low flow of FDIs owing to a number of factors, some of which were highlighted by the World Bank as Red tape and corruption; Excessive administrative and registration requirements; Tax burden; Weak institutions; Political instability; Economic instability; a Lack of policy clarity; policy reversals and policy inconsistency (World Bank, (2019). In attracting FDIs, compared to Zimbabwe, Zambia and Mozambique have done exceptionally well. For example, in 2013, Mozambique attracted US\$6.2 billion, whilst Zimbabwe had a mere US\$400 million (UNCTAD, 2019).

However, it is important to note that the country has seen its foreign direct investments inflows doubling to US\$745 million in 2018 from US\$345 million in 2017 (UNCTAD, 2019). This significant improvement is testimony of investors' response to Government's efforts to reform the business environment under the 'Zimbabwe is open for business mantra.

Angola's average FDI contribution of 22.8 percent of GDP was the most exceptional across SADC. Low rates of FDI investment in Zimbabwe were attributed to the country's poor growth performance (Africa Development Bank, 2011). Zimbabwe also suffered huge volumes of capital flight, which resulted in dilapidated infrastructure. Thus, the cost of doing business in Zimbabwe was highly deemed as negative, with a ranking of 177 out of 183 poorly performing economics globally (World Bank, 2011). It therefore follows that most firms' ability to re-tool was affected by low levels of foreign direct investment. Many investors' industrial equipment in Zimbabwe had become so obsolete that it was no longer fit to be used for production as industry lost production time due to persistent breakdowns and increased production costs due to inefficient machinery (Mugano *et al.* 2013).

2.2.3 Social

During the period under review, the country experienced poor public sector service delivery following the economic under-performance tabulated under the economic section of this study (UN, 2010). Poverty levels increased, with 70% of the country's population in dire need of food aid. Due to hyper-inflation, the economy failed to respond to the needs of service delivery,

particularly in the health and education sectors. Consequently, the country suffered a serious brain drain that eroded the institutional capacity at the background of diminished resources, which affected buying power (UN, 2010). The HIV scourge has also not spared the country, with a HIV-positive rate of 20% recorded at some point during the period under review (UN, 2010). There is a causal link between firms' performance and the wellness of the population.

2.2.4 Technological

Furthermore, Zimbabwe has not been able to use modern manufacturing equipment due to a failure to capitalise businesses. Most major manufacturing firms were commissioned before the country's independence in 1980 and there has not been adequate re-capitalisation for these businesses owing to the prevailing economic environment described above. In this regard, the country cannot compete at a global level with newer and more efficient technologies (UN, 2010); (*Hba et al* 2016). Obsolete technology is one of the factors contributing to the country's competitiveness challenges (World Bank, 2016).

2.2.5 Ecological

The effects of global warming have not spared the country as rain patterns have not been consistent. Consequently, the country has recorded a series of droughts that have affected its ability to feed its citizens. Arising from the environmental changes and other factors, the country was not able to produce adequate grain for its people. Maize production declined from an all-time peak of 1.6 million tonnes in 2001 to about 1.0 million tonnes in 2010 (UN, 2010). Additionally, the ever-rising population at the background of limited resources gave rise to de-forestation. Land degradation, mainly de-forestation, soil erosion, the formation of gullies and siltation, were the major environmental issues bedevilling Zimbabwe during the period under review. Moreover, the major cause of de-forestation in Zimbabwe is uncontrolled forest fires.

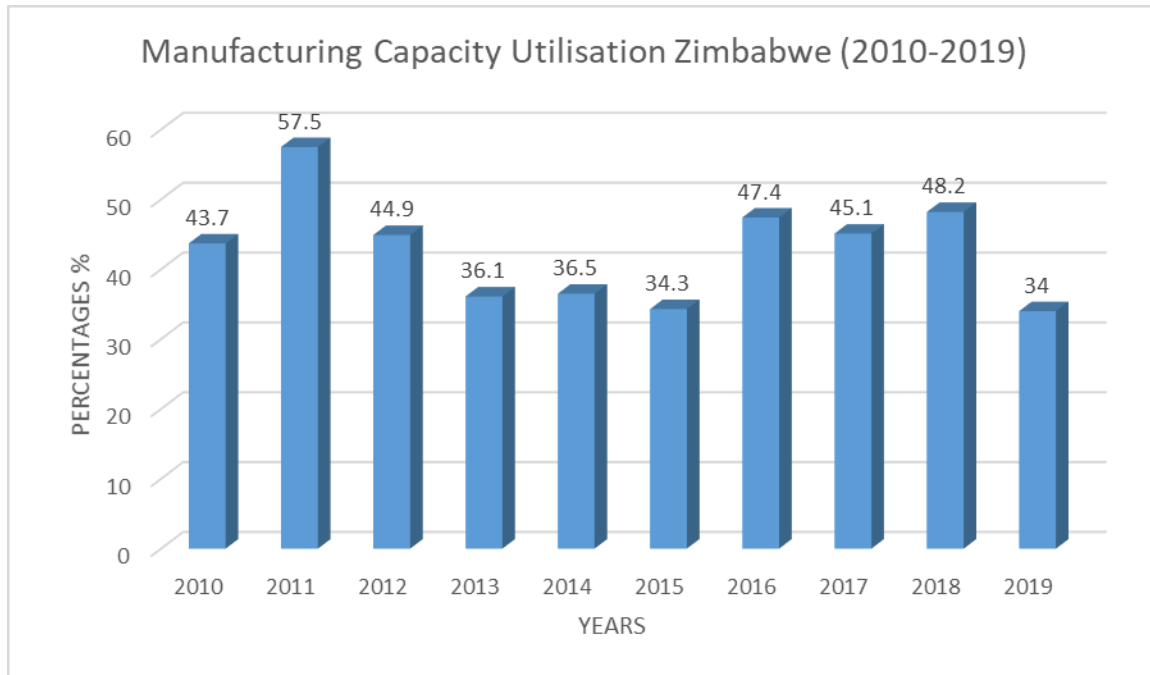
2.2.6 Legal

A United Nations' report (2010) noted that the country has a weak justice delivery system due to limited financial, human and material resources, leading to a backlog of court cases and overcrowding in prisons. The legal framework has also been going through a number of changes, with the worst changes being the introduction of the indigenisation and economic empowerment legal framework. This piece of legislation required all firms with a revenue of above \$500 to be 51% controlled by Zimbabweans. This legal framework was associated with dispelling investors as there has been serious policy inconsistency in its interpretation over the years. The next section reviews the capacity utilisation of Zimbabwean firms that were working in such an environment as has been described in this study.

2.3 Manufacturing industry capacity utilisation

Zimbabwean firms manufacturing capacity utilisation has been falling from the year 2000, with the lowest dip being experienced in 2008 (CZI, 2018). Following the introduction of the multiple currency regime in 2009, capacity utilisation started rising from an all-time low of less than 10% to a peak of 59% in 2012, before starting to slide down to 48.2% by 2018. There is a direct connection linking a company's utilisation capacity to the level of profitability of the firm. As a firm increases its capacity utilisation, its level of profitability will also improve, particularly after the firm reaches its break-even sales volume.

Figure 5: Zimbabwe manufacturing capacity utilisation (2010-2019)



Source: CZI Manufacturing surveys (2010-2019)

Given the above-mentioned contextual background, the present study intends to investigate the role that corporate strategies play to bring about differences in company performance in such a volatile environment. It is believed that such an investigation will assist firms in identifying appropriate corporate strategies to sustainably grow their businesses. The average manufacturing capacity utilisation of Zimbabwean firms that were operating from 2010 to 2017 was 43.8% (CZI, (2018)). It is therefore important to review the firms that were operating in such an environment and identify their respective sectors to broaden one's understanding on the participants in the survey. This analysis will be done in Sections 2.4 to 2.6 of the study.

2.4 Overview of listed firms in Zimbabwe

There were 62 listed firms on the Zimbabwe Stock Exchange (ZSE) and these were used as the sample population in this research.

Table 1 : Schedule of ZSE listed firms

Ref	Entity	Sector	Number of Players
1	Astra Industries	Basic Materials	5
2	Bindura Nickel Corporation	Basic Materials	
3	Border Timbers	Basic Materials	
4	Falcon Gold Zimbabwe	Basic Materials	
5	Rio Tinto Zimbabwe	Basic Materials	
Ref	Entity	Sector	Number of Players
6	African Distillers	Consumer goods	14
7	Ariston Holdings	Consumer goods	
8	British American Tobacco	Consumer goods	
9	Cottco Holdings	Consumer goods	
10	Dairiboard Holdings	Consumer goods	
11	Delta	Consumer goods	
12	Hippo Valley Estates	Consumer goods	
13	Nampak Zimbabwe	Consumer goods	
14	National Foods	Consumer goods	
15	National Tyre Services	Consumer goods	
16	Padenga Holdings	Consumer goods	
17	Seedco International	Consumer goods	
18	Seedco	Consumer goods	
19	Star Africa Corporation	Consumer goods	
Ref	Entity	Sector	Number of Players
20	African Sun	Consumer services	9
21	Dawn Properties	Consumer services	
22	Edgars	Consumer services	
23	Meikles	Consumer services	
24	OK Zimbabwe	Consumer services	
25	Rainbow Tourism Group	Consumer services	
26	Simbisa Brands	Consumer services	
27	Unifreigh Africa	Consumer services	
28	Zimbabwe Newspapers (1980) Limited	Consumer services	

Ref	Entity	Sector	Number of Players
29	CBZ	Financial	14
30	FBC Holdings	Financial	
31	Fidelity Life Assurance	Financial	
32	Barclays Zimbabwe/(First Capital Bank)	Financial	
33	First Mutual Holdings	Financial	
34	First Mutual Properties	Financial	
35	Get Bucks Microfinance Bank	Financial	
36	Mashonaland Holdings	Financial	
37	Nicoz Diamond	Financial	
38	NMBZ	Financial	
39	Old Mutual	Financial	
40	ZB Financial Holdings	Financial	
41	Zimre Holdings	Financial	
42	Zimre Property Investments	Financial	
Ref	Entity	Sector	Number of Players
43	Meditech Holdings	Health Care	1
Ref	Entity	Sector	Number of Players
44	Art Corporation	Industrials	16
45	Axia Corporation	Industrials	
46	Cafca	Industrials	
47	CFI Holdings	Industrials	
48	General Belting Holdings	Industrials	
49	Innscor Africa	Industrials	
50	Lafarge	Industrials	
51	Masimba Holdings	Industrials	
52	Powerspeed Electrical	Industrials	
53	Pretoria Portland Cement	Industrials	
54	Proplastics	Industrials	
55	TSL	Industrials	
56	Turnall Holdings	Industrials	
57	Willdale	Industrials	
58	Zeco Holdings	Industrials	

59	Zimplot Holdings	Industrials	
Ref	Entity	Sector	Number of Players
60	Hwange Colliery	Oil and Gas	1
Ref	Entity	Sector	Number of Players
61	Econet	Telecommunications	
62	Cassava SmartTech	Telecommunications	2

Source: African Markets, (2021).

2.5 Firms listed on the Zimbabwe Stock Exchange

This study's target population was firms listed on the Zimbabwe Stock Exchange (ZSE), which is a platform where transactions relating to the exchange of shares of publicly quoted firms and government bonds, amongst other instruments for money, are done (Machuki, 2011). Firms listed on the ZSE need to formulate and implement strategies together with structures that can match the complex environment in which they operate, in accordance with the rules of the game of the various industries and sectors of the Zimbabwean economy (Kinuu, 2014 and Ogendo, 2014). It is therefore incumbent upon the firms to properly scan the environment so that they achieve a competitive advantage and organizational success. Through the listing of the various firms from different sectors, the ZSE provides a suitable representation of the Zimbabwean economy which essentially informs the fundamental basis for its selection as the context of this study. Selecting listed firms for the study is further justified by the requirements for the criteria used for listing. The minimum requirement for listing that applies across all the firms is that the company must be limited by shares and registered under the Firms Act (Chapter 24:03) as a limited company (Machuki, 2011 and Leting, 2011). There is also an availability of objective and reliable economic and financial performance secondary data about the firms owing to their strict conformity to the ZSE listing rules that requires them to publish their annual financial statements.

Consistency in reporting, bound by the need for compliance with the International Financial Reporting Standards (IFRS) and other general reporting requirements for publicly quoted firms, is advantageous as they cut across all the firms in the same sector and across different sectors. The firms listed on the ZSE's operations represent the majority of the Zimbabwean economy because they cut across all the industries, thereby providing industry diversity suitable for cross-industry comparison. Notwithstanding the fact that they operate in a homogeneous macro-environment, there exists variations in financial performance which could be explained by a number of extraneous factors like structural configuration, strategic orientation and regulatory compliance (Becker and Huselid, 2011, Ogaga, 2017). The study focused on firms listed on the Zimbabwe Stock Exchange because it is representative of almost all business sectors of the Zimbabwean economy, ranging from agriculture to financial and manufacturing activities. Contrasting/ heterogeneous organisational performance, which will be discussed below, has been a mystery.

Table 2 is a tabulation of financial performances of selected listed firms operating in Zimbabwe from 2010 to 2017. Further analysis of the financial performance shown in Table 2 shows the puzzling contrasting financial performance by firms listed on the ZSE.

Table 2: Return On Capital Employed (ROCE) by sector for the ZSE listed firms (2010-2017)

CO. CODE	YEARS								AVERAGE
	2010	2011	2012	2013	2014	2015	2016	2017	
BM	-8.0%	-6.8%	-2.8%	-23.4%	-123.7%	-16.7%	-31.4%	-29.8%	-20.8%
CG	11.9%	16.9%	21.6%	18.9%	17.2%	11.2%	12.2%	15.2%	15.5%
CS	25.8%	25.6%	30.5%	21.2%	20.0%	9.0%	5.7%	8.6%	17.0%
FS	9.8%	20.8%	15.7%	9.2%	3.0%	4.2%	8.6%	12.1%	9.1%
IND	8.5%	13.1%	14.8%	11.6%	8.5%	5.7%	2.7%	12.1%	9.2%
ALL ZSE	12.6%	17.8%	19.5%	12.1%	9.1%	6.3%	5.5%	11.1%	10.8%

Source: ZSE (2020)

2.6 The suitability of Zimbabwean firms for this research

The research was done on ZSE listed firms as they are regulated by the ZSE regulations and are required to comply with International Financial Reporting Standards (IFRS). They are also mandated to be audited by registered audit firms. The 62 ZSE listed firms largely cover the economic sector of the country. The categorisation of these Firms into the various sectors was done by the ZSE itself.

CHAPTER THREE

REVIEW OF RELATED LITERATURE ON CORPORATE STRATEGY

3.1 Introduction

This chapter presents the theoretical literature regarding corporate strategy and firm performance as required by the primary objective of the study. A discussion of the theories underpinning this study is conducted. This includes a review of the Grounded Theory to discover relevant data on corporate strategy and performance management. Organisations are viewed as systems of interrelated processes and components, making the Systems Theory an interesting part of the study as well the Resource-Based Theory, Contingency Theory and the Institutional theories. Resources, the ability to develop contingent responses to the environment and building appropriate socio-cultural relationships are believed to give rise to increased financial performance respectively. As businesses operate in competitive environments, the study of Game Theory gives insights into how Firms respond to their competitor's actions which is studied as well.

Furthermore, the constructs of the corporate strategy of the resource-based view, business models, institutional strategic frameworks and innovation or transformation and the performance measures that drive financial performance will be discussed.

This is followed by a review of the various empirical studies on corporate strategy and financial performance, where discussions of various schools of thoughts conveyed in the empirical studies on corporate strategy and the linkages of the key study variables are provided. The chapter also discusses the research gaps from the literature review.

A review of the strategy development and management process starting with strategy formulation, analysis, implementation, control and evaluation was undertaken in this chapter because good understanding of this procedure is paramount in crafting sustainable strategies. As organisations do not operate in a vacuum, there is a discussion on the analysis of the operating

environment using some environmental scanning tools. These tools include the study undertaken to understand the Strengths, Weakness, Opportunities and Threats (SWOT) faced by an organisation. Strengths and Weaknesses arise from within the organisation whilst Opportunities and Threats come from outside the organisation. Porter's four corner's analysis model that seeks to predict the competitor's course of action and the study of the Political, Economic, Social, Technological, Environmental and Legal (PESTEL) factors in relation to the operations of the Company will also be discussed. Furthermore, Porters' Five Forces model that helps to explain why certain industries are able to sustain different levels of profitability will be reviewed. This will be followed by an appraisal of the Zimbabwean operating environment during the period under review. The review of performance of firms targeted both financial and non-financial performance procedures and used an all-inclusive performance management tool-the Balanced Scorecard. The researcher concludes this chapter by proffering the conceptual framework of the study to show the independent, intervening and dependent variables, and how they are interconnected.

3.2 Review of the theoretical framework

Grounded theory was employed to generate theory from the large expanse of data that was systematically collected and analysed (Noble and Mitchell, 2018). A number of researchers have used Systems theory to investigate how firms interact with several sub-elements that have different attributes but work together to achieve a common objective (Weissenerger-Eibl, Almeida Seus, 2019; Ropohl, 2009; Mele, Pels and Polese, 2010). The Resource-Based Theory (RBT) advances the notion that a firm's resource base is considered as the pedigree of competitive advantage, leading to superior performance (Barney, 1986, 1991, 2001; Conner, 1991; Mills, Platts and Bourne, 2003; Peteraf and Bergen, 2003). To mitigate the realised gaps of the RBT, Teece, Pisano, and Shuen, (1990), Peteraf (1993) and Thompson et. al. (2014) further extended the RBT to include Dynamic Capabilities Theory as a genesis for sustainable competitive advantage. Okeyo (2013) and Liu et al. (2003) brought a different theory arguing that strategy must be founded on the specific context and environment they are undergoing as organizations have to be integrated and differentiated to an extent of optimality, contingent upon

the level of environmental uncertainty. These are the tenets of the Contingent theory to strategic management. The operating environment is never certain and the firm must anticipate the possible response by other players to the company's activities in the market-place through the implementation of the Game theory (Grant, 2013). The understanding of the regulatory environment and the associated established relationships as prescribed by the Institutional theory (Crubellate, 2007) which will also be studied in this research.

Therefore, this study focused on the six main theories on corporate strategy, aiming to delineate the association connecting corporate strategy frameworks to financial performance. The theories are Grounded Theory, Systems Theory, Dynamics Capability Theory, Resource Based Theory, Contingency Theory, Game Theory and Institutional Theory.

3.2.1 Grounded theory

Grounded Theory is founded on the origination of hypothesis-based data and empirical evidence. This theory is applicable to both sociologists and lay-man alike (Glaser and Strauss, 2006). The theory should provide relevant predictions, explanations, interpretations and applications on certain behaviours. Noble and Mitchell (2018) mentioned that Grounded Theory (GT) is “a research method concerned with the generation of theory, which is ‘grounded’ in data that has been systematically collected and analysed” (Noble and Mitchell, 2016). Crooks (2001) asserts that it “is used to uncover such things as social relationships and the behaviours of groups, known as social processes.” Generally, it is a procedure for originating assumptions rooted in systematically collected and analysed data. Grounded Theory assisted the researcher to establish literature on the subject matter in investigating a corporate strategy framework used by Zimbabwean firms to increase financial performance.

Wiley (1972) brought the concept of systems to organisational management and argued that a well-coordinated approach to the various components of the organisation produces better results than the single parts.

3.2.2 Systems theory

A system is based on the view that “the whole is more than the sum of its parts” (Wiley, 1972). Wiley (1972) further noted that System Theories (ST), as defined by various authors, were used where different and partly opposing approaches were adopted. However, they tend towards further integration in the sense that one is a special case within another, or that they can be shown to be complementary. The System Theory approach include, business models such as those of open systems, feedback and logical automation, amongst others. Most researchers concur that systems are made up of interrelationships within a super-ordinate whole (Wiley, 1972). A system is perceived as “a set of elements standing in interrelation among themselves and with the environment” (Backlund, 2000). To achieve stability, a dynamic system has to incorporate some level of control. This makes the Control Theory a major component of Dynamic Systems. Dynamic Systems Theory refers to systems that change in line with time and the environment.

The Systems Theory is derived from the proposition that every organisation is made up of a system of interconnected processes and persons contributing to the system’s components. A system is “a complex interrelated grouping of people and processes with a clearly defined and shared goal where everyone must demonstrate a distinct understanding and commitment to the aim of the whole” (Berry, 2011). The success of the system depends upon the leadership’s potential to coordinate the intricate stability and optimisation of each single element of the system to benefit the entire system. Deming (1982) noted that the whole purpose of a system is to facilitate the realisation of the organisation’s aim and objectives. He therefore concluded that there is no system identity without an aim. Competitiveness amongst the components of the system leads to loss because the sole pursuance of individual interest ultimately destroys the balance of the entire system. Each element is compelled to lend its best to the whole system without competitiveness amongst the other system components.

Weissenerger-Eibl, Almeida and Seus (2019) argued that firms are often deficient in their systematic approaches to strategy development processes as well as the selective consideration of

environmental factors. They conceived firms as systems submerged in some complicated environments where rewarding strategic positioning requires a systematic filtering of the environment together with an in-depth analysis of the firm's internal conditions.

Ropohl (2009) and Mele, Pels and Polese (2010), in defining systems theory, noted that a system is the interaction of several sub-elements that have different attributes but work together to achieve a common objective. The interactions amongst the elements of the system are established from its surroundings by a system frontier and interrelates with the environment by mean of inputs and outputs to accord characteristics that its individual parts lack. Ropohl (2009) asserts that a system "produces the resultant difference between the input and output variables." A company is considered a system and its units include purchases, developments and sales, amongst others, which are seen as sub-systems. The value added by the company is the distinction between the input and output variables (Ropohl, 2009; Mele, Pels and Polese, 2010). A system-environment fit is achieved when the company's internal components, including capabilities or resources, are a good fit for the outside factors in the company's surroundings, including customer needs or political requirements (Weissenberger-Eibl, Almeida and Seus, 2019). In that regard, firms have to adjust their abilities according to customer demands to gain a competitive edge in the market. Intra-system-fit is achieved when all the internal elements of the company, including culture, policy and procedures, are reconcilable and aligned in a common direction.

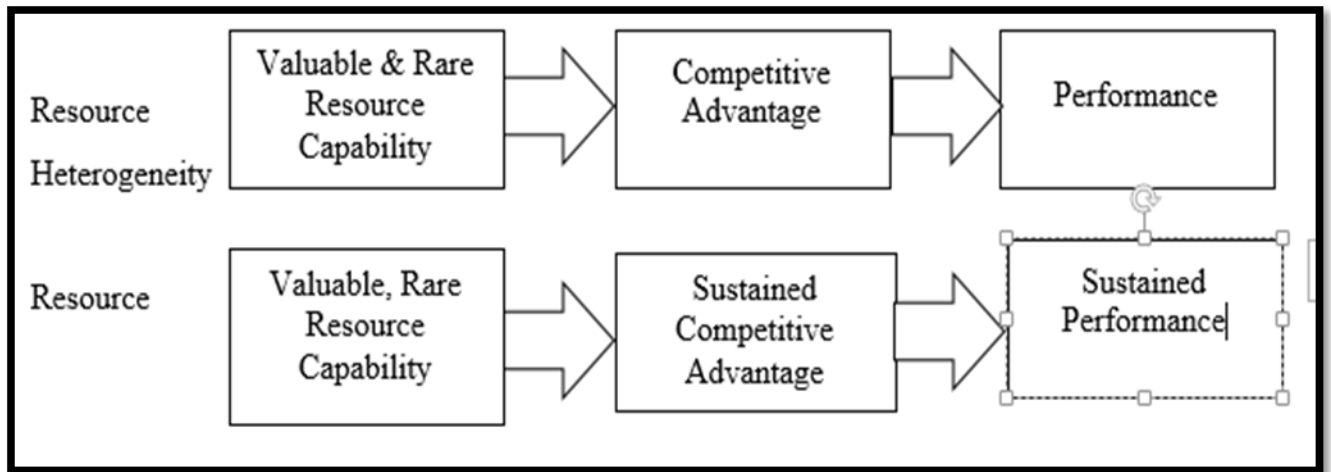
An organization is viewed as a structure with consolidated parts that must be synchronised for efficiency and efficacy (Cornell, Nwoka and Jude, 2015). The integrated parts of an organisation are described and defined as the assets employed by a firm to produce output. Barney (2001), in his Resource-Based View theory, argues that particular resources belonging to an organisation will give rise to a competitive edge. It is therefore critical to consider the Resource-Based View Theory to better understand how resources influence the financial performance of Firms in Zimbabwe.

3.2.3 Resource-based view theory

This theory includes the Dynamic Capability theory which specifies that in strategic management, the underlying sources and push factors to firms' comparative strength, as well as dominating performance, are mostly connected to characteristics of their assets and competences which are advantageous and expensive to duplicate (Barney, 2001). The role of corporate strategy is critical due to the fact that management must interpret the environment, which ultimately influences how to allocate resources to confront emergent phenomena (Ansoff, 1991; Machuki, 2011; Thomas and Rwamaswamy, 1996; Mkalama, 2014). This enables them to determine the strategies that organizations must adopt to remain relevant. In situations where organizations operate in a stable environment, they tend to adopt comprehensive strategies which require profound analysis (Fredrickson and Mitchel 1984, Mintzberg, et al. 1998). However, in an unstable environment, organizations have the tendency of adopting less comprehensive strategies.

A company has an ongoing comparative edge if it is employing value generating approaches not concurrently being utilised by any existing or possible rivals who are ineffectual to match the advantages of that approach (Barney, 1991). For any firm to have the possibility to create a competitive edge, "its firm's resource must have four attributes: (a) it must be valuable, in the sense that it exploits opportunities and/or neutralizes threats in a firm's environment; (b) it must be rare among a firm's current and potential competition; (c) it must be imperfectly imitable; and (d) there cannot be strategically equivalent substitutes for this resource" (Barney, 1991). Below is Fig. 6 which explains diagrammatically the views espoused by Barney (1991).

Figure 6 : Conceptual model of competitive advantage.



Source: Adapted from Barney (1991) and Norbert, (2007)

From Barney's (1991) framework, specialised skills are competencies and capabilities through which resources are positioned within an organization's activities and procedures to gain competitive advantage in an unmatched or unobtainable manner way (Awino, 2007; Ombaka, 2014). The core competencies of an organization may be impossible to duplicate because they are complicated due to owing to internal connections and external interdependence. This is possibly attributed to the organization's capacity to connect tasks and processes that as a whole, bring customers value. Firms complicate imitation of competitive advantage by creating, together with the customer, ventures whereupon customers are dependent.

Ma (2000) opines that competitive strength is possible the commonly adopted term in strategic management, yet is inexplicitly explained and practiced (Ma 2000). Three reflections regarding competitive advantage and firm performance are identifying by Ma (2000) as "(i) competitive advantage does not equate to superior performance; (ii) competitive advantage is a relational term; and (iii) competitive advantage is context-specific." Valuable, rare resource/capability that leads competitive advantage are crucial elements in company performance as the firm is bound to succeed sustainably in a specific market, when powerful and vigorous dynamic competences

permit a firm to ride successive motions of change across lines of business by revitalising and leveraging the critical services of their valuable and impossible to duplicate resources (Teece, 2014).

Strong effectual capabilities must be consolidated with quality approach to induce superior performance. Thus, the combined existence of powerful dynamic competencies, valuable, rare, inimitable, non-substitutable (VRIN) resources, together with quality strategy is fundamental and sufficient for remote future business financial success and subsequent sustainable competitive advantage (SCA) in a particular industry

Resource-Based Theory (RBT) has received criticism for failing to take account of the influence of the ever-changing business environments in which many firms operate (Owino, 2014; Lengnick-Hall and Wolf, 1999). Furthermore, the theory falls short of rationalising how the development and deployment of resources is done to secure competitive advantage (Priem and Butler, 2001).

3.2.3.1 Critiques on Resource-based theory

RBV theory has been largely critiqued for contributing mainly on a philosophical rather than a verifiable (empirical) nature and is yet to be proven in practice (Fahy 2000). Some reasons for the critiques emanate from its display of circular rationalisations where its rudimentary element, value, can be assessed only within a specific context (Fahy, 2000). Resources might result in competitive advantage, but it successively points to pertinent competitive frameworks which sequentially determines a valuable resource (Fahy, 2000). Some critics further argue that “RBT logic is paradoxically saturated with inconsistencies and equivocations and has created seemingly conflicting inferences for managerial scholarship and operations “(Priem and Butler, 2001).

Various scholars have argued that much focus lies on elements of competences which give rise to competitive advantage, but scant scrutiny has been paid to the classification of competences and verifiable proof supporting these competencies (Oliver, 1997; Barney et al., 2001; Hitt et al.,

2001; Makadok., 2001; Afuah, 2002; Adner and Helfat, 2003; Miller, 2003; Sapienza et al., 2006). The researcher therefore focused on other management theories that enhance company performance. In view of this critique, proponents of the resource-based view developed the Dynamic Capabilities Theory.

3.2.4 Dynamic Capabilities theory

The Dynamic Capabilities Theory (DCT) can also be applied by a company as a tool for achieving competitive advantage and long-term success (Teece et. al. 1990; Peteraf, 1993; Thompson et. al, 2014). Dynamic capabilities (DC) is referred to as “a firm’s ability to build and re-configure internal and external competencies to address rapidly changing environments” (Peteraf, 1993). DC proponents suggest that competences are the push factors for resource formation, development and mobilization for vibrant and robust organizational performance. This phenomenon explains by means by which some organizations attain superior performance, unlike others. Mainly, they possess competences that result in low production costs or the creation of high-end products or services at prevailing costs, as opposed to firms with inferior abilities. These concepts underscore the certainty that the uniqueness of a firm’s potential best explains its competitive edge and superior performance (Ombaka, 2014; Peteraf, 2013). The Dynamic Capabilities approach examines the origins and strategies of wealth formation and take-overs by firms operating in situations of swift technology transformation (Peteraf, 2013; Grant et al 2013; Collis and Montgomery, 2016). Teece (2014) underscores the fact that wealth creation in systems of swift technological transformation depends by and large on sharpening internal technological, structural and managerial procedures of the firm. The strategic selections assumed by organizations, therefore are, impacted by the context in which the firm operates (Porter, 1981; Mkalama, 2014; Madara, 2014).

3.2.5 The Contingency theory

The Contingency Theory is founded upon the early work of Burns and Stalker (1961), which was modified by Lawrence and Lorsch (1967). The theory draws on the idea that there are varied

ways or approaches to manage organizations and none is more superior to others. Therefore, firms should create appropriate managerial approaches informed by the circumstances and environments they are undergoing. The theory argues that organizations have to be integrated and differentiated to an extent of optimality, contingent upon the level of environmental uncertainty (Lawrence and Lorsch, 1967; Okeyo, 2013; Liu et al. ,2003). The theory does not prescribe universally applicable management practices but rather assumes that under contrasting situations, distinct solutions might show that they are efficient and it asserts that there are contrasting divergent organizational systems and strategies (Fiedler et al., 1996; Okeyo, 2013; Dess et al., 1997).

Donaldson (2001) identified a number of potential contingencies such as technology, innovation environmental changes, size and diversification. He suggests that three components are embedded in the core paradigm of structural contingency theory. First and foremost, the association between contingencies has an effect on organisational structure. Secondly, the impact of contingency on organizational structure and thirdly the fit amongst the variables and contingency impacts on the level of effectiveness. There is thus a need for congruence amongst the contingencies of the firm.

Nightgale and Toulouse (1977) and Upadhayay, et al. (2013) abstracted the theory of congruence underpinned by five integrated notions, namely “environment, managerial values, structures, processes and organization reaction “ and how they interact in an open system, framework as incongruous, and must be compatible to making the organisation effective. According to Hatton and Raymond (1994), organizational culture and value is essential for strategic orientation and structure, thereby leading to a company’s desired performance.

3.2.6 Game theory

The Game Theory offers insight that allows an organization to model competition as a process of interactive decision-making by rivals (Grant, 2013). It seeks to interrogate the connections

between players in a specific model and forecast their ideal decisions. Hammoudi and Daidj (2018) posit that the Game Theory is concerned with the analysis of strategic interconnections between individual players in the marketplace, taking into consideration the fact that they are all not in complete command of their fate. Therefore, the actors are in a condition of strategic interaction. Critiques of Game Theory argue that for realistic considerations, Game Theory invariably established limitations as the sole method for formulating the problem. It is also formulated on the pre-supposition that the actors are practical and few, and that each actor is aware of the objectives of his opposition.

3.2.7 Institutional theory

This theory originated in the nineteenth century and has accepted offerings from the social sciences (Scot, 2004). The interest is in conceptualising how specific organizations use strategies that can enhance superior performance in synchronised environments. Institutional Theory, in connection with logical procedures of selection and perspectives hinged on effectiveness, mirrors the strategic planning process techniques and invokes the supposition that firms are pressured to adapt (Meyer and Rowan, 1977). Primary to Institutional Theory is the comprehension that the rational decision-making magnitude of the structures is impacted by the uncertainty of the environment (DiMaggio and Powell, 1991). From this view, the institutional context is described as fundamental to company behaviour, or as an independent variable in association to it. Crubellate (2007) asserts that the institutional position connecting the organizational frameworks and institutional forces functions circularly, meaning that the structures and actions are led by contextual forces and simultaneously, these environmental forces penetrate the institutionalization procedures in the event of correlations responding conclusively.

3.3 Interconnection between the chosen theories in corporate strategy management

The Systems Theory, Resource-Based View, Dynamic Capabilities Theory, Game Theory, Institutional Theory and the Contingency Theory all look at the internal aspects of the firm. However, financially successful firms must look at the response of competitors to the company's

strategies. This was investigated and analysed under the Game Theory below. It is clear that all these theories are concerned with corporate strategy, which are the various ways in which the firm can increase financial performance results. These theories were employed in the dissertation as they have critical guidelines that were used by the researcher.

Table 3 : Summary of the theoretical framework

Theory	Key factors of the theory	Classification
Grounded Theory	The discovery of theory from data and empirical situations, environmental scanning	Developing of the overall Corporate Strategy Framework requires a good understanding of the theoretical data on corporate strategy and empirical situations, combined with the environment, to meet the research objective of creating a corporate strategy framework to drive financial performance in Zimbabwe.
Systems Theory	Business Models, Competitive Strategy, Resource allocation, Environmental scanning	All the principles covered in Systems Theory were required in the creation of Corporate Strategy Frameworks that drive financial performance.
Resource-Based View Theory	Resource allocation, Core Competency, Environmental scanning, as well, Dynamic Capabilities	The allocation of resources within an organisation is a function of the Business Model for the firm. As some firms use their dynamic capabilities to develop key skills influencing competitive advantage, these become critical elements in the creation of strategy frameworks.

Contingency Theory	Evolutionary change environment, situational analysis, Organisational structure, Diversification	Change is now happening at a faster pace than before and the study of the operating environment becomes critical in the development of appropriate business models that will result in superior firm performance.
Game Theory	Competition amongst existing players, assuming all the players to be rational	The need to outshine other players in the market is a key attribute that must be embedded in the business models of the firm, as well as how to respond to actions by competitors. Game Theory gives insights into how the firm will respond.
Institutional Theory	Regulated environments, competitive advantage, organisational structure	Firms do not function in a void and the Institutional Strategy Framework allows the firm to develop appropriate strategies to deal with regulations, environments and organisational structures.

Theoretical research has shown that corporate strategy frameworks includes, Resource-Based View, innovation, business models and institutional strategies. The Resource Based View, innovation and business model are internally driven and therefore all belong to one banner of business strategy, whilst institutional strategy is external and as such stands on the other arm. Therefore, corporate strategy can be theorised as having two construct of business strategy and institutional strategies, each of which will be looked at separately below:

3.4 Review of the corporate strategy constructs

This section will discuss theoretical literature on the Corporate Strategy constructs of business strategy on one hand and the institutional strategy on the other. Both the Business Strategy and

Institutional Strategy constructs will be further unpacked. Business Strategy elements of the Resource-Based Strategy, Business Models, Innovation and the Institutional Strategy elements of the Social Cultural Bridges, Infrastructure Building, and Relationship Building, will be discussed.

3.4.1 Corporate strategy (The independent variable)

Corporate Strategy informs strategic decision- making and incorporates all of a firm's businesses to decide on how to generate more value (CFI, 2019). A strategy could be a plan, ploy, position, pattern or a perspective (Mintzberg, 2003) whilst Drucker (1954) conceptualized strategy as the procedure for purposing an improved fit linking a company's product and technology to the growing volatile environment. Dawar (2014) and Grant (2013) and Porter (1980) attempted to explain how firms can remain competitive by ensuring sustainable superior performance and noted that internal business structure influenced resource utilisation, which directly impacted the performance of the organisation. Huselid and Becker (2011); Chandler (1962); Leita and Franco (2008); and Okeyo (2013) clarified that internal business structure impacts on how organizations utilise their resources to drive performance. An appropriate organizational structure and the associated processes must match the operating environment of the firm to achieve superior performance (Chandler, 1962; Huselid and Becker, 2011). The Economist (2012) argued that management and diligence are necessary together with luck, but it is corporate strategy that builds or destroys a firm. (Ogaga 2017) noted that the financial performance of firms is influenced by their corporate strategy frameworks, which include the resource base of the firm, innovation, business models and institutional capabilities. Corporate strategy frameworks have to interact with the inherent environmental factors as businesses do not operate in a vacuum (Kinuu, 2014 and Ogendo, 2014). Therefore, the study of the environment as an intervening variable to explain the performance of organisations is important. Research has shown that firms operating in the same environment may show performance heterogeneity arising from the unique assets owned by the respective firms (Barnett, Greeve and Park, 1994; Kiruthu and Peter, 2015), special capabilities possessed by the firm (Wenerfelt, 1984; Barney, 1986) and their strategic positioning (Caves and Porter, 1977).

As the operating environment is ever-changing, an important ingredient in the sustainable performance management of the firm is a correctly chosen strategy. Sustainability is key as the aim of a solid strategy is not entirely temporal competitive triumph, but rather lasting growth and profitability that leads to heterogeneous performance and secures the future long-term existence of the organisation (Thompson et al., 2016). A company without strategy is simply an accumulation of assets constrained with liabilities (Saksonava and Savina, 2016). Corporate strategy utilises a portfolio approach to strategic decision-making by incorporating all of a firm's businesses to ascertain ways of creating more value. Corporate strategy differs from business strategy in that the former centres on resource and risk management and returns covering a firm, in contrast to the latter that looks at competitive advantages. Corporate strategy requires managers to be accountable for strategic decision-making and to take into consideration varied factors, including key factors such as "resources allocation, organizational design, portfolio management, and strategic trade-offs" (CFI, 2019). Through the optimisation of the aforementioned factors, a manager can potentially develop a business portfolio more valuable than the total of its segments (CFI, 2019). In this thesis, corporate strategy has been theorised to have two constructs of business strategy and institutional strategies, amongst others

3.4.2 Business strategy

Penrose (1959) observed that improved firm performance can be a result of the utilization of a variety of competencies, mastery and abilities amassed by the firm. By utilising available assets, the organisation's strategic management brings about an exceedingly beneficial direction to behaviour that maximises returns more than neo-classical economics (Pandian and Robertson, 2003). The business strategy view propounds that the firm's internal, distinctive properties and behaviour are the key drivers of good financial performance (Barney, 1991; Das and Teng, 2000; Hamel and Prahalad, 1994; Hawawini et al, 2003; Peteraf, 1993; Powell, 1996; Prahalad and Hamel 1990; Rumelt, 1991). Contrary to the institutional strategies' outlook of corporate strategy, the primary presupposition from the business strategy view is that organisations are literally different. Furthermore, the main premise of good leadership lies on the ideas of expediency and tenability (Coff, 2003). Most decision-makers lack complete understanding and

full data or cognitive abilities when making decisions, hence the opportunism and rationality argument presented earlier. The business strategy view endeavours to unpack the performance diversity shown by firms, conspicuous both within and across industry, whilst the institutional strategy tries to address issues of social relationships, governance and organisational structures as the basis for competitive advantage.

3.4.2.1 The Resource-based strategy

The Resource-based view details strategies by which a firm achieves competitive advantage while employing the resources accessible to it. Teece and Pisano (1997) argue that firms obtain, as well as maintain a competitive edge as a result of their capacity to revitalise, merge and diversify their obtaining of skills and continually growing new skills. The resource-based framework provides explanations for why particular organisations regularly out-perform others. It provides an alternative approach to Porters' (1985) generic strategies and emphasises largely on the skills and abilities of the firm, instead of its positioning in its identified markets (Barney and Clark 2007). Banerjee (2003) defines core competences as the capacity of a firm to function efficiently amidst the business surroundings, and to acknowledge challenges. Prahalad and Hamel (1990) assert that successful firms are led by managers who see future potential through preventive and steady skills development, which some firms fail to replicate. In that case, the notion of key competencies performs a critical function in relating or remodelling resources into a sustainable competitive advantage and optimum financial performance. According to Barney (1991), the RBV approach prescribes certain unique characteristics that resources must have so that they drive the firm's realisation of sustainable competitive advantage. The assets have to be valuable, scarce, unique and unmovable across firms.

Barney (1991) further argues that the mobility and homogeneity of resources across an industry inhibits the gaining of competitive advantage since other firms possessing identical resources can imitate similar strategies and implement it. Interestingly, in many cases, assets are usually more prevalent than scarce, too similar as opposed to different; and more transferrable as opposed to static. Therefore, for firms to achieve a sustained comparative edge that will lead to higher-

ranking financial performance, firms have to create scarce and complicated strategies to emulate processes and build competencies that give a competitive advantage to the firm.

Enz (2008) contends that an individual resource cannot be a cause of competitive advantage, but a multiplicity of resources structured in creative ways to bring about a company's competencies. Management can use the process of bundling in which they acquire, develop, manage and discard resources. Kubie and Kilika (2016) argued that a competitive advantage created through bundling makes imitation by other competitors difficult as they fail to determine the source of the capability.

For firms in some similar industries where the rarity and homogeneity of resources is shared, there is need to create key capabilities that turn the abundant and similar resources into scarce and different resources which cannot be replicated by competitors. These capabilities are developed through the culture and values of the organisation gradually, as propounded in Institutional Theory. An organisation without the resources required to create a beginning point for sustained competitive advantage will have to consider using theory to develop a sustainable competitive advantage. Kabue and Kilika (2016) argue that "while this is acknowledged from the existing literature, there is lack of an integrated theoretical model to demonstrate how diverse theories explaining firm strategic behaviour may be utilized to enable firms build sustainable competitive advantage that will drive financial performance."

Danneels (2002) identifies technological and customer competencies as the two types of competences required in developing a source of competitive advantage. Huang, Dyerson, Wu and Harindranath (2015) assert that once-steady environments are turning unpredictable due to increasing technological transformations, globalisation, industry mergers, aggressive competitive habits and deregulation. Because firms require unique, inimitable and different resources to produce a pedigree for sustained competitive advantage, a problem remains for firms functioning in industries with mobile and different resources across the firm.

Although RBV upholds that a company's sustainable competitive advantage is attained from its assets, there are instances in which the resources that the company needs are out of their control. The Resource Dependence Theory explains this position. Core competencies allow an organisation to put in place appropriate governance structures that will ensure the appropriate utilisation of the company's resources. Kake, Haran, Othman and Hasah (2019) noted that a good quality of corporate governance results in the optimal use of the resources within a company.

3.4.2.2 Business model strategy

A business model is “a locus of innovation, planning tool, market advice, the logic and rationale for creating economic value in an organisation for the benefit of its stakeholders” (BusCasadeus, Masannell and Ricart, 2010). Amit and Zott, 2010) also define it as “a structure and governance of transactions designed to create value by exploiting business opportunities and provision of a coherent framework that takes technological characteristics and potentials as inputs and converts them through customers and markets into economic outputs.” It articulates value proposition for specific identified market segments under a defined framework of the value-chain, needed to develop and deliver products as well as decide on the complimentary resources required to advance the company's place in this chain (Chesbrough and Rosenbloom, 2002). It also estimates the cost framework and return capability of manufacturing the product based on the value proposition and value-chain design selected. A business framework delineates the location of the company in relation to the value network connecting suppliers and customers. as well as the recognition of collaborators and competition. The competitive strategy points to ways in which a firm within a specific industry competes to attain a competitive edge over its rivals (Porter, 1980). Firms seek to achieve some position that is difficult or impossible for rivals to imitate. In other words, it is about achieving some kind of advantage over competitors.

Traditional business models concentrated on following pre-specified objectives to guarantee the effectiveness and achievement of set goals (Malhoutra, 2001). Numerous successful organisations have re-directed their focus on knowledge management systems to Business

Models Innovation (BMI) as it allows organisations to create more flexible strategies adept to the ever-changing environment (Black, Washington and Rashed (2014). BMI enables firms to develop new markets or modify prevailing markets and influence the long-term achievements of the firm (Comes and Berniker, 2008). Leaders who are aware of their organisation's business model manage their business competently for success; reform firms and industries; and re-allocate huge sums of dollars in value.

Finally, the business model formulates competitive schemes to influence the innovation firm to attain as well as maintain advantage over competitors. This means that business models follow strategy, i.e. strategy defines the specific business model that the firm will adopt to gain a competitive advantage. Kim and Mauborgne (2004) took competitive strategy to a new level under the umbrella term of the Blue Ocean Strategy where there is less or no completion at all.

3.4.2.2.1 Business models and Porter's generic strategies

Casadeus, Masannell and Ricart, (2010); Amit and Zott (2001 and 2010); Black, Washington and Rashed (2014); Comes and Berniker (2008) in their definitions, show that Porter's generic strategies could be used typical examples of business models that would lead to various competitive strategies being chosen by the firm. Therefore, in this research, Porter's Competitive generic strategies, which include cost leadership, differentiation and focus strategies as typical examples of business models that could be adopted by firms, were used. To demonstrate the linkages between the definition of the business model and Porter's generic strategies, the researcher has broken the business model definition as given by Chebrough and Rosenbloom (2002) further as follows.

Table 4 : Business models- Porters generic strategies

Chebrough and Rosenbloom (2002)'s definition	Appropriate Porter's Generic Strategy
.....proposition for specific identified market segments.....	Focus/Differentiation
.....defined framework of the value chain....	Cost leadership
.....estimates cost structure and profit potential linked to producing the offering, given the value benefits and value chain design identified.	Cost leadership

Source: Adapted from Porter, (1985); Chebrough and Rosenbloom, 2002)

To further understand the linkages between business models and Porter's generic strategies, the strategies are fully defined below.

3.4.2.2.2 Cost leadership strategy

A cost leadership strategy calls for long-term commitment to marketing products and services at low cost (Porter, 1980). These strategies require the firm to manufacture the products at a reduced cost, lest the firm loses its profit margin. Large-scale, well-capitalised businesses can ride on economies of scale, market their products at cheap prices or sell at discounted rates whilst still generating profits. This can push rivals to leave the market if low prices are consistently offered.

The cost leadership approach was criticized by Datta (2009) who argued that the strategy relied heavily on modern equipment to achieve it in a bid to attain competitive advantage, as he advocated for “heavy up-front capital investment in the state-of the-art equipment.” Datta (2009) contends that “investing a big fortune in state-of the-art equipment when one is not clear about its advantage for sure would lead to investing a majority of money in something that may not be profitable at all”. Porter (1988) states that “low overall cost position often requires a high relative market share or other advantages, such as favourable access to raw materials.” Datta (2009) also questions the ways in which high market share is achieved. Allen and Helms (2006) study to establish the existence of a relationship between Porter’s generic strategies and organizational performance, discovered that there is a clear demonstration that, individually, the strategies are remarkably connected to organizational performance.

3.4.2.2.3 Differentiation strategy

Porter (1980) argued that a firm must recognise an element or characteristic that earns its product or service uniqueness as part of its differentiation strategy. By differentiating its products or services in the eyes and minds of buyers, higher sales volumes are achieved as a result of perceived value offered by the company and not its competitors.

Barney (1991) contends that pricing and differentiation are key in leading firms towards competitiveness. Barney further states that government near-monopoly firms have the potential to achieve without using Porters’ strategy as a result of the support they are accorded by government.

3.4.2.2.4 Cost focus strategy

Porter (1980) observed that the Cost Focus Strategy is identical to cost leadership strategy. However, the main contrast lies in that cost focus strategy directs the firm towards a very specific proportion of the market. The firm then offers that market the most minimal prices possible. The fact that the chosen segment is of the market is much more likely to buy that

particular product or service brings about the decision to lower the price to the company's advantage.

3.4.2.2.5 Differentiation focus strategy

The differentiation focus strategy earmarks a very specific section of the market, but instead of low prices, unique products that competitors are not offering are provided. Klein, (2001) discredits Porter, citing redundancy and claims that Porter over-used the phrase 'competitive advantage' in one of his books without really explaining what it is except that a firm must have it.

Overall a cost leadership strategy "strives to achieve lower overall costs than rivals on comparable products that attract a broad spectrum of buyers, usually by under-pricing rivals" (Thompson et al., 2016). A firm exploit all possible cost advantages and objectives and becomes a low-cost producer to get a competitive advantage. Rugman and Hodgetts (2000: 135) assert that a "cost leadership strategy aims to gain competitive advantage by reducing the costs of Research and Development, service, sales and marketing activities." Cost leadership is achieved through strategies that manage and modernise value-chain activities and systems in a cost effective way.

A differentiation strategy seeks to make the company's products preferable compared to rivals as they offer higher-level characteristics that attract a broad spectrum of buyers (Thompson et al., 2016). Efficient and effective differentiation lends a firm the opportunity to command high-end pricing for its products, raise unit sales volumes and achieve customer brand allegiance. Differentiation is achieved by including product qualities and user-attributes that reduce the user's total cost of utilising the company's offering, taking cognisance of tangible and intangible characteristics that increase customers' gratification with the product and raise the worth of the company's offering to buyers. Thus, Thompson et al. (2016) opine that "innovation is the route to first on the market victories and is a powerful differentiator."

Focus or niche approaches include presenting high-end products created to attract the individual choices and demands of a limited, precise group of customers. The focus strategy has two alternatives in cost and differentiation. A directed low-cost approach aims at maintaining a competitive edge by “serving buyers in the target market niche at a low cost and lower price than rival players” (Thompson et al., 2016).

Although many underestimate Porter’s work, Kippenberger (1998) has written extensively in full support of Porter’s Competitive Strategy book. He commends the abundance of in-depth and information of Porter's work. which is underestimated by many. Welch (2005) further supported Porter’s competitive theory when he noted that the best approach to performance is a company’s competitive advantage, but competitive advantage requires factors within and outside the company, making the resource and environment based view of competitive advantage equally important (Barney, 1991). Although many doubt the feasibility of Porter's models and theories (Downes, 2010; Recklies (2011) argues that the advantage of Porters' work remains. However, it cannot be relied upon as the sole model when making strategic and competitive advantage decisions.

A Differentiation strategy rarely protects the firm strategy from replication by rivals (Islami, Mustafa and Latkovikj, 2020) and therefore might not lead to sustainable superior firm performance. In support of this view, David (2017) argued that there is no guarantee offered by differentiation to gaining a competitive advantage for regular products that match customer needs in cases where there is an opportunity for rapid replication by competitors. He clarified that a differentiation strategy is particularly effective only if the characteristics are difficult for competitors to imitate. Thus, points of distinctiveness require time, cost-restrictive measures, and complicated features difficult for competitors to replicate.

3.4.2.3 Innovation strategy

The Innovation system is part of the innovation strategy and is a systematic set of interconnected procedures and structures directing the company’s methods of seeking new challenges and

solutions. Through an innovation strategy, ideas are synthesised into business concepts, products are designed and projects are selected for funding (Pisano, 2015). Innovation initiatives mostly fail, and outstanding innovators find it difficult to maintain performance as a result of lack of innovation strategy as Polaroid, Nokia, Sun Microsystems, Yahoo, Hewlett-Packard, and numerous others have discovered (Pisano, 2015). Strategic innovation “is the development of growth approaches, new product classification, services or business framework that transform the game and bring about considerable new value for clients and the corporation” (Kaplan and Palmer, 2002). Strategic innovation follows uncharted paths and dares an organisation to envision over and above its conventional business parameters and mental frameworks to engage in broad-minded, innovative examination of the sphere of opportunities (Kaplan and Palmer, 2002). Strategic innovation is not depicted by ordinary, gradual product additions; the “me-too” business frameworks competitors; or makeshift approaches for ineffectual processes. It does not possess ordinary “facilitated creativity sessions and brainstorming new ideas.” Additionally, it is not driven by linear principles of conventional strategic planning, which draw conclusions from history in an effort to forecast the future. The result is not “pure blue sky,” but invokes a trail of questions and actions, from innovative ingenuity at uncertain “fuzzy front ends” via the comprehensive needs of effective implementation leading to business impact (Kaplan and Palmer ,2002). Table 5 shows the differences between strategy and conventional strategic innovation.

Table 5 : Differences between conventional strategy and strategic innovation

Traditional approaches	Strategic Innovation approach
• Adopt a “present to future” direction in which the present is viewed as the starting point	• “Starts with the end in mind,” that is identifies opportunities for the long-term then “bridges back to the present”
• Undertakes a rule-maker/taker position	• Takes on the a rule-breaker (revolutionary) stance
• Accepts fixed business bounds/ product classifications	• Attempts to innovate competitive space/ playing fields
• Driven by incremental innovation	• The drive is to breakthrough via disruptive innovation although continuing to develop the core
• Uses conventional, linear business planning frameworks	• Ties process discipline with innovative ingenuity
•Pursues input from known, conventional sources	• Invites inspiration from unorthodox sources
• Looks out for communicated consumer demands	• Seeks uncommunicated consumer demands
• Technology-driven so as to satisfy consumers	• the aim is to delight consumers, hence is consumer-inspired

Source: Adopted from Kaplan and Palmer (2002)

From Kaplan and Palmer’s (2002) comparison above, it is clear that strategic innovation breeds a Blue Ocean Strategy. Neely and Hii (1998) stress that “business performance is not solely due to innovation as success or failure in innovation should be viewed as a necessary but not sufficient cause of business performance and survival. The performance of business is dependent on a wide range of factors that are not susceptible to simple conception.”

3.4.3 Institutional strategies

Marquis and Raynard (2014) define institutional strategies “as the comprehensive set of plans and actions directed at strategically leveraging and shaping the socio-political and cultural institutions within an organization’s external environment.” In other words, institutional strategies include all ideas and activities adopted by organisations to deliberately control socio-political and cultural factors or influence them to an organisation’s comparative edge. Firms adopt strategies directed at modelling the institutional context in order to drive the organization towards maximum performance and long-term survival. Institutional theory suggests that organizations are pressured by the environment in which they operate (Kinuu, 2014). Scott (2008) noted that organisations and institutions respond differently for them to survive and prosper in their environments, as they seek legitimacy. The Institutional Theory is used to describe ways in which firms guard their positions and how firms anchor their positions and validity by observing standards and regulations of the institutional context (Kubie and Kilika, 2016).

By developing and legitimizing innovative structures through the institutionalization process, firms serve to enhance operational efficiency. Institutional theory asserts that the most important factors in influencing institutional performance are institutionalised managerial practices and market (DiMaggio and Powell, 1991). Managers, in their role as causal agents, are capable of interpreting strategic stimulus, designing responses and implementing corrective actions (Scott, 2008). Since the period in the mid-1970s immediately after the disenchantment of strategic planning, the role of the external environment in strategic management can no longer be ignored. Organizations cannot precisely project what they are supposed to do in the next five years. Manifestations in the environment may influence organizational efficiency (Messah and Kariuki, 2011). Situational circumstances in the form of uncertainty, dynamism, hostility and the interpersonal relationships between these elements exacerbates identified difficulty in controlling organisations (Lehner, 2004). Furthermore, the external environment is an aggregate of exogenous variables that may have an effect on the organisation.

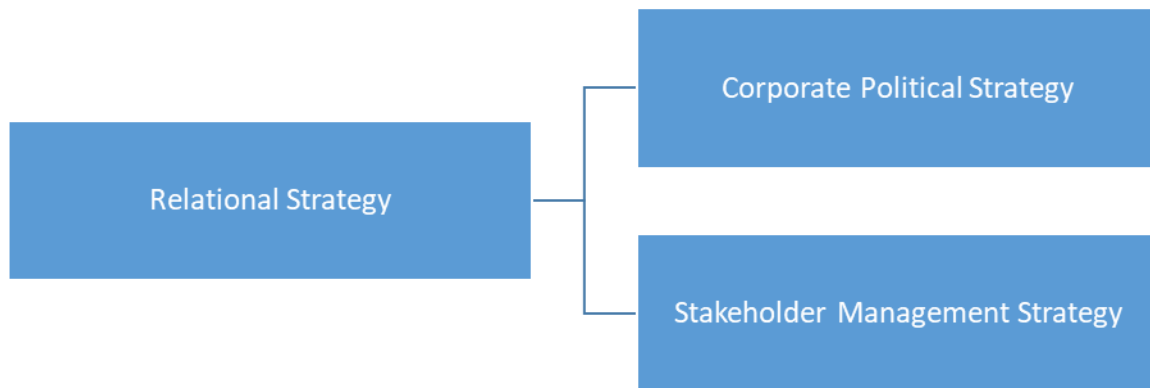
All organisations are open systems that serve the environment. The outside environment offers firms inputs that are transformed by inner procedures into outputs which will consequently be returned to the setting. Organizations are in no position to have complete dominance of environmental events. Within the environments are limitations, contingencies, challenges and opportunities that impact the circumstances of business operations (Khandwalla, 1977; Bourgeois, 1980). To cope with this uncertainty effectively and attain strategic competitiveness to flourish, firms need to be conscious of and fully comprehend the various outside environmental manifestations. This knowledge informs organisations to institute measures such as building capacities and key competencies to assist them buffer themselves from any adverse impacts on the environment while pursuing possibilities (Kacperczyk, 2009). Environmental complexity is regarded to be a significant variable in the company's setting (Murgor, 2014). On one hand, environmental munificence is the rarity or abundance of key resources in one or more environmentally functioning firms (Castrogiovanni, 1991), whilst on the other hand, dynamism relates to the outside environment's ever-changing nature (Dreyer and Gronhaug, 2004). The dynamic nature of the outside setting can change the company's objectives and its operating environment (McMahon and Carr, 1999).

To attain superior performance, organizations can set objectives, negotiate and agree on performance indices for execution. Nevertheless, events in the outside setting might occur such that it accelerates or decelerates the connection that ties the execution of the policy and results of the organization. Marquis and Raynard (2014) show that organisations are engaged in three particular and recognizable types of institutional strategies, namely relational, infrastructure building and socio-cultural bridging.

3.4.3.1 Relational strategies

Relationship or Relational strategies refer to the stakeholder management and corporate political strategies that firms use to protect and grow their businesses (Marquis and Raynard, 2014; Seelos and Mair, 2007).

Figure 7 : Relational strategies constructs



Source: Marquis and Raynard, (2014).

These strategies include how successful firms manage accessing government subsidies; government licenses for doing business; pursuing tax exemptions through mergers; and inter-organisational rapport to develop the company. Relational strategies also focus on how organisations use relationships to make sure that business partners stick to the terms of transactions, and further determine to what extent informal relationships with financial institutions assist firms in receiving credit to finance their operations. Strategies such as maintaining close ties with local government to assist firms in accessing finance to grow their operations is critical. In developing economies, how it refers to maintaining healthy relationships with influential business people, political leaders and customers helps to grow businesses. Corporate Social Responsibility (CSR) and the support of human rights initiatives are believed to enhance the reputation of organisations and determine to what extent these help the profitability of the company in Zimbabwe.

A critical dimension of the relational strategies of an organization is how it interacts with and handles significant reference participants. Firms at best improve their competitive edge on the market through efficient leadership of interactions with inner and external audiences (Berman et al., 1999), they however can safeguard the continuity and assurance of their resource exchanges (Casciaro and Piskorski, 2005). Relational strategies can be broken down into stakeholder management and corporate political strategy (CPA). The importance of focus, prioritisation and synchronisation of an organisation's relational strategies cannot be over emphasised (Marquis and Raynard, 2014). Marquis and Raynard (2014) argued that "firms are not merely passive recipients of institutional pressures; but, instead, they interact with and reciprocally shape their institutional contexts".

Corporate political strategy

Corporate political strategy research interrogates particular dependence associations linking business and government. Negotiating the public policy sphere is a top preference for many organisations due to the interrelationship between business and government policies. Corporate political strategy is concerned with all activities directed at influencing public policy in favour of continuing economic endurance and success of the firm (De Figueiredo and Tiller, 2001). Hillman et al. (2008) noted that firms can improve political legitimacy and achieve a preferential political position, which allows them to obtain access to critical state funds through the strategic management of business relationships. Weidenbaum (1980) rightly points out to the public policy is not a "spectator sport for business". Barley (2007) posits that organisations "now wield inordinate political power", empowering them to weaken representative autonomy and public good, advancing legislature that gives an advantage to corporations at the cost of citizens.

Stakeholder management

Stakeholder Management research indicates that "an organisation should seriously consider its interactions and dependence on any group or individual who can affect or is affected by the accomplishment of the goals of an organisation" (Freeman, 1984:46). It has been shown that an

inability to address important stakeholder issues irreparably damages the credibility of an organization and threatens its capacity for profitability and development (Wicks and Parmar, 2004). Research on Stakeholder Management has also disclosed that firms handle diverse stakeholder groups that they must strategically manage, prioritizing them based on their authority, credibility and the extent to which they can make their demands threaten the survival of the firm (Mitchell et al., 1997). Berman, Wicks, Kotha and Jones (1999) note that effectual control of principal stakeholder groups has a productive effect on firm financial performance.

Relational strategies that are suitable for developed markets may not necessarily work in under-developed economies due to hazy political and regulatory environments. In under-developed markets, firms would rather focus on political strategies that further their self-interest, such as getting government grants, licences and tax exemptions as opposed to seeking to influence public policy (Hillman et al., 2004). Managers employ interpersonal connections, social capital and informal alliances and inter organisational agreements to expand the firm and ensure access to restricted factor resources (Pend and Luo, 2000). In under-developed economies where there is absence of the rule of law and unexpected changes to regulations are constantly made, expropriation risks and government interventions are significantly higher, hence managers need to be politically astute for survival. Hiatt and Sine (2014) argued that boundaries between business spheres and government are often blurred in emerging economies. It is therefore important to critically manage the integration between corporate political strategies and market strategies for the firm to attain a competitive advantage.

3.4.3.2 Infrastructure building strategies

Infrastructure Building Strategies refer to how firms put infrastructure in place to develop their markets, as well as how they provide for social, technological and physical infrastructure to grow their businesses and increase their competitiveness (Marquis and Raynard, 2014, Seelos and Mair, 2007). Such strategies, amongst others, would include how firms manage to adhere to the requirements/prescriptions of consumer protection agencies, self-regulating bodies and professional associations to protect their businesses. Firms also subscribe to International

Standard Organisations (ISO) and Global Reporting Initiative (GRI) standards in their operations and reporting responsibilities amongst other regulating standards as they build their own commercial, technological and physical infrastructure to increase their competitiveness.

Marquis and Raynard (2014) define infrastructure building strategies as both formal and informal rules and regulations in business that enable players with no previous interaction to carry out business transactions in a more probable and organised way. Where these rules and regulations are not present, in some instances, institutional entrepreneurs create organisational forms to solve institutional voids (Mair and Marti, 2009). There is also the rise of self-regulating bodies promoted by industry groups to try and set up regulations and parameters that better outline subsequent business engagements (King and Lenox, 2000). Lawrence (1999) defined these membership rules and their implication to institutional community as membership strategies. Membership strategies would include standardisation strategies which focus on establishing technical, legal or informal standards that outline the minimum standards that products and services from members must comply with. Good examples of standardisation bodies are the International Standards Organisation (ISO) and the Global Reporting Initiative (GRI). Guler et al., (2002) identified the growth of novel international guidelines that stimulate common language and comprehension of business practises and outcomes as another form of infrastructure building strategies. Infrastructure building strategies enable organisations to cope with uncertainty and assists them to strengthen legitimacy and good reputation with important stakeholder groups, namely, consumers, government and civic society. In developing markets where there is rapid change, it may be difficult to ground corporate strategy on structural circumstances that might be prone to swift change regardless of their suitability for evaluating investments (Arnold and Quelch, 1998).

3.4.3.3 Socio-cultural bridging strategies

Socio-cultural connecting strategies refer to how firms address ‘socio-cultural and demographic’ issues that firms are challenged with arising from their operating environments (Marquis and Raynard, (2014) and Seelos and Mair, (2007). These include how successful firms manage

creating opportunities for the economically active youth, rapidly expanding workforce, rapid levels of urbanization, navigating ideology-fuelled conflicts in a country, creating opportunities to reduce gender inequality, navigating ethnic factionalism in a country; navigating linguistic factionalism; and understanding and appreciating the social norms, customs and historical traditions of a country's citizens.

There is acceptance that business activities and operations rarely operate in a void, but mostly in a socio-cultural environment. Socio-cultural refers to the specific social, cultural and political environments in which firms operate (Okhmatovskiy, 2010). Socio-cultural bridging strategies are designed by organisations focused on addressing the socio-cultural and demographic issues that formulate their competitive contexts. Cultural entrepreneurship highlights how organisations take advantage of social, cultural resources, organisational structure and practises for their competitive edge (Johnson, 2001). In developing markets, organisations must deal with demographic problems such as a young workforce, the unavailability of skilled workers and growing urbanisation. Whatever strategies these organisations would have put in place; they should be able to sustain the resultant competitive advantage of the firm. London and Hart (2004) advocated the capability to build-up a competitive advantage grounded in an in-depth comprehension of and amalgamation with the local situation.

Societal expectations that “organisations must provide for health care, education and accommodation for employees and their families” (Han, Zheng and Xu, 2014) result in heavy cost loads on organisations and affect their performance. Raynard, Lounsbury and Greenwood (2013) discovered that the “legacies of China's past political regimes continued to shape how organisations conceptualised, experienced and implemented government led Community Social Responsibility initiative.”

A stronger knowledge of socio-cultural polarity is important in assisting to overcome cultural divisions that might inhibit global development. Institutional theorists argue that reacting aptly to socio-cultural anticipations is key to obtaining “access to resources”, credibility and society's acceptance (Oliver, 1991).

3.4.4 Other corporate strategies

3.4.4.1 Blue ocean strategy

Kim and Mauborgne (2004) argue that “blue oceans denote all the industries not in existence today, the unknown market space, untainted by competition.” Furthermore, they argue that in Blue Oceans, need is created not fought over, and vast opportunities for growth and increased profitability exist. They further provided that there are two approaches to creating Blue Oceans. Firstly, firms can create totally new industries or secondly, the creation of firms from within a red ocean by altering the boundaries of a company already in existence.

Kim and Mauborgne (2004) noted that today’s strategies are focused on Red Oceans. This is where the majority of firms’ new ventures are in line extensions targeted at gradual improvements on offerings already in existence. In a survey of 108 firms, Kim and Mauborgne (2004) noted that 86% invested in line addition made up the 62% of the total revenue and 39% of the total profits, whilst 14% invested in developing new markets or industries gave a return of 38% of total revenues and contributed 61% of total profits. In trying to explain why corporates seem to fight in the red oceans despite low profitability, they identified military strategy, which is mainly about challenging a rival and displacing him off restricted territory as the root for corporate strategy.

Kim and Mauborgne; (2004) argue that competition in congested firms does not encourage record productivity. Genuine possibility is in developing Blue Oceans out of unchallenged market territory. They further argued that a framework for crafting blue-ocean strategies must do away with factors that no longer add value in the industry; decrease factors that add to cost structures for no benefit; increase factors that eliminate compromises; and generate factors that add new sources of worth.

3.4.4.2 Red oceans

Kim and Mauborgne (2004) noted that Red Ocean represents the totality of industries in current existence within a common market territory. Within Red Oceans are established and agreed upon industry demarcations with clear competitive regulations. In Red Oceans, organisations attempt to out-perform their opponents in order to gain bigger market share. Due to increased competition where products turn into commodities, possibilities for profits and extension are lessened and rising competition turns the water bloody.

3.4.4.3 Creation of a blue ocean strategy within existing firms

Kim and Mauborgne (2004) further provided suggestions for creating a blue ocean strategy within existing business by re-defining the unit of the business to reflect what customers value. There is also a need to boost the key performance metrics and improve customer performance.

The function of innovation as a primary factor for competitive success and raising the value of the firm has been continually rising as the global economy gets more internationalised and intertwined. Competitive strategies entails taking protective actions to build a defensible position in the industry (Wang, 2014; Goya, Struwig and Smith 2013; Tanwar, 2013). Strategy “is a plan, a how, a means of getting from here to there” (Mintzberg, 1994). According to one of the most influential scholars in competitive strategy, Porter (1986), competitive strategy focuses on being different so as to enable the delivery of a unique set of undertakings different from those being offered by competitors. This can be delivered through generic strategies which assist firms to deal with the five competitive forces, resulting in the out-performance of competitors (Porter, 1986). The three fundamental strategies for achieving sustainable competitive advantage are cost leadership, differentiation and focus, by which a firm can achieve a sustainable competitive advantage.

3.5 Empirical theory of corporate strategy constructs

In this section, related literature on corporate strategy undertaken with a focus on studies that have been done before and some practical corporate strategies being applied by some of the World's fast growing and profitable firms is discussed.

3.5.1 Literature review on corporate strategy consisting of business and institutional strategies

An implicit assumption, common in literature on strategy research, is that corporate strategy has a positive effect on firm performance (Bower 1982; Hitt, Ireland and Palia, 1982). Effective corporate strategies “strengthen market power, augment sales, align the interests of stakeholders, and contribute to shaping superior financial performance” (Dragun and Knight, 2001). Many corporate level factors, such as the extent and scale of the firm and key capabilities, theoretically affect profitability (Bowman and Helfat, 2001). Corporate strategy and firm architecture are positively influence financial performance of the firm (Prahalad and Hamel, 1990). Corporate level competences, particularly competences surrounding corporate management, largely impacts firm performance (Adner and Helfat, 2003). The expectation that corporate strategy must lay out the foundation for all company activities leads to the implied pre-supposition that ill-designed or unsuitable corporate strategy by and large impacts firm performance (Goold and Campbell, 1987).

Contrary to the perception of a positive connection existing between corporate strategy and firm performance, empirical studies corroborate the perspective that certain corporate strategies poorly perform (Porter 1987, 1991). Most firms' corporate strategies have declined instead of increasing shareholder value. Porter, (1991) and Mueller (1985) reported that horizontal and conglomerate amalgamations have led to reduction or losses in market share.

Islami, Mustafa and Latkovikj (2020) undertook a study in Kosovo in an attempt to link Porter's generic strategies to firm performance. where they found that organisations which applied a low-

cost, differentiation on focus strategy had incremental and superior performance in comparison to firms which did not employ Porter's generic strategies.

In another study carried out by Yamin, Gunasekaran and Mavando (1999), researches interrogated the relationship between generic strategies, competitive advantage and organizational performance using empirical analysis, where a sample survey of 214 firms was conducted. The results of the survey did not support Porter (1980, 1985) since they discovered that firms pursuing other strategies under particular circumstances were succeeding more than those employing a single strategic thrust.

3.5.1.1 Literature on the Resource-based strategy

Researchers have performed empirical tests on the Resource-Based View (RBV) as a fundamental theoretical connection and discovered key verifiable offerings as well as significant empirical questions within RBV (Barney et al., 2001; Wernerfelt, 1995). Regardless of the complexities dealing with abstract constructs within RBV, pragmatic RBV studies have collected considerable contributions (Godfrey and Hill, 1995; Robins and Wiersema, 1995). Rouse and Daellenbach (1999) conducted research on large sample observations where they failed to "isolate sustained sources of advantage" from the effects of industry, environment, and strategy. Newbert (2007), in a review of 55 empirical tests, evaluated the contribution of RBV to performance and concluded that ability and key skills contribute more largely to a firm's competitive edge than resources. Arguably, methodological vagueness may be a principal cause for frameworks underlying empirical literature remaining apparently "disjointed" (Hoopes, Madsen and Walker, 2003). Kabue and Kilika (2016) noted that a significant portion of previous research on the Resource-Based View (RBV) had only taken into account resources as the sole source of attaining a firm's sustainable competitive advantage.

Although there remain debates surrounding the value of RBV theory to performance (Barney, 2001; Hoopes, Madsen and Walker, 2003; Priem and Butler, 2001a, 2001b; Williamson, 1999), there is an increase in the publications relating to RBV. Research has been performed and

empirical tests directly and indirectly citing RBV as a fundamental conceptual anchor have been carried out, thereby collecting critical empirical benefits (Barney et al., 2001; Wernerfelt, 1995). However, there remains important conceptual challenges implicit in RBV that must be pursued in order to make theoretical and empirical advances regarding RBV (Barney et al., 2001; Godfrey and Hill, 1995; Priem and Butler, 2001a, 2001b; Robins and Wiersema, 1995).

3.5.1.2 Literature review on innovation

In a United Kingdom (UK) survey conducted by the Cambridge Small Business Research Centre (SBRC) with a sample size of more than 2000 SMEs, the results showed no broad relationship between innovation and business performance, although a few noteworthy contrasts between innovating and non-innovating firms were found (Neely and Hii, 1998).

In another UK survey in 1997 conducted by CBI/NatWest Innovation Trends Survey, 80% of firms that introduced innovations from 1994-1997 enhanced their business performance through profits, market share and new markets entrance (CBI/NatWest, 1997).

3.5.1.3 Literature review on institutional strategy

Melewar, Badal and Small (2006), in their research on Danone's penetration into China, found that political responsiveness to power relationships and the need to have instrumental and powerful people in business and politics on one's side were essential in gaining market acceptance. The same view was also expressed by Puffer, McCarthy and Boisot (2010), who showed that entrepreneurs in under-developed economies depended strongly on casual links and interactions, relying on collaboration and an interchange of favours between Russia and China respectively. This relationship is meant to assist to decrease uncertainty; safeguard personal property and ownership freedoms; and promote company operations.

Contrary to this view, studies indicate that direct links to the government may not always benefit the firm. In some instances, this direct government relationship will introduce a firm to heavy pressure to re-direct its resources to push and support political objectives and plans

(Okhmatovskiy, 2010; Marquis and Qian, 2014). This is further supported by Nee Opper (2010) who opines that government-owned organisations with links to political elites have shown worse performance than privately-owned firms due to dictates to maintain higher employment levels. The same view was expressed by Child and Lu (1996), who showed that the economic reform of large-scale government-owned firms in China was inhibited by limitations linked with close connections to the government. Kozhikode and Li (2012), further cemented this view when they exposed that in India, commercial banks either belonging to or reliant upon state support were unable to utilise political openings as much as their private counterparts.

3.5.2 Top ten global profitable firms in 2019 and their associated strategies

In this section a review of the Top Ten profitable firms in 2019 was conducted, looking at the various winning strategies that were used by these firms to gain profitability and superiority. The world's most profitable Firms in 2019 were presented by Fortune 500. A review of a global transformational giant company, Apple Incorporated and fierce competitors Nike and Adidas, will also be done in this section.

Number 1: Saudi Aramco of Saudi Arabia

This is a state-owned major oil producing Company which made a profit of USD110.9 billion in 2019. It's winning strategies included a resource-based strategy, dynamic capabilities, core competencies, cooperation strategies, innovation, blue ocean strategies and institutional strategies (Castlereagh Associates, 2019).

Number 2: Apple Incorporated

Apple is an American Technology Company that made a net profit of USD59.50 billion in 2019. The Company's winning strategies included innovation and pursuing an intensive growth strategy using Ansoff's growth matrix (Meyer, 2019).

Number 3: Industrial Commercial Bank of China

A Chinese financial services provider that made a profit of USD45.00 billion in 2019, driven by innovation and transformation strategies (ICBC, 2019)

Number 4: Samsung Electronics

A South Korean technology Company that made a profit of USD39.80 billion in 2019, driven by broad differentiation strategies, intensive growth, innovation and cost leadership (Martin, 2019).

Number 5: China Construction Bank

A Chinese bank that made a profit of USD38.40 billion in 2019, riding innovation and transformational strategies (Panshi, 2019).

Number 6: JPMorgan Chase and Co.

A financial services Company that made a profit of USD32.40 billion in 2019, gaining its competitive advantage from innovation, diversification, cost leadership, core capabilities and resource-based strategies (Lake, 2018).

Number 7: Alphabet

A technology company based in the US that made a profit of USD30.70 billion, riding on resource-based strategies, core competencies and innovation (Pratap, 2018).

Number 8: Agricultural Bank of China

A Chinese financial services Company that made a profit of USD30.60 billion in 2019. Its strategies included transformational, innovation and cost leadership (Agriculture Bank of China, 2019).

Number 9: Bank of America Corporation

An American financial services company that reported a profit of USD28.10 billion in 2019, riding on business models, growth strategy, customer focus, sharing success with the community and good employment prospects (Bank of America, 2019)

Number 10: Bank of China

A Financial services company that reported a profit of USD27.20 billion, riding on technology, innovation, transformation, governance and institutional strategies (Bank of China, 2019).

The empirical literature review has shown that Apple Inc. was the most profitable company in 2015, 2016 and 2017 and came second to Saudi Aramco of Saudi Arabia in 2018 (Kell, 2015). Therefore, Apple Inc's strategy was reviewed to better understand the reasons behind their unmatched profitability performance. Furthermore, Apple Incorporated's magical turnaround from a distressful performance to become one of the global technology giants was interesting. To that end, a detailed review of its strategy was done in Section 3.5.2.1. In the same spirit, a review by Mahdi, Abbas and Mazar (2015) to uncover the appropriateness of the strategies adopted by globally successful athletic clothing firms Nike and Adidas was found interesting as this was in line with the objectives of this study. Therefore, a review of Nike and Adidas's strategies and business models was conducted and presented in Section 3.5.2.2 of the study.

3.5.2.1 A detailed review of Apple Inc.'s strategy

The case of Apple Inc. is interesting as the company was turned around from a distressful performance to become one of the global giants, the most profitable global company from 2015 to 2017; and become number two in 2018 (Meyer, 2018). Apple Incorporated adopted an innovation and differentiation strategy underpinned by the identification of a niche market that is comfortable with a premium pricing system (Nair, 2014). Apple focused on low, middle and upper class clients in the economy, making it hard for low class people to purchase its products. Its strategy is completely different from its biggest competitors that are continually working on a

price reduction strategy. For instance, Google's plan to design a smartphone costing less than \$100 on free android software accessibility increased competition for Samsung in India (Dutton, 2014). Farber, (2013) noted that Apple is a trailblazer as a result of its differentiation strategy as, it attempts to offer a holistic product, but in case it falls short, it holds back instead of marketing, thus opening up Apple to retaining short-term but key market possibilities. This has enabled Apple to sustain their share until novel product offerings are available (Farber, 2013).

Apple's collective approach of a complete combination of mobile hardware and the specialised iOS software is respected for providing a million applications through a third party, but lacks cost effectiveness. In 2013, for every four smartphones sold, one was an iPhone (Meyer, 2013). Alex Wilhelm (2014) found fault with Apple Inc's reduced cash return strategy to its shareholders; yet the firm has an over \$100 billion cash fall back. An adequate inorganic growth policy, as opposed to rivals'; presents a danger to the company. Apple only makes a single acquisition per year over the past 25years, as opposed to Microsoft's 45, Google's 40 and CISCO's 30 (Cheney, 2010).

Apple Inc. is also regarded as the trailblazer in the unscrupulous approach of marketing via patents contests. Instead of spending millions, or even billions, on esteemed displays and timing, "they are everywhere, every time, in every channel for free due to their patent marketing strategy" (Galasoo, 2014)

3.5.2.2 Review of Nike and Adidas' strategies and business models

Mahdi, Abbas and Mazar (2015) conducted an explorative comparative analysis of the approaches and business frameworks for Nike, Inc. and the Adidas Group, with a distinct focus on a competitive advantage within a dynamic and competitive context. The study aimed to unpack the strategy used and its effect on the firm's performance through an analysis of case studies, articles and the annual reports of Nike Inc. and Adidas Inc. The research sought to uncover the appropriateness of the strategies adopted by globally successful athletic clothing firms. Findings from the research highlighted that Nike had adopted innovation; the utilisation of

high -end pricing; broad polarity; market segmentation and closed-loop strategies. On the other hand, Adidas had adopted broad divergence, innovation and a multi-brand strategy focus on extending activities to upcoming markets; continually enhancing infrastructure, operations and structures; fostering a culture of questioning convention and adopting change; fostering corporate values of performance, zeal, ethics and heterogeneity. These approaches together with resources and distinct competencies form the foundation of sustained competitive advantage for both the firms.

3.5.2.3 Key findings from the analysis of the global most profitable firms

From the analysis of the empirical evidence, it is clear that different industries have different strategies. The majority of the financial services sector is using transformational and innovation strategies. Fintech firms are using innovation, resources and cost leadership, whilst extractive industries are using resources, blue ocean and innovation. It is critical that the Bank of Saudi Aramco and the Bank of China clearly pursue an institutional strategy which is giving them a competitive advantage. The empirical review has established the various strategies being used by the globe's most profitable firms. Therefore, the strategy implementation framework was evaluated as this covers all the necessary executory steps in line with Neilson, Martin and Power (2008), who argued that a failure to implement a strategy affected organisational performance.

3.6 Strategy implementation framework

In this section, a review of the strategy formulation framework, strategy implementation and strategy control and evaluation will be done.

3.6.1 Strategy formulation framework

The strategy formulation hierarchy which has been adopted for this study was proposed by Hofstrand (2016). It lays out the framework that organisations use when making key decisions regarding business activity. In this framework, organisations make important the vision, mission,

core values, strategies, goals, objectives and action plans that advance organisational performance.

Table 6: Strategy formulation framework

Vision	Big picture of what you want to achieve
Mission	General statement of how you will achieve the vision
Core Values	How you will you behave during the process. Core values define the organization in terms of the principles and values the leaders will follow in carrying out the activities of the organization
Strategies	A strategy is a unique approach of how you will use your mission to achieve your vision. Strategies are critical to the success of an organization because this is where you begin outlining a plan for doing something.
Goals	These are general statements of what needs to be accomplished to implement a strategy for example increase profit margin. Goals should be understandable, suitable, acceptable and flexible.
Objectives	Objectives provide specific milestones with a specific timeline for achieving a goal for example increase market share by 20%. Objectives must be measurable, suitable, feasible, commitment and ownership.
Action Plans	These are specific implementation plans of how you will achieve an objective.

Source, Adopted from Hofstrand, (2016)

3.6.2 Strategy implementation framework

Neilson, Martin and Powers' (2008) reason for the failure of enterprises to execute is that they directly engage in structural adjustment while neglecting decision rights and information flow

which are the most dynamic drivers of effectiveness. They further clarified that an ingenious strategy may advance the firm's competitive advantage map, but only well-grounded execution helps maintain that position. It is however unfortunate that most firms face challenges on implementation as a result of over relying on organisational changes, such as restricting to implement strategy. The recommended levers crucial for effective strategy implementation are shown in Table 7.

Table 7 : Levers for strategy implementation

Lever	Description
Decision rights	<ul style="list-style-type: none"> - Ensure that everyone in the company is very clear about the decisions and actions they're responsible for. Corporate office and Divisional management teams must sing from the same hymnbook. - Senior management must delegate operational decisions
Information flow	<ul style="list-style-type: none"> - Important competitive information must be communicated promptly to the corporate office to allow the promulgation of patterns and development of appropriate response plans. - Help shop floor and line employees understand how their day-to-day choices affect your company's bottom line. - Facilitate effective communication in the organisation

Source: (Neilson, Martin and Powers, 2008)

3.6.3 Strategy control and evaluation

Strategy control is concerned with picking some early signs about elements that may hinder the realisation of the desired organisational strategic goals and allowing the implementation of corrective action (Elshamly, 2013). Strategy evaluation underscores the firms' effectiveness in responding to new problems that enable the attainment of strategic goals (Johnson and Scholes, 2002). Strategy control guarantees that organisations modify their strategy to any threat of changes in their surroundings. Strategy analysis helps firms to anticipate problems that may be caused by a change in the environment. Corrective actions will be taken to prevent organisations from taking wrong decisions and thereby protecting them from collapse (Dubihlela and Sandada, 2014); (Elshamly, 2013).

3.7. Performance of firms (Dependent Variable)

This section is a review of the performance of firms looking at the various financial and non-financial performance computations using the balanced scorecard performance measurement tool. Empirical literature on performance, global profitable firms, Zimbabwean firms and a summary of knowledge gaps is discussed.

3.7.1. Performance of firms

Organizational performance is the most important construct in strategic management research and remains a recurrent theme thereof (Combs, Crook and Shook, 2005). Performance refers to the capability inherent in an object to bring out results in proportions established in association to a target (Machuki and Aosa, 2011). In other words, performance is the efficient and effective employment of resources and the achievement of organizational goals. Thus, organizational performance defines the efficiency and effectiveness of a firm. On one hand, effectiveness is the quality and power to produce the desired result, whilst efficiency, which is the required effort, on the other hand is the rate of developing a specified yield by a company using the least input possible (McCann, 2004). In other words, performance is the organization's capability to achieve its goals by utilising resources in a logical and productive manner. Organisational performance is

achieved through a combination of effective and efficient utilisation of resources, clearly set and understood organisational goals and strategies, as well as an input of effective measures relating to employee satisfaction and shareholder wealth, amongst many other factors. Deciding on the relevant form of performance or efficacy involves considerations that range from employee gratification to shareholder wealth optimisation (Machuki, 2011; Hubbard, 2009). Therefore, performance is a measure of both financial and non-financial aspects.

3.7.2. Non-financial performance

The main indicators of business activity include non-financial data, including as well as markers such as quality, clients' satisfaction, innovations and market share. Non-financial performance measures include “workforce development, product quality, customer satisfaction, on-time delivery, innovation measures, the attainment of strategic objectives, market share, efficiency, productivity, leadership and employee satisfaction” (Ibrahim and Lloyd, 2011). These computations often expose the economic position of a company and opportunities for growth, better than the financial indicators of the company as reflected in performance reports (Ibrahim and Lloyd, 2011). Non-financial performance measures positively relate to future financial performance of the firm (Gijssels, 2012). This implies that non-financial performance estimates can compel management to act in a way beneficial to the company in the long-run (Banker, Potter and Srinivasan, 2000). Research has shown that non-financial performance parameters act as drivers of financial performance. Therefore, the research focused on financial and non-financial performance parameters where the financial performance is dependent upon the non-financial performance pillar.

There are limitations to non-financial performance estimates as there is no uniform computational measurement standard from one firm to the other and varied computation methods which may change over time, making comparisons of performance between firms unreliable (Eccles and Mavrinac, 1995). Furthermore, non-financial performance measures can easily be manipulated more than the financial measures as they seldom undergo publicised authentication (Ittner, Larcker and Rajan (1997).

Research has proven that the outcomes of non-financial undertakings have a positive impact on the outcomes of financial actions. It has also emerged that a significant number of company managers modify their firms' performance evaluation systems to detect non-financial assessment measures. Thus, they use novel approaches in competition. In line with this, the researcher used non-financial organisational performance measures as a driver of financial performance.

3.7.3. Financial performance

The central goal of corporate strategy is to direct the organization in setting out its objectives and priorities, and re-invent itself towards acquiring the same with the hope of gaining superior performance (Ogaga, 2017). The strategic management operation is central in turning an organization's vision or mission into tangible attainable goals and objectives (Ogaga, 2017).

A company's performance is more often than not expressed in terms of its financial performance. Capon et al (1996) were concerned about the particular financial performance measures as they take a variety of forms which differ from each other on several dimensions. Profitability is about the returns attained through the endeavours of management to oversee funds invested by the owners (Carton and Hofer, 2010).

To realise sustained corporate success globally, the firm must utilise appropriate business performance markers as measures (Neely et al., 2000). Measuring performance can remarkably promote achievement and solve the growth challenge (Rajnoha, Lesníková and Koraus 2016). In most cases, organisational activities are assessed through the use of varied performance measurement indicators (Rajnoha, Lesníková and Koraus, 2016). Ogaga (2017) proposed that a performance measurement system has two main developmental phases. Phase One started from 1880 to 1980 whilst Phase Two took over from 1980 up to the 21st century. Whilst Phase One focused on financial performance markers such as profit, return on investment (ROI) and productivity, Phase Two brought in the aspect of non-financial measures that incorporated the effect of transformation in the global market. Due to high competitive environments, some less competitive firms are beginning suffer market share loss to superior quality products, reduced

costs and variety in products (Ogaga, 2017). In an effort to regain competitiveness, organisations are moving their strategic preferences from just the economical production of superior products, elasticity and dependable delivery, and so on, to the inclusion of the implementation of management philosophy of production and new technology. Some of the new management philosophies include Just-in-Time (JIT), flexible manufacturing systems and Total Quality Management (TQM), amongst other advanced systems (Ogaga, 2017). This development exposed the inadequacy of traditional performance measurement systems which mainly focused at the financial performance measures and opened new horizons for the creation of novel processes of performance measurement that are critical for success (Rajnoha et al., 2013; Ghalayini and Noble, 1996).

Kislingerova (2011) noted that performance evaluation under the traditional model is done through the appraisal of a series financial indicators covering liquidity, activity, profitability, capital structure and market value. Unfortunately, the aforementioned financial indicators predominantly focus on outcomes with no consideration for the components that advance the production much needed results. Outcomes are driven by a number of factors that include “leadership, people, systems, strategy and communication” and many more (Ahmed et al., 1999). The realisation of the inadequacy of conventional processes measurement systems led to the evolution of expanded business performance measures that focus on both financial, “non-financial indicators and the business strategy and not only of accounting standards” (Kennerley and Neely, 2002). The traditional performance measures are premised on processing data from the past and lagging indicators without taking into consideration the use of external and internal indicators’ subsequent effect on the business. The purpose of performance measurement is not to simply evaluate historical performances, but to monitor development on a continuous improvement basis. A performance measurement system is a series of non-financial and financial measures supported by a strategic performance measurement system (SPMS), with a standard component for designing the appropriate frameworks to back decision-making by managers. It covers all business perspectives to modify strategy into an all-inclusive selection of performance indicators to augment venture decision-making by gathering, processing as well as evaluating

numerical data regarding firm performance (Chenhall, 2005; Gimbert, Bisbe and Mendoza, 2010). This is why the traditional performance measurements models have been found wanting and more so, all-inclusive management tools like the Balanced Scorecard have been found to bridge the gap. The most typical tool with balanced goals and indicators is the Balanced Scorecard (BSC), which has been popularised since its origination by Kaplan and Norton in 1992.

Using financial performance to measure the effectiveness and efficiency of a company is a long standing practice. Financial performance has since time immemorial been regarded as the most effective way of evaluating an organisation's strong points (McClinton, 2014). The financial gains and losses by "earnings, earnings per share, returns on investments, and earnings growth are all indicators of the financial performance of an organization" (Werner and Xu, 2012). Finance is the science of money and the lifeblood of businesses, while financial management relates to managerial activities linked to planning and managing a firm's financial resources (Gangadhar, 1998; Singh and Arrawatia, 2018). In that regard, finance is vital for the even running of the business. Financial analysis is the system of acknowledging the financial strengths and weaknesses of the organisation by accurately determining the association connecting the components on the profit and loss account, balance sheet and the cash flow and computation of ratios to better understand the direction of the business (Gangadhar, 1998; Singh and Arrawatia 2018). These ratios include the current ratio, debt to equity ratio, long-term solvency ratio, short-term solvency ratio and profitability ratio, amongst others.

The domain of strategic management attempts to delineate the extent of firm performance differences. Thus, strategic management can be explained as attempts to uncover the factors of increased organisational financial performance (Monroe, 2006). Therefore, strategic management forecasts that increased financial performance is a result of effectively managed organisations through corporate strategy tools.

The concept of increased financial performance has varied descriptions concentrating on "the achievement of superior performance relative to competitors and can include profit, survival or

satisfaction” (Arend, 2003). The common assumption is that a company gains increased financial performance through sustained competitive edge (Powell, 2001). Financial indicators of performance widely employed to measure firm performance include: Return on Assets (ROA), Return on Investment (ROI), Return on Sales (ROS), Cash flow, earnings per share (EPS) and market share (Ogaga, 2017). The literature review supports the ultimate supremacy of the financial measures, particularly for listed firms as their primary motive is to create value for the shareholder (Carton and Hofer, 2010).

Sole reliance on financial measure in evaluating organisational performance has been widely criticized as the financial measure is fraught with manipulation; over-valuation of assets; the creation of distortions due to the nature of depreciation and inventory valuation policies; different methods adopted in the consolidation of financial reports; treatment of certain revenue and expenditure items; coupled with a lack of uniformity in dealing with accounting protocols (Ogaga, 2017). Furthermore, financial reports are inscrutable particularly where multi-industry participation by firms is the case. Therefore, the need for both non-financial and financial performance measures cannot be over-emphasised.

The researcher took into account the deficiencies associated with solely relying on financial performance measures and mitigates this phenomenon by bringing non-financial performance indicators. To that extent, the Balanced Scorecard tool was used to evaluate both the financial and non-financial performance estimates.

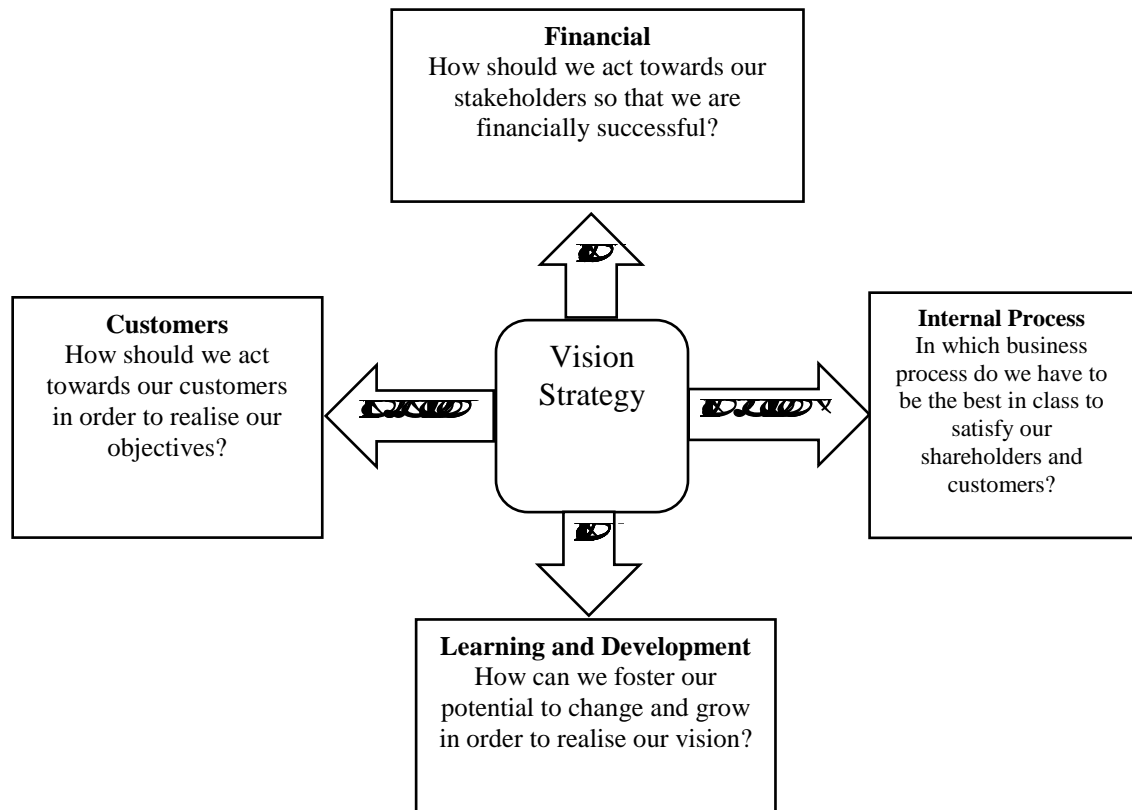
3.7.4. The balanced scorecard

This is a strategic planning and management system that employs financial and non-financial performance measures as the organisation endeavours to align with its comprehensive strategic vision. The term Balanced Scorecard (BSC) was first used by Art Schneiderman in 1989, although the development of the basic ideas of the BSC system is attributed to Kaplan and Norton.

Perkins et al. (2013) noted that the BSC system had undergone transformation, changing from a conventional perspective, of measuring performance to a system of reviewing all the various perspectives including the intangible assets. The financial performance measures are complimented by other performance measure perspectives, like “the customer perspective, internal processes, perspective of growth and learning with a focus on current and future success of the business” (Kaplan and Norton, 1993). According to Tangen (2004), “these operational non-financial indicators are considered as the drivers of the future financial performance of the company.” In other words, sustainable financial performance has to hinge on a solid base that requires a firm to have a full grasp of all its performance pillars that must then be evaluated to ensure their support of financial performance.

Research by the global consulting firm, Bain and Company in 2014, confirmed the proposition that businesses consider the BSC as a necessary and effective performance measurement tool required for strategy implementation and measuring business performance (Rigby and Bilodeau, 2015). Furthermore, the BSC can be functional in developing an advanced corporate culture that corresponds with the strategy of the firm in driving to achieve the shared vision on the vision, mission, strategy and objectives of the firm. A common understanding to the methods for attaining objectives, measuring outcomes and reactions to non-responsive events is also possible (Gibbons and Kaplan, 2015). The BSC should not be misunderstood as a supernatural instrument that by some means enhances business performance, but must be viewed as a tool that enables the effective management of performance in order to gain success (Perkins et al., 2012). The BSC is founded on the Stakeholder Theory that links “operational and non-business activities by causal relationship with long-term corporate strategy that leads to the promotion of business management according to their strategic importance” (Figge et al., 2002).

Figure 8 :The balanced score card as summarised by Kaplan and Norton (1957).



Source: Kaplan and Norton (1997)

By continuously innovating their business model, various upcoming firms are revealing their capability to re-model older firms or establish new ones and produce more profit (Mitchell et al. 2004). Based on the tenets of the BSC framework, firms align their vision strategy to gain a market advantage in order to better financial performance.

The relationship between Corporate Strategy and Organisational Performance was explored in Ansoff, Avner, Brandenburg, Portner and Radosevich's (1970) empirical study on strategic planning in the United States involving 62 large American firms, which established that firms that planned performed better financially than those which did do any planning. In another research by Herold (1972), which constituted 10 industrial organisations, the findings indicated that firms that planned formally out-performed those that employed informal planning systems.

However, in a study conducted by Fulmer and Rue (1974) in the United States involving 386 firms, the findings indicated that there was no positive correlation between formal long-term planning and company financial performance. The same view was echoed by Grinyer and Norburn (1975) using data gathered through structured in-depth interviews with 91 executives from 21 UK firms. From the analysis of data carried out, there was no evidence supporting the common belief that objectives, clarity of role and formal planning were connected to financial performance. In addition, no statistically significant association was found between a variety of formal communication processes engaged in and financial performance. Thus, the association between strategic planning and firm performance did not exist.

Smith and Golden (1989) conducted a study in Canada to interrogate relating the interconnection between corporate strategy and organisational performance management, where questionnaires were used on a sample size of 114 respondents. It was found that the scope of policy planning in a major business equally matched its financial performance. In other words, there was a co-relationship found between corporate strategy and organisational performance management.

In a research by Owolabi and Makinde (2012) carried out in Nigeria focusing on Babcock University as a case study, it was discovered that there existed a notable positive interrelationship between strategic planning and corporate performance. The major objective of the study was to interrogate the influence of strategic planning on corporate performance in terms of management efficiency and effectiveness. The sample size constituted 283 employees who responded to a questionnaire. From the analysis of data, it was confirmed that effective strategic planning positively impacted performance. They further argued that it is not systematic planning that leads to improved performance, but efficacious implementation (Owolabi and Makinde, 2012). Therefore, the conclusion of the study was that strategic planning enables organisations to accomplish established goals. They suggested that to improve corporate performance, universities and corporates ought to take strategic planning seriously.

In another Nigerian research study by Dauda, Akingbade and Akinlabi (2010) the aim was to assess the influence of strategic management on corporate performance, with a focus on chosen

small-scale ventures in Lagos using the survey research methodology. There were 140 participants in the sample. The sample was randomly chosen and questionnaires were used as instruments for information gathering. The research results indicated that small business enterprises in Lagos positively correlated with strategic management. There is also a favourable connection with organisational profitability in implementing strategic leadership (Dauda, Akingbade and Akinlabi, 2010). A study corroborating the notion that strategic planning positively impacts company performance was carried out by Alaka et al. (2011) in Nigeria. It constituted eighty (80) respondents, amongst them department heads and management executives from chosen insurance firms. The findings proved that strategic planning positively affects the profitability of insurance firms.

Mohamed et al. (2015) probed the association between strategic management and organizational performance in Mogadishu, Somalia and found that most respondents in the study concur with the notion that their organisational performance is linked to strategic planning. From the study, a mean of 3.14 and a standard deviation of 0.485 for strategic management indicates a very good level. For organisational performance, the mean and standard deviation was 3.01 and 0.480 respectively, indicating a positive impact. Thus, researchers found that the interrelationship between strategic management and organisational performance in Mogadishu, Somalia is positively significant.

In a study by Falshaw, Glaister and Tatoglu (2006), where data was collected from 113 United Kingdom firms, it was deduced that there lacked a connection between formal planning procedures and individual company performance.

Kohtamaki, Kraus, Makela and Ronkko (2012) gathered data from 160 small to medium-sized Finnish IT firms and concluded that participative strategic planning positively affects employee attentiveness to strategy execution, leading to increases organisational performance.

Wijesinghe, Ten and Foreman (2012) carried out a study in Sri Lanka targeting 150 selected small to medium enterprises. The conclusion reached was that not more than 25% (32) of the

respondents were employing conventional strategic plans and thus were highly likely to remain stagnant or fail.

In Kenya, a study was carried out by Arasa and K'Obonyo (2012) who found that based on the correlation outcomes, there was a strong indication of a strong connection between strategic planning and firm performance. The study also pointed out that company performance has a strong positive interconnection to corporate objectives defining, environmental scanning, strategic issues identification, selection of strategy, implementation procedures set up, evaluation and control systems.

Suklev and Debarliev (2012) conducted a study in the Republic of Macedonia, in which the concluding findings were that strategic planning in some way generally influences organisational effectiveness. The findings of this comparative study avails important knowledge conclusions relevant to key constructs of effective strategic planning effectiveness and developing economies. The conclusions of the study are also relevant in that they proffer possible causes for possible variances in strategic planning efficacy in various countries.

In another study carried out by Hin, Kadir and Bohari (2013) in Malaysia, where questionnaires were used for data gathering collection and 108 questionnaires were returned, findings indicated that SME's largely use strategic planning procedures which are similar to the "Wheelen and Hunger strategic planning model". They recommended the model as applicable to Malaysian SMEs. Additionally, the research findings show that SMEs in Malaysia show a preference for proactive procedures such as corporate growth strategies and differentiation.

Using data gathered from 55 manufacturing SMEs operating in the southern part of the United States, Abebe and Angriawan (2013) conducted a study in which the analysis indicated a strong positive interconnection entrepreneurial orientation (EO), market orientation (MO) and exploration/exploitation activities. The only notable moderating factor in this study between market orientation and the level of exploratory activities was perceiving competitive intensity.

Findings from this study suggest the fundamental role organizational predictors perform in strengthening exploration/exploitation activities of SMEs.

Khan and Khalique (2014), backed by contentious findings regarding the association linking strategic planning and organisational performance to the divergent nature of small-medium enterprises (SMEs) from large-scale ones, pioneered the suggestion of a heuristic research combining strategic planning and cognitive capital. Khan and Khalique are the pioneers of empirical research integrating the literature of strategic planning and intellectual capital.

For a diversification strategy to succeed, it is critical that the synergy of business combinations be achieved as failure would result in under-performance (Davis and Thomas, 1993). Experimental evidence has more often than not been unable to determine if connected diversification outmatches unconnected diversification (Grant, 2002). Generally, literature on diversification has established that essentially, lower diversification levels lead to higher perform and secondly, it is important that firms diversify in closely connected areas.

Contrary to the findings discussed in this chapter, corporate strategy research has not supplied evidence, nor has it added value to its rationale behind business level rivalry, added costs and limitations to business units due to diversification and the ease of shareholder diversification, and has not shown the importance of these strategies (Porter, 1991). Levinthal and Myatt (1994) distinguish that the inability to provide immense verifiable evidence on the success of diversification shows that the choice of industry is not as important to firm performance as the existence of individual competencies to function in a specific industry. However, this research advances the proposition that corporate strategy affects the financial performance of firms listed on the ZSE.

3.8. The moderating effect of processes on organisational performance

It is understood that organisations that have successfully adopted strategic planning have superior performance in comparison to those with no strategic plan (Arasa and Obonyo, 2012) and achieve better performance in the event that they successfully adopt strategic planning

inclusive of utilising various procedures in the strategic planning process (Henderson, 1979). Strategic planning procedures direct the company and improves the coordination and management of organizational tasks (Arasa and Obonyo 2012). In other words, a company's strategic planning process proffers a core purpose and direction to the tasks of the firm and its employees (McCarthy and Minichiello, 1996). The fundamental objective of strategic planning processes is to direct the firm in laying out its strategic goal, priority areas and focus on attaining its outlined objectives (Howe, 1986; Kotter, 1996). The strategic planning process takes into consideration the environmental factors in which the firm is operating. To that end, an unbiased assessment of outside and internal surroundings accelerates the creation of the company's contextual fit and better resolutions (Hax and Majluf, 1996). The identification and analysis of strategic issues assists in efficient resource allocation to achieve a sustainable competitive edge leading to increased financial performance (Porter, 1980; Quinn, 1980; Ohmae, 1983; Kotter, 1996). The growth of implementation programmes, assessment and control systems promotes the smooth enforcement and enactment of the designed activities, leading to improved financial performance.

3.9. Relationships between corporate strategy, its processes and the performance of the firm

The corporate strategy frameworks of the resource-based view, business models, innovation and institutional strategies are affected by the environmental factors, including the political landscape, economic factors, social factors, technological advancement, legal environment and governance issues (PESTELG). Successful organisations have to craft winning strategies that navigate through the operational environment challenges. Various tools, including Porter's Five Forces and SWOT, are employed to analyse the operating environment as Firms prepare appropriate strategic action plans. The effectiveness of the strategies was evaluated by the ultimate performance of the Company in as far as the attainment of the set targets is concerned. This is done at strategy evaluation that takes into consideration the strategy control that would happened during the course of the period being evaluated. The environmental factors have a

direct effect on the Company's performance, although there could be some mitigations, depending on the strategies adopted by the firm.

Performance evaluation is being done using the balanced scorecard, which takes into account both the financial and non-financial performance measures. In this study, the measure is financial performance. The research sought to evaluate and develop a corporate strategy framework driving financial performance in Zimbabwean firms despite the harsh operating environment. From the various factors, a model was then developed after data collection from the ZSE listed firms.

An implicit assumption, common in literature on strategy research, is that corporate strategy positively impacts firm performance (Bower 1982; Hitt, Ireland and Palia, 1982). Winning corporate approaches increase market dominance, add to sales, position investments of stakeholders and promote the structuring of high-level financial performance (Dragun and Knight, 2001). Many corporate level factors such as the latitude and range of the organisation and key skills theoretically affect profitability (Bowman and Helfat, 2001). Corporate strategy and firm architecture positively influence the financial performance of the firm (Prahalad and Hamel, 1990). Corporate level competencies, particularly skills around corporate control largely impacts firm performance (Adner and Helfat, 2003).

Given the view that corporate strategy is envisaged as providing the foundation for company activities, the unsaid presupposition is that an ill-designed and irrelevant corporate strategy greatly influences firm performance (Goold and Campbell, 1987).

Contrary to the above views about the association between corporate strategy and firm performance, Monroe (2006) argued that a substantial amount of corporate strategy literature has targeted particular corporate strategies that include acquisitions, divestments, mergers, alliances and restructurings. Their research made a comparative analysis of the "before and after" impact of corporate strategy on performance. Empirical evidence from literature corroborates the view that certain corporate strategies impact performance negatively (Porter 1987, 1991). Most firms'

shareholder value has been negatively affected by the corporate strategies (Porter 1991). Horizontal and conglomerate mergers have also led to a fall and loss in market share value (Mueller, 1985).

There is a lot of literature on corporate strategy and firm performance, however, there are some gaps which will be presented in 3.10.

3.10 Formulation of gaps in the literature and framework for analysis

This section presents a summary of knowledge gaps on corporate strategy studies and firm performance as presented in section 3.10.1.

13.10.1 Summary of knowledge gaps

Table 8 summarises previous research and the knowledge gaps extant in corporate strategy studies. It contains conceptual gaps, where studies have considered either of the conceptual variables or linkages in isolation or combination with other variables that are not part of the study. It also highlights methodological gaps where different research methods were used.

Table 8 : Summary of knowledge gaps as conceptualised by the author

Researcher	Focus of the Study	Methodology	Findings	Gaps	How the current study addresses the gaps
Porter (1981)	Industry structure and firm performance of American firms	Longitudinal 1979-1980	Groups that enjoy the protection of higher obstacles and are covered from rivalry processes in a particular industry enjoy	The focus was on industry structure. Context was American firms	This study focuses on the impact of corporate strategy frameworks with the constructs the resource-based strategy (RBS) , business models (BM) and institutional

			superior performance		strategy (ISF) on company performance in a given environmental setup in the Zimbabwean context.
Day (1997)	The capabilities of market driven organizations	Baseline survey	There is effect of core capabilities on performance of large organizations	Consideration of two variables, competencies and performance. No joint variables (RBS, BM and ISF) were included in this study.	This study is a longitudinal explorative survey of all ZSE listed firms and includes the joint independent variables with the environment intervening
White (2000)	Industry competitiveness and firm performance	Survey on selected firms ANOVA used to analyse data.	The competitiveness of a regional industry and a firm's competencies expands the possibility of independent growth, however large numbers of competitors and suppliers result in increased collaborative development.	It did not include RBS, BM and ISF as a variable.	The current study focuses on the influence of RBS, BM and IS as a framework that has an impact on performance.

Monroe (2006)	Ways in which corporate strategy advances organisational performance	Cross-sectional research of resource governance decision making in US firms	Higher ranking firms, simplify resource governance decision making through the use of higher level corporate decision-making competences.	This was looking at US SMEs and focused at resource governance and decision making	The current study focuses on all ZSE listed firms with a clear strategy framework defined in. On top of resources, the current study incorporates BM and IS as part of the framework
Schmidt (2010)	Interrelations hip between strategic planning and corporate performance in Swedish firms.	Sample survey	Strategy positively influences firm Performance	The study was specific to Sweden and included two variables only	Current study will be conducted in Zimbabwe on all the ZSE publicly listed firms over a period from 2010 to 2017 with four variables.
Aosa (2011)	Strategic management within Kenya firms	Cross sectional survey	Large and medium firms have started embracing strategic Management	The study did not incorporate the construct of corporate strategy of RBS, BM and ISF.	The current study is a census longitudinal survey that seeks to formulate a new corporate strategy framework with four variables on Performance in Zimbabwe
Machuki and Aosa (2011)	Influence of external environment on the performance of publicly quoted firms in Kenya	Cross sectional survey, Regression analysis was used to analyze data collected	External environment is significantly associated to firm performance	Did not examine the influence of corporate strategy frameworks on firm performance. The context is Kenya	The current study is a census longitudinal survey that seeks to formulate a new corporate strategy framework with four variables on Performance in Zimbabwe

Busienei (2013)	The effect of business strategy, organizational structure, human resource strategic orientation on performance of manufacturing firms in Kenya	Cross sectional sample survey	Application of effective HR strategy is key to performance	Emphasis was laid on human factors without considering RBS, BM and ISF and the associated environmental factors.	The current study is a census survey on ZSE listed firms and has included RBS, BM and ISF interacting in an environment in Zimbabwe.
Macharia (2014)	Competitive strategy, organizational competencies co alignment, microenvironment and performance of private colleges in Nairobi	Cross sectional sample survey on selected colleges	Performance depended on competitive strategies restricted to sample of private colleges	The findings were speculative thus suggested longitudinal study.	The current study is a longitudinal explorative cross sectional census survey on ZSE listed firms for a period from 2010 to 2017 looking at both qualitative and quantitative factors.
Madara (2014)	Generic Competitive Business Strategies and Performance of Micro and Small Enterprises in Nairobi.	Cross sectional survey	Competitive business strategy positively influences on performance of MSEs	The findings relied on two variables only and was limited to SMEs in Nairobi	The current study is a longitudinal explorative cross sectional census survey on ZSE listed firms for a period from 2010 to 2017 focusing on both qualitative and quantitative factors

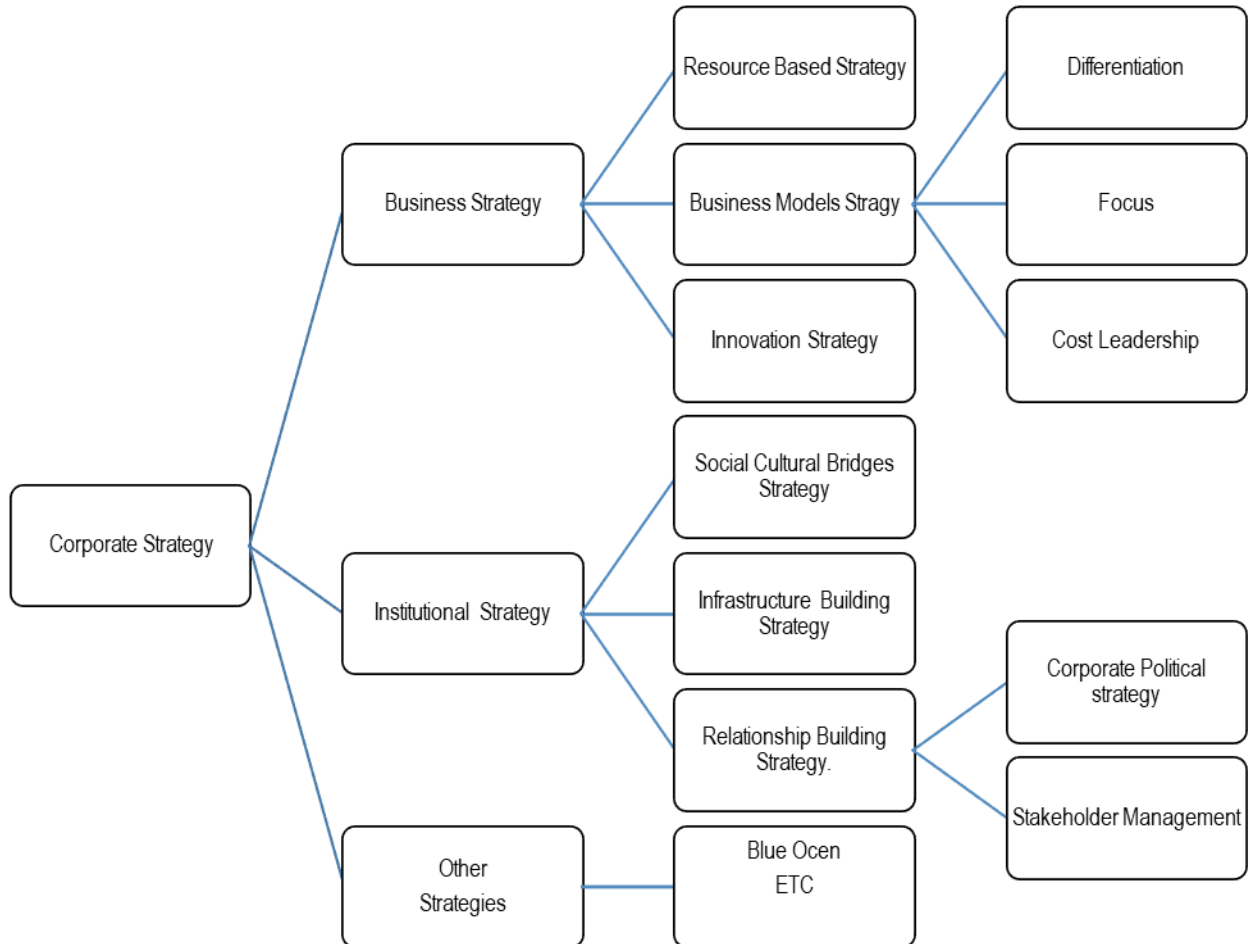
Chavhunduka (2015)	The relationship connecting Strategic Planning Intensity and Firm Performance	ZMDC as a case study	Strategic planning intensity variables are positively related to organizational performance in Zimbabwe	The case study that considered only one entity	The current study is a longitudinal explorative cross sectional census survey on ZSE listed firms for a period from 2010 to 2017 looking at both qualitative and quantitative factors
Ogaga (2017)	The study was focused on industry competition and organizational structure and their influence on relationships connecting corporate strategy to firm performance in the context of Kenyan listed firms	A census survey that included organizational structure and industry competition	The shared influence of the predictor variables was significantly greater than the single influence of corporate strategy on performance.	The study did not consider Business Model Innovation and the context was in Kenya	The current study is a longitudinal explorative cross sectional census survey on ZSE listed firms for a period from 2010 to 2017 looking at both qualitative and quantitative factors

Source: Researcher (2021)

Most of the studies in the foregoing are conceptual in nature. Strategy has evolved over time. Hence the above table is far from exhaustive. There are a myriad studies conducted thereon. In the Kenyan context, Aosa (2011) and Awino (2011) in their investigations, managed to link strategy to performance. This study therefore endeavoured to meticulously fill the extant knowledge gaps that have been highlighted in Table 8.

3.10.2. Framework for analysis

Figure 9 : Presents the corporate strategy framework as theorised in this thesis.



Source: Adopted from: Thompson et al., 2016; Marquis and Raynard, 2014; and Black, Washington and Rasheed, 2014)

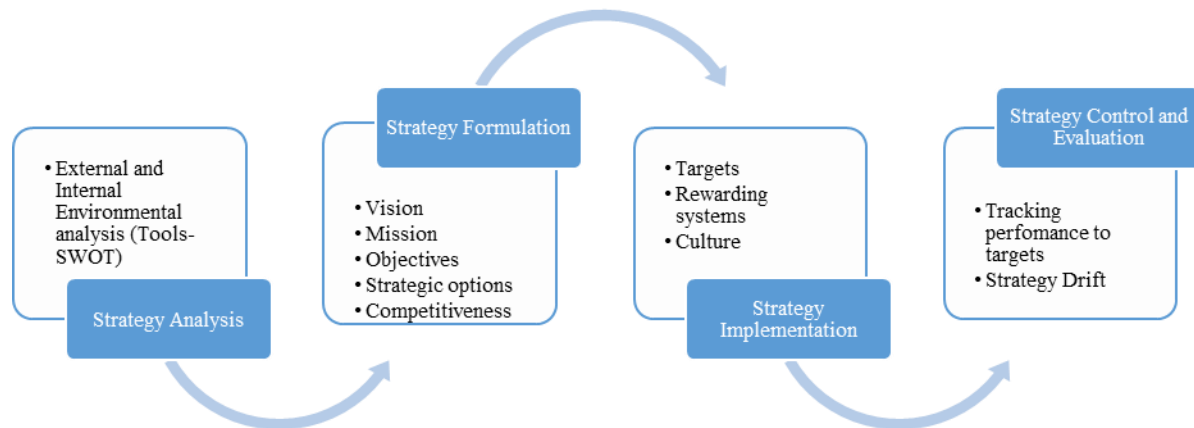
3.11. Procedural factors (moderating variables)

The procedural factors focus on the strategy development and management process, starting with strategy analysis, strategy development, strategy execution, strategy management and strategy evaluation, as a good understanding of these procedures is important in crafting sustainable strategies. As organisations do not operate in a vacuum, this discussion outlines the operating environment using the environmental scanning tools of SWOT, Four Corner's analysis, PESTEL and Porters' five forces, followed by an appraisal of the Zimbabwean operating environment during the period under review. In this chapter, present the researchers conceptual framework of the study to show the independent, intervening and dependent variables and how they are interconnected.

3.11.1. Strategy development process

The strategy of a firm is influenced by the environmental drivers, strategic competencies and the culture and anticipations of those who wield power within the organisation (Johnson, Scholes and Whittington, 2005). In other words, the strategy of an organisation is affected by the environment the firm operates from; core competencies of the firm; and the associated corporate governance structures. Strategic management focuses on the "complexity arising out of ambiguous and non-routine situations with organisation-wide rather than operation-specific implications" (Johnson et al., 2005). To provide a clearer vision of the strategy development and management process, Maleka (2014) suggested a four stage strategic development and management process that involves strategic analysis, strategy formulation, strategy implementation and strategy evaluation and control as shown in fig.10.

Figure 10 : Framework for a strategic development and management process



Source: Adapted from Maleka (2014) Strategic Management Process

3.11.2 Strategic analysis

Alfred Chandler (1991), in investigating firm growth, focused largely on the severe crises suffered by firms such as Du Pont, General Motors and Sears Roebuck. Chandler (1991) reflected on the problems facing these entities and discovered that Sears Roebuck, faced with survival or downfall, made calculated actions to transform its mail-order firms into chain stores located mainly in metropolitan localities. He further theorises the unparalleled importance of executing an organizational policy before implementing the structural plans of daily undertakings. This latest idea suggested that engaging strategies for long-term growth lessens the workload for management and presents opportunities for moving into novel product markets and possibly relocating to new geographic locations. Chandler's work is praised as "a theoretical masterpiece" (McClinton, (2014). The Chartered Institute of Management Accountants (CIMA 2005) defined strategic analysis as "the process of conducting research on the business

environment within which an organisation operates and on the organisation itself, in order to formulate strategy.” In this research, the strategic and managerial decisions taken by organisations to improve performance are critical in determining if they affect the financial performance of the firms under study.

3.11.3 Strategic environmental analysis tools

Various instruments are employed in strategic environmental evaluation, including “SWOT analysis, PESTEL analysis, Porter’s Five Forces analysis, Four Corner’s analysis, Value chain analysis, Early warning scans and war gaming” (CIMA 2005). In this research, the researcher restricted the strategic analysis to the three most commonly used scanning techniques: SWOT analysis, Porter’s 5 forces and PESTEL technique (Vhudzijena, 2015). The study further reviewed the most common strategic management tools, which includes the BCG growth matrix, value chain evaluation, rival assessment and BSC, as well as differentiations and resemblances when utilised in the business context.

3.11.4 SWOT analysis

The SWOT analysis is attributed to Alfred Humphrey (Helms and Nixon, 2010). A SWOT analysis is an easy to use tool that enables the understanding of strengths, weaknesses, opportunities and threats within a project or business activity. The SWOT analysis provides organizational managers with a system critical for managing matters, boost strengths, grab possibilities, circumvent risks, and reduce weaknesses (Helms and Nixon, 2010). Table 9 unpacks the SWOT analysis framework.

Table 9 : SWOT analysis framework

Strengths <ul style="list-style-type: none">- Organisational advantage over others- Unique selling points- Competitor and customers' perception of organisational strength- Company's competitive edge	Opportunities <ul style="list-style-type: none">- Favourable political, economic, social-cultural, or technology (PEST) changes a taking place- Current gaps/ unfulfilled demand- New innovation the company could bring to the market
Weakness <ul style="list-style-type: none">- Other organisations' advantage over us- Elements of your business that adds little or no value- Competitors and customers' perceived weaknesses of the organisation	Threats <ul style="list-style-type: none">- Unfavourable political, economic, social-cultural, or technology (PEST) changes taking place- Restraints organisation faces- Competitor activities that could negatively impact the organisation.

Source: Bolcher (20080; CIMA (2005) and DeSilets (2008)

According to Poposcu and Scarlat (2015), SWOT provides a simplified understanding of the inherent strengths and shortcomings and the outside opportunities and risks facing the organisation, but does not show how the internal and external factors are interconnected and what to do about them. Poposcu and Scarlat (2015) argued that a SWOT analysis cannot provide a proper strategic framework based on scenarios. Porter argues that the SWOT analysis on its own is not good enough as there is need to also understand the competitor motivational responses. Therefore, Porter went on to introduce the Four Corner's Analysis.

3.11.5 Four corner's analysis

This is a competitor analysis theory developed by Michael Porter to analyse competitor's future strategies to achieve competitive edge. Porter's Four Corners model is "a predictive tool that helps in determining a competitor's course to the firm's current strategy and capabilities to determine future strategy" (Gautam and Sharma, 2019). Porter's model further advocates for

mastery of competitor drivers. This additional aspect of comprehending a rival's internal customs, principles, ethos and presuppositions enables the determination of a succinct and practical scrutiny of a rival's potential response in particular situations. The four corners to the model are "motivation drivers, motivation management assumptions, action strategy and action capabilities" (Porter, 1985).

3.11.5.1 Motivation drivers

Porter (1985) argued that motivation drivers help in determining rival activity by assimilating their strategic, calculated objectives and their present position taking, into consideration the firm's goals. A huge opening "between the two could mean the competitor is highly likely to react to any external threat that comes in its way, whereas a narrower gap is likely to produce a defensive strategy" (Gautam and Sharma, 2019). Examining a rival's objectives helps in understanding whether their current performance and market position satisfies them. This assists in forecasting their reaction to outside factors and the likelihood of a change in strategy (CIMA, 2005).

3.11.5.2 Motivation management assumptions

Porter (1985) stated that the notions and presuppositions that a rival possesses about itself, the industry as well as other firms, affects its strategic resolutions. Examining these premises helps in identifying the rival's prejudices and oversights (CIMA, 2005). Gautam and Sharma (2019) further noted, "Motivation management assumptions are the perceptions and assumptions the competitor has about itself and its industry would shape strategy." This corner constitutes establishing rival an understanding of its strong points and weaknesses, company habits and beliefs about rival goals.

3.11.5.3 Actions strategy

According to Porter (1985), a firm's action plan determines a competitor's competitive approach in the market. However, differences may exist between the intended strategy and realised

strategy as indicated acquisitions, capital expenditure and new product development (CIMA, 2005). Gautam and Sharma (2019) considered an actions strategy as focusing on a rival's realised strategy that decides competitive methods in the market. If the present strategy is producing satisfactory results, the assumption made is that the rival will continue functioning in a similar way.

3.11.5.4 Actions capabilities

Porter (1985) asserts, “The drivers, assumptions and strategy of an organisation will determine the nature, likelihood and timing of a competitor’s actions.” Thus, the ability of an organisation to initiate or react to outside forces relies on its competencies. Action capabilities consider a rival’s innate ability to initiate or react to outside forces based on its competencies (Gautam and Sharma, 2019). The strengths of the firm dictate the ways in which a competitor is likely to counter an outside threat. For example, it is highly likely that a firm with a wide distribution network will attack through its channel, but one with strong financials will employ price drops as a countering strategy.

3.12 PEST analysis

The PEST analysis is a tool for scanning the outside macro-environment of a firm’s existence. The tool is an important and enabling instrument for comprehending the political, economic, socio-cultural and technological environment within which a firm function as shown in Table 10.

Table 10 : PEST framework

POLITICAL FACTORS	ECONOMIC FACTORS
Government regulations <ul style="list-style-type: none">- Employment laws- Environmental regulations- Tax policy Trade restrictions Political stability	Economic growth Interest rates Inflation Exchange rates
SOCIO-POLITICAL	TECHNOLOGICAL
Population growth Age demographics Attitudes towards health	Automation Investment incentives Rate of technological change

Source: Adopted from CIMA, (2005)

PEST elements are categorised as opportunities or threats within the SWOT analysis. It is always advisable to carry out a PEST analysis, followed by a SWOT analysis.

3.13 Porter's five forces model

This is a model based on the assumption that there are five forces which influence the competitive intensity and appeal of a market. The model assists to distinguish power positions in a business environment. It is functional in understanding the power of a firm's present competitive status, and the robustness of a spot a company intends to occupy. The model can be used to determine the possible profitability of new products or services, distinguish zones of strength and to ameliorate weaknesses by circumventing errors. According to Porter (1980), the role of the strategist is to comprehend and manage competition presently and in the future. A

number of managers define competition too narrowly, limiting it to the present day's direct rivals, yet competitiveness for returns goes beyond known industry competitors to include customers, suppliers, possible newcomers and alternative products. The expanded competitiveness arising from the five forces establish a trade's framework and shapes the essence of competitive interplay in that field. Lee, Kim and Park (2012) argue that "based on the five forces analysis, managers are able to analyse the threat of new entrants, recognize the bargaining power of suppliers, identify the bargaining power of buyers, be aware of the threat of substitutes, and acknowledge the rivalry among existing competitors."

Indeed, industries appear on the surface to be different. However, the primary influencers of profitability remain similar. In such industries as airlines, textiles and hotels, because of the intensity of forces, a large number of firms earn unattractive returns. Below is a summary of the five forces.

3.13.2 Supplier power

The negotiating power of suppliers is explained by their capability or the ability to increase prices or cut down the quality of inputs in an attempt to control the market and forces that are becoming a threat to the growth of a business (Lee, Kim and Park, 2012). An evaluation of the ease with which suppliers push up prices is determined by how easy it is for suppliers to drive up prices. This is determined by total providers per critical input; the distinct nature of the supplier's product; the comparative magnitude and power of the provider; and the effect of changing suppliers among other drivers.

3.13.3 Buyer power

Buyer power is increased through bulk buying and the utilisation of the public share of products within an industry (Evans and Neu, 2008). It is an evaluation of the ease with which buyers drive down. This is influenced by total buyers within a market, the significance of individual buyers to the firm and the effect on the buyer of the cost of changing supplier.

3.13.4 Competitive rivalry

Lee, Kim and Park (2012) assert that it is widely known that maximum competition significantly affects business revenue. The key influence being the aggregate of and ability of rivals in the market. A large number of competitors supplying homogeneous products and services diminishes market attractiveness.

3.13.5 Threat of substitution

In the case of most products existing in the market, there are chances that customers will switch to alternatives if they consider the increase in price of their usual product to be unjustifiable. This weakens both the supplier strength and market attractiveness of that particular product. When alternative goods and services penetrate the market, the potential for customers and suppliers to gain satisfaction from other businesses or industries becomes real (Lee, Kim and Park, 2012). This may then have a detrimental effect on the financial performance of the company.

3.13.6 Threat of new entry

Profitability is eroded by profitable markets, which attract new entrants. Only if occupants have powerful and lasting obstacles to entry in the form of patents, economies of scale, capital needs or government policies, then profitability decreases to a competitive rate. Evans and Neu (2008) argue, “There may be some markets where entry into the industry is threatened by high investment rates, solid commitment to industry trademarks, or delivery paths that are run by industry contenders.”

As we discuss the five forces model, it is critical to know that the five forces model can best be applied to comprehending an industry holistically, while the value chain is essentially an instrument for assimilating and analysing the activities of a particular venture in a given industry. However, generically this can also be applied at industry level.

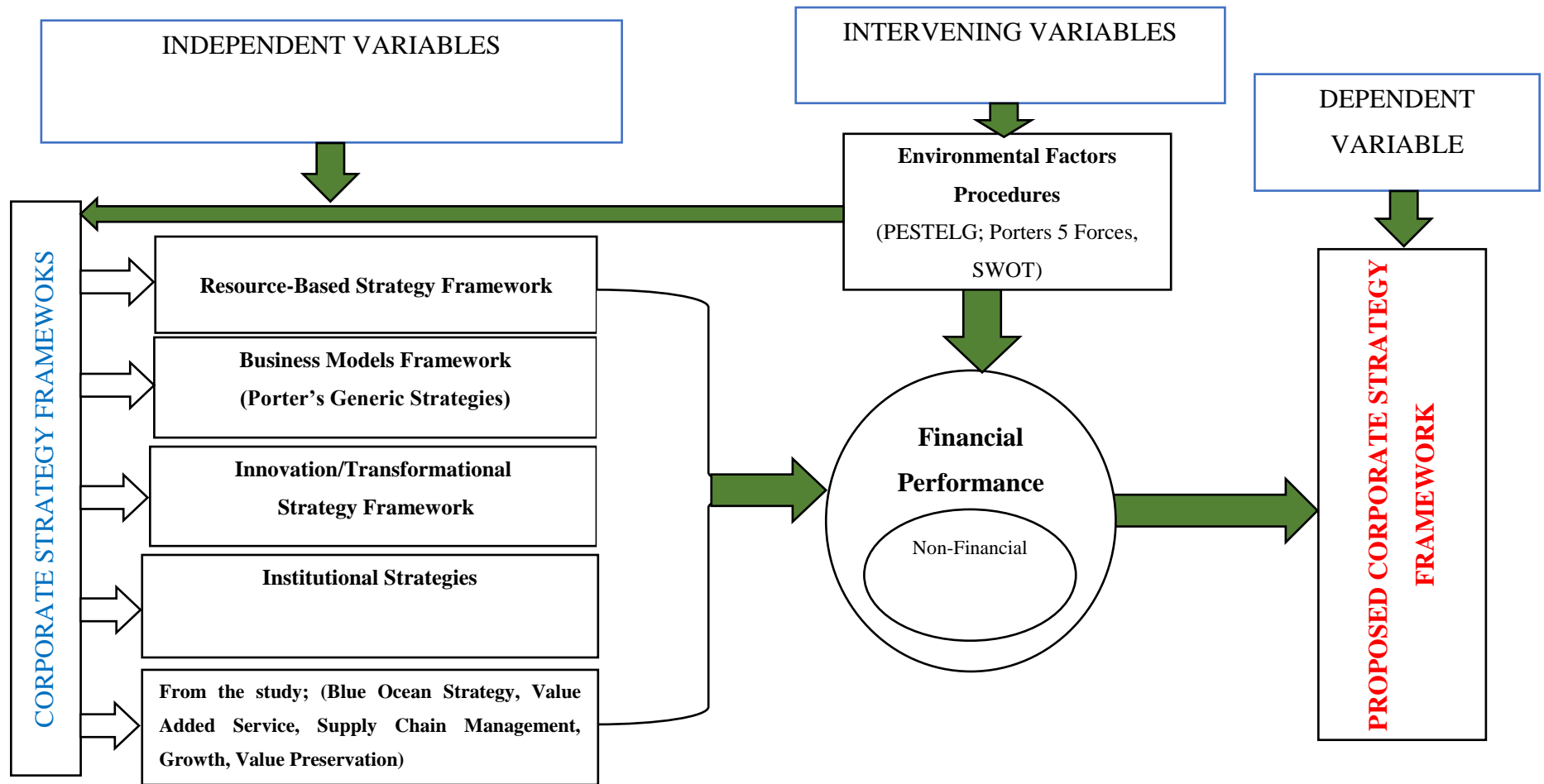
3.14 Conceptual framework of the study

The conceptual model presented in Figure 13 articulates the linkages between the key variables investigated. The framework suggests the existence of a direct relationship between corporate strategy frameworks, which is the independent variable, and firm performance which is the dependent variable as articulated in the review of present empirical and conceptual literature.

In this research, corporate strategy constructs of the resource-based strategy, business model frameworks, innovation strategy and institutional strategies were analysed to establish how, if they can at all, affect a firm's financial performance. Cognisance of the fact that firms do not operate in a vacuum was taken into consideration by focusing on the effect of the environmental factors on firm financial performance. From the corporate strategy constructs and the associated environmental factors, a corporate strategy framework used by Zimbabwean firms to increase financial performance was developed.

In this study, corporate strategy is therefore conceptualised as comprising of institutional strategies that includes on one hand relationship building, infrastructure building and socio-cultural and on the other hand business strategies that includes resource based strategy, business models and operational mechanisms. Organisational structure and the choice of industry are considered part of the business strategy. This conceptualisation of corporate strategy is graphically depicted in Fig.11.

Figure 11 : Corporate strategy as conceptualised in this study



Source: Adapted from Thompson et al., (2016); Marquis and Raynard (2014); Black, Washington and Rasheed (2014); Porter (1980)

CHAPTER FOUR

METHODOLOGY OF THE STUDY

4.1 Introduction

This chapter delineates the exploratory research design as well as the econometric analysis model employed in this study. It includes a comprehensive discussion focusing on the research paradigm, data gathering and analysis methods utilised in this study. The chapter further explains the instruments used to evaluate the various independent and dependent variables included in this study.

4.2 Research design

The research is couched in the exploratory and survey paradigm. The exploratory and survey designs can be applied in both qualitative and quantitative analyse using primary and secondary data. (Creswell, 2003; Gujarati, 2003; Wooldridge, 2003). On one hand, Saunders, Lewis, Thornhill, Morse and Richards (2002) describe a qualitative design as an effort to understand the environment. In other words, understanding the environment seeks to organise the undisciplined confusion of events and experiences of the participants as they occur in natural settings. On the other hand, Fraser Health Authority (2011) notes that quantitative research is based on traditional scientific evidence which generates numerical data and usually seeks to establish causal relationships between two or more variables, using statistical methods to test the strength and significance of the relationships. This is further supported by Gelo, et al. (2008) who stipulate that quantitative research requires the reduction of phenomena to numerical values in order to carry out the statistical analysis. By contrast, qualitative research involves the collection of data in a non-numerical form, i.e. texts, pictures, videos, etc.

4.3 Selection of a design

According to Gerring (2011), research design refers to the process of either qualitatively or/and quantitatively generating data. The researcher adopted a mixed research design incorporating

both qualitative and quantitative methods in order to best reflect the critical strategy elements that are increasing financial performance in Zimbabwean firms. This is different from other research designs used in similar studies which were either econometric based studies that were solely dependent on quantitative approaches, or of a qualitative nature. The thesis utilised triangulation methods with a combination of an exploratory research design and a survey research design. Creswell (2013) views a qualitative research design as a fabrication of the minutest threads comprising various colours, textures and different mixes of material. Bell and Bryman (2007) and Cooper and Schindler (2008) noted that a research design is the plan that guides the various stages of the study, mainly with regard to the gathering, assessment and analysis of data.

The qualitative cross-sectional design as used by Aosa and Machuke (2011); Aosa (2011); Busieni (2013); Machaira (2014); Madara (2014); Monroe (2006); and Schmidt (2010) instilled confidence amongst the scientific community of high levels of reliability and validity, as well as a genuine reflection of the reality of data collected (Kerlinger, 2007). A cross-sectional survey should be adopted in studies whose comprehensive purpose is the establishment of the existence of associations amongst variables (Mugenda and Mugenda, 2008). Cross-sectional studies may target either the entire population or a sample from which data collection is conducted to help answer the research questions. Therefore, this study was a cross-sectional survey conducted in the natural environment without interference or manipulation or control of the variables, and it relied on data gathered from a population of organizational units in firms registered on the ZSE through predetermined questionnaires.

Based on the gathered data, the researcher drew an expression of the interrelationships between corporate strategy and business model innovation. The descriptive cross-sectional survey was selected as it was deemed suitable to this study because it is appropriate for gathering data across the varied sections of the industry, mainly to determine the linkages between study variables at a point in time. Machuki (2011); Munyoki (2007) and Zikmund et al. (2010) confirmed that other scholars have previously used the design successfully and came up with credible conclusions.

4.4 Rationale behind a qualitative and quantitative research design

When different sources of data relating to the same topic are examined in an attempt to deepen the understanding of how they corroborate with each other, the process is called triangulation (Lapan, Quartaroli and Riemer, 2012). Triangulation assures the researcher of a comprehensive conclusion on the phenomenon under study. Using a single data source has high possibilities of misleading findings and conclusions (Armstrong and Taylor, 2014). The mixed methods design lends its strength to the use of triangulation as it provides data from both qualitative and quantitative sources, thereby deepening insight and analysis.

Carter and Little (2007) assert that qualitative research is premised on the utilisation of text data, analysed in textual form in order to understand human action and behaviour. Creswell (2013) further posits that despite its lack of numerical values, qualitative data by its own standards remains legitimate. Qualitative research expands knowledge because it does not predetermine a position for the researcher but remains open to information creation (Rapley, 2011).

The field of qualitative enquiry is charged with varied and complicated choices (Carter and Little, 2007; Creswell, 2013; Holloway and Todres, 2003; Le Grange, 2009; Richards and Morse, 2002; Starks and Brown-Trinidad, 2007). Creswell (2013 cited in Chanza, 2014) opines that the process begins with a philosophical assumption central to the qualitative enquiry; then the incorporation of some paradigms that bear allegiance to it; and lastly theoretical approaches guiding the study. He further mentions five philosophical assumptions that shape qualitative research, namely assumptions about ontology, which is about views on reality; epistemology that is about knowledge generation; axiology, which is about values; rhetoric, which is about language; and methodology, which is about methods used in the process.

The research philosophy employed was under the triangulation paradigm as triangulation permits the use of various theories, data origins, methods or investigators while studying one phenomenon (Rahman, 2012). The researcher triangulated interviews, the content analysis of documents and questionnaires to capture data on strategy elements that are being used by various

firms in Zimbabwe to improve financial performance (Creswell, 2013). Various corporate stakeholders including executive management and the workforce were interviewed to get independent insights. Additionally, a document review was used to evaluate data collected in comparison to known corporate strategy frameworks that were driving financial performance in Zimbabwe. Furthermore, the positivist theory was used on the data collected through interviews as it was based on facts and abstractions and the independence of the observer from the observed, and quantification was based on objective not subjective criterion (Mugenda and Mugenda, 2003).

4.5 Population of the study

The target population of the study comprises all the firms quoted on the ZSE as at 31 December 2017. The total number of firms listed at the Zimbabwe Stock Exchange bourse at the time of the study was 60 (ZSE, 2020). The ZSE listed firms were selected as the most ideal for the study owing to their being a fair reflection of the Zimbabwean economy in the context of the critical role the firms play, and covering the diverse range of industries in Zimbabwe. The firms were classified into basic materials, consumer goods, consumer services, financial services and Industrial sectors in line with the ZSE categorisation. In each category, further categorisation in terms of the financial performance of excellent, medium, poor and very poor firms was done. A review of the strategy frameworks they were using was conducted and analysed accordingly.

4.6 Selection of the sample

In this research, Zimbabwe Stock Exchange firms were selected to represent all the firms operating in Zimbabwe. To that effect, there was no sampling as the whole population of ZSE firms was selected. This was considered to give a fair representation of all the economic activities in the Country. The firms were categorised in line with the ZSE sectorial guidelines and further categorised into excellent, medium, poor and very poor performers. Four firms in the performance ranges of excellent, medium, poor and very poor were selected for in-depth interviews.

4.7 Data collection

The researches employed primary and secondary data collection methods on all the listed firms on the Zimbabwe Stock Exchange. Primary data covered the various corporate strategy frameworks, including the Resource-based Strategy, business models, institutional strategies, innovation and others that were being practised by local firms that were showing improved financial performance. Secondary data relating to financial performance was taken as an average of eight (8) years' financial performance from 2010 to 2017. This period was selected as the country was using a stable currency that allows for meaningful comparisons. The return on Capital Employed ratio was used to evaluate the financial performance of the participating ZSE listed firms.

The researcher engaged experienced assistants who had conducted research previously and were able to show the research done and their outcomes as well as other documentary proof of research training before they could assist with conducting some of the interviews. The trained assistants and the researcher conducted a minimum of 20 in-depth interviews with four firms selected from each of the five categories.

4.8 Operationalisation of the research variables

The researcher used questionnaires, in-depth explorative interviews and document review as the data collection techniques for the study. The balanced scorecard was used to evaluate qualitative data on non-financial performance using four perspectives including internal processes; customer satisfaction; employee learning and growth; corporate social responsibility (CSR); and environmental factors. This approach provided an opportunity to advance a comprehensive perception of the interactive effect of the configuration of variables on performance. Secondary data relating to financial performance was extracted from the ZSE website and Company annual reports covering a period of eight years from 2010 to 2017. The two data sources of primary and secondary data were integrated to reinforce each other (Saunders, 2009). Primary data was gathered using an open ended questionnaire covering a period of eight years, commencing with

the year 2010 going up to 2017. The questionnaire was administered to respondents by the researcher and his assistants through e-mails and online platforms due to the Covid-19 pandemic. The component under analysis was the listed company. The respondents were mainly top managers, including CEOs, CFOs, Finance Managers and COOs. One respondent amongst the population was selected to participate in the survey as advocated by Wilson and Lilien (1992), who suggested that single informers in the top echelon are most suitable and reliable in non-novel activity decisions.

Operationalisation enables lessening the philosophical notions of construct into perceptible behaviour or attributes so that they can be evaluated (Sekaran, 2012). The use of various corporate strategy frameworks that included the Resource-Based strategy, business models, innovation and institutional strategies were evaluated by use of questionnaires that were given to participants to answer, giving detailed information about the strategies being used by such firms. Some interviews and a review of secondary data sources were also used to identify the strategies in use, which were measured in relation to the number of respondents using such strategies in Zimbabwe. The responses were operationalized using the Resource-Based View, Business Models, Innovation and Institutional Strategies (Porter, 1981; Marquis and Raynard, 2014). Business models being used in Zimbabwe were operationalized by using Porter's generic competitive strategy framework that considers cost leadership, differentiation and focus to be the key drivers of competitive advantage (Porter, 1985). Performance, the dependent variable, was measured using both financial and non-financial indicators in accordance with balanced scorecard as explained by Kaplan and Norton (1992); (NSE, 2015). Return On Capital Employed (ROCE) was the only financial indicator used in the study, whereas the non-financial indicators comprised internal processes, customer perspective, employee outlook, learning and growth, environmental perspective and corporate social responsibility (CSR) which were evaluated through a qualitative analysis using the "R" model. Different variables were measured using different approaches. Table 11 outlines the variables, indicators, sources, measuring scale and questionnaire section. The operationalization involves corporate strategy frameworks as independent variables, environmental factors that were analysed using the PESTEL and Porter's

five forces model, as intervening variable that derive the ultimate Corporate Strategy Framework.

The Corporate Strategy Frameworks in this study were the independent variables, whilst the intervening variable was the environmental factors. The primary dependent variable was financial performance, with the proposed new corporate strategy framework used by firms in Zimbabwe to increase financial performance being the secondary dependent variable. Data was measured using the measurement scales shown above.

Table 11 : Operationalisation of the research variables

Variable	Indicators	Source	Measurement scale	Questionnaire Section
Corporate Strategy Frameworks (Independent)	<ul style="list-style-type: none"> Resource Based Strategy Business Models Institutional Strategy Innovation Strategy 	Aosa (2011) Porter(1981) Johnson et al.,(2008). Daft (2013) Hall (2013) Busienei (2013)	5-Point Likert type scale	Section B
Environmental Factors (Intervening)	<ul style="list-style-type: none"> PESTEL Porter's five forces SWOT Porter's four Corner Analysis 		5-Point Likert type scale	Section C
Performance Measures	Financial: (EPS, ROCE, Non-financial: Internal processes, Customer perspective, Employees, Learning and Growth, Environmental perspective, Corporate social responsibility	NSE (2015) Hubbard (2009) Kaplan & Norton (1992)	Ratio Scale 5-Point Likert type scale	Section E

Source: Adapted from Ogaga (2017)

4.9 The research instruments

Data was collected using methods that protected the confidentiality of the participants. In the same vein, the results obtained were not used in any way that exposed the participants to any

harm, either physical, character or emotional. The anonymity of participants was highly protected and the use of codes was applied to avoid personal identification of participants.

4.10 The questionnaire

Silverman (2008) defines questionnaires as an assemblage of meticulously designed questions constructed to come up with systematic data about a specific subject. It is “a research instrument consisting of a series of questions and other prompts for the purpose of gathering data from respondents” (Huruma, 2015:37). Saunders and Thornhill (2009) asserted that a questionnaire is a strategy of data gathering where respondents answer questions individually in a pre-established order. In this study, the researcher self-developed the questionnaires and sent them via email to respondents due to COVID-19 restrictions. Questionnaires were pre-coded for analysis purposes.

The sample responses to the questionnaires following directions for answering the questions were provided. Each question was guided by a single idea and designed in a simple manner. Questions were responded to using the Likert scale format to ensure simplicity. This allowed for a better understanding and clarity of ideas on opinions presented by the respondents, as suggested by Cooper and Schindler (2013). Statements conforming to the five-point Likert scale ranging from “strongly agree” to “strongly disagree” were used. The questions comprised closed-ended questions targeted at getting specific data. The researcher used closed ended questions in order to keep responses short and specific. To expand and find out more information, questionnaire responses were complemented by responses from interviews.

The researcher personally emailed and followed up via email and telephone calls on some of the questionnaires, as well as to ensure the delivery and return of the questionnaires. A significant number of questionnaires was sent via email as respondents were not easily physically accessible due to distance and the Covid-19 pandemic that brought travel restrictions and respect for social distancing.

4.10.1 Advantages of questionnaires

Reasons for selecting the questionnaire as a data collection tool stem from their being a simple tool for gathering data from respondents. It is also a cheap and confidential way of answering questions since respondents' names are not required. Questionnaires are also economical in terms of time for both the researcher and respondents. The greatest advantage of a questionnaire according to Cooper and Schindler (2013) is the ability to use it for collecting huge volumes of data from large numbers of respondents in a short space of time.

4.10.2 Disadvantages of questionnaires

Despite the various advantages outlined, questionnaires have their own disadvantages. Creswell (2014) notes that it may be difficult for respondents to be truthful. Questionnaires are usually administered in the absence of the researcher, hence it is impossible to capture the feelings, emotional and behavioural changes that may be projected by the respondent as they interact with the questionnaire. The respondent may also provide biased information that advances their own interests. Answering questionnaires is laborious and can be time-consuming if the questions are too many. Thus, questions were short and not too many as the questionnaire did not have too many questions. The Likert scale strategy was also employed to ensure maintained interest and ease of response.

4.11 Interviews

To support the questionnaires, the researcher used interviews to collect primary information from the interviewees. In depth interviews were conducted for 20 firms, being four in each sector and looking at one in each performance category of excellent, medium, poor and very poor on the ZSE. An interview is a verbal communication form that allows the interviewer to ask questions and allows the interviewee to express opinions in response to given questions. Data gathering can be done face-to-face or via telephone or other technology platforms such as Zoom (Lewis, Sanders and Thornhill 2012). Questions are written down but administered by word-of-mouth (Ferrante, 2014). Questions for interviews may be similar to those in a questionnaire. Therefore,

an interview is a tool employed to gather data by orally administering questions face-to-face or via the telephone. With the advent of technology, Skype and Zoom were also ways through which interviews were conducted.

The researcher conducted interviews with interviewees holding the following positions: CEO, CFO, COO, Strategy Manager, Finance Manager, Audit Manager, Human Resources Manager, Company Secretary and Marketing Managers since they had in-depth information on the performance of their firms. An interview schedule with open-ended questions was used. This gave the interviewees an opportunity to provide more detailed responses to the questions asked. The interview offers flexibility and opportunities for asking probing questions that may arise from the interview and with the potential to edify the content gathered.

4.11.1 Advantages of interviews

The use of interviews as a research instrument is influenced by its many benefits. Moreover, interviews present a comfortable environment in which to respond to questions (Creswell, 2014). Creswell further asserts that interviews provide assurance for detailed and in-depth knowledge as it allows the interviewer to pursue areas of special interest. The use of interviews as a research instrument is influenced by its many benefits. Interviews also enable the researcher to gather information in a comfortable environment. Creswell (2014) points to the procedure employed in interviews as offering greater flexibility, which allows the achievement of objectivity and rapport, thereby allowing respondents to willingly participate, cooperate and respond. The use of interviews results in an increased number of detailed responses from interviewees. Therefore, the researcher asked questions in the interview guide and probed deeper to get more information on the research topic.

4.11.2 Disadvantages of interviews

Despite the many advantages pointed out, interviews also have their own weaknesses. Creswell (2014) points out that time is key in interviews, hence the amount of time and effort it requires may be too taxing on both the researcher and the respondents. Without special assistants who are

well trained to help with the interviews, the process may be draining on the researcher. The use of special assistants makes interviews very expensive as they would need to be paid to do the task. According to Treece and Treece (2014), making comparisons of collected data may be difficult, hence the importance of a rigid structure to adhere to regularly. Although rigidity reduces data worthiness, probing helps to refine the data.

4.12 Content analysis

Document analysis is becoming a common trend in research. Bowen (2009) defined document analysis as a structured approach for evaluating and analysing printed and electronic material or documents. Data from documents is interpreted for meaning creation, understanding and the development of pragmatic knowledge (Corbin and Strauss, 2008). Rapley (2007) identifies the following: as “documents used for systematic evaluation include advertisements, agendas, attendance registers; minutes of meetings; manuals; journals and diaries; letters and memoranda; maps and charts; newspaper clippings and cuttings; press releases; brochures and policy documents among many other documents related to a given study.” Published Audited financial statements were used as the primary data source for document analysis in this study.

The functions of documents in research are numerous. Firstly, they provide a contextualisation of operations for research participants. They further provide historical information and insight on particular areas of interest. Documents also set the foundation for scrutinising the data gathered by other methods, as well as helping in prompting new inquiry and thoughts. Bowen (2009) believes that data from documentation around a particular field of study form a part of supplementary information which might be valuable to the researcher. Rapley (2007) stresses that documents provide a tracking system for change and development. Through content analysis, the researcher provides an individualised interpretation of the content through a procedural categorisation system using code and themes or patterns (Hsieh and Shannon, 2005). Content analysis was strengthened using grounded theory and triangulation, where all the documents were used to verify and corroborate information collected from different sources. A

quantitative analysis of qualitative data was employed with text data being coded using explicit categories which were then statistically explained (Morgan, 1993).

4.12.1 Benefits of content analysis

The importance of document analysis in data collection for this study lies in its application as a tool for analysing policies which affect industry financial performance. Document analysis is the foundational tool for verifying or corroborating data collected using other methods such as interviews and questionnaires. Many benefits of using documents have been cited by various scholars. Bowen (2009) cites document analysis as a logical method which is more timeous and focused on the analysis than the collection of data as documents are almost always easily available.

Secondly, the advent of technology has improved the availability of documents in the public domain, making them easy to access (Bowen, 2009). This implies the existence of financial statements of all firms listed on the stock exchange. These documents remain in existence and can be accessed 20 years from now. The availability of documents for long periods of time makes document analysis a common tool for data collection and analysis. Document analysis is also cost-effective as documents are readily available, mostly in public domains such as the internet.

4.13 Limitations of documents

Like any other data collection tool, document analysis has its own limitations. Bowen (2009) asserts that documents do not focus on a specific agenda and hence might not have sufficient information related to the researcher's topic. Thus, there are chances that much required information may not be found in available documents. Where information is considered sensitive, private and confidential, it may not be easily accessible. For this study, the financial statements of firms on the ZSE are public records and can be accessed easily with no limitation. Another disadvantage is that there may be selective bias if the researcher does not collect all

documents related to the study. In this research, however, all documents aligned to the study were collected.

4.14 Data analysis

The data collected will be stored on Office 365 for a period of 5 years to ensure its privacy, integrity and safety. The data is available to the examiners in case they need to validate it during the course of evaluating the thesis. The data was not stored on a private storage device but rather on institutional devices to ensure its integrity and safety over time. The principal investigator used Office 365 SharePoint servers for the purpose of storing data. For the purpose of easier analysis, pre-coded questionnaires were used. The researcher used a software package “**R**” or RQDA to interpret and analyse both quantitative and qualitative data. “**R**” or RQDA is an “integrated platform for both quantitative and qualitative data analysis” (Huang, 2014).

Cooper and Schindler (2011) postulated that “data analysis is the process of editing and reducing voluminous data to manageable size, developing summaries, looking for patterns and applying statistical techniques.” Data was analysed using inferential and descriptive statistics. Within descriptive statistics lies the use of the mean, standard deviation and co-efficient of variation (CV) that was used to evaluate variations in manifestations of variables in the organizations. The conceptual model of the study informed the choice of corporate strategy as the independent variable and environmental impact as the intervening variable. Furthermore, the study applied the regression analysis model of ordinal logistics and binomial regression analysis owing to multiplicity of the variables. According to Waller (2008), multiple regression analysis takes into account the connections between the dependent variable and more than one independent variable. Diagnostic tests were carried out to empirically prove the quantitative influence of study design weaknesses of estimates of diagnostic accuracy (Lijmer et al., 1999). In this study, a number of diagnostic tests were conducted before data analysis to authenticate the veracity of the research findings. The tests included multi-collinearity and homogeneity tests. The effects of study characteristics were ultimately examined with the use of RQDA for quantitative data and qualitative content analysis.

4.15 Categorisation of ZSE listed firms

The study reviewed the fifty-nine (59) active ZSE listed firms during the eight-year period from 2010 to 2017. To qualify for the study, the firms were required to be compliant with the ZSE requirements, including the publication of audited annual financial statements. In line with the ZSE guidelines, the fifty-nine (59) active firms were categorised in terms of Basic Materials (BM), Consumer Goods (CG), Consumer Services (CS), Financial Services (FS) and Industrials (IND) and each of the sectors is briefly described below.

4.15.1 Basic materials sector (BM)

This sector comprised firms that had interests in the discovery, extraction and processing of raw materials, including mining, forestry and chemical production processes. Basic material firms were involved in the first stage of the supply chain of various goods where the materials were processed to create a finished product. The demand for basic materials was dependent upon the raw material requirements for the products that used those materials. The sector was characterised by the finite supply of natural resources.

4.15.2 Consumer goods sector (CG)

These were firms that manufactured and sold products for mainly consumer use. In most cases, their business strategy was hinged on brand differentiation and therefore developing new flavours, fashions and styles and marketing to the consumers was a priority.

4.15.3 Consumer services sector (CS)

The consumer services sector provides services such as education and training, household cleaning and child day care, telecommunications, transport and hotelier services, amongst others. The period under review witnessed the entry of online consumer services that were becoming increasingly popular as people opt to carry out many day-to-day activities via the internet in order to save time and research effectively.

4.15.4 Financial services sector (FS)

Firms in the Financial Services sector are basically concerned with the management of money for a financial on behalf of their clients gain. The IMF (2020) regarded this sector as the primary driver of the nation's economy as it allows the exchange of financial resources, facilitating economic activity in the process. These firms include banks, investment houses, lenders, finance firms, financial brokers and insurance firms (IMF, 2020).

4.15.5 Industrials (IND)

Firms in this sector manufacture and sell machinery, equipment and supplies that were used to produce other goods, rather than being sold directly to consumers.

4.16 Reliability, validity and objectivity of the research instruments

On one hand, reliability is concerned with the reproduction or replication of research discoveries whereby similar results are obtained from measurements repeated by unconnected persons on separate occasions under novel conditions, maybe using different instruments which measure the construct (Drost, 2011; Nunnally, 1978). In other words, reliability is the extent to which the computation of a construct is reconcilable. Drost (2011) defines it as “the extent to which a measure adequately represents the underlying construct that it is supposed to measure”. The ability, knowledge, characteristic or attitude being investigated is the construct. Drost (2011) argued that data reliability is influenced by a random and/or systematic error. Unspecified and unmanageable external factors that randomly affect some observations only lead to random errors, whilst system errors arise from indicators that rigorously influence all considerations of a notion covering a whole sample.

4.16.1 Reliability

Reliability refers to the extent to which an instrument brings out consistent results across time and across items in the instrument (Sekaran, 2010). The research took cognisance of the

replicability of test findings by individual researchers or identical tests at similar times and determined if the internal evaluation concept was consistent across the test. The scores of the same events in the listed firms was compared to a test for equivalence of measurements. The reliability of measures was assessed using the Cronbach alpha (α) test found within the Statistical Package for the Social Sciences (SPSS) programme. It was used to compute the internal uniformity or average correlation across items within the test. Alpha equals to 1.0 in cases where all items measure only the accurate score without any error component. The recommended value for the individual constructs is generally benchmarked on the standard level of 0.7 and above. A reliability level of 0.7 and below is deemed to be weak (Cooper and Schindler, 2011).

Reliability and validity tests largely indicate the quality of a data collection instrument's internal stability. According to Zikmund et al. (2010), the reliability of a measure is confirmed when individual trials of measuring a construct intersect on similar results. Reliability is therefore a measure of an instrument's internal stability. Cronbach's alpha coefficient (α) is the most widely used approximate of a multiple-item scale's reliability (Tavakol and Dennick, 2011). When the Cronbach's alpha coefficient range is zero, there is no consistency and at 1(one) shows complete consistency. Where a population ranges from 25 to 50 in predictive research, Davis (1964) suggests a Cronbach coefficient of 0.5. For applied and basic research, Kaplan and Saccuzo (1982) recommend the application of a Cronbach coefficient of 0.8 and 0.7 respectively. There are variants in what is an acceptable Cronbach alpha co-efficient, but Murphy and Davidshofer (1988) view 0.6 as unacceptable. Nunnally (1978), on his part, advocated for a coefficient of between 0.5 and 0.7. The study also considered the perspectives of equivalence reliability and internal consistency (Cooper Schindler, 2011). Reliability measures the internal consistency of data, and the minimum acceptable threshold should be 0.7. Thus the recommended Cronbach's alpha coefficient threshold is above 0.7. The reliability test results are presented in Table 12 which follows:

Table 12 : Cronbach's alpha coefficient

Section	<u>Cronbach's Alpha</u>	Number of Items
1. Resource Based Strategy Framework	0.880	4
2. Business Model	0.707	17
3. Industrial Strategy	0.712	11
4. Innovation Strategy	0.882	9
5. Environmental Analysis	0.799	7
6. Organisational Performance	0.939	12
7. Contributing factors	0.907	6
8. Overall	0.956	66

Source: Research data, 2021

Saunders et al. (2009) suggest that reliability refers to the level to which data collection techniques or analysis procedures will yield consistent findings. Table 12 indicates that the reliability scores for all 66 variables under study were above 0.70, which implied that the scores were acceptable and the research instrument was reliable. This implies that the research questionnaire had a good level of internal reliability and could be relied upon to reproduce the results if the instrument was to be used in another study.

4.16.2 Validity

Validity measures the strength of research conclusions, as it measures if the test instrument measures what it was intended to measure (Kumar, 2014). Robson (2002) identified factors that can potentially influence validity; namely history, instrument, selection testing and selection morality. Validity in research is an instrument's ability to measure what it purports to measure (Bryman, 2012). According to Nachmias and Nachmias (2009), content validity is an approach used for creating inferences by way of structure and the unbiased identification of stated characteristics of messages and utilising similar forms to relate trends. Therefore, "validity is the

accuracy of a measure or the extent to which a score fruitfully represents a concept” (Zikmund et al., 2010). The conventional methods of proving validity (face and construct) were used in the study, as shown below.

Face validity was conducted to ensure that the questionnaire questions were meaningful and aligned to the aims of the study. In that regard, a pilot was conducted and the questionnaire was found to be clear and respondents’ answers were largely aligned to the aims of the study. Face validity was also conducted when the proposed questionnaire was shared with the investigator’s supervisors, who all approved that the set questions were meant to address the objectives of the study. Construct validity was used to measure the logical connections of the variables of corporate strategy frameworks as independent variables and firm performance indicators as the dependent variable, which were carefully developed based on relevant existing knowledge about the subject. The questionnaire included only relevant questions that measured known indicators of drivers of financial performance in line with the objective of the study, as postulated by Yin, (2013).

Objectivity in research is required to avoid the intrusion of personal, participant and funders’ values into the research. There is need to promote the willingness and ability to examine evidence dispassionately to bring out the truth (Nahrin, 2015). Value judgment relates to the evaluation of one thing in opposition to another (May, 2001). A number of factors influence or may bring distortions to the research, as identified by Ahmed (2010), including “personal prejudices and bias, personal emotions, personal motives, customs and superstitions, self-interest, complexity of subject matters, lack of uniformity, misunderstanding due to a lack of knowledge, moral values, ethnocentrism, external pressure and ignorance.” However, Nahrin (2015) argued that “appropriate research planning, effective sample design, careful data collection and interpretation can promote and enhance the objectivity of empirical research and achieve research ethics”. The researcher was aware and truthful about individual culture and acknowledged the standing of stated norms during the progression of the study, data gathering and originating of findings to ensure that the research is not biased (Nahrin, 2015).

4.16.3 Credibility

Credibility is concerned with the confidence of the veracity of the research outcomes as it confirms whether research outcomes are representative of credible data from participants' initial data and is an accurate explanation of the participants' authentic ideas. To that end, the researcher used prolonged engagement, persistent observation and triangulation to ensure the credibility of the study in line with the arguments by Guba, (1985).

4.16.4 Transferability

Transferability takes place where there are enough similarities between the two situations, whereby readers may be able to infer the results of a research study conducted elsewhere with similar context to their own situation. In other words, it is the degree to which the results of a qualitative research study can be re-assigned to other contexts where the research process should allow a reader to assess whether the findings would be more or less the same as their own settings" (Guba, 1985).

4.16.5 Conformability

Conformability is "the neutrality or the degree to which findings are consistent and could be repeated" (Polick and Beck, 2014). It focuses on confirming that data analysis and findings are not merely the imaginations of the researcher, but has been authentically obtained through data gathering. To ensure conformability, the researcher availed an audit trail with an entire set of notes showing the decisions undertaken during the research process, research team meetings, reflective thoughts, sampling, research materials adopted, emergence of the findings and information about data management in order to allow the auditor to study the transparency of the research path in line with the dictates of Guba (1985).

4.17 Ethical considerations

Ethics are critical while conducting any research, such that academic institutions have designed systems to ensure and guarantee the protection and respectability of research participants

(Silverman, 2009). To ensure compliance with the highest research ethical standards, the researcher asked participants to sign the consent form which was part of the questionnaire after clarification of all relevant information regarding the study and its objectives. Silverman (2009) supported the use of verbal consent more than written consent since there is need to avoid much formalised ways of obtaining consent. In other words, formalised consent must be minimised in support of developing relationships with participants which are more sustainable. Fritz (2008) supports verbal consent since qualitative research has more strength based on the informality of communication. Therefore, where signing was not possible due to the Covid-19 pandemic that made exchange of documents risky, electronic communication platforms were used and verbal consent was granted. Since consent was oral, the confidentiality of the data was emphasised to the participants and the safety of the data was ensured by backing up data with the supervisor, who is the principal responsible person for the study. No participant was forced to contribute to the study without them giving informed consent in writing or verbally, as spelled out by Leedy (2000) and Neuman (2000). For the interviews, permission to record the conversations was obtained from the interviewees.

According to Research and Enterprise Development Centre (2018), care must be taken to ensure that the research benefits outweigh the risk of harm to research participants. To that effect, compliance with research ethical frameworks to avoid bias, ensure anonymity, protect participants' confidentiality and ensure respect for the participants was being upheld. Sections 4.17.1 to 4.17.6 present these ethical considerations.

4.17.1 Bias

Bias occurs in research when a procedural error is established in sampling or testing by choosing one result over others. This may occur at any stage of the research from the study design, to data gathering, data analysis and publication. Measures, including the continual re-evaluation of the impressions of respondents and challenging the pre-existing assumptions and hypotheses, were put in place to avoid pre-trial, during trial and after trial biases.

4.17.2 Anonymity

The researcher assured the participants that their names would not appear in any part of the research and that the information collected was going to be treated as confidential. Data was coded to keep the identity of participants anonymous.

4.17.3 Confidentiality

The researcher ensured that information was kept strictly private and confidential. Information provided by participants, especially personal information, was not shared with anyone. The researcher ensured this by coding responses sequentially instead of using the names of the respondents. The researcher assured the participants that their names were not going to appear in any part of the research.

4.17.4 Privacy

Privacy was maintained throughout the research process. Any individual's contribution in this study was on a voluntary basis and the researcher ensured that information was kept strictly private.

4.17.5 Respect

Every participant was treated with respect and dignity. Moreover, the researcher respected the cultural and other sensitivities of all the participants.

4.17.6 Honesty

All research activities were carried out with honesty and with regard to the requirements of scientific research, and the data was protected.

4.18 Chapter four summary

The chapter discussed the research design and methods used in the study. It specifically presented the research philosophy, design, study population, data gathering method, reliability and validity tests and data analysis. Cross-sectional survey design was used as data was collected from across the ZSE listed firms at one point in time.

CHAPTER FIVE:

EMPIRICAL FINDINGS ON THE SECTORAL PERFORMANCE OF THE ZSE LISTED FIRMS

5.1 Introduction

This chapter presents the results of the study from the data collection exercise where the sample description, determination of performance thresholds by sector and presentation of performance scores will be done. The empirical findings on the various strategies being used by the ZSE listed firms will be presented and discussed by sector. To evaluate financial performance, the determination of performance thresholds to classify the various firms in their respective sectors of excellent, medium, poor and very poor will be done. Furthermore, financial performance based on ROCE will be presented to show the performance heterogeneity by firms operating in the same environment, a puzzle that the research seeks to unravel.

A review of the strategies being used by the various sectors of the ZSE listed firms that included Basic Materials (BM), Consumer Goods (CM), Consumers Service (CS), Financial Services (FS) and Industrials (IND) was done with a view to establishing the strategies being used by excellent, medium, poor and very poor firms in those sectors. A final presentation on the use of the environmental scanning tools across all the firms in their sectors is made to establish the impact of these tools on the financial performance of the ZSE listed firms.

A summary of the extent of the usage of the various strategy frameworks by the various sectors concludes this chapter.

5.2 Sample description

The sample involved all the active listed firms on the Zimbabwe Stock Exchange (ZSE) for the period 2010 to 2017. To maintain confidentiality of the names of the respective firms that participated in the survey, code names were used. The codes were developed from the sector

initials plus a numeric number starting from 1. For example, firms under the Basic Materials sector were coded starting with a prefix of BM plus a numeric number starting from 1. In the same format, firms under Consumer Goods had a prefix of (CG), Consumer Services (CS), Financial Services (FS) and Industrials (IND), as shown in Table 13.

Table 13 : Respondents by sector

Sector	Sector Code {A}	Number of firms {B}	Responded Firms {C}	% Responded {D}
Basic Materials	BM	6	5	83%
Consumer Goods	CG	13	10	77%
Consumer Services	CS	11	9	82%
Financial Services	FS	14	12	79%
Industrials	IND	15	11	73%
Totals/(Average %)		59	47	80%

Source: Research data (2021)

Table 11 shows the total active firms listed on the ZSE in column {B}, whilst column {C} shows the numeric number of firms that responded through either answering the questionnaire or having an interview respectively. Column D shows the percentage of respondents per sector. Table 10 shows that 80% of the study population responded. The various sectors of the ZSE firms were fairly represented as they recorded response rates above 73%. The highest response rate came from the Basic Materials sector with a record of 83%. However, it should be noted that

the Basic Materials sector had the lowest number of players as only 6 firms fell under that sector. The second highest response was obtained from the Consumer Services sector with a score of 82%. In third position was the Financial Services sector with a score of 79% followed by the Consumer Goods sector at 77% and finally, in fifth position was the Industrial sector at 73%.

In view of the fact that the Board of Directors and management of a firm are responsible for its strategy through the meticulous development of plans and series of connected opportunities that the organisation seeks to pursue (Handerson, 1979), it is therefore important to look at the positions of respondents in the study.

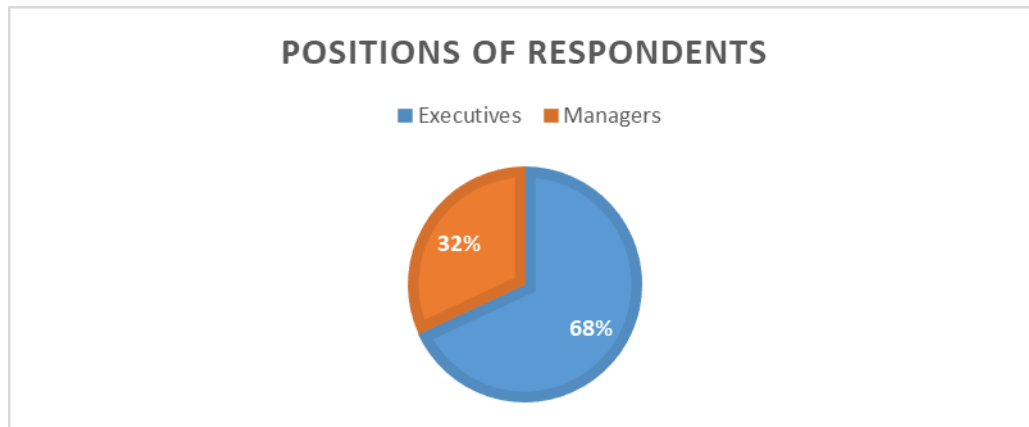
5.2.1 Positions of respondents

The study depended on the information supplied by the interviewees and therefore their positions in the organisation and number of years that they had served in the same organisations was critical as the longer the stay in the company, the greater the likelihood of having developed a better understanding of the organisation's corporate strategy frameworks. It was also important to look at the size of the organisation by considering the head-count in line with the views of Theodore (2009), who argued that the size of an organisation can be determined in terms of space, sales volume, net assets, customers, or the number of persons employed in the organization. Based on these criteria in this study, the number of employees has been used to signify the size of the company.

Figure 14 shows that 68% of the respondents were in executive management positions, whilst 32% were in functional management roles. Based on Handrson's (1979) view that management develops meticulous winning plans for the company, it follows that the questionnaire was largely administered at the correct level within the organisational hierarchy. Most of the respondents were in an executive management position, the custodians of strategy in firms. Kidombo (2007) and Mintzberg (1998) stated that strategy requires the input of different levels within an organisation as it is a way of providing focus to all concerned. In that regard, 32% of the respondents were from Divisional management. It was important to also involve the divisional

management teams as they were directly implementing the various strategies as directed by the executive, in line with the Board's oversight. In some instances, the questionnaire was administered by two respondents from the same company as a way of triangulating the results between the respondents in line with the argument by Kidombo (2007) and Mintzberg (1998).

Figure 12 : Positions of respondents in the organisation

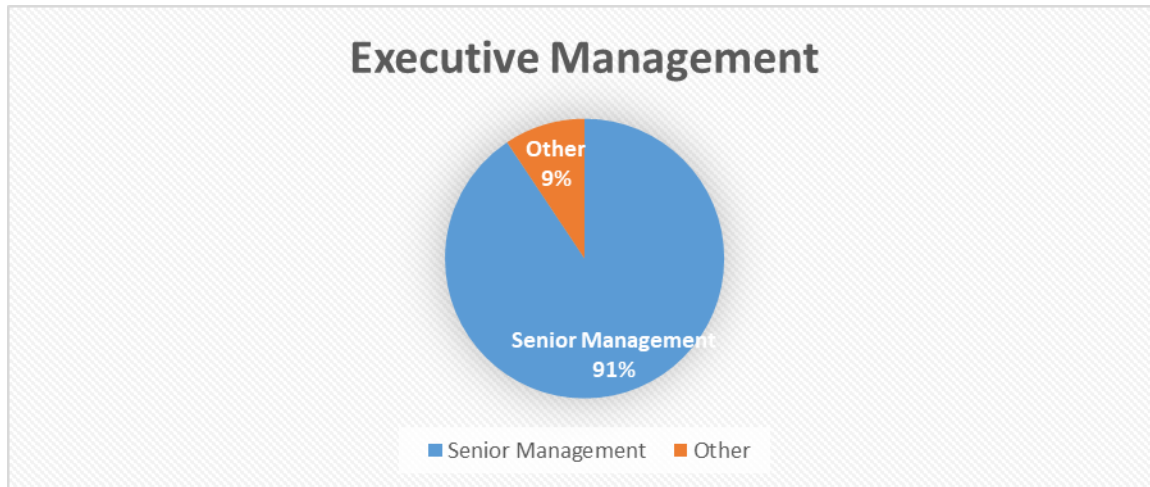


Source: Derived from data analysis

5.2.2 Prior positions before current position

Prior positions of the respective participants were profiled and presented in Figures 13 and 14. Figure 13 presents prior positions of participants who were in executive management levels, whilst Figure 14 presents prior positions of respondents who were in management positions.

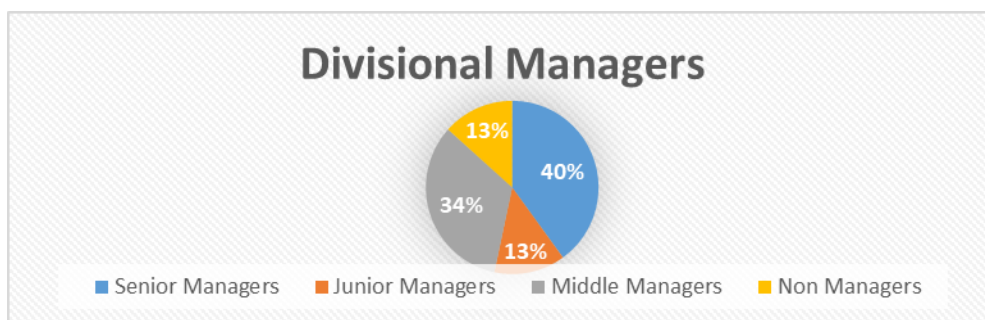
Figure 13 : Prior positions before current –Executive management



Source: Research data, (2021).

Figure 13 presents the findings on positions held by the executive management respondents before they moved to their current roles. Understanding the prior positions of respondents was critical as depth in management practices comes with time. To that end, 91% of the respondents in executive positions were previously in senior managerial positions, whilst only 9% of the respondents in executive positions were identified to have been in other positions, which were not named.

Figure 14 : Prior positions before current – Divisional Managers



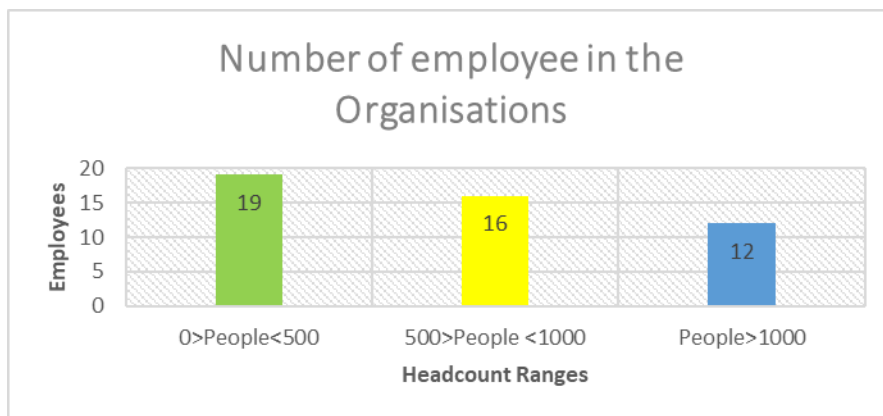
Source: Author's own derivations

Figure 14 shows that 40% of the divisional or departmental managers were in senior managerial positions, whilst 13% were junior managers and 33% of the respondents were in middle management positions and only 13% were in non-managerial positions. It was noted that most of the respondents had been in their positions for an average of 10 years, a period considered to be long enough to be able to fully understand and articulate the various strategies being used by such firms that were subject to the interviews. The involvement of managers who had grown through the ranks from non-managerial to junior, middle and finally senior managers aimed to capture their experiences as they grew up in the organisation. This gave credence to the results as the information was coming from people that were hands-on.

5.2.3 Number of employees in the organisation

Some researchers claim that size influences organizational effectiveness and efficiency and some claim it does not. However, Amah (2018) postulated that size is the organization's magnitude as reflected in the number of people in the organization and the fact that the size of the organization can affect its effectiveness. Therefore, it was important to look at the size of the firms under study in terms of headcount, as shown in Figure 15.

Figure 15: Number of employees in the organisation



Source: Author's own derivation

All firms listed on the ZSE were part of the survey and 60% of them employed more than 500 people, whilst only 40% of them had less than 500 employees. In view of the fact that listing on the ZSE was in compliance with the ZSE listing requirements and rules, as supported by Machuki (2011) and Leting (2011), the implication is that reputable firms were considered for the survey, as were all the respondents. Listing on the ZSE allowed objective and quality data on economic and financial performance to be readily available as secondary data sources for the firms.

5.2.4 Statistical assumptions

As observed by Osborne and Waters (2014) statistical assumptions about the variables used in the analysis are critical in validating the results. When these assumptions are not met, the results may not be valid. In that regard, a pre-test of the assumptions was critical in order to validate the research findings. Prior to data analysis, assumptions for linear regression were checked together with multicollinearity, normality and heteroscelasticity.

5.2.4.1 Multicollinearity

Multicollinearity refers to a situation in which two or more explanatory variables in a multiple regression model are highly linearly related. Perfect multicollinearity occurs when one independent variable is an exact linear combination of other variables. This correlation is a problem because independent variables should be independent. If the degree of correlation between variables is high enough (≥ 5), it can cause problems in fitting the model and interpreting the results. Table 14 shows that the VIF values were below 5, meaning that collinearity was not a threat to the model results.

Table 14: VIF Multicollinearity test

<i>Term</i>	<i>VIF</i>	<i>SE_factor</i>	<i>Tolerance</i>
<i>Resource-Based Strategy Score</i>	2.768318	1.663826	0.36
<i>Business Model Score</i>	2.413836	1.553652	0.41
<i>Institutional Strategy Framework Score</i>	1.995998	1.412798	0.50
<i>Innovation Score</i>	2.51209	1.584957	0.40

Source: Research data, (2021)

Not all the variables follow a normal distribution pattern as the RBS and Innovation do not follow a normal distribution pattern. BM and ISF violates the homogeneity of the variance test. The multicollinearity test has shown that the various strategy frameworks are not correlated and can all be included in the logistics regression model.

5.2.4.2 Assessing model performance - ordinal logistics regression (OLR)

The performance of the model diagnostic shows that there is a relationship of 45.6% between independent variables and the dependent variable based on Nagelkerke's R^2 . The full model has low explanatory power based on the Akaike Information Criterion (AIC) (Zaiic, 2019), which is a single number score used to determine the best dataset from multiple models, when compared to the RBS model only. The RBS only model has a lower score of 112.5 when compared to all the other strategy frameworks, suggesting that it is the best predictor of financial performance.

5.2.4.3 Tests of nominal effects - ordinal logistics regression (OLR)

The test of nominal effects can be viewed as a goodness of fit test. It assesses all model terms to scale and nominal formula and performs likelihood ratio tests. The nominal test provides likelihood ratio tests of the proportional odds assumption. The key assumption tested for the OLR model is whether the effect of the predictors on the odds of an event occurring in every subsequent category is the same for every category. This assumption was not violated as all

covariates were not significant ($p\text{-value} > 0.05$). Since the model does not violate the proportional odds rule, an OLR model was an appropriate model to run on this data. Given that the model has low explanatory incomplete and a very high AIC, the main conclusion from the OLR model will be that a model with RM strategy only is effective when one seeks to understand firm performance. Modeling of this nature also allows researchers to conduct post-hoc analysis to test ‘what if’ conditions before discarding theoretical concepts firmly established in the literature. The next section models the outcomes based on a modified performance score of two classes, Excellent or Poor. In most cases, firms are interested in whether they are doing well or not. To do so, two class of outcomes were created (Excellent and Medium = Good, while Poor to Very Poor = Bad). This is a standard approach used, as well as Likert scales, to subject them to binomial modelling. One constructs a binomial regression to test the same propositions run under the OLR model using the Binomial Regression. The following section outlines the binomial approach; specifies the equations; tests the propositions; and compares the findings of the OLR to the Binomial Regression.

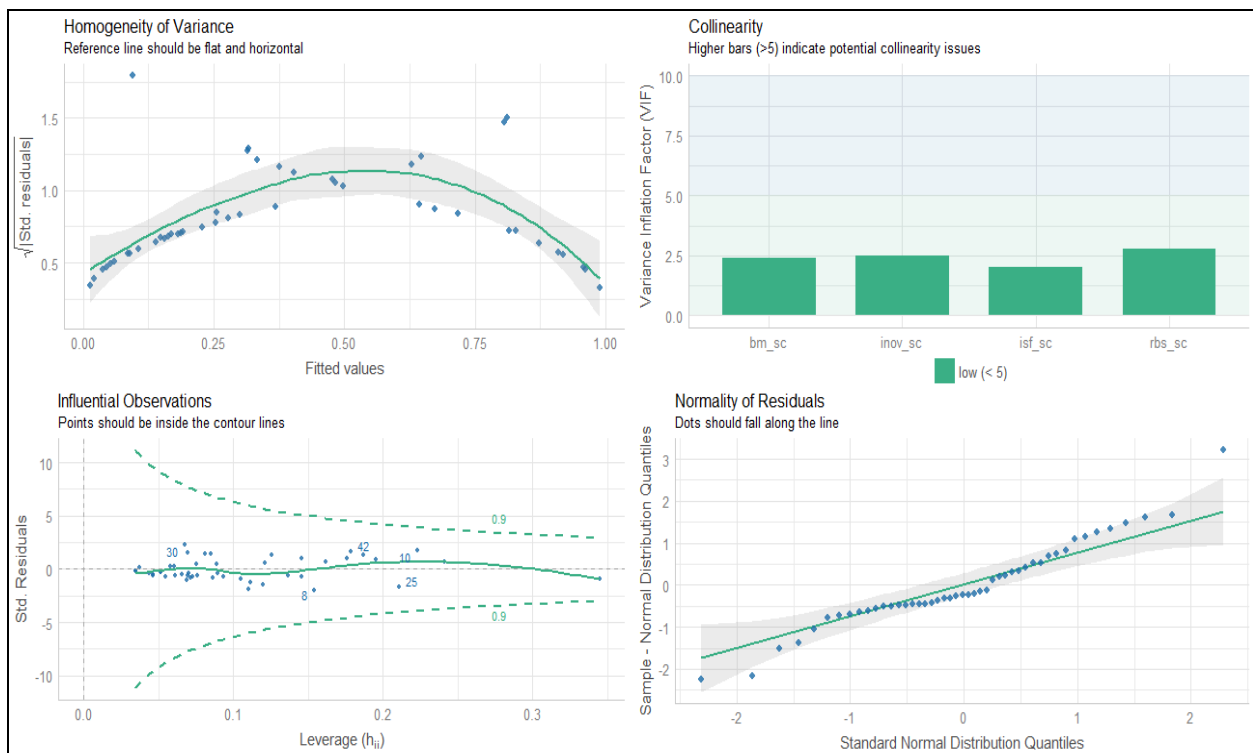
5.2.4.4 The McFadden R² index – binomial logistics regression (BLR)

The McFadden R² index was used to assess the model fit. A McFadden R² of 0.344 was obtained for the model, which suggests that the model was an excellent fit. The standard for interpreting the McFadden R² is that values that range from 0.2 to 0.4 are an excellent model fit. In the context of this study, it means that understanding organizational strategies helps one to understand the differences in financial performance. The findings of the logistics regression model showed that, of the four strategies, the RBS was a significant predictor of financial performance, followed by the institutional strategy framework. Therefore, RBS is necessary and sufficient for good financial performance. Similarly, a high ISF score also contributes to increased financial performance. While the four variables are important in explaining financial performance with varying degrees, there are also other factors that affect the financial performance of firms.

5.2.5 Model diagnostics- binomial logistics regression (BLR)

In this case, a logistics regression model was specified and a robustness assessment of the model was conducted using an R package called Performance. Figure 16 shows the four tests of the combined variables on the model. The homogeneity of variance graph shows high variance across the predictor variables. A collinearity test also shows that the variables are not collinear in any significant way (values are less than 5). The model also does not have outliers that affect the estimation of the logistics regression model (outcome = performance of the firm). Lastly, the normality of residuals plot shows that some observations have high residuals.

Figure 16: Combined model diagnostic tests



Source: Research data, (2021)

5.3 Determination of performance thresholds

A company's performance is often expressed in terms of its financial performance, with particular measures like Return on Capital Employed (ROCE) being critical to determining the quality of the return from management over the funds invested by owners (Capon, et al 1996); Carton and Hofer. 2010). In other words, ROCE is a measure of management's efficiencies in the application of the organization's funds or resources in a given financial period to create value for the owners. The quality of the value created by management is determined by comparing the profits made by the firm with the capital used in making the profit, set as a percentage or fraction (Egungwu, 2005). The ROCE allows a comparison of the financial performance of various firms, looking specifically at the returns rate as a percentage since investors have various investment choices.

The ROCE is calculated as a ratio that indicates whether the company is earning sufficient revenues and profits in order to make the best use of its capital assets. ROCE is a useful measurement for comparing the relative profitability and efficiency of firms (Singh and Yadav, 2013). ROCE measures the quality of the profit after factoring in the amount of capital used to generate that profit. To guard against the varied interpretation of ROCE in this research, ROCE calculations per company and sector were done using a formula of:

$$\text{ROCE} = \text{Earning Before Tax} / \text{Capital Employed}$$

In this research, capital employed has been defined as equity plus long-term debt. The possibility of manipulating ROCE arising from short-term decisions that may affect the future of the company and possible accounting policy changes was addressed by ensuring a 7-year study period as it would have been difficult to manipulate the profitability of a company over such a period. The use of ZSE listed firms allowed industry benchmarks of ROCE ratios as the firms were publicly quoted and expected to produce IFRS-compliant audited financial statements.

Pattabiraman (2013) argued that ROCE had both industry-specific and firm-specific components. Therefore, certain industries such as airlines and textiles were by nature poor

compounders of capital over the long-term due to certain intrinsic characteristics such as their capital-intensive nature, thin profit margins and an inability to pass on cost increases to customers. As a result of this, the ZSE sector categorisation was done to ensure that firms in the same sector were compared based on common factors. Therefore, sector ROCE measures were developed in line with the ZSE categorisation. In this study, all firms were classified into specific sectors and their financial performance was measured using ROCE. The performance of the firms was classified into excellent, medium, poor and very poor.

Firms that had a ROCE of 10% above either the sector or all ZSE ROCE for the eight-year period duration were considered to be excellent. In this case, excellence was defined by performing at least 10% above, either the sector or all ZSE earning, returns measured by ROCE. The classification of excellence based on 10% above either the sector or all ZSE earnings returns eliminated the possibility of sectoral distortions as different industrial sectors had different capital intensity, which has a bearing on ROCE (Pattabiraman, 2013).

A medium performance measure was established based on discounting the excellent ROCE by 50% in line with the general meaning of the word 'medium'. The Collins English Dictionary defined medium as something that is "neither large nor small, but approximately halfway between the two". Since the survey was done on listed firms that predominately had a profit-making motive, any return from 0% (nil) to -5% was considered to be poor and a below -5% return was very poor.

This methodology and classification criteria were in line with the business performance evaluation study done by Rastislav and Silvia (2015) using the Return On Equity (ROE) as a basic sorting parameter to determine performance. Firms were analysed on the basis of distribution according to performance achievement within 6 performance groups. The worst performance was determined by a negative ROE; average performers had a positive value ROE from 2% to 4%, and best performance was shown by an ROE that was above 10 %.

Table 11 shows the resultant performance thresholds developed in line with the Rastislav and Silvia (2015) principle.

Table 11: Performance thresholds of ZSE firms by sector 2010-2017

Sector	Code	Total Firms	Excellent ROCE %	Medium ROCE %	Poor ROCE %	Very Poor ROCE %
Basic Materials	BM	6	R>12% [1]	>6%R<12% [0]	-5%>R<6% [2]	R<-5% [3]
Consumer Goods	CG	13	R>17% [4]	>9%R<17% [2]	-5%>R<9% [5]	R<-5% [2]
Consumer Services	CS	11	R>19% [2]	>10%R<19% [2]	-5%>R<10% [4]	R<-5% [3]
Financial Services	FS	14	R>12% [4]	>6%R<12% [8]	-5%>R<6% [2]	R<-5% [0]
Industrials	IND	15	R>12% [3]	>6%R<12% [4]	-5%>R<6% [3]	R<-5% [5]
All ZSE Average		59	[14]	[16]	[16]	[13]
Percentages		100%	24%	27%	27%	22%

Key: R= ROCE and [N]= is the number of firms in that sector

Source: Author's derivation, (2021)

Table 11 shows average heterogeneous sector performance for firms listed on the ZSE for the eight-year period from 2010 to 2017. Based on a further broad categorisation of the listed firms into performers and non-performers, where performers were firms with a ROCE of medium to excellence and non-performers had a nil to negative return, it was observed that 51% of the participants were performing above the medium grade, whilst 49% were poor to very poor. Of the 51% performing firms, 40% were from the financial services sector, 23% industrials, 20% consumer goods, 13% consumer services and 4% basic materials. In line with the established performance thresholds, the determination of the individual performance of the participants was critical, as defined below.

5.3.1 Determination of financial performance

In order to determine financial performance, this section used a scoring matrix as a measure of financial performance in line with the proponents Rastislav and Silvia (2015). Based on the results of the study, an analysis to determine the usage of the various strategy frameworks was done whereby actual scores per sector per particular strategy framework were computed and expressed as a percentage of the total possible score. Furthermore, ROCE was computed per company and the result was compared to underlying strategies being used by such firms. Some firms posted relatively high ROCE and the implications of high/low ROCE were reviewed.

High ROCE percentage

The higher the ROCE percentage, the better for the company as this is a validation of a company's competitive advantage (Singh and Yadav, 2013). A high ROCE indicates that the company has a competitive advantage over its competitors and commands a high return, with profit margins that are above average in the industry (Singh and Yadav, 2013). High ROCE allows a greater than average amount of profit to be re-invested or paid to shareholders as returns on the amounts invested. For this reason, a high ROCE is usually a common denominator of great growth stocks (Singh and Yadav, 2013). The ROCE is also used to determine the appropriate borrowing threshold of a company, whereby a significantly higher ROCE shows

headroom for more borrowing. It must be noted that firms with exceptionally high returns are at risk of inviting competition for their businesses, unless they are fully protected by patents, or in some other way (Singh and Yadav, 2013).

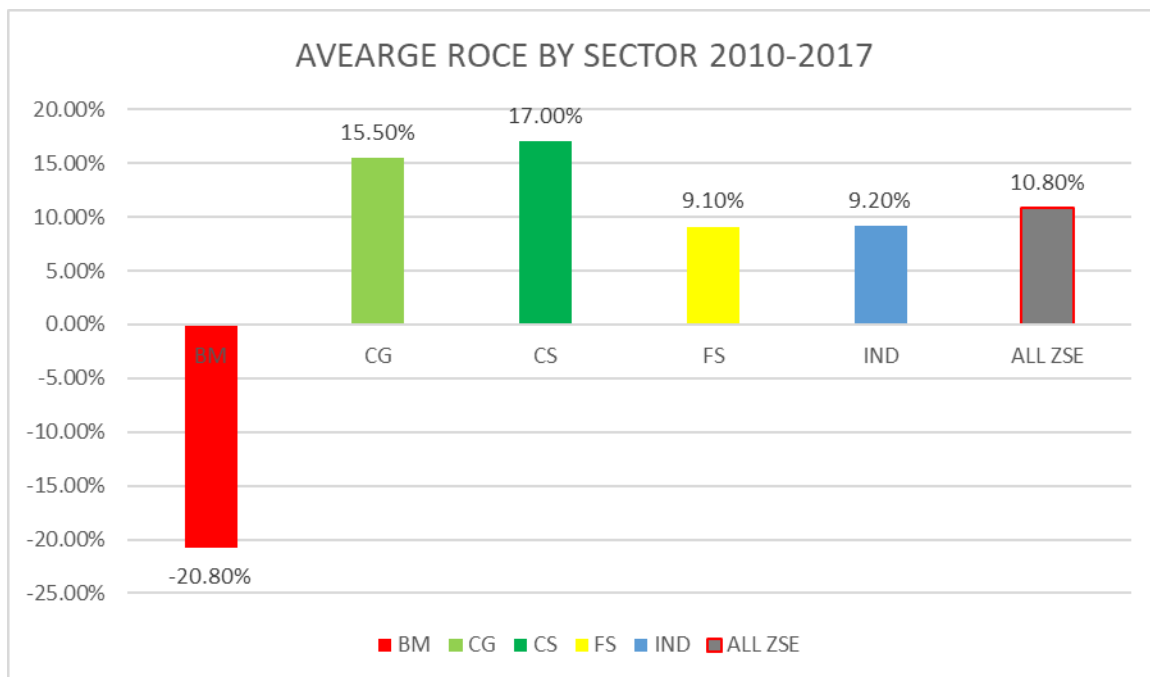
Low ROCE percentage

Low ROCE is usually a red flag of low efficiency and a high possibility of becoming loss-making if trading conditions deteriorate (Singh and Yadav, 2013). A lower ROCE points to low borrowing headroom.

5.4 Sectoral Return on Capital Employed (ROCE)

Computation of the ROCE for each of the 59 ZSE listed firms was done for the eight-year period from 2010 to 2017 and the sectoral results are presented in Fig. 17 below.

Figure 17 : Sectoral Return on Capital Employed



The BM had the lowest ROCE at minus 16.4%, followed by the financial (9.1%), Industrial (9.2%), Consumer Goods (15.5%) and Consumer Services (17.0%) which topped the list. Three sectors of BM, FS and IND were below the all ZSE average ROCE of 11.1%, whilst two sectors of CG and CS were above the all ZSE return. Further analysis of the sectoral performance is presented below starting with the basic materials, Consumer goods/services, financial services and industrial sectors.

5.5 Trending of sectoral ROCE (2010-2017)

Table 28 below shows the ROCE trending by sector of the firms listed on the ZSE from 2010 to 2017. The highest all ZSE ROCE of 19.5% was recorded in 2012, driven by 30.5% recorded by the consumer services sector and 21.6% from the consumer goods sector. The lowest ROCE was recorded in 2016, driven by a significant underperformance by the basic materials sector, consumer services and industrials. During the period under review, only three years of 2014, 2015 and 2016 recorded ROCE that was below the all ZSE average of 10.8%, whilst the rest had a performance that was above.

Table 15 : Summary sectoral ROCE trending (2010 -2017)

CO. CODE	YEARS								AVERAGE
	2010	2011	2012	2013	2014	2015	2016	2017	
BM	-8.0%	-6.8%	-2.8%	-23.4%	-123.7%	-16.7%	-31.4%	-29.8%	-20.8%
CG	11.9%	16.9%	21.6%	18.9%	17.2%	11.2%	12.2%	15.2%	15.5%
CS	25.8%	25.6%	30.5%	21.2%	20.0%	9.0%	5.7%	8.6%	17.0%
FS	9.8%	20.8%	15.7%	9.2%	3.0%	4.2%	8.6%	12.1%	9.1%
IND	8.5%	13.1%	14.8%	11.6%	8.5%	5.7%	2.7%	12.1%	9.2%
ALL ZSE	12.6%	17.8%	19.5%	12.1%	9.1%	6.3%	5.5%	11.1%	10.8%

5.6 Sectoral performance of ZSE firms and the strategies driving financial performance

In line with the secondary research objectives of establishing the impact of the Resource-Based Strategy (RBS), Business Models (BM), Institutional Strategy Framework (ISF) and Innovation

(INV) on the financial performance of firms in Zimbabwe, sectoral data from the study and performance drivers will be presented based on the ZSE categorisation of Basic Materials (BM), Consumers Goods (CG), Consumer Services (CS), Financial Services (FS) and Industrials (IND). The various strategy frameworks being used by the different sectors will be presented. In each sector, the main performance drivers and challenges will be reviewed, discussed and evaluated in order determine the various strategies used by the different sectors to increase financial performance.

5.6.1 Basic materials (BM) sector

This section presents research findings on all the firms under the BM sector, their ROCE, environmental scanning scores and the extent of the usage of the various strategy framework as measured by the average SPSS scores. To conclude the presentation, a summary of the findings on the strategies being used by the Basic Materials sector is presented

There were 6 firms under the Basic Materials sector, in line with the prevailing Zimbabwe Stock Exchange categorisation. five of them participated in the survey by giving their responses and their results are presented in Table 16.

Table 16 : ROCE, Environmental scanning and strategy framework scores of basic material firms

Co. Code	Performance	ROCE	Env_score	RBS_score	BM_score	ISF_score	INV_score
BM02	Excellent	12.5%	4.86	5.00	3.56	2.42	4.56
BM04	Poor	-4.5%	3.86	3.00	2.56	2.58	2.33
BM05	Poor	-4.9%	3.00	3.50	3.06	3.33	2.67
BM03	Very Poor	-12.1%	2.86	2.00	2.44	2.25	2.67
BM01	Very Poor	-61.3%	3.00	2.00	2.28	2.75	2.44
Total Actual Scores		-20.8%	17.57	15.50	13.89	13.33	14.67
Total Possible Scores			25.00	25.00	25.00	25.00	25.00
% Actual over Possible scores			70.3%	62.0%	55.6%	53.3%	58.7%

Source: Author's own derivations, (2021)

5.6.1.1 Determination of performance scores

Under the Basic Materials sector, 5 out of 6 firms participated in the study. The scores per company on the use of the specific strategy framework were recorded, with each score being rated out of a possible score of 5. A scale of 1 to 5 was used, where 1 represented the lowest score and 5 was the highest score respectively. A high score of 5 signified a high usage of a particular strategy framework, whilst a score of 1 depicted a very low usage. The individual actual scores of all the 5 firms under the use of the environmental scanning tools were 17.57, with 15.50 on the RBS. On business models, a total actual score of 13.89 was recorded, whilst 13.33 was recorded on institutional strategy framework and 14.67 on innovation. The actual scores per strategy framework were expressed as a percentage of the total possible score of 25. For example, the 17.57 obtained under the environmental scanning tools was expressed as a percentage of the total possible score of 25 to give a percentage score of 70.3%. The same methodology was applied for the RBS, BM, ISF and INV, where scores of 62.0%, 55.6%, 53.3% and 58.7% were recorded respectively. These scores showed the extent of usage of a particular strategy framework by firms under the Basic Materials sector.

5.6.1.2 Evaluation of the financial performance scores on the various strategy frameworks

The highest score of 62.0% recorded by the Basic Materials sector on the use of the Resource-Based Strategy framework (RBS) showed that the sector had RBS as its most used framework. Teece and Pisano (1997) suggested that a company has the ability to achieve a competitive advantage by using its strategic resources. In conformity to Teece and Pisano (1997), it was noted that firms with high RBS under the basic materials sector had better financial performance than firms that had a low RBS score. This was supported by an observation of BM02, an excellent company with a high score of 5; whilst BM01, a very poor company, had an RBS score of 2. These actual scores were out of possible scores of 5. The second most-used strategy framework under the basic materials sector was innovation, which recorded a score of 58.7%. As opined by Thompson et al. (2016), that “innovation is the route to first on the market victories and is a powerful differentiator”. BM02, an excellent company, had an innovation score of 4.56,

whilst the lowest innovation score of 2.44 was recorded by BM01, a very poor company. The findings of the research on the Basic Materials sector do not agree with the view of Linder, Shafer and Smith (2005) and Osterwalder (2004) that a business model is a bedrock of a company's fundamental principal rationality and strategic decisions, as business models under the Basic Materials sector only came in at third position. Contrary to the findings by Linder, Shafer and Smith (2005), Barney (1991) contends that pricing and differentiation are key in leading firms towards competitiveness. Lessons drawn here show that the corporate strategy nexus with a firm's financial performance is not a straightforward matter. It varies from one sector and one country to the other.

The third position was interpreted to mean that it was not the most used strategy framework, yet Linder, Shafer and Smith (2005) and Osterwalder (2004) position BM as the bedrock. Further analysis of the excellent performing company (BM02) did not show that BM was the most used strategy framework. Therefore, it cannot be a bedrock of a company if it is just being used by 55.6%, whilst RBS and innovation were used at 62.0% and 58.7% respectively. The least used strategy framework by the Basic Materials sector was the Institutional Strategy Framework (ISF), which recorded a score of 53.3%. ISF is a comprehensive collection of plans and undertakings to form a firm's external environment (Arman, Bozkurt, Kalkan, 2014; Marquis and Raynard, 2014). The use of the environmental scanning tools scored 70.3%, showing a very high awareness of their underpinning environment by firms under the Basic Material sector. However, there is no linear relationship between a high score on the ISF and the financial performance of firms. For example, BM02, an excellent performing company, had an ISF score of 2.42, whilst BM01, a very poor company, had a score of 2.75. It was observed that firms had different strategy frameworks that were driving financial performance, However, there was need to review the strategies being used by the different performance categories as shown in Table 17.

Table 17 shows the performance heterogeneity as measured by ROCE, where the five Basic Materials firms were further classified into excellent, poor and very poor. An analysis of the strategies being used by the excellent, poor and very poor firms was done and is presented in this section. The objective of this further analysis was to determine the most used strategy framework

by the various firms under excellent, poor and very poor performance categories, as presented in Table 17.

Table 17 : Average scores per performance category of the basic material sector

Co. Code	Performance	Env_score	RBS_Score	BM_Score	ISF_Score	INV_Score
BM02	Excellent	4.86	5.00	3.56	2.42	4.56
BM04	Poor	3.43	3.25	2.81	2.96	2.50
BM05						
BM03	Very Poor	2.93	2.00	2.36	2.50	2.56
BM01						
Total average scores		11.21	10.25	8.72	7.88	9.61

Source: Research data, (2021)

Table 14 shows that there was only one excellent performing company under the Basic Materials sector. This company was mainly using the RBS framework, as shown by its high score of 5. This finding was supported by Barney et al. (2001) and Wernerfelt (1995), who stated that research has been performed and empirical tests directly and indirectly cite RBV as a fundamental conceptual anchor to performance. This was further supported by Barney (2001), who postulated that strategic resources that were advantageous and expensive to duplicate were a source of comparative strength that results in domineering performance.

Innovation (INV) was the second-most used strategy by the excellent performing firms of the Basic Material sector with a score of 4.56, followed by the business models in third position with a score of 3.56; and lastly in fourth position was the institutional strategy framework at 2.42. The research finding of a positive co-relationship between a high innovation score and relatively good financial performance was in line with an observation by a UK survey conducted by CBI/NatWest Innovation Trends (1997) in which 80% of firms that introduced innovations from 1994-1997 enhanced their business performance through profits, market share and new markets entrance (CBI/NatWest, 1997). To further understand the performance evolution of the various

firms that contributed to the overall performance of the Basic Materials sector, a review of the year on year ROCE performance and the average performance over the eight-year period of each company was done, as shown in table 18

Table 18 shows that the Basic Materials sector recorded an overall negative ROCE of 20.8% for the period 2010 to 2017. The sector recorded losses in all the years, driven by the poor performance of BM04, BM05 and very poor performance of BM01 and BM03. An exceptional performance was recorded by BM02, which had a positive ROCE year-on-year.

Table 18 : Performance of firms under the basic materials sector

CO. CODE	YEARS								AVERAGE	Incorporated Year
	2010	2011	2012	2013	2014	2015	2016	2017		
BM02	9.3%	10.0%	14.6%	13.0%	14.4%	10.6%	12.3%	14.3%	12.5%	1939
BM04	-25.5%	-167.0%	-451.4%	-36.8%	33.2%	22.6%	1.9%	2.1%	-4.5%	1979
BM05	1.8%	6.3%	2.6%	2.2%	-10.0%	-5.3%	-35.2%	-6.7%	-4.9%	1979
BM03	40.4%	-44.3%	230.0%	-66.4%	-1.0%	12.5%	-4720.7%	-614.4%	-12.1%	1991
BM01	17.7%	4.3%	3.7%	-57.3%	-148.2%	-76.0%	-56.3%	-49.6%	-61.3%	1954
SECTOR -B	-8.0%	-6.8%	-2.8%	-23.4%	-123.7%	-16.7%	-31.4%	-29.8%	-20.8%	

Source: Author's own derivation

Based on the year-on-year ROCE performance and the fact that most of the firms were recording losses throughout the period under review, with the exception of one company, it was important to understand the factors driving the heterogeneous performance of these firms.

Therefore, a detailed analysis of the factors that affected the performance of the various firms was done, where it was noted that BM01 was affected by poor strategy implementation according to the Chairman of the Company who participated in the survey. He noted that the company had high raw material reserves that could have been intelligently utilised to improve

the financial performance of the company. An example was given where the company could have disposed of some of the raw material reserves to raise capital to revive the operations of the company. Despite the company having a high raw material base, the company had a low RBS score of 2.00. The Chairman explained that the low score was a result of management's ignorance of the capacity and opportunity that they had as a company and how that could be used to leverage the performance of the company. He noted that the company was incorporated in 1954 and was using old and dilapidated equipment that was costly to maintain and reliability was at its lowest over the same period under review. This view was also observed by Newbert (2007) in a review of 55 empirical tests evaluating the contribution of the resource-based strategy to the performance of firms, where he concluded that ability and key skills contributed more largely to a firm's competitive edge than tangible resources.

He further noted that shareholder squabbles, including political influences, were also cited as major reasons that were hampering the financial performance of the company. In the researcher's view, political interference was denoted by a relatively high score on the ISF of 2.75 compared to the lowest score of 2.25 by BM03. As a result of the shareholder and boardroom squabbles, there was no shareholder who was willing to inject additional capital into the business, which was considered to be Quasi-Government due to the skewed shareholding structure. Furthermore, it was stated that the financial performance was heavily affected by the poor supply chain management and corporate governance issues as senior management were focused on issues that were in their best interest in most cases. The respondent explained that the company had no performance management culture as there were no consequences for poor performance. As shown by the waning ROCE from an all-time high of 17.7% in 2010 to a negative return of 148.2% by 2014, in its earlier years, BM01 used to be a reputable mining company in Zimbabwe. However, its fortunes had tumbled during the period under review owing to mismanagement, as mentioned by the Chairman of the Board of Directors of the Company. In its 2015 annual report, the Company reported that revenue performance was affected by a 30% commodity price decline for its major trading products. Furthermore, the company incurred a tax liability of USD69.1 million in 2015 following a six-year tax audit from 2009 to 2015. The

USD69.1 million tax liability was recorded at the backdrop of a USD13.4 million asset impairment, USD100 million for retrenchments and restructuring costs incurred in 2014. All these additional costs had a bearing on the financial performance of the company, resulting in losses being recorded. Strategy gives direction to organisations through the meticulous development of plans and series of connected opportunities that the organisation seeks to pursue for its competitive advantage (Handerson, 1979). In this context, BM01, a very poor performing company that was reported by the Board Chairperson to have had a leadership failure, failed to fully address the challenges that the organisation was going through throughout the period of the study. In other words, the ability to make appropriate decisions in the interest of the company is what set apart excellence and mediocre performances.

Contrary to the very poor performance by BM01, BM02 was an exceptional performer. The CEO of BM02 stated that the excellent performance of the company was driven by their diversification strategy, supported by a wide product offering of the highest quality. The diversification strategy was led by the company's competent management team that well positioned the company. Furthermore, the company had over 400 chemical products that were used by various players in the economy and the company continued to develop new and better products as a source of competitive advantage. In addition, the company had also developed products that were appealing to the huge low-end market to increase its market share. A literature review of the company's annual reports showed that the company was driven by a clear vision to be the leading manufacturer and distributor of high quality surface coatings and chemical products in some chosen markets. On its website, the company mentioned that it was riding on the differentiation and focus strategies to produce high-quality products for specific markets. Their ISF encompassed community social responsibility programs and collaboration with strategic partners within chosen markets to drive financial performance, stated the CEO.

It was noted that most of these basic materials firms were affected by the capital-intensive nature of their operations, as well as the failure to re-capitalise owing to the economic challenges the country was going through, as mentioned by the Chairman of BM01 and CEO of BM03. In

support of the recapitalisation issue mentioned above, the CEO of BM04 stated that the machinery being used by most of the basic materials firms was commissioned pre-colonial independence era in 1980 and were well past their useful lives. Furthermore, BM04 failed to remain fully functional due to old equipment and depressed world nickel prices. The company was subsequently put under care and maintenance from 2008 to 2012. During this period, the company could not generate adequate sales volume and revenues owing to limited operations and subsequently, losses were recorded. The company's fortunes turned around in 2013 following a rights issue and restructuring that was done in September 2012. By April 2013, the company had started nickel production and the average nickel sales price was firming up from US\$14 493 per tonne to USD20,000, which was recorded subsequent to the 2013-year end as the market was experiencing an upward trend in nickel prices following the January 2014 Indonesian nickel ore export ban. The company remained profitable thereafter from 2014 to 2017.

It was reported that despite the fact that BM03 owned several precious mineral reserves, the company was failing to extract the ore to its advantage at the background of stable international precious mineral prices. In its 2010 annual report, the company reported increasing financial challenges that led to the operations being placed on care and maintenance. Profitability of the company was affected by a USD6.4 million impairment of assets, falling gold prices and National Employment Council (NEC) mandated wage and salary increases in 2013. The company's market share was being taken by a new crop of small-scale gold miners who were now taking advantage of the liberalisation of the gold ore regulations to sustain their livelihoods. The Chairman of BM03 stated in the company's 2014 annual report that the company continued to weaken its financial performance as a result of the low and falling gold prices. The financial performance was worsened by the high tax regime and high power base at a time when the company was placed under "care and maintenance" at the background of increasing costs incurred by the closure of one of its mines in 2013.

In its annual reports, BM04 reported that their performance was affected by limited pricing options as the company was a price-taker owing to mineral prices being principally driven by the global materials markets.

It was observed that of the 5 respondents under the basic materials sector, BM01, BM03 and BM04 were under care and maintenance at some point during the period under review. A company is said to be under care and maintenance when its machinery is not being productive. The plant is only maintained to avoid total deterioration due to non-use. Therefore, the ROCE for the basic materials sector was negative.

It was noted that a highly performing company (BM02) under the Basic Materials sector was using the core competencies of its people and the material resource base owned by the company for its competitive advantage. In line with the proponents of Porter (2002), the company's (BM02) business models included diversification, focus and differentiation. The company employed an ISF that ensured effective community social responsibility programs and worked in collaboration with strategic partners within chosen markets to drive financial performance.

In summary, it was observed that excellent firms under the Basic Materials sector were using RBS and INV to a very large extent, whilst BM was used to a large extent. ISF was moderately being used by the Basic Materials sector firms.

5.6.2 Consumer goods sector

This section presents the research findings on firms that were classified under the Consumer Goods (CG) sector and their performance as measured by ROCE. The extent of the use of environmental scanning tools and the average strategy framework scores will also be discussed. Ten Consumer Goods firms participated in the survey out of 13 CG firms that were listed on the ZSE for the period under review. These results are presented. An evaluation of participants' responses is presented in Table 19.

Table 19 : Evaluation of participants' responses on a scale of 1 to 5

Score	Detail	Weight	Equation	Medium score
1	Not at all	20%	$0\% \geq \text{Score} \leq 20\%$	10%
2	To a small extent	40%	$20\% \geq \text{Score} \leq 40\%$	30%
3	To a moderate extent	60%	$40\% \geq \text{Score} \leq 60\%$	50%
4	To a large extent	80%	$60\% \geq \text{Score} \leq 80\%$	70%
5	To a very large extent	100%	$80\% \geq \text{Score} \leq 100\%$	90%

Source: Research data (2021)

Table 16 shows that a high usage of a particular strategy framework had to record a score of above 60%. Anything below 60% but above 40% was considered to be moderate. The Cambridge English Dictionary defined 'moderate' as being within a middle range, neither great nor little. Therefore, a moderate score will be taken to denote neither great nor little usage of a particular strategy framework. This interpretation will be used to analyse the scores from Consumer Goods firms, as shown in Table 20.

Table 20 : ROCE, Environmental and strategy framework scores of consumer goods firms

Co. Code	Performance	ROCE	Env_score	RBS_score	BM_score	ISF_score	INV_score
CG03	Excellent	23.8%	4.29	5.00	3.33	4.00	3.78
CG3B	Excellent	23.8%	4.14	3.75	3.17	2.92	3.89
CG04	Excellent	21.0%	2.86	4.25	2.94	2.33	3.11
CG05	Excellent	18.1%	4.43	5.00	3.06	3.42	4.33
CG07	Medium	14.6%	4.57	5.00	4.11	2.92	4.44
CG06	Medium	17.3%	3.43	4.00	3.33	2.92	4.11
CG10	Poor	5.1%	4.71	4.00	3.33	3.17	4.78
CG09	Poor	5.4%	4.00	5.00	3.28	3.67	4.11
CG12	Very Poor	-2.4%	3.71	2.50	2.89	2.83	2.56
CG13	Very Poor	-46.4%	4.43	4.00	3.56	3.00	3.56
Total Actual Scores		15.5%	40.57	42.50	33.00	31.17	38.67
Total Possible Scores			50.00	50.00	50.00	50.00	50.00
% Actual over Possible scores			81.1%	85.0%	66.0%	62.3%	77.3%

Source: Research data, (2021).

Of the 10 respondents, 4 had a ROCE of above 17% and were accordingly classified as excellent; 2 had their ROCE above 9% but below 17% and were classified as medium; 2 firms' ROCE was above -5% but below 9% and were put into the poor category; and finally 2 firms that had a ROCE below -5% were classified as very poor. The sector ROCE ratio of 15.5% was second highest to Consumer Services, which had a score of 17.0%.

5.6.2.1 Determination of performance scores for the consumer goods sector

The scores per company on the use of the specific strategy framework were recorded with each score being rated out of a possible score of 5. A scale of 1 to 5 was used, where 1 represented the lowest score and 5 was the highest score respectively. A high score of 5 signified a high usage of a particular strategy framework, whilst a score of 1 depicted a very low usage. In line with the set data collection criteria, a score of 1 denoted not at all; 2 represented to a small extent; 3 was to a moderate extent; 4 was to large extent; and 5 was to a very large extent, as shown in Table 16.

The individual actual scores of all 10 firms under the use of the Environmental Scanning tools were 40.57 and 42.50 on the RBS. On Business Models, a total actual score of 33.00 was recorded, whilst 31.17 was recorded on Institutional Strategy Framework and 38.67 on Innovation. The actual scores per strategy framework were expressed as a percentage of the total possible score of 45. For example, the 40.57 obtained under the environmental scanning tools was expressed as a percentage of the total possible score of 50 to give a percentage score of 81.1%. The same methodology was applied for the RBS, BM, ISF and INV where scores of 85.0%, 66.0%, 62.3% and 77.3% were recorded respectively. These scores showed the extent of usage of a particular strategy framework by firms under the Basic Materials sector.

5.6.2.2 Evaluation of the financial performance scores on the various strategy frameworks

Table 16 shows that Consumer Goods firms used the RBS to a very large extent, as shown by a score of 85%. It was also noted that the CGs sector recorded the second highest ROCE of 15.5%. This finding was in line with earlier research where empirical tests on the Resource-Based View (RBV) as a fundamental conceptual anchor have been carried out, thereby collecting critical

empirical benefits on the positive impact of RBV on performance (Barney et al., 2001; Wernerfelt, 1995). However, Rouse and Daellenbach (1999), in a study of UK firms, failed to isolate sustained sources of advantage from the effects of industry, environment and strategy. The CG sector used innovation, Business Models and Institutional Strategy Frameworks to a large extent as they all recorded average scores above 60%. The COO of CG07, a medium performing company with a ROCE of 14.6%, stated that in a highly competitive market where local firms were competing with imports from developed and regional countries, innovation was critical to drive financial performance. To that end, firms under the Consumer Goods sector scored 77.3% on innovation. Empirical research in the UK by the CBI/NatWest Innovation Trends Survey (1997) showed that 80% of firms that introduced innovations enhanced their business performance through profits, market share and new markets entrance. It is important to note that it is not a straight-jacket that high innovation scores result in increased financial performance, as a United Kingdom (UK) survey conducted by the Cambridge Small Business Research Centre (SBRC) showed no broad relationship between innovation and business performance, although a few noteworthy contrasts between innovating and non-innovating firms were found (Neely and Hii, (1998). This puzzle was also found in the current research where it was observed that a poor company (CG10) had the highest score on innovation at 4.78 compared to highest score of 3.89 for the excellent performing firms. Medium performing firms had the second highest innovation score at 4.44, whilst excellent performing firms in the Consumer Goods sector were sitting at third position with an average score of 3.89. Last were very poor firms with a score of 3.06.

The firms under this sector used environmental scanning tools to a very large extent, with an average score of 81.1%. Although the sector to a very large extent used the environmental factors, the individual company performance showed a mixed bag under the Consumer Goods sector as some excellent, medium, poor and very poor firms had scores above 4.00. For example, CG13 was a very poor company but used environmental scanning tools to a very large extent with a score of 4.43; whilst CG04, an excellent performer, had a score of 2.86 on the use of environmental tools. Further analysis was done to establish the most used strategy framework

as per the performance categorisation of excellence, medium, poor and very poor, as shown by Table 21.

Table 21 : Average scores per performance category of consumer goods sector

Co. Code	Performance	Env_score	RBS_Score	BM_Score	ISF_Score	INV_Score
CG03	Excellent	3.93	4.50	3.13	3.17	3.78
CG3B	Excellent					
CG04	Excellent					
CG05	Excellent					
CG07	Medium	4.00	4.50	3.72	2.92	4.28
CG06	Medium					
CG10	Poor	4.36	4.50	3.31	3.42	4.44
CG09	Poor					
CG12	Very Poor	4.07	3.25	3.22	2.92	3.06
CG13	Very Poor					
Total average scores		16.36	16.75	13.38	12.42	15.56

Key: 1=not at all; 2=to a small extent; 3=to a moderate extent, 4=to a large extent, 5=to a very large extent

Source: Research data, (2021)

Table 21 shows that excellent performing firms under the Consumer Goods sector had an average score of 4.50 (90%) on RBS compared to 3.25 (65%) for the very poor firms under the same sector. In that regard, excellent performing firms use the RBS to a very large extent whilst the very poor firms use it to a large extent. The three performance categories of excellent, medium and poor firms all recorded the same average score of 4.50 (90%) under the RBS, unlike with the other strategy frameworks where the scores were different per performance category. On the environmental scanning tools scores, a reverse of the RBS scores was noted where poor firms had the highest score on environmental scanning at 4.36 (87.2%) compared to the lowest of

3.93 (78.6%) recorded by the excellent firms. To unpack these findings, qualitative data will be presented in this section.

The CFO of CG04, an excellent performing company, noted that excellent performers did not need to have a very high innovation score as they usually depended on established business models (3.78), and core competence (4.50) to remain competitive. Whilst excellent, medium and poor performing firms in this sector used the RBS to a very large extent, as evidenced by a score of 4.5 across the stated sectors, very poor firms used RBS to a large extent. It was observed that very poor firms did not use any of the strategy frameworks to a very large extent as shown by their highest score of 65% on RBS. In other words, they did not have a dominant strategy framework to increase financial performance. Table 22 shows the year-on-year financial performance for Consumer goods firms for the period under review.

Table 22 : Year-on-year performance trending for the consumer goods firms

CO. CODE	YEARS								AVERAGE
	2010	2011	2012	2013	2014	2015	2016	2017	
CG03	25.9%	33.1%	30.2%	33.6%	25.1%	17.5%	19.2%	17.5%	23.8%
CG3B	25.9%	33.1%	30.2%	33.6%	25.1%	17.5%	19.2%	17.5%	23.8%
CG04	2.2%	16.8%	21.4%	28.4%	29.6%	21.4%	21.6%	18.1%	21.0%
CG05	30.0%	33.3%	28.6%	18.5%	15.0%	10.8%	11.3%	16.5%	18.1%
CG07	-51.6%	-25.3%	33.0%	20.4%	21.5%	26.9%	11.4%	21.0%	14.6%
CG06	n/a	16.1%	16.2%	-1.4%	19.2%	20.3%	18.5%	23.4%	17.3%
CG10	16.9%	15.7%	13.4%	-3.6%	1.5%	5.7%	-9.6%	5.0%	5.1%
CG09	4.0%	21.0%	16.8%	14.9%	7.7%	-3.0%	-11.6%	-2.9%	5.4%
CG12	8.1%	-30.0%	-5.1%	20.4%	8.2%	-10.5%	-12.1%	-5.8%	-2.4%
CG13	-27.9%	-50.9%	-50.3%	-24.7%	-49.1%	-24.1%	-12.2%	-9.7%	-46.4%
SECTOR	11.9%	16.9%	21.6%	18.9%	17.2%	11.2%	12.2%	15.2%	15.5%

Source: Research data (2021)

In further unpacking the performance of some firms in the sector, a review of the annual reports for CG12 (Very Poor) showed that its performance was mainly affected by retrenchments and fair value losses as the businesses was refining their operating structures in view of the

challenging environment. The inconsistent weather patterns also affected the performance of some consumer goods firms (CG012) and the rehabilitation of the tea gardens and the irrigation infrastructure resulted in a high cost base, according to the CEO. During the period under review from 2010 to 2017, the Company was profitable in just 3 out of the 7 seven years under study, resulting in a cumulative loss of USD3.6 million. The major reason cited for the poor performance was the high cost of debt as the company failed to secure long-term funds for capital projects and working capital requirements (AR 2011). Instead, expensive short-term debt was used to fund the financial requirements of the company. Low export average prices were also cited. Consequently, the Group was failing to meet its obligations as they fell due as a result of limited working capital availability (AR-2011). In 2012, the Group gained a new investor who brought equity capital that greatly assisted in re-capitalising the business as well as availing working capital. Therefore, the Group posted positive net profits in 2013 and 2014, before going back to losses from 2015 to 2017.

In its 2014 annual report, the Group reported increased operational activities in terms of volumes that unfortunately was not matched by improved financial performance owing to local liquidity constraints that persisted, high costs of debt; depressed international tea prices; and soft local demand for tea products.

It was noted that the company's core values were not clearly stated on both its annual reports and website, which may be supported by the low average scores of 2.50 for RBS, 2.89 for BM, 2.83 for ISF and 2.56 for innovation. These scores were low when compared to an excellent performing company (CG03) that had 5.00 for RBS, 3.33 for BM; 4.00 for ISF; and 3.78 for Innovation. The company clearly identifies the problems that were affecting financial performance, but could not seem to be clear on the necessary strategic response to fully address the issues. The funding issue affected the company for a number of years and the company did not seem to have found a satisfactory solution. The CFO mentioned that despite the Company having reported in 2012 that they had acquired a new investor, the funding issue remained a

major cause for concern and performance remained challenged up to the end of the period under review.

The COO of CG013 (very poor) bemoaned the impact of the skills flight on the performance of the company as many skilled workers left the country due to deteriorating disposable incomes. The impact of imports on the performance of the company was a cause for concern in relation to the financial performance of CG13, stated the Company Secretary. The company (CG13) posted a cumulative loss of USD64.9 million for the period under review from 2010 to 2017 as losses were being recorded year in and year out. This was despite some innovative interventions made in 2012, whereby the company made a decision to focus on its core business and dispose of non-core activities. In its 2012 annual report, the company was optimistic that the plant upgrade exercise that they had embarked on was going to bring improved operational efficiencies in future periods, which unfortunately was not the case as the business remained in a loss-making position. The COO of CG13 stated that in a highly competitive market where customers had so many choices, differentiation and cost leadership were being applied to drive increased financial performance. To that end, the company used business models and innovation to a large extent, as enshrined in their core values. The company's values included a performance-driven culture, but their financial performance results do not attest to that. Despite using innovation to a large extent, the company's actual performance was not pleasing. This finding was in line with the results of a UK survey by Neely and Hii (1998) that showed no broad relationship between innovation and business performance. The company aspired to provide world-class products and services that delighted their customers whilst rewarding and caring for their employees to achieve superior returns for the shareholders and make an impact in the community.

In contrast to the very poor firms that had many reasons to justify their failure to perform, CG03, an excellent performing company, attributed the good performance to a well-managed Institutional Strategy Framework where the company believed in meaningful stakeholder management (AR, 2012). The Chairman of the company reported that "being a fair and transparent corporate citizen as well as keeping key stakeholders abreast of the business's

performance and challenges helped in managing obstacles to doing business”. Wicks and Parmar (2004) supported this view when they reported that an inability to address important stakeholder issues irreparably damages the credibility of an organization and threatens its capacity for profitability and development. The CFO of CG03 mentioned that the company’s competitive strategy was mainly from their reputable brands and the enduring advantage of their people as the calibre and commitment of their people set them apart. To further strengthen its people power, the company works and wins in teams. The company prized both intellectual rigour and passion for work, an asset that is scarce and cannot be easily imitable. Intellectual rigour embodies core competency and leadership qualities that were critical elements of the Resource-Based Strategy framework. This view was further supported by the finding that the company used RBS to a very large extent.

In line with the views of Berman, Wicks, Kotha and Jones (1999) who noted that effectual control of principal stakeholder groups has a productive effect on firm financial performance, CG03 was driven by doing its best for its local communities as they seek to conduct their business in an environmentally sustainable manner. To that end, the company used ISF to a large extent, as shown by a score of 70%. Furthermore, the company prides itself on reputable brands that promise a better future for all stakeholders, as the company reported in its annual report that “the future is in our brands”, building and sustaining alliances with business partners for growing the profitability of the business on a sustainable basis. The CFO of CG03 noted that big industrial businesses rely significantly on national infrastructure to be able to deliver an affordable good/service to customers, which ultimately maximizes the profitability of a business and returns to shareholders (AR, 2015).

CG03 used business models to a large extent (3.3) as it focused on creating a balanced portfolio of business whilst aspiring to offer the preferred choices of product and service as they built lasting relationships based on trust. According to the Chairman of the company in the 2016 annual report, the company innovated and led in a changing world. To that end the company used innovation to a large extent, resulting in a score of 3.8.

The CFO of CG04, another excellent performing company under the Consumer Goods sector stated that the company had strength in its people, underpinned by a passion for excellence and a non-negotiable performance culture. The company used the RBS to a very large extent, as evidenced by a score of 4.25. The company manufacture and distribute a diversified portfolio of branded affordable and nutritious Fast Moving Consumer Goods (FMCG) products to the mass market and relentlessly pursue innovation to improve the livelihoods of consumers. In other words, the company was pursuing cost leadership and focus strategies as it sought to avail affordable products targeted for the mass market. Its diversification strategy entailed the vast branded product portfolio supplied in Zimbabwe and selected regional markets. The same view was shared by Lake (2018), who noted that JPMorgan Chase and Co. was amongst the top 10 global profitable firms in 2019, gaining its competitive advantage from innovation, diversification, cost leadership, core capabilities and resource-based strategies. To that end, the CG04 used RBS (85%) to a very large extent and innovation (62.2%) to a large extent as the company focused on innovation to remain operational for over 100 years. The use of business models and an institutional strategy framework were all moderate at 2.94 and 2.33 respectively.

CG05 (excellent) was the leading producer and marketer of certified crop seeds in Zimbabwe. In its annual report, the company reported that they prided themselves on innovation and novel breeding methods that were responsible for their success in developing high-yielding hybrid seed varieties that led to better harvests by the farmers. The company depended on RBS and innovation to a very large extent, whilst business models and institutional strategy frameworks where used to a large extent. In confirming the upper use of the RBS, the company stated in its annual report that its competitive advantage was in its people who passionately brought results working and winning together in teams, putting customers at the centre of all they do. Apple Inc.; the 2019 global second most profitable company's winning strategies included innovation and pursuing intensive growth strategy using Ansoff's growth matrix (Meyer, 2019). On one hand, the leadership and competency of their teams was critical, as supported by an RBS score of 5.00; whilst innovation with a score of 4.33 had been instrumental in developing high-yielding

seeds that were preferred by the market. The company had a relatively high score on ISF (3.42) as they value an information advantage to a greater extent.

In summary, it was observed that excellent performing firms under the Consumer Goods sector were using the RBS to a very large extent and the other three strategy frameworks were all being used to a large extent. Medium performing firms were using both RBS and INV to a very large extent, whilst business models were used to a large extent. The ISF was moderately being used by the consumer goods firms. Very poor firms did not have any strategy framework that was being used to a very large extent. Furthermore, RBS, BM and INV were all being used to a large extent, whilst ISF was being moderately used.

5.6.3 Consumer services sector

The Consumer Services sector had 9 firms that participated in the survey, 3 of which were classified as excellent, 3 medium, 1 poor and 2 very poor. Firms in this sector were mainly involved in the supply of services to end-users. Most of these services were basic necessities like communications, hoteliers and media services to consumers who had limited choices. As necessities, they were considered to be critical for livelihoods. To that end, the sector had the highest ROCE score of 17.0%, as shown by Table 23.

Table 23 : ROCE, Environmental and strategy framework scores of consumer service sector

Co. Code	Performance	ROCE	Env_score	RBS_score	BM_score	ISF_score	INV_score
CS02	Excellent	24.3%	3.71	4.25	3.06	3.42	3.78
CS2B	Excellent	24.3%	4.00	5.00	3.67	3.67	4.78
CS01	Excellent	39.9%	4.71	4.75	3.78	3.08	4.11
CS03	Medium	19.4%	4.00	5.00	3.44	2.67	3.89
CS3B	Medium	19.4%	3.71	4.50	3.33	3.75	4.00
CS04	Medium	15.8%	5.00	4.75	4.00	3.42	4.22
CS06	Poor	7.6%	4.00	3.75	3.50	2.83	3.44
CS11	Very Poor	-23.4%	4.29	3.00	2.44	2.75	2.78
CS10	Very Poor	-5.3%	3.43	1.50	2.39	2.08	2.56
Total Actual Scores		17.0%	36.86	36.50	29.61	27.67	33.56
Total Possible Scores			45.00	45.00	45.00	45.00	45.00
% Actual over Possible scores			81.9%	81.1%	65.8%	61.5%	74.6%

Key: 1=not at all, 2=to a small extent, 3=to a moderate extent, 4=to a large extent. 5=to a very large extent

Source: Research data (2021)

5.6.3.1 Determination of performance scores for the consumer services sector

The scores per company on the use of the specific strategy framework were recorded, with each score being rated out of a possible score of 5. A scale of 1 to 5 was used, where 1 represented the lowest score and 5 was the highest score respectively. A high score of 5 signified a high usage of a particular strategy framework, whilst a score of 1 depicted a very low usage. In line with the set data collection criteria, a score of 1 denoted not at all; 2 represented to a small extent; 3 was to a moderate extent; 4 was to large extent; and 5 was to a very large extent, as shown in Table 24.

The individual actual scores of all 9 firms under the use of the Environmental Scanning tools were 36.86 and 36.50 on the RBS. On Business Models, a total actual score of 29.61 was

recorded, whilst 27.67 was recorded on Institutional Strategy Framework and 33.56 on Innovation. The actual scores per strategy framework were expressed as a percentage of the total possible score of 45. For example, the 36.87 obtained under the environmental scanning tools was expressed as a percentage of the total possible score of 45 to give a percentage score of 81.9%. The same methodology was applied for the RBS, BM, ISF and INV, where scores of 81.1%, 65.8%, 61.5% and 74.6% were recorded respectively. These scores showed the extent of usage of a particular strategy framework by firms under the Basic Materials sector.

The evaluation of the financial performance scores on the various strategy frameworks showed that the sector was the most profitable of all sectors and used the environmental scanning tools (81.9%) and the RBS (81.1%) to a very large extent. It was observed that the sector further used BM, ISF and INV to a large extent, as evidenced by average scores that were above 60%. Further analysis was done to determine the most used strategy framework by the various performance categories of excellent, medium, poor and very poor, as shown below in Table 24.

Table 24 : Average Scores per performance category of the consumer services sector

Co. Code	Performance	Env_score	RBS_Score	BM_Score	ISF_Score	INV_Score
CS02	Excellent	4.14	4.67	3.50	3.39	4.22
CS2B	Excellent					
CS01	Excellent					
CS03	Medium	4.24	4.75	3.59	3.28	4.04
CS3B	Medium					
CS04	Medium					
CS06	Poor	4.00	3.75	3.50	2.83	3.44
CS11	Very Poor	3.86	2.25	2.42	2.42	2.67
CS10	Very Poor					
Total average scores		16.24	15.42	13.01	11.92	14.37

Key: 1=not at all, 2=to a small extent, 3=to a moderate extent, 4=to a large extent, 5=to a very large extent.

Source: Research data (2021)

Table 24 shows that excellent and medium performing firms were using the RBS and INV to a very large extent, whilst BM and ISF were used to a large extent. By contrast, poor firms were using RBS, BM and INV to a large extent and ISF was used moderately. The very poor firms under this sector did not have a dominant strategy framework as all the frameworks were being moderately used.

The highest score on RBS of 4.75 was recorded by medium performing firms, whilst the lowest score of 2.25 was recorded by the very poor firms. Although both excellent and medium performing firms used RBS to a large extent, it was the medium company that had the highest score of 4.75, compared to 4.67 for the excellent performing firms. This was different from what was recorded by the Consumer Goods sector, where the higher the score, the better the performance category. ISF and INV also had a linear kind of relationship where the higher scores on a particular strategy framework indicated a better performance category. To get the detailed performance of each company, a trend analysis was done for all the respondents in this sector, as shown in Table 24

5.6.4 ROCE trend analysis of consumer services firms

Table 25 shows that CS01 was the most profitable company with a ROCE of 39.9%, whilst CS11 was the worst performer with a ROCE of minus 23.4% over the eight-year period.

Table 25 : ROCE trend analysis of consumer services firms (2010-2017)

CO. CODE	YEARS								AVERAGE
	2010	2011	2012	2013	2014	2015	2016	2017	
CS02	48.3%	40.3%	49.2%	29.5%	26.3%	14.8%	8.8%	7.9%	24.3%
CS2B	48.3%	40.3%	49.2%	29.5%	26.3%	14.8%	8.8%	7.9%	24.3%
CS01	n/a	49.4%	55.6%	43.0%	41.5%	58.5%	29.6%	20.2%	39.9%
CS03	52.2%	49.8%	20.3%	21.7%	22.3%	18.1%	1.3%	17.6%	19.4%
CS3B	52.2%	49.8%	20.3%	21.7%	22.3%	18.1%	1.3%	17.6%	19.4%
CS04	13.7%	7.4%	28.5%	30.0%	19.3%	14.6%	1.7%	11.2%	15.8%
CS06	8.4%	-30.5%	12.5%	8.2%	-91.2%	43.7%	15.3%	19.5%	7.6%
CS11	-192.1%	0.6%	5.6%	16.0%	-350.9%	72.9%	-74.8%	337.6%	-23.4%
CS10	0.5%	-9.8%	-15.9%	3.3%	-12.5%	-3.7%	-10.8%	0.4%	-5.3%
Total Actu	25.8%	25.6%	30.5%	21.2%	20.0%	9.0%	5.7%	8.6%	17.0%
SECTOR	25.8%	25.6%	30.5%	21.2%	20.0%	9.0%	5.7%	8.6%	17.0%

Source: Research data (2021)

An analysis of the factors that affected the performance of firms under the Consumers Services sector was done and presented in this section.

In company CS2B's 2009 annual report, the CEO reported that innovation was its source of competitive advantage. This position was supported by the research findings which showed usage to a very large extent of innovation to drive financial performance, as supported by a score of 4.78. In support of this view, the CEO stated that the company became the first operator in Zimbabwe to launch 3G mobile data in 2009. It was further reported that the company was driven by the need to be the first to find the best way forward in a fast moving and highly competitive technological field. In contrast to this view, Pisano (2015) argued that innovation initiatives mostly fail and outstanding innovators find it difficult to maintain performance, as was noted with Polaroid, Nokia, Sun Microsystems, Yahoo, Hewlett-Packard, and numerous others. It therefore follows that innovation on its own may not drive financial performance as the company was also using the RBS, Business Model and Institutional Strategy Framework to a large extent. In support of its ISF, the company had a broad strategy for social and community investment where it supported a diverse range of charitable causes, which includes children

orphaned by HIV/AIDS, religious and church organisations, as well as an annual scholarship program that provides financial assistance to the brightest students selected from schools in the country's 10 provinces. The company believed its people to be the source of its competitive advantage with an RBS score of 5.00 as the company emphasised the fact that it is made up of individuals who were all intrinsically valuable members of the organisation and effectively co-operated to produce the best for the organisation. Therefore, growing the knowledge base with uncompromising passion for excellence was the company's key priority.

According to the Company's website, CS01 employed 5100 people and served over 39.4 million customers annually. The company's core values included people, performance, growth, quality service and the community. The company prides itself on people with resilience to face a highly competitive market and who are passionate about the vision of the company to "create value for our customers, our people and our shareholders through our brands". It was reported that quality service was delivered by people employed by the company. The company used the RBS and INV to a very large extent as shown by high scores of 4.75 and 4.11. Just like CS02, both BM and ISF were used to a large extent, with average scores of 3.78 and 3.08 respectively as the company pursued growth and community engagements.

Whilst some excellent performing firms were using the ISF to improve financial performance, the Chairman of CS10 blamed the politicisation of businesses where politicians were enjoying the services provided by the company, but without paying for them. He stated this to be a rampant factor amongst many quasi-government institutions.

Having looked at the strategies used by some excellent firms to drive financial performance, a comparative review of the strategies being used by the very poor performing firms in the consumer sector was critical to see if there were any differences. To achieve this goal, CS11 and CS10 will be discussed.

In its 2012 annual report, the company (CS10) stated its strategies as operational efficiencies, cash flow management, revenue generation, refreshed product and Service delivery. These were

further refined in 2014 as consolidating the core revenue generation, cost efficiency, sustainability and technological advancement. According to Porter (1980), Strategy is the creation of a unique and valuable position involving a different set of activities. Juxtaposing the company's strategies to Porter's definition disqualifies them as strategies per se. Further review of the company's data in the annual report showed that the company recorded a cumulative loss of USD11.8 million, as losses were recorded in four out of the 8 years under study. The company's low average scores on the use of various corporate strategy frameworks of 1.50 for RBS, 2.39 for BM, 2.08 for ISF and 2.56 for innovation compared to CS02, an excellent performer in the Consumer Goods sector that recorded average scores of 5 for the RBS, 3.67 for BM, 3.67 for ISF and 4.78 for innovation, shows a direct relationship between strategy and financial performance. This finding was supported by Dragun and Knight (2001) who stated that effective corporate strategies strengthen market power; augment sales; align the interests of stakeholders; and contribute to shaping the superior financial performance of the company. However, Porter (1987/1991) had a different view as he stated that contrary to the perception of a positive connection existing between corporate strategy and firm performance, empirical studies corroborate the perspective that certain corporate strategies poorly perform. Therefore, there was need to look at the kind of relationship in another very poor performing company, CS11.

CS11 made a loss in 2010 due to funding constraints that led manufacturing equipment to lie idle, thereby accumulating costs. Innovative key decisions to close the Textiles and Plastics loss-making divisions were made in an attempt to revive the fortunes of the business, but this did not help the financial performance of the company, reported the CFO. Although a rights issue was done in 2010, its proceeds were only received in 2011. To that end, the company recorded a positive bottom line from 2011 to 2013 all-inclusive, before the fortunes of the company tumbled in 2014 to record a loss of USD1.2 million. The loss was mainly a result of a difficult operating environment where prices were reduced to stimulate demand, which unfortunately was not to be. Other cost increases were picked from bad debts and inventory write-offs. The profit recorded in 2015 of USD476, 000 was mainly driven by exchange gains as the South African Rand

weakened against the major currencies. Most of the performance issues encountered by the company were a result of the challenging operating environment characterised by depressed demand, procurement process logistical challenges, increased competition from unregistered players and smuggled products. During interviews, it was noted that CS11's very poor performance with an average ROCE of negative 23.4% was caused by weak internal controls amongst other factors that resulted with a qualification of the books of accounts. Subsequently, significant write-offs were done as corrective actions were being undertaken. Having identified the challenges faced by the company, a review of the strategy usage was key. It was noted that the organisation did not have any of its strategies being used to either a large or very large extent. The various strategy frameworks were all being moderately used. It was therefore concluded that for very poor firms under the consumer service sectors, there was a direct relationship between the usage of strategy frameworks and financial performance. Hence the views of Dragan and Knight (2001) were upheld.

Having stated all their challenges in their annual reports, the company did not manage to develop the appropriate strategies to improve its financial performance. Moreover, the company did not state its values in all its annual reports, nor on its website, nor spell out its response actions to the continued incomplete to affect performance.

In conclusion, it was observed that excellent and medium performing firms were using the RBS and INV to a very large extent, whilst BM and ISF were used to a large extent. In contrast, poor firms were using RBS, BM and INV to a large extent, whilst ISF was being moderately used. The very poor firms under this sector did not have a dominant strategy framework being used as all the frameworks were being moderately used.

5.6.5 Financial services sector

The Financial Services sector had 12 firms out of 14 participating in the survey. Of the 12, five firms were classified as excellent performers, 6 as medium performers and just 1 as a poor performer, with none being very poor performing, as shown by Table 26.

Table 26 : ROCE, Environmental and strategy framework scores of the financial services sector (2010-2017)

Co. Code	Performance	ROCE	Env_score	RBS_score	BM_score	ISF_score	INV_score
FS04	Excellent	15.9%	4.00	3.00	3.06	3.08	4.11
FS05	Excellent	15.1%	3.86	4.75	3.33	2.67	3.44
FS5B	Excellent	15.1%	4.43	5.00	4.44	3.92	4.11
FS03	Excellent	32.6%	3.29	3.00	3.44	2.83	3.33
FS06	Excellent	12.8%	4.14	4.00	3.50	3.50	4.33
FS07	Medium	12.0%	3.86	4.00	3.22	2.83	3.67
FS08	Medium	11.8%	3.86	4.50	3.06	3.25	3.67
FS10	Medium	8.3%	4.71	4.00	3.50	2.58	3.56
FS01	Medium	10.5%	3.71	4.25	3.28	3.00	3.67
FS14	Medium	7.3%	4.86	5.00	3.28	4.00	4.44
FS09	Medium	8.9%	3.71	3.25	3.44	2.67	3.33
FS13	Poor	2.7%	4.86	3.00	3.39	3.08	4.67
Total Actual Scores		9.1%	49.29	47.75	40.94	37.42	46.33
Total Possible Scores			60.00	60.00	60.00	60.00	60.00
% Actual over Possible scores			82.1%	79.6%	68.2%	62.4%	77.2%

Key: 1=not at all, 2=to a small extent, 3=to a moderate extent, 4=to a large extent, 5=to a very large extent.

Source: Research data (2021)

The Financial Service Sector had the highest score on RBS at 79.6%, followed by INV at 77.2%. BM was at third position with 68.2% and lastly, the ISF had a score of 62.4%. The sector had a high environmental score of 82.1%, the second highest from the 83.4% for the IND sector. Additionally, the sector recorded an average ROCE of 9.1% compared to all ZSE return of 10.8%. Moreover, the sector had its highest average score arising from innovation by a poor company (FS13) and the same company also recorded the lowest score of 3.00 on the RBS.

5.6.5.1 Determination of performance scores for the consumer services sector

The scores per company on the use of the specific strategy framework were recorded with each score being rated out of a possible score of 5. A scale of 1 to 5 was used, where 1 represented the lowest score and 5 was the highest score respectively. A high score of 5 signified a high usage of a particular strategy framework, whilst a score of 1 depicted a very low usage. In line with the set data collection criteria, a score of 1 denoted not at all; 2 represented to a small extent, 3 was to a moderate extent; 4 was to large extent; and 5 was to a very large extent.

The actual individual scores of all the 12 firms under the use of the environmental scanning tools were 49.29 and 47.75 on the RBS. On business models, a total actual score of 40.94 was recorded, whilst 37.42 was recorded on the institutional strategy framework and 46.33 on innovation. The actual scores per strategy framework were expressed as a percentage of the total possible score of 60. For example, the 49.29 obtained under the environmental scanning tools was expressed as a percentage of the total possible score of 60 to give a percentage score of 82.1%. The same methodology was applied for the RBS, BM, ISF and INV, where scores of 79.6%, 68.2%, 62.4% and 77.2% were recorded respectively. These scores showed the extent of usage of a particular strategy framework by firms under the Basic Materials sector.

To further understand the strategy frameworks being used by the various firms as classified by their sectoral performance, an analysis of the average scores per performance category was done, as shown in Table 27.

Table 27 : Average scores by performance category of the financial services sector

Co. Code	Performance	Env_score	RBS_Score	BM_Score	ISF_Score	INV_Score
FS04	Excellent	3.94	3.95	3.56	3.20	3.87
FS05	Excellent					
FS5B	Excellent					
FS03	Excellent					
FS06	Excellent					
FS07	Medium	4.12	4.17	3.30	3.06	3.72
FS08	Medium					
FS10	Medium					
FS01	Medium					
FS14	Medium					
FS09	Medium					
FS13	Poor	4.86	3.00	3.39	3.08	4.67
Total average scores		12.92	11.12	10.24	9.34	12.26

Key: 1=not at all, 2=to a smaller extent, 3=to a moderate extent, 4=to a large extent, 5=to a very large extent

Source: Research data, (2021)

Table 27 shows that excellent performing firms were to a large extent using all four corporate strategy frameworks, with the RBS taking the lead at 3.95, followed by innovation at 3.87; Business Model in third position with 3.56; and lastly, Institutional Strategy Framework at 3.20. This finding was supported by empirical literature on the review of the top 10 global profitable firms in 2019, where 5 of the firms were financial institutions. These financial institutions were the Industrial Bank of China, China Construction Bank, Agricultural Bank of China, Bank of American Corporation and Bank of China. It was noted that these 5 financial institutions largely depended on innovation, transformation, institutional strategy and cost leadership. The 6 medium firms were using the RBS to a very large extent, whilst the other three strategy frameworks were being used to a large extent. Only one company classified as ‘poor’ was using innovation to a very large extent. This finding was contrary to empirical literature on the top 10

global profitable firms in 2019 as presented earlier, where a highly innovative financial institution was at the same time a poor performer. Furthermore, medium firms were using the business Model and ISF to a large extent, whilst RBS was used to a very large extent. To further understand these performance dynamics, a detailed ROCE trend was reviewed and presented in this section.

Presented below is the year-on-year analysis of the ROCE trend for the firms under the FS sector in Table 28.

Table 28 : ROCE trends of firms in the financial services sector

CO. CODE	YEARS								AVERAGE
	2010	2011	2012	2013	2014	2015	2016	2017	
FS04	10.6%	19.5%	34.6%	20.5%	16.0%	15.6%	10.1%	8.8%	15.9%
FS05	6.3%	19.2%	18.3%	14.6%	10.8%	12.7%	18.8%	18.7%	15.1%
FS5B	6.3%	19.2%	18.3%	14.6%	10.8%	12.7%	18.8%	18.7%	15.1%
FS03	n/a	n/a	n/a	-22.3%	92.7%	102.3%	32.6%	25.8%	32.6%
FS06	5.0%	26.5%	32.3%	-9.1%	-8.8%	4.8%	14.2%	19.8%	12.8%
FS07	17.4%	35.4%	11.5%	6.0%	0.7%	11.5%	37.7%	3.0%	12.0%
FS08	7.9%	30.8%	28.4%	13.0%	-5.5%	-5.5%	14.3%	12.0%	11.8%
FS10	20.8%	28.1%	18.9%	11.1%	0.7%	-4.4%	-5.8%	2.8%	8.3%
FS01	-7.8%	12.8%	16.8%	17.7%	6.8%	5.2%	7.2%	18.6%	10.5%
FS14	n/a	n/a	n/a	9.8%	1.0%	1.3%	7.8%	12.5%	7.3%
FS09	-3.7%	16.5%	18.4%	1.6%	-15.7%	11.5%	14.3%	18.6%	8.9%
FS13	7.0%	12.1%	5.1%	2.7%	-4.0%	-6.2%	-0.5%	7.6%	2.7%
SECTOR	9.8%	20.8%	15.7%	9.2%	3.0%	4.2%	8.6%	12.1%	9.1%

Source: Research data (2021)

Table 28 shows that all the financial services firms posted positive average profits for the period under review. In the same business sector, the highest ROCE of 32.6% was recorded, whilst the lowest ROCE of 2.7% was also recorded. In that regard, understanding the various reasons for the heterogeneous financial performance was paramount.

According to senior managers and executives interviewed from FS14, FS01, FS07 and FS13, the relative low ROCE for the firms was a result of long-term debt, representing clients' long-term insurance investments in the company, whereby the company will be expected to pay back benefits to its clients on maturity of the various insurance and assurance policies. In the 2014 annual report, the Chairman and CEO of FS09, a medium performing company, reported that the implementation of a new strategic thrust resulted in the company incurring "substantial burden of non-recurring costs, as well as costs pegged at unusually high levels as a result of the 'clean-up' activities undertaken to strengthen future profit prospects of the Company." These costs included the discontinuation of loss-making operations, right-sizing the business by disengaging excess staff and outsourcing non-core activities. Following the austerity measures implemented in 2014, the company was able to grow its ROCE from a loss of negative 15.7% in 2014 to profits of 11.5%, 14.3% and 18.6% for 2015, 2016 and 2017 respectively. It was noted that the increased financial performance was on the backbone of unparalleled value creation arising from innovations that led to service excellence. This position was supported by the findings of the research where the company used RBS, BM and INV to a large extent, whilst ISF was being moderately used.

The Divisional Manager of FS14, an insurer, stated that the company's low ROCE was a result of the low-yield property investments that the Company was heavily invested in at the background of a non-performing economy that was characterised by deflationary pressures that affected rental yields during the period under review. This medium performance occurred despite the fact that the company was using the RBS (5.00) and INV (4.44) to a very large extent to improve financial performance. On the contrary, FS5B, an excellent performing company, was also using RBS (5.00) and INV (4.11) to a large extent and driving performance. It was also noted that FS5B used ISF to a large extent, whilst FS14 was moderate.

The executives of FS05, FS04 and FS03 considered the financial services sector to be a mature industry with limited scope for product or service differentiation. They shared the view that any new ideas in the market were quickly replicated by other players and may be perfected by the

copying entity. In support of this view, the CFO of FS09 stated that the most important thing in the sector was service delivery that differentiated the players. However, the Divisional Manager of FS04 had a different view when he stated that new Financial Technology Firms that invested heavily in technology were a major performance risk to traditional players who had to adapt to the new technologies. In that regard, financial services sector firms had to continue innovating to beat the stiff competition from new entrants that would be attracted by the high profit margins being reported by some of the firms.

A number of financial services firms including FS09, FS07, FS01 and FS04 reported in their annual reports that cost containment was thus a dominant focus area for the sector to give the customer better value. Cost leadership was also identified as a competitive advantage by the Agricultural Bank of China (ABC, 2019).

The CFO of FS13 and Treasurer of FS05 both stated that financial services businesses with strong balance sheets were able to out-compete weaker balance sheet holding firms as clients had confidence in financially sound firms. It was reported that clients were more comfortable dealing with institutions that had strong balance sheets as opposed to firms with weaker balance sheets because the security of the clients' funds was more important. In addition, FS05 was using the RBS to a very large extent, whilst BM and INV were used to a large extent, with ISF being moderate.

The CFO of FS01 noted that, "understanding the customer's journey and their pain points allowed the service provider to continuously improve operational processes and customer experiences that would result in increased financial performance. She further mentioned that work on employee engagement had improved the customer satisfaction index, resulting in increased sales volumes that led to improved financial performance." FS01 was using the RBS to a very large extent whilst BM and INV were used to a large extent. ISF being moderately used.

The company's (FS03) strategy was focused on financial technology (Fintech) as a means of providing financial services. In line with the technological innovation thrust, the company

reported in its 2016 annual report that they were the first in the country to be a licensed micro-finance deposit-taking institution. Furthermore, significant support was drawn from the holding company, the Group, to bring new technology for credit scoring, loan disbursements and banking operations. Additional new innovations included the introduction of tailor-made home loan products for the low-income group in the country (AR 2016). It was stated that the company was riding on established business models and innovations from the Group and focused on implementing strategies resulting in superior firm performance. The company's strategy of financial inclusion was reported to have been influenced by the Government of Zimbabwe, which was driving the same objective. The company therefore took advantage of this opportunity and capitalised on new opportunities. To that end, the company had a goal to drive financial inclusion through technology with an objective of becoming a private banker of choice to the under-banked and to this improve livelihoods. In that regard, the company used innovation and transformational strategies driven by established Group business models that resulted in improved superior firm financial performance.

In its annual reports, FS04 stated that it was driven by the need to be the preferred provider of financial services in Zimbabwe, with a global reach. This was to be achieved by offering customer convenience and customer satisfaction through innovative low-cost products utilising state of the art technology. In other words, the company was pursuing a low-cost strategy supported by innovation. This position was also confirmed by the high score of 4.11 on innovation, followed by 3.08 on the ISF and 3.06 for the BM. The ability of the company to bring convenience to its clients was made possible by the competent staff employed by the Group, as the company focused on its staff for competitive advantage. Staff competency is a rare and non-imitable resource owned by the company that gave it a competitive advantage. In line with the dictates of ISF, the company also focused on being a good corporate citizen. To that end, it was stated in the company's annual reports that a number of initiatives were being implemented by the FS04 over the years in the community, which had improved its brand equity that resultantly increased financial performance.

FS13 was classified as poor as it posted an average ROCE of 2.7% in an environment where other financial institutions were recording average returns of 32.6% over the same period. According to the Company's annual reports, the poor performance of the company was recorded in 2014 to 2016, arising from the declining investment revenue and gross premium written; increased share of losses from the Agro Industrial operation; and losses of property valuations. Furthermore, there were unrealised losses in equity instruments and translation losses from the strengthening of the United States dollar against major currencies. Over and above these factors, the company further incurred the rationalisation costs and impairment costs of an agro-industrial associate in 2016, which further eroded its bottom line. However, the company returned to profitability in 2017, bolstered by a decent out-turn from the domestic re-insurance and property subsidiaries. The research finding showed that the company was using an innovation strategy to a very large extent, whilst using the RBS, BM and ISF to a large extent. In line with the large extent usage of the RBS, BM and ISF, it was reported that the company was using its capabilities and core competencies to prudently manage risk and optimise resources to provide service excellence and improved financial performance.

The finding of a high innovation score (4.67) by a poor performing company (FS13) was contrary to what was concluded by Geroski and Machin (1992) when they explored the existence of a relationship between innovation and firm performance. They found that firms with sustained innovation led to higher profits than the ones avoiding innovation. However, further analysis reviewing all the firms under the financial services sector showed that three excellent performing firms, FS04, FS5B and FS06, were using an innovation strategy to a very large extent as was FS14, a medium performing company. There were more firms in the excellent performance category using innovation to a very large extent than in medium and poor performing firms. This overall observation agrees with the final conclusion that was observed by Geroski and Machin (1992).

5.6.6 Industrial sector

This sector is made up of heavy industries firms that manufacture various goods and services for mainly institutional clients. The average ROCE for the sector was 9.2%, which was below the all ZSE ROCE of 10.8%. As shown by Table 26, there were 11 (73%) respondents out of 15 Industrial sector firms. Of these 11, 2 (18%) were excellent, 2 (18%) medium, 3 (27%) poor and 4 (36%) very poor.

Table 29 : ROCE, Environmental and strategy framework scores of the industrial sector

Co. Code	Performance	ROCE	Env_score	RBS_score	BM_score	ISF_score	INV_score
IND03	Excellent	34.0%	4.57	4.75	3.72	3.08	4.11
IND04	Excellent	21.1%	4.71	4.50	3.83	3.08	4.11
IND08	Medium	8.3%	4.43	3.25	2.44	3.00	2.44
IND07	Medium	8.4%	4.00	4.00	3.22	2.67	3.44
IND10	Poor	5.1%	4.29	4.25	3.39	3.58	4.11
IND11	Poor	1.6%	4.29	3.25	3.44	2.33	3.56
IND12	Poor	0.1%	3.86	3.25	3.22	2.42	3.44
IND01	Very Poor	-20.8%	3.14	1.75	2.78	2.92	1.67
IND14	Very Poor	-5.7%	4.71	3.50	3.67	3.58	4.22
IND13	Very Poor	-4.4%	5.00	4.75	4.06	3.92	4.44
IND02	Very Poor	-7.1%	2.86	2.50	2.28	2.75	2.22
Total Actual Scores		9.2%	45.86	39.75	36.06	33.33	37.78
Total Possible Scores			55.00	55.00	55.00	55.00	55.00
% Actual over Possible scores			83.4%	72.3%	65.6%	60.6%	68.7%

Key:1=not at all, 2=to a small extent, 3=to a moderate extent, 4=to a large extent, 5=to a very large extent.

Source: Research data (2021).

Table 29. shows that the Industrial sector used all four strategy frameworks to a large extent as the average scores were between 60% but below 80%. The sector used the environmental

scanning tools to a very large extent, as shown by a score of 83.4%. The highest score on the RBS of 4.75 was recorded by an excellent company (IND03) and a very poor company (IND13). It was also noted that IND08, a medium performing company, had a low RBS score when compared to IND13 that had a score of 4.75, the highest in the sector under the RBS. This showed that the use of the RBS by both excellent and very poor firms was indeed a mixed bag as performance did not vary in line with the strategy scoring ranking. IND13 was further using BM and INV to a very large extent, but performance remained very poor. When the use of the various strategies by IND13 was compared to the performance of IND10, a medium performing company, it was observed that IND10 was using both RBS and INV to a very large extent, whilst both BM and ISF were being used to a large extent. The same results were observed for IND03, IND04 and IND08 as they were using both RBS and INV to a very large extent, with BM and ISF being used to a large extent. These mixed results promoted the summarisation of the various performance categories to evaluate the various strategies being used by the firms in the Industrial Sector as shown in Table 30.

Table 30 : Average Score per performance category of the industrial sector

Co. Code	Performance	Env_score	RBS_Score	BM_Score	ISF_Score	INV_Score
IND03	Excellent	4.64	4.63	3.78	3.08	4.11
IND04	Excellent					
IND08	Medium	4.21	3.63	2.83	2.83	2.94
IND07	Medium					
IND10	Poor	4.14	3.58	3.35	2.78	3.70
IND11	Poor					
IND12	Poor					
IND01	Very Poor	3.93	3.13	3.19	3.29	3.14
IND14	Very Poor					
IND13	Very Poor					
IND02	Very Poor					
Total average scores		16.93	14.96	13.16	11.99	13.90

Key:1=not at all, 2=to a small extent, 3=to a moderate extent, 4=to a large extent, 5=to a very large extent.

Source: Research data (2021).

Table 30 shows the average scores for the different performance categories of excellent, medium, poor and very poor of the various strategy frameworks under the Industrial sector. The table shows that the industrial firms studied were using the RBS and INV to a very large extent, whilst BM and ISF were being used to a large extent. In other words, excellent performing firms were using all four strategy frameworks to improve financial performance. Medium performing industrial firms were using RBS to a large extent, whilst BM, ISF and INV were being used moderately. Poor industrial firms were using RBS, BM and INV to a large extent, whilst ISF was moderate. Very poor and excellent firms were using ISF to a large extent, whilst medium and poor firms moderately used this strategy framework. Contrary to what was observed on the excellent performing firms where the use of all the strategy frameworks had a direct relationship with financial performance, the very poor firms were using all four strategic frameworks to a large extent, but financial performance remained very poor. This observation promoted a review of the various factors that were affecting very poor firms, despite them using the four strategy frameworks to a large extent. A detailed year-on-year ROCE computation by company was done, as presented in Table 31.

Table 31 : Year-on-Year ROCE performance by industrial firms (2010-2017)

CO. CODE	YEARS								AVERAGE
	2010	2011	2012	2013	2014	2015	2016	2017	
IND03	19.1%	32.8%	37.1%	30.3%	25.2%	31.0%	36.6%	34.0%	34.0%
IND04	19.1%	32.8%	37.1%	30.3%	25.2%	12.2%	14.6%	14.0%	21.1%
IND08	17.5%	20.1%	18.5%	13.4%	0.9%	-6.5%	10.1%	1.0%	8.3%
IND07	7.8%	4.8%	10.7%	13.9%	9.8%	8.2%	4.8%	7.4%	8.4%
IND10	-7.3%	-2.2%	4.6%	2.6%	-5.5%	1.3%	16.1%	24.1%	5.1%
IND11	-5.0%	7.9%	8.2%	3.2%	-6.2%	-11.7%	5.5%	7.6%	1.6%
IND12	25.8%	25.5%	-0.2%	5.4%	-13.1%	-20.9%	-11.4%	16.0%	0.1%
IND01	-8.0%	-13.6%	-8.3%	-7.9%	-17.1%	-26.3%	-97.0%	3.0%	-20.8%
IND14	17.2%	17.3%	4.1%	-11.4%	-201.8%	0.5%	-15.4%	-3.5%	-5.7%
IND13	-18.2%	-17.5%	-19.2%	-6.1%	-3.4%	6.5%	-1.6%	-0.8%	-4.5%
IND02	-4.5%	-7.2%	-10.1%	-7.7%	-6.4%	-7.4%	-5.0%	-9.0%	-7.1%
SECTOR	8.5%	13.1%	14.8%	11.6%	8.5%	5.7%	2.7%	12.1%	9.2%

Source: Research data (2021)

In the annual reports, the Chairman of IND02 and CEOs of IND13 noted that their firms' performance was mainly affected by under-capitalisation. It was further noted that IND02 was incorporated in 1964, whilst IND13 was incorporated in 1957. IND02 was a perennial loss-making company from 2010 to 2017, resulting in a cumulative loss of USD16.3 for the period under review. Additionally, IND13 made a cumulative loss of USD5.4 million for the eight-year period under review. Of the eight years, the company was only profitable in 2015 following a 22% increase in revenue and 19% reduction in the cost of production from a prior year's investment in the plant and acquisition of new equipment as the business was focussed on cost reduction initiatives. Unfortunately, this performance could not be sustained as the business suffered a 12% revenue decline in 2016, driven by an 8% drop in volume and 5% drop in average prices. The company was clear on its cost leadership strategy as it strived to be a low-cost producer. From the qualitative data, it was noted that the company had a vast clay base resource that was located in the capital city of the Country. It was also noted that the company depended to a very large extent on its RBS, which may be pointing to the high clay resource base. The CEO of IND13 stated that pricing for the company's products was relatively standard. However, the company offered volume discounts for big projects and special prices for CIFOZ and ZBCA members, schools and Government projects under its CSR projects. In response to the high competition from imported products, the CEO reported that the company had to be innovative and developed its own competing product to counter the impact of imports. This innovative drive was supported to a very large extent by the innovative score of 4.44. In confirming the research finding that the company used innovation to a very large extent, the CEO reported that the company had managed to get the correct product shade that matched imports and had gone further to offer a broader product offering through their Research and Development. However, the company was limited in terms of modern technology, which made their product less appealing. The CEO reported that the company's strategic push to improve financial performance had started to bear fruit as the company was making progressive steps out of the very poor category, as evidenced by reduced loss positions of USD309,000 and USD141,000 for 2016 and 2017 respectively.

Therefore, the firms were reported to be using antiquated and dilapidated equipment that produced uncompetitive products due to low efficiency against the background of imports following technological improvements that had turned the world into a global village. Whilst both IND02 and IND13 were all very poor firms, IND13 depended on RBS, BM and INV to a very large extent, whilst IND02 did not depend on any particular strategy framework. IND14, a very poor performing company used INV to a very large extent, whilst RBS, BM and ISF were being used to a large extent. IND01, a very poor performing company, did not have any particular strategy framework that was largely being used. Further enquiries revealed that there were other significant circumstances affecting performance. For example, the CFO of IND12 stated that performance was hindered by inconsistent weather patterns, resulting in droughts that were being experienced during the same period against the background of foreign exchange shortages as a significant amount was allocated to food imports by the Government to augment national grain reserves to the detriment of industries.

The Divisional Manager of IND08 and CEO of BM04 noted that ISF was a critical driver of firms' performance as this was treated as a permit to work in their firms. This was contrary to findings by Okhmatovskiy (2010) and Marquis and Qian (2014), who observed that a direct government relationship will introduce a firm to heavy pressure to redirect its resources to push and support political objectives and plans. In confirmation of Okhmatovskiy (2010) and Marquis and Qian 2014 observation that political pressure may affect a company's financial performance, the CEO's of both firms agreed that there was need to ensure meaningful engagement with the community to avoid possible disruptions in the firms' operations as the community leadership had the power to stop operations for major community violations.

The literature review showed that IND03 and IND04 were at some point one company that then demerged in 2014 to have separate listings on the ZSE, even though they still had common shareholders. The innovative separate listing on the ZSE was supported by a score of 4.11. It was reported that the separate listing was meant to further grow the respective businesses in line with

the company's growth plans. Therefore, the management philosophy of IND03 and IND04 was largely the same and the two firms were analysed as one.

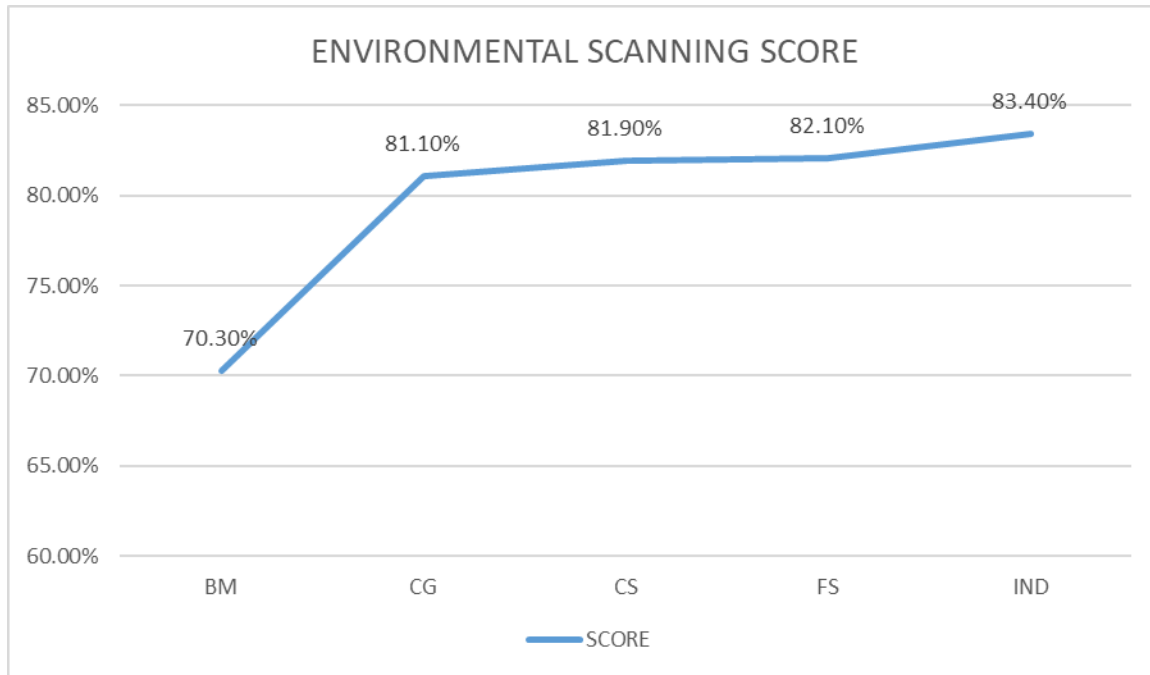
The CFO of IND03, an excellent performer, stated that cost control was critical in driving financial performance for the company. IND03 depended on RBS and INV to a very large extent as explained by the CFO, where there was a deliberate focus on innovative measures to drive towards backward and forward integration of the whole supply chain by investing in downstream and upstream businesses to ensure full control of the inputs that were used in the business and to give a better financial performance to the company. He further stated that in pursuit of the innovation strategy, acquisition and mergers were conducted, including the separate listing of an international complimentary business to better control the supply chain side as a mitigation of cost management.

From the review of the company's annual reports, IND04 was able to achieve an average profit growth of 98% year-on-year from the base year of 2010 to 2017. The literature review showed that the company's business model, which was the source of their competitive advantage, was based on a cost leadership strategy targeting the mass market through an integrated portfolio of businesses. Under the RBS framework, the company stated on its website that its distinctive leadership was focused on quality in all they do in pursuit of value creation for all stakeholders, resulting in increased financial performance. The CFO of IND04 stated that the strategic and well thought out location of the company's retail outlets and rare core competency were the major sources of the success of the company. To that end, the company strongly believed in its people, who were passionate about the brands of the company to drive the performance and growth of the company through the provision of high-quality service whilst at the same time caring for the community in which they do business.

5.7 Use of environmental scanning tools across performance levels

An analysis of the environmental factors showed significantly high scores across all the sectors for Firms listed on the ZSE, as shown by Figure 18 below.

Figure 18 : Environmental scanning tools scores across performance levels



Source: Research data, (2021).

Figure 18 shows that all the sectors were largely using the same environmental scanning tools, resulting in more or less the same scores. The Basic Materials sector had a relatively low score of 70.3%, whilst the rest were above 81% to a maximum of 83.4%. This range was not significant enough to have an impact on financial performance. It basically means that all the firms were largely using the same tools and therefore environmental scanning could not be a source of competitive advantage.

Table 32 shows that all the sectors recorded p-values that were 0.05, confirming the finding from the averages scores that the firms were using more or less the same environmental scanning tools and these could not be a source of competitive advantage.

Table 32 : Use of Environmental scanning tools across performance levels

	Excellent (N=15)	Medium (N=13)	Poor (N=9)	Very Poor (N=10)	Total (N=47)	p value
SWOT	4.400 (0.828)	4.231 (0.927)	4.444 (0.726)	3.800 (0.789)	4.234 (0.840)	0.287
PESTEL	4.133 (0.915)	3.923 (1.256)	4.333 (0.707)	3.700 (0.823)	4.021 (0.967)	0.511
Porters five	3.467 (0.834)	3.667 (0.888)	3.444 (0.882)	3.100 (1.524)	3.435 (1.025)	0.652
Porters four	3.500 (1.286)	3.308 (1.251)	2.889 (0.928)	2.400 (1.430)	3.087 (1.279)	0.176

Source: Research data, (2021)

Table 32 above shows that excellent firms had a score of 4.40, whilst medium firms had 4.23 and poor firms have a score of 4.44 and very poor firms had a score of 3.80 on the use of SWOT. There is no sequence that could be deduced from the data, as supported by a p-value of 0.287 that is above the normal score of 0.05. The same results were observed for PESTEL and Porter's Five Forces, with high p-value scores. A different sequence was observed on Porter's Four Corners analysis, which had a clear sequence of high scores being associated with high performance and vice versa. However, the difference was not good enough, as shown by a p-value of 0.176 which was still above the normal p-value of 0.05.

An analysis of the various tools in the various sectors of the firms was done to establish if there could be some significance on the performance of the firms. This is shown in Table 33 below.

Table 33 : Application of environmental scanning tools across sectors

	Basic Materials (N=5)	Consumer Goods (N=10)	Consumer Services (N=9)	Financial Services (N=12)	Industrials (N=11)	Total (N=47)	p value
SWOT	3.600 (0.894)	4.200 (0.919)	4.222 (0.667)	4.333 (0.888)	4.455 (0.820)	4.234 (0.840)	0.448
PESTEL	3.600 (0.894)	3.700 (1.337)	4.111 (0.782)	4.083 (0.900)	4.364 (0.809)	4.021 (0.967)	0.483
Porters five	3.000 (1.225)	3.300 (0.823)	3.556 (1.236)	3.545 (1.036)	3.545 (1.036)	3.435 (1.025)	0.848
Porter four	2.400 (1.140)	3.200 (0.919)	2.625 (1.598)	3.417 (1.240)	3.273 (1.421)	3.087 (1.279)	0.479

Source: Research data (2021)

As shown above, there is no significant impact on the financial performance of ZSE listed firms arising from environmental scanning, as shown by p-values that are all above 0.05.

To conclude this chapter, Table 34 presents the extent of usage of the various strategy frameworks by the various sectors of the ZSE listed firms.

Table 34 : Sectoral use of the various strategy frameworks

Sector	Env_score	RBS_Score	BM_Score	ISF_Score	INV_Score
BM	3.51	3.10	2.78	2.67	2.93
CG	4.06	4.25	3.30	3.12	3.87
CS	4.10	4.06	3.29	3.07	3.73
FS	4.11	3.98	3.41	3.12	3.86
IND	4.17	3.61	3.28	3.03	3.43

1=not at all, 2=to a small extent, 3=to a moderate extent, 4=to a large extent, 5=to a very large extent

Source: Research data, (2021)

Table 34 shows that all the sectors of the ZSE listed firms were using the environmental scanning tools to a very large extent, whilst only the Basic Materials sector used them to a large extent. This was further supported by p-values that were all above the 0.05 target for it to be significant. The large extent to a very large extent recorded in Table 34 shows that all firms were largely using the environmental scanning tools and therefore no single company could have a competitive advantage over the other. RBS was being used by the Consumer Goods sector and Consumer Services sector to a very large extent, whilst the Basic Materials, Financial Services and Industrial Sectors were using the RBS to a large extent to improve financial performance. On business models, institutional strategy framework and innovation, the Basic Materials sector used the strategy frameworks to a moderate extent, whilst all the other sectors reported a large extent.

CHAPTER SIX

REVIEWING THE IMPACT OF CORPORATE STRATEGY FRAMEWORKS ON ZSE LISTED FIRMS

6.1 Introduction

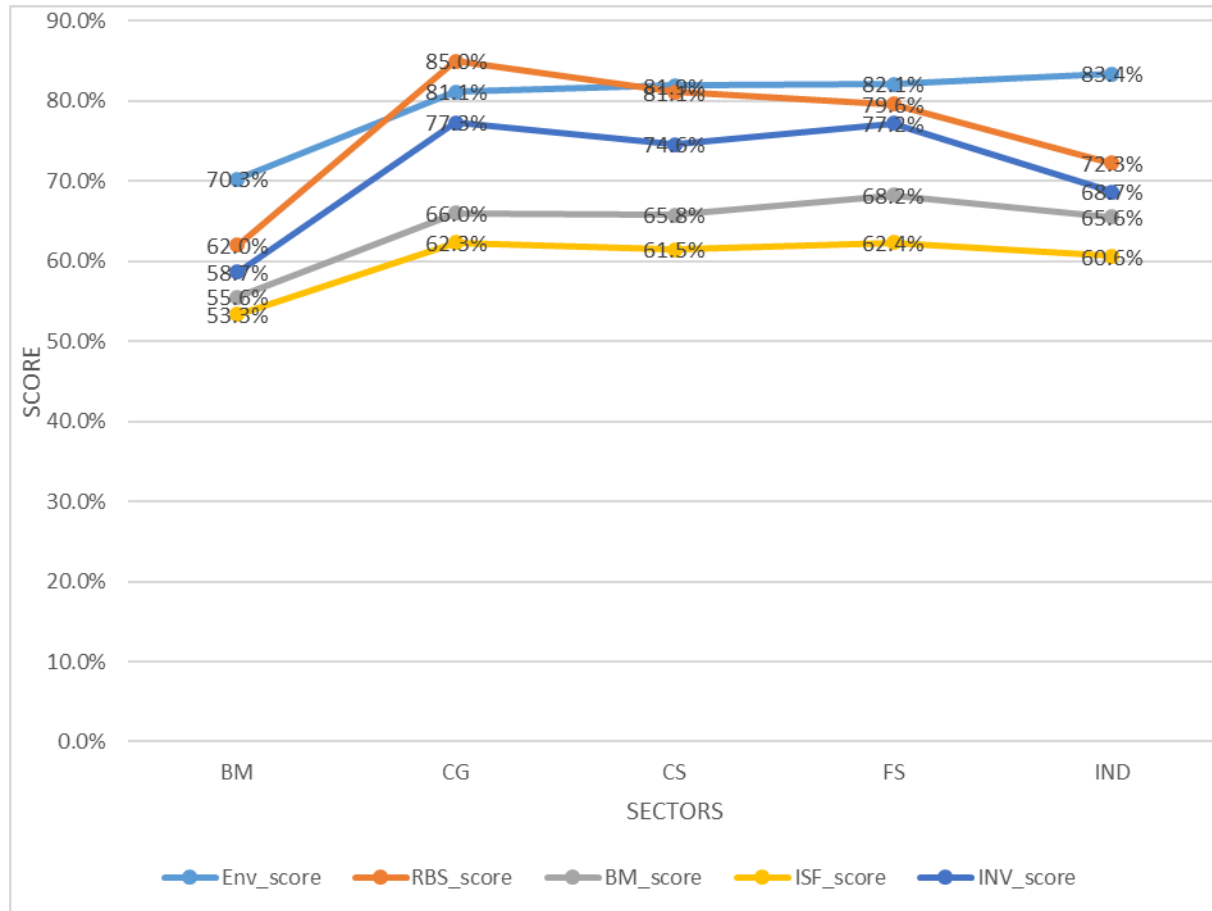
In this section, the research findings are presented and discussed and conclusions will be drawn. The extent of the usage of the various strategy frameworks by the various sectors was reviewed, leading to an evaluation of financial performance against strategy frameworks.

Furthermore, the empirical findings of the study will be presented to answer the objectives of the study to establish the impact of the Resource-Based Strategy (RBS), Business Models (BM), Institutional Strategy Framework (ISF) and Innovation Strategy (INV) on the financial performance of ZSE listed firms. An evaluation of the joint impact of all the strategy frameworks will be done, as well as the presentation of other strategies being used by Zimbabwean firms to increase financial performance.

6.2 Usage of the various strategy frameworks

Fig. 20 shows the percentage scores of the usage of the various strategy frameworks by the different sectors of the ZSE firms. The graph shows that, generally, all firms on the ZSE have a high dependence on the RBS and INV comes second. BM comes in at third position and finally, the ISF.

Figure 20: Comparative usage of the strategy frameworks by sector



Source: Research data (2021)

The plotting of the ROCE performance line against the usage of the various strategy frameworks allowed for a direct comparison between the usage of a particular strategy framework to the general performance of the sector.

6.3 Corporate strategy frameworks vs. sector performance

Table 32 shows the performance scores of the various sectors on the ZSE. The study measured four possible strategies that were used across the five main sectoral categories for listed firms on the Zimbabwe Stock Exchange (ZSE). These strategies included the Resource-Based Strategy (RBS), Business Model (BM), Institutional Strategy Framework (ISF) and Innovation Strategy (INV), underpinned by an Environmental Analysis (EA) as an intervening variable. Table 35 shows the use of the strategies across the five sectors on a scale of 1 to 5, which was used to collect the data. The figures in the table show the mean and standard deviation.

Table 35 : Strategy framework to financial performance

	Excellent (N=15)	Medium (N=13)	Poor (N=9)	Very Poor (N=10)	Total (N=47)	P value
RBS	4.400 (0.693)	4.269 (0.599)	3.667 (0.661)	2.750 (1.054)	3.872 (0.975)	< 0.001
BM	3.459 (0.397)	3.359 (0.407)	3.241 (0.289)	2.878 (0.651)	3.266 (0.486)	0.021
ISF	3.161 (0.496)	3.051 (0.439)	3.000 (0.489)	2.883 (0.545)	3.041 (0.485)	0.577
INV	3.993 (0.451)	3.761 (0.535)	3.679 (0.830)	2.911 (0.885)	3.638 (0.755)	0.002

Source: Research data (2021)

Table 35 compares the performance categorisation for all ZSE listed firms that participated in the survey against the strategy used. The first row shows the performance categorisation and the number of participants. Of the 47 participants, 15 were excellent, 13 were medium, 9 were poor and 10 were very poor performing firms. The first column shows the particular strategy framework of the Resource-Based Strategy (RBS), Business Models (BM), Institutional Strategy

Framework (ISF) and Innovation (INV). Under the RBS, there were 15 firms that had an average score of 4.400 and a standard deviation (SD) of 0.693; 13 medium firms recorded an average score of 4.269 with an SD of 0.599; 9 Poor firms recorded an average score of 3.667 and SD of 0.661; and finally 10 very poor firms recorded an average score of 2.750 and SD of 1.054. The mean and SD values were based on a scale of 1-5 that was used in the data collection. The results of a univariate analysis show that the sectors significantly differ on the use of the corporate strategy, business model and innovation strategy frameworks as they record a p-value that was below 0.05. However, ISF did not show a significant influence as it had a score of 0.577, which was above the target of less than 0.05.

6.4 Financial performance versus strategy framework scores

This section presents the various strategy frameworks being used by excellent, medium, poor and very poor firms to increase financial performance. The section will start with the excellent performing firms, as shown in Table 36.

Table 36 : Strategy frameworks used by excellent firms

EXCELLENT					
SECTOR	Env_score	RBS_Score	BM_Score	ISF_Score	INV_Score
BM	4.9	5.0	3.6	2.4	4.6
CG	3.9	4.5	3.1	3.2	3.2
CS	4.1	4.7	3.5	3.4	4.2
FS	3.9	4.0	3.6	3.2	3.9
IND	4.6	4.6	3.8	3.1	4.1
AVERAGE	4.3	4.6	3.5	3.1	4.0

Key: 1=not at all, 2=to a small extent, 3=to a moderate extent, 4=to a large extent, 5=to a very large extent

Source: Research data (2021)

Table 36 shows that the excellent ZSE firms were using the RBS and INV to a very large extent, whilst BM and ISF were used to a large extent. The excellent firms were also to a very large extent making use of the environmental scanning tools in developing their strategies. Further

analysis of the results showed that RBS was the most used strategy framework by excellent firms, followed by innovation in second position. The business models framework was in third position, whilst the institutional strategy framework was the last most used strategy framework by excellent performing firms that were listed on the ZSE over the period under review.

The same analysis was conducted for the medium performing firms, as shown in Table 37.

Table 37 : Strategy frameworks used by medium firms (2010-2017)

MEDIUM					
SECTOR	Env_score	RBS_Score	BM_Score	ISF_Score	INV_Score
BM	n/a	n/a	n/a	n/a	n/a
CG	4.0	4.5	3.7	2.9	4.3
CS	4.2	4.8	3.6	3.3	4.0
FS	4.1	4.2	3.3	3.1	3.7
IND	4.2	3.6	2.8	2.8	2.9
AVERAGE	4.1	4.3	3.4	3.0	3.7

Key: 1=not at all, 2=to a small extent, 3=to a moderate extent, 4=to a large extent, 5=to a very large extent

Source: Research data, (2021)

Table 34 shows that medium performing firms were using the RBS to a very large extent, whilst BM, ISF and INV were all being moderately used. This performance category also had a high usage of the environmental scanning tools. Comparing the strategies being used by excellent firms to medium firms, it was observed that both Groups were using the same strategies, but to varying degrees. Excellent firms had on average about a 30% premium on the use of the various strategy frameworks when compared to the medium firms. In the same vein, an analysis for the poor performing firms was done, as shown in Table 38.

Table 38 : Strategy frameworks used by poor firms (2010-2017)

POOR					
SECTOR	Env_score	RBS_Score	BM_Score	ISF_Score	INV_Score
BM	3.4	3.3	2.8	3.0	2.5
CG	4.4	4.5	3.3	3.4	4.4
CS	4.0	3.8	3.5	2.8	3.4
FS	4.9	3.0	3.4	3.1	4.7
IND	4.1	3.6	3.4	2.8	3.7
AVERAGE	4.2	3.6	3.3	3.0	3.8

Key:1=not at all, 2=to a small extent, 3=to a moderate extent, 4=to a large extent, 5=to a very large extent

Source: Research data, (2021).

It was observed that poor firms were using all four strategy frameworks to a large extent. However, they had a very large extent of usage on the environmental scanning tools, just like the excellent and medium performing firms.

Table 39 : Strategy frameworks used by very poor firms (2010-2017)

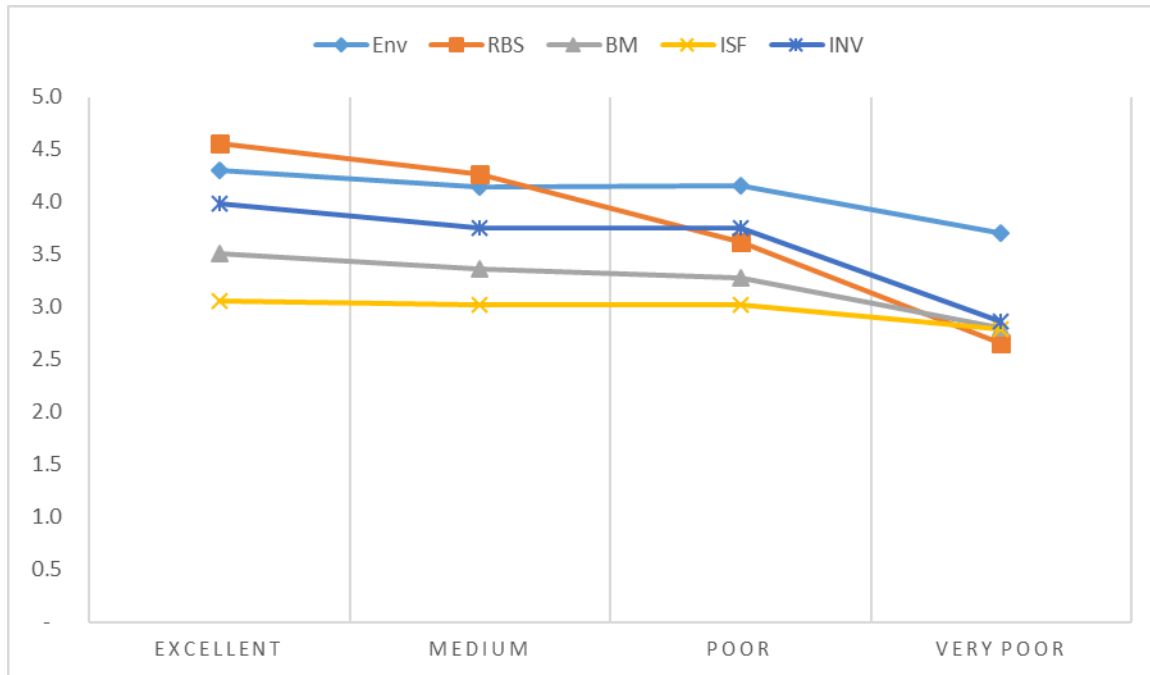
VERY POOR					
SECTOR	Env_score	RBS_Score	BM_Score	ISF_Score	INV_Score
BM	2.9	2.0	2.4	2.5	2.6
CG	4.1	3.3	3.2	2.9	3.1
CS	3.9	2.3	2.4	2.4	2.7
FS	n/a	n/a	n/a	n/a	n/a
IND	3.9	3.1	3.2	3.3	3.1
AVERAGE	3.7	2.7	2.8	2.8	2.9

Key:1=not at all, 2=to a small extent, 3=to a moderate extent, 4=to a large extent, 5=to a very large extent

Source: Research data, (2021).

Table 39 shows that very poor firms were moderately using all the strategy frameworks, with a very large extent on the environmental scanning tools.

Figure 19 : Strategy vs. financial performance (2010-2017)



Source: Research data (2021)

Figure 19 shows a direct relationship between the strategy framework and the performance categorisation of the company. Excellent firms had the highest strategy framework scores whilst very poor firms had very low strategy scores. For example, excellent firms had the highest score of 4.6 on RBS, followed by medium firms with a score of 4.3. In third position was the poor firms at 3.6 and lastly, the very poor firms at 2.7.

RBS was the most used framework by excellent performing firms and had a score of 4.6; followed by innovation with a score of 4.0; business models at 3.5; and finally institutional strategy frameworks at 3.1. The same trend was observed for medium performing firms. The pattern changes when one gets to the poor firms, where innovation becomes the most used strategy framework without a direct relation to financial performance. Very poor firms did not have any particular strategy framework being used as a precursor to financial performance. It

was noted that where RBS falls, this had a significant impact on firm performance. For example, poor and very poor firms had significant low scores on RBS as shown in figure 19.

Table 40 : Financial performance vs. strategy framework scores

CO. CODE	ROCE	Env_score	RBS_score	BM_score	ISF_score	INV_score
BM	-20.8%	70.3%	62.0%	55.6%	53.3%	58.7%
CG	15.5%	81.1%	85.0%	66.0%	62.3%	77.3%
CS	17.0%	81.9%	81.1%	65.8%	61.5%	74.6%
FS	9.1%	82.1%	79.6%	68.2%	62.4%	77.2%
IND	9.2%	83.4%	72.3%	65.6%	60.6%	68.7%
ALL ZSE	10.8%	79.8%	76.0%	64.2%	60.0%	71.3%

Source: Research data, (2021).

Table 40 shows that the basic material sector was using the RBS to a large extent, as evidenced by a score of 62%; whilst the business model, institutional strategy frameworks and innovation were all being used to a moderate extent. It was noted that the basic materials sector had the lowest scores on all the strategy frameworks, as well as the lowest ROCE of negative 20.8%. The score of 62.0% was the lowest when compared to all other sectors of the ZSE listed firms.

The consumer goods sector used the RBS to a very large extent, as shown by the highest score of 85.0%; whilst the business models, institutional strategy framework and innovation were being used to a large extent. The sector had the second highest ROCE of 15.5% when compared to all sectors of the ZSE listed firms. The consumer services sector had performance scores that were in line with the scores for the consumer goods sector where the RBS was being used to a very large extent, whilst the other strategy frameworks of business models, institutional strategy frameworks and innovation were being used to a large extent. It was noted that CS had the highest ROCE of 17.0% when compared to all ZSE listed firms, followed by the CG sector.

On one hand, the FS used the RBS and INV to a large extent, whilst the BM and ISF were being used to a large extent and recorded a ROCE of 9.1%; whilst on the other hand, the IND sector used all the strategy frameworks to a large extent and recorded a 9.2% ROCE.

6.5 Univariate data analysis

‘Uni’ means one and ‘variate’ means variable, hence in univariate analysis, there is only one dependent variable. The objective of the univariate analysis is to derive the data; define and summarize it; and analyse the pattern presents in it. In a dataset, it explores each variable separately. Some patterns that can be easily identified with univariate analysis are Central Tendency (mean, mode and median), Dispersion (range, variance), Quartiles (interquartile range) and Standard deviation (Khushis, 2021).

6.5.1. The impact of the resource-based strategy framework (RBS) on the financial performance of firms in Zimbabwe

This is a strategy framework premised on a firm using its core dynamic capabilities and tangible and intangible assets, which are advantageous and expensive to duplicate as underlying sources and push factors to firms’ comparative strength on improved financial performance. As shown in Table 41, a p-value of 0.001 shows that RBS had a significant influence on the financial performance of firms listed on the ZSE.

Table 41 : Impact of RBS on financial performance

	Excellent (N=15)	Medium (N=13)	Poor (N=9)	Very Poor (N=10)	Total (N=47)	P value
RBS	4.400 (0.693)	4.269 (0.599)	3.667 (0.661)	2.750 (1.054)	3.872 (0.975)	< 0.001

Source: Research data, (2021).

As shown in Table 41, the use of RBS had an overall average score of 3.87, for all the 47 ZSE participating firms. On one hand, the excellent and medium performing firms recorded average

scores of 4.40 and 4.27 that were above the overall score of 3.87 while the poor and very poor firms had average scores of 3.67 and 2.75 that were below the overall score of 3.87. In other words, the 15 excellent and 13 medium firms were using the RBS to very a large extent, whilst the poor firms were using RBS to a large extent. Very poor firms were moderately using the RBS. To that end, a hierarchical relationship between the extent of the use of the RBS and the performance of the company was established, where the use of RBS to a very large extent was associated with excellence. From the analysis of the data, a pattern under the RBS was observed where the higher the RBS score, the higher the ROCE.

However, a closer look at specific firms showed some contradictions with the above observation of a direct relationship between the extent of usage of the RBS and firm performance. For example, the CFO of FS13, a poor performing company that used the RBS to a large extent, mentioned that the company's capabilities and core competencies to prudently manage risk and optimise resources to provide service excellence and improved financial performance was a source of competitive advantage, despite the company being a poor performer. There is no relationship between the poor performance of the company and the large extent of its usage of the RBS. It was observed that IND02, a perennial loss-making institution, moderately used the RBS with a score of 2.5, which was below the 3.87 for all ZSE firms. The company (IND13), a very poor performing entity, reported that they were using the RBS to a very large extent despite being a very poor company. The Chairman of the company mentioned that they had a vast clay base resource that was located in the capital city of the country, that should have been a source of competitive advantage, but was never realised. This was also observed by Newbert (2007) in a review of 55 empirical tests evaluating the contribution of RBV to performance, where it was concluded that ability and key skills contribute more largely to a firm's competitive edge than resources. In this particular case, IND13 has the vast resource base, but was failing to transform it for the benefit of the company. Enz (2008) contends that an individual resource cannot be a cause of competitive advantage, but a multiplicity of resources structured in creative ways to bring about a company's competencies can. In this particular case, a very large extent of dependence on RBS did not translate into improved financial performance as the score

represented the physical resources. A review of some firms in the consumer goods sector has further supported this observation, where instances were noted that an excellent performing company (CG3B) reported a large extent of usage of the RBS with a score of 3.75, whilst a very poor company (CG13) used the RBS to a very large extent with a score of 4.0. The consumer goods sector had 4 excellent performing firms, 3 of which were using the RBS to a very large extent and one that was using it to a large extent. It was also noted that 4 poor to very poor firms had a mixed extent on the usage of the RBS, as 3 were using it to a very large extent, whilst only 1 was moderately using the RBS. This analysis has shown that the ultimate performance of a company was not solely dependent upon the extent of the use of the RBS, but by a number of factors as observed in different categories. CG03 and CG05 were excellent, CG07 was poor, whilst CG09 was very poor. This shows that RBS is not the only driver of financial performance by firms in the CGs.

In this context, BM01, a very poor performing company that was reported by the Board Chairperson to have had a leadership failure, failed to fully address the challenges that the organisation was going through over the period under study. In other words, the ability to make appropriate decisions in the interest of the company is what set apart excellent and mediocre performances, as shown by the drivers of excellent and very poor performing firms. This ability lies in the competence and skills of the people, a function of the RBS. To that end, it was noted that CG03, an excellent performing company under the consumer goods sector, was prized in both intellectual rigour and passion for excellence, an asset that was scarce and could not be easily imitable. Intellectual rigour embodies core competency and leadership qualities that are considered to be critical elements of the resource-based strategy framework. The research showed that CG04 was an excellent performing company that used the RBS framework to a very large extent to drive financial performance. The company clearly stated that its strength was in its people, underpinned by a passion for excellence and a non-negotiable performance culture. In the same vein, CG05, another excellent performing company with a high dependence on the use of RBS, reported that its competitive advantage was from its people who passionately brought results working and winning together in teams, putting customers at the centre of all they do.

IND04, an excellent performing company, stated that its distinctive leadership focused on quality in all they do in pursuit of value creation for all their stakeholders. The CFO of IND04 reported that RBS and INV were being used to a very large extent to drive financial performance as the company depended on its people for strategic direction. The company's employees identify strategic and well-thought out locations of their retail outlets, resulting in increased financial performance. Furthermore, the company strongly believes in its people who are passionate about the brands of the entity to drive performance and growth of the company through the provision of high quality service, at the same time caring for the community in which they do business.

Excellent performing firms under the consumer services sector used the RBS to a very large extent, as shown by a score of 4.67. It was noted that poor firms under the consumer services sector were using the RBS to a large extent, as shown by a score of 3.75. Poor firms had a low average score of 2.25 on RBS compared to 4.67 for excellent firms. To that end, a relationship between the extent of the usage of a strategy framework and performance was established. In line with this established relationship, it was observed that both CS01 and CS02, both excellent performing firms, gained their competitive advantage from the leadership and competency of their teams. CS02 stated in its annual reports that the company was driven by the RBS on account of its competent people, as evidenced by a score of 4.63. The company (CS02) prided itself on individuals who were all intrinsically valuable members of the organisation and who effectively co-operate to produce the best for the organisation. Furthermore, the company strived to grow its knowledge-base, an attribute of the RBS, with uncompromising passion for excellence.

Company CS01, an excellent performing Company, stated that quality service was delivered by the competent people employed by the company and further cited that it prides itself on having people with resilience to face a highly competitive market and who are passionate about its vision to create value for its customers, employees and shareholders through the company's brands. In support of this perspective, the company used RBS to a very large extent, as demonstrated by a high score of 4.75. The same observation was noted for FS04, an excellent performing company, that was focusing on its staff for competitive advantage as staff

competency was a rare and non-imitable resource it owned, which gave the company a competitive advantage, as iterated by the Chairman.

It can therefore be confirmed that the findings from this study showed that core competence and the physical resources owned by the organisations were critical in driving organisational performance, as supported by Collins (2001) in his study on good to great firms which noted that level 5 leadership, which is basically a core competency of an organisation, was a driver of financial performance.

6.5.2. The impact of business models using Porter’s generic strategies framework on the financial performance of firms in Zimbabwe

Porter’s Generic Strategy Framework pushes the view that firms gain a competitive advantage by applying differentiation, cost leadership and focus strategies. According to Table 42 below, listed firms on the ZSE were using a business model strategy framework to drive financial performance, as shown by a p-value of 0.021. A p-value of less than 0.05 shows that business models had a significant influence on the financial performance of the firms that were part of the study.

Table 42 : Business model framework vs. financial performance

	Excellent (N=15)	Medium (N=13)	Poor (N=9)	Very Poor (N=10)	Total (N=47)	P value
BM	3.459 (0.397)	3.359 (0.407)	3.241 (0.289)	2.878 (0.651)	3.266 (0.486)	0.021

Source: Research data, (2021)

Table 42 shows the overall scoring of all firms listed on the ZSE in terms of the Business Model strategy framework. It was noted that 15 excellent firms had a business model (BM) score of 3.46, whilst the 10 very poor firms had a score of 2.88. In other words, the excellently performing firms were using business models to a large extent, whilst the 10 very poorly performing ones were moderately using the same strategy framework. The average score for all the ZSE listed firms was 3.27, which was better than both the poor and very poor. Therefore, the higher the average score on the use of the BM, the better the performance. Overall, the 47 participating ZSE listed firms were using the BM framework to a large extent, as shown by a BM score of 3.27. Generally, it was observed that the higher the BM score, the higher the performance categorisation of the company. There was mixed performance in the use of the BM framework as Excellent, medium and poor firms were all using the BM framework to a large extent. To unpack this puzzle, a detailed qualitative review was done, where it was noted that the basic materials sector had one excellent company that had a large extent of usage of the BM, as shown by an average score of 3.56 whilst poor and very poor firms were moderately using the same strategy framework. A review of individual company data showed a hierarchical trend where the higher the average score on BM, the better the performance of the company. For example, BM02, an excellent performer had a BM score of 3.56; whilst BM01, a very poor performer, had a score of 2.28.

It was noted that CG03, an excellent performing company's business model, was hinged on superior distinctive brands that promised a better future for all stakeholders. The company was using business models to a large extent, as shown by a score of 3.3, whereby it focused on creating a balanced portfolio of business whilst aspiring to offer the preferred choices of product and service as they build lasting relationships based on trust. The company's business model was therefore premised on differentiation, diversification and strong relationships. This was contrary to observations and suggestions from Aziz and Mahmood (2011), who have attempted to explain the performance of manufacturing SMEs in Malaysia through their business model and found out that "skill" was the only dimension of the business model that determines SME performance and success. In this research, skill is not a business model but a competence that is classified under

the RBS framework. Skill allows the company to choose the right course of action that will result in competitive advantages.

The two industrial excellent performing firms of IND03 and IND04 used BM to a large extent as shown by a score of 3.78, compared to 3.19 for four very poor performing firms. The relationship observed in excellent and medium firms between BM score and financial performance was that excellent firms had a score of 3.78, whilst medium firms had a score of 2.83 which was not in support of the relationship between poor firms that had a high BM score of 3.35 compared to 2.83 for the medium performing firms. In this instance, it does not follow that a high BM score will result in increased financial performance.

Weill et al. (2006) examined a possible relationship between the types of business model and the firms' performance on a sample of large quoted American firms, and found that the business model can explain firms' performance more effectively than classification by industry. In line with this finding, the CFO of CGO4, an excellent performing company, mentioned that the company was pursuing cost leadership and focus strategies as it sought to avail affordable products targeted at the mass market. He further stated that the company's diversification strategy entailed the vast branded product portfolio supplied in Zimbabwe and selected regional markets. Although the company was an excellent performer, it had a moderate use of the business model framework. Furthermore, both firms CG04 and FS5B were categorised as excellent performers in their sectors, despite the varied scores on their business models. CG04 moderately used business models whilst FS5B used BM to a very large extent, although they are all categorised as excellent performers. Another excellent performing company, CS01, embodied a profitable business model, with a BM score of 3.78 when compared to a score of 4.00 by CS04, a medium performing company. CG12, a very poor performing company with a cumulative loss of USD3.6 million for the eight-year period under study, had a low score of 2.89 on the BM. CG07 is a medium performing company with a BM score of 4.11, whilst CG03 is an excellent performing company with a BM score of 3.17. Although these distortions could be

seen, their instances were relatively rare and therefore it can be concluded that there is a positive relationship between BM score and performance, as supported by the overall p-value of 0.021.

Furthermore, the 5 excellent performers under the financial services sector were using the BM to a large extent to improve financial performance, as shown by a score of 3.56, the highest in all the various performance sectors. The CEO of FS03, an excellent performer, stated that the company was using BM to a large extent, as shown by a score 3.44, as it was riding on established business models and innovations from the Group to drive superior firm performance. It was observed that FS04, an excellent performing company, had a score of 3.06 on the BM, which shows that the company was using BM to a large extent to drive financial performance.

IND04, an excellent performing company pursuing a business model that was premised on the low-cost leadership strategy targeting the mass market through an integrated portfolio of businesses, was using the BM strategy to a large extent, as shown by the score of 3.83; whilst IND02, a very poor company, had a moderate use of the BM strategy framework. Unlike the excellent performers that had high scores on BM, IND02, a perennial loss-making institution, had a low score of 2.28 on the BM, which was below the 3.27 for all ZSE firms. IND13 a very poor performing company, pursued a cost leadership strategy as it strived to be a low-cost producer in its quest to improve financial performance.

Based on the p-value of 0.021 and the qualitative reviews done in this research, it was noted that BM had a direct relationship with the financial performance of ZSE listed firms. This was supported by an observation made by Weill et al. (2006), who found that the business model can explain firms' performance more effectively than classification by industry.

6.5.3. The impact of the institutional strategy framework (ISF) on the financial performance of firms in Zimbabwe

The Institutional Strategy Framework (ISF) measures the impact of relationships, corporate infrastructure building and socio-cultural issues on the financial performance of firms.

Table 43 : Institutional strategy framework vs. financial performance

	Excellent (N=15)	Medium (N=13)	Poor (N=9)	Very Poor (N=10)	Total (N=47)	P value
ISF	3.161 (0.496)	3.051 (0.439)	3.000 (0.489)	2.883 (0.545)	3.041 (0.485)	0.577

Source: Research data, (2021)

The survey findings as shown in Table 43 indicate that there was no significant relationship between ISF and financial performance, as indicated by a p-value of 0.577 against an expected value of below 0.05. It was noted that the 15 excellent, 13 medium and 9 poor performing firms were all using the ISF to a large extent, whilst the very poor firms moderately used it. This explains why a p-value score of 0.577 was obtained, pointing to the fact that all the firms were more or less using the ISF, without any particular group gaining a significant competitive advantage over the other on the use of the same strategy framework. Empirical research on the use of the ISF has shown mixed results.

Melewar, Badal and Small (2006), in their research on Danone's penetration into China, found that political responsiveness to power relationships and the need to have instrumental and powerful people in business and politics on one's side were essential in gaining market acceptance. In support of the view by Melewar, Badal and Small (2006), the manager of CG3B with a moderate use of the ISF, mentioned that the company was building and sustaining

alliances with business partners for sustainably growing the profitability of the business. It was reported that CG03, an excellent performing company, aspired to do its best for its local communities and sought to conduct their business in an environmentally sustainable manner. The company believed that ISF was a source of competitive advantage to increase financial performance. In the same vein, CG05 had a relatively high score of 3.42 on ISF as they valued an information advantage to a greater extent as the company works with farming communities.

CS02 depended on the ISF to a large extent, as shown by a score of 3.54. The company attributed its better financial performance to its broad strategy for social and community investment where it supported a diverse range of charitable causes, which included children orphaned by HIV/AIDS, religious and church organisations, as well as an annual scholarship program that provides financial assistance to the brightest students selected from schools in the country's 10 provinces.

The five (5) excellent performing firms under the financial services sector were using the ISF to a large extent, as shown by a score of 3.20 that was above the all ZSE average of 3.04. FS04, an excellent performing company using the ISF, to a large extent was focusing at being a good corporate citizen. To that end, a number of initiatives were being done by the company over the years in the community and this was reported by the Chairman to have improved its brand equity and ultimately, financial performance.

The conundrum with the relationship between ISF and financial performance is further shown by the two industrial excellent firms that had an average score of 3.08 on ISF, compared to the 4 very poor firms that had an average score of 3.29 for the ISF.

Puffer, McCarthy and Boisot (2010) showed that entrepreneurs in under-developed economies depended strongly on casual links and interactions, relying on collaboration and the interchange of favours between Russia and China respectively. This relationship is meant to assist in decreasing uncertainty; safeguard personal property and ownership freedoms; and promote company operations. This was observed in the study as CG12, a very poor performing company

with over USD3.6 million losses recorded over the eight-year period under study, had a low score of 2.83 on the ISF; whilst CS10, a very poor performing company, recorded an average score of 2.08 for ISF.

The same trend of Government's licensing role playing an influential part in the financial performance of a firm was seen in the Basic Materials sector where firms had to be licensed by local communities to operate. The Basic Materials sector was mainly comprised of mining firms that needed mining rights to start operations. It means those that are licensed have a better chance of making more money than a player who is not licensed. Licenses may be awarded on lucrative material deposits to one company and not to another. To that end, all the participants agreed that stakeholder management was key to firm performance.

In line with Puffer, McCarthy and Boisot (2010) findings, it was noted that many successful indigenous businesses in Africa, Zimbabwe included, use the institutional strategy frameworks to drive financial performance. An example of the Telecoms sector in Zimbabwe was given by a seasoned businessman, Dr Kanyekanye, who argued that the regulatory environment allows arbitrage. He went on to say that the Telecoms industry was highly regulated, to an extent where only three players were licenced to operate. There is a direct relationship between a licence to operate and financial performance, mainly where the players are limited. On one hand, this protection allows the licenced players to enjoy oligopoly. Of the three licenced players, namely Telecel, Netone and Econet, the latter was the only private player whilst the other two were quasigovernment controlled businesses. In Zimbabwe, Government institutions have not been performing well over time and service delivery has been pathetic (MoF, 2018). The contribution of Government controlled institutions to the Gross Domestic Product has been dwindling over the years. This leaves Econet with so much room to gain a competitive advantage to increase financial performance as the environment is not hypercompetitive. It was noted that there were other private participants who had also applied for licensing, but that were not awarded permits to work. He further noted that protection has not always been working in favour of the industry as a whole as these firms were sometimes forced to charge unviable tariffs for their service. This

further showed that there is a direct relationship between financial performance and ISF in Zimbabwe. In some instances, this direct government relationship will introduce a firm to heavy pressure to redirect its resources to push and support political objectives and plans (Okhmatovskiy, 2010; Marquis and Qian, 2014). This is further supported by Oppen (2010), who opines that government-owned organisations with links to political elites have shown worse performance than privately owned firms due to dictates to maintain higher employment levels. Child and Lu (1996) showed that the economic reform of large-scale government-owned firms in China was inhibited by limitations linked with close connections to the government. Kozhikode and Li (2012) further cemented this view when they exposed that in India, commercial banks either belonging to or reliant on state support were unable to utilise political openings as much as their private counterparts.

The findings of the research also support this mixed scenario as BM02, an excellent performing company with a moderate use of the ISF as evidenced by a score of 2.42, was lower than 2.75 for BM01, a very poor company. Both firms BM02 and BM01 had a moderate use of the ISF with BM01 having a relatively higher moderate use, but performance was very different as BM02 was excelling, whilst BM01 was pathetic. The same could be seen in the consumer goods sector where CG3B was an excellent performer with an ISF score of 2.92, which was lower than a very poor CG13's score of 3.00. In consumer services, CS01 was an excellent performer with a score of 3.08, whilst CS3B, a medium company scored 3.75. FS04 and FS05 were both excellent performing firms with ISF scores of 3.08 and 2.67, exactly the same with FS09 and FS13 which were categorised as medium and poor performers.

The puzzle in the relationship between the use of the ISF and financial performance shows that ISF cannot solely drive financial performance, but works with other strategic frameworks to drive financial performance. In agreement with Marquis and Raynard, (2014) and Seelos and Mair, (2007), the qualitative data showed that Firms provide for social, technological and physical infrastructure to grow their businesses and increase their competitiveness, which will lead to improved financial performance. It was also noted that firms that managed to adhere to

the requirements/ prescriptions of consumer protection agencies, self-regulating bodies and professional associations to protect their businesses were showing resilient financial performance as opposed to unregistered and non-standard abiding businesses, as they were considered not reliable.

6.5.4. The impact of the innovation strategy framework on the financial performance of firms in Zimbabwe

Table 41 below shows that an innovation strategy has a significance influence on firm performance as shown by a p-value score of 0.002, compared to a benchmark of less than 0.05. It was also noted that firms with a high score on innovation were performing better than firms with lower scores, as shown by a score of 3.99 for the excellent performers compared to a score of 2.91 for the very poor performing firms.

Table 44 : Innovation strategy framework vs financial performance

	Excellent (N=15)	Medium (N=13)	Poor (N=9)	Very Poor (N=10)	Total (N=47)	P value
IS	3.993 (0.451)	3.761 (0.535)	3.679 (0.830)	2.911 (0.885)	3.638 (0.755)	0.002

Source: Research data, (2021).

In line with the findings of the research, Pisano (2015) noted that outstanding innovators find it difficult to sustain performance where there is lack of an innovation strategy, as noted in the case of Polaroid, Nokia, Sun Microsystems, Yahoo, Hewlett-Packard, and numerous others. Under the basic materials sector, there was only one company (BM02), an excellent performer that was using the innovation strategy to a very large extent, as shown by a score of 4.56. The rest of the firms recorded scores that were below the all-ZSE innovation average score of 3.64 and their performance was pathetic.

The CBI/NatWest Innovation Trends Survey (1997) showed that firms who had introduced innovations enhanced their business performance through profits, market share and new markets entrance. This view was also confirmed by the current study as CG03, an excellent performing company, innovated and led in a changing the world by introducing new and well sort after beverages in the country and beyond, as supported by a score of 3.78 which was above the all ZSE average of 3.64. CG04, another excellent performer, had an average score of 3.11 for innovation, a score that was reported by the CFO to have been instrumental in driving the financial performance of a firm that had been in existence for over 100 years. The CFO further stated that there had been so much change that took place over the 100 years, but the company remained an excellent performer. Another example was CG05, an excellent performing company, the leading producer and marketer of certified seeds in Zimbabwe. In its annual reports, the company stated that it gained competitive advantage from its innovation and novel breeding methods, which were responsible for their success in developing high-yielding hybrid seed varieties that led to unparalleled harvests by the farmers.

In line with CS02's innovation thrust as the source of its competitive advantage, the company used innovation to a very large extent, as evidenced by a score of 4.28. The company reported that it became the first operator in Zimbabwe to launch 3G mobile data in 2009, followed by the introduction of electronic financial transactions at the height of cash shortages in the country. Furthermore, the company was driven by the need to be the first to find the best way forward in a fast-moving and highly competitive technological field, leading to the launch of new products that gave the company a competitive advantage. It was also noted that CS01, an excellent performing company, used an innovation strategy to a very large extent, as shown by a score of 4.11. To that end, the CFO reported that innovation was the source of the improved financial performance of the company.

It was observed that in general terms, firms that were using innovation to a large and very large extent were performing better than firms that were not using or moderately using the innovation strategy. For example, CG12, a very poor performing company with a cumulative loss of

USD3.6 million for the eight-year period under study, had a low score of 2.56 on innovation. In the same vein, CS10, a very poor performing company, recorded an average score of 2.56 for innovation. The five excellent performers under the Financial Services sector were using innovation to a large extent to improve financial performance, as shown by a score of 3.87 that was above the ZSE average of 3.64 on BM. Even the medium performing firms were being innovative to survive in a fast-changing world economy, as evidenced by an average score 3.72. FS03, an excellent performing company under the financial services sector had a strategy to focus on financial technology (Fintech) as a means of providing improved financial services. FS04, a highly profitable financial institution, was also using innovation as supported by a score of 4.11, which was above 3.27 for the total average score. The two excellent industrial firms had an average score of 4.11 on innovation, compared to the 4 very poor firms that had an average score of 3.14 for innovation.

However, in line with the empirical research by Neely and Hii (1998) in the United Kingdom (UK) on SMEs, no broad relationship between innovation and business performance was found, although a few noteworthy contrasts between innovating and non-innovating firms were found. CG13 posted a cumulative loss of USD64.9 million for the period under review from 2010 to 2017 despite the company using innovation to a large extent. Medium and poor firms under the consumer goods sector were all using the innovation strategy to a very large extent, but had performance variation. Furthermore, under the same sector, excellent performing firms were using innovation to a large extent as shown by a score of 3.78, whilst the medium and poor firms were using innovation to a very large extent as shown by scores of 4.28 and 4.11 respectively. IND13, a very poorly performing company, had an innovative score of 4.44 as the company developed its own competitive product to counter the impact of imports. However, the company was limited in terms of modern technology, which made their product less appealing. Despite a high score on innovation, the company remained a very poor performing entity.

This puzzle was also found by Gunday G., Gunduz Ulusoy, G., Kilic, K., and Alpkhan, L (2011), Padgett (2012), Aguilera-Caracuel and Ortiz-de-Mandojana (2013) and Bigliardi (2013) in their

previous studies regarding the effect of innovation on financial performance. They indicated the existence of other variables that might mediate the relationship. This complexity may depend on various factors, such as the reaction of competitor firms working in the same field of action to innovation (Koellinger, 2008) or the heterogeneity of organizations, both in their structure, development and defining characteristics (Srholec and Verspagen, 2012). As agreed upon by Bigliardi (2013), Hult et al. (2004) and Schulz and Jobe (2001) on the complexity of the relationship, the puzzle on the relationship was found when reviewing individual company performance when compared to the level of innovation. A consolidated result has shown that innovation has a greater influence on company performance, as shown by a p-value of 0.002. Empirical literature has shown that several researchers have confirmed in their studies about the close relationship between innovation and the financial or economic performance of the organization (Bigliardi, 2013); Hult et al. 2004, Schulz and Jobe, 2001).

6.5.5. The joint impact of the RBS framework, BM, ISF and INV strategies on the financial performance of ZSE listed firms in Zimbabwe

To assess the joint impact of the strategies on financial performance in firms, a binomial logistic regression model was constructed and run. To run the logistic regression model, data was first pre-treated to create only two outcome categories (1= Good performance, which groups together the Excellent and Medium and 0 = Poor performance which groups the poor and very poor categories). The study specifies the logistic model as follows:

Equation 1

$$\log \left[\frac{P(\text{Performance} = 1)}{1 - P(\text{Performance} = 1)} \right] = \alpha + \beta_1(\text{rbs_sc}) + \beta_2(\text{bm_score}) + \beta_3(\text{isf_score}) + \beta_4(\text{inv_sc})$$

Table 45 : Performance of the model

	Estimate	Std.Error	Z-value	Pr(> z)
Intercept	-1.1622	3.9338	-0.295	0.7676
Resource Based Strategy (RBS)	3.0450	1.1036	2.759	0.0058 **
Business Models (BM)	-0.8254	1.5593	-0.529	0.5966
Institutional Strategy Framework (ISF)	-2.2118	1.2971	-1.705	0.0882.
Innovation (INV)	-0.2276	1.0915	-0.208	0.8348

Source: Research data, (2021)

Signif. codes: 0 ‘***’ 0.001 ‘**’ 0.01 ‘*’ 0.05 ‘.’ 0.1 ‘ ’ 1, AIC: 47.155

The logit model, the response variable is log odds: $\ln(\text{odds}) = \ln(p/(1-p)) = a \cdot x_1 + b \cdot x_2 + \dots + z \cdot x_n$. The logistic regression model shows that the Resource-Based Strategy is a significant predictor of financial performance and it increases the log odds of a company having “good” financial performance by 3.05-unit, whilst all the other variables are insignificant to the financial performance of firms in Zimbabwe.

Table 43 shows the performance of the model with terms added sequentially from first to last. The wider the gap (deviance) between the null and model, the model is better compared to the null model. As shown, RBS and ISF improve the model, while BM and INV reduce the explanatory power of the model. In line with what was noted by Ogaga (2017), where the researcher’s findings did not indicate the innovation and automation of business processes to be core capabilities with a significant influence on firm performance, innovation was found not to be a significant driver of financial performance in this research.

Table 46 : McFadden Index

	DF	Deviance	Residual. DF	Residual. Dev	Pr(>Chi)
NULL			41	56.691	
Resource Based Strategy	1	15.0912	40	41.600	0.0001024 ***
Business Model	1	0.5766	39	41.023	0.4476462
Institutional Strategy Framework	1	3.8251	38	37.198	0.0504911.
Innovation	1	0.0436	37	37.155	0.8346484

Signif. codes: 0 ‘***’ 0.001 ‘**’ 0.01 ‘*’ 0.05 ‘.’ 0.1 ‘ ’ 1

Source: Research data, (2021)

The McFadden R^2 index can be used to assess the model fit. A McFadden R^2 of 0.344 was obtained for the model, which suggests that this model is an excellent fit. The standard for interpreting the McFadden R^2 is that values that range from 0.2 to 0.4 are an excellent model fit. In the context of this study, it means that understanding organizational strategies helps one to understand the differences in financial performance. The findings of the logistic regression model show that, out of the four strategies, the RBS is a significant predictor of financial performance, followed by the institutional strategy framework. Therefore, RBS is necessary and sufficient for good financial performance. Similarly, a high ISF score also contributes to increased financial performance. While the four variables are important in explaining financial performance with varying degrees, there are also other factors that affect the financial performance of firms.

6.5.6. Other corporate strategy frameworks used by Zimbabwean firms to increase financial performance

This section presents a review of some of the other strategies used by the excellent performing Zimbabwe Stock Exchange listed firms.

The Literature Review showed that Econet was using the **value-added strategy** to increase its financial performance, as reported by the CEO (2014). The company's strategy to steer the business towards value-added services was reported to be beginning to bear fruit, as its overlay services showed strong growth in the half-year to August 2014 (CEO, 2014). It was further reported that non-voice services (products such as EcoCash, data services and others) were contributing 21% to the company's revenues, up from below 10% the previous year, resulting in a 96% cumulative revenue growth since the company began implementing the strategy. The Company also diversified into banking and its subsidiary had turned the corner following the significant reduction in losses. Moreover, the bank was reported to be pivotal in the Group's strategy to diversify its sources of income. The launch of additional services was a strategic response to a strategic challenge of declining voice revenues (CEO, 2013).

One of the major manufacturers of consumer goods for the mass market through a managed and where strategically appropriate, integrated portfolio of businesses with leading market shares across a range of its categories and over the years has grown organically, through **acquisition** and by venturing into new categories. The Company stated on its website that their corporate strategy was to maintain a sustainable supply chain which thrives on shared values. **Supply chain management** was a critical component of the business value chain and sustains the brand name and image of the company. The Group further stated that sustainability was firmly embedded in the Group's corporate strategy.

One of the leading tobacco firms in Zimbabwe's strategy was to deliver **growth** today while continuing to invest in the future. The company serves its trusted and powerful brands that satisfy consumers and serve as a promise for quality and enjoyment in high-growth segments and

propriety markets (BAT,2021). In other words, the company pursues a **growth strategy** underpinned by highly motivated employees and partnerships with farmers, suppliers and customers. It is important to note that BAT Zimbabwe had the highest ROCE of 99.4% for the period under investigation and therefore it was important to understand the other strategies outside the strategies under study being used by the company to increase financial performance.

The CEO of one of the fastest growing financial institution, in the country, the second most profitable company during the period under review, stated at the company's Annual General Meeting that the bank's strategy was hinged on five pillars of "expanding the retail footprint, capital preservation, financial inclusion and lending to the agricultural sector and the mass market". The **value preservation strategy** included the acquisition of an investment property that has been a source of improved financial performance. The retail footprint expansion entailed focusing on growing its customer base by targeting the unbanked in a sustainable manner and offering them banking solutions that address their needs.

Although firms listed on the ZSE appear to be using other strategies, these fit perfectly into the contemporary corporate strategy frameworks of RBS, BM, ISF and INV. For example, a company with value-added services and diversification being part of innovation and business models. In the same vein, the supply chain management strategy falls under the business model framework and the growth strategy embodies all the strategy frameworks as growth could be driven from the resources of the company, innovation, business models or institutional strategy frameworks. The value preservation strategy mentioned earlier on is a function of all four strategy frameworks. Organisations preserve value through the optimisation of their resources using business models.

6.6. Ordinal Logistic Regression (OLR)

Ordinal Logistic Regression (OLR) models describe the relationship between an ordered categorical response variable and one or more explanatory variables called co-variates (Fagerland and Hosmer, 2017). Ordered categorical response variables include those measured in

order of least to most on some attributes such as “excellent, medium, poor and very poor”. Since the outcomes of the study followed an orderly sequence of excellent, medium, poor and very poor, the study adopted an ordinal scale to measure the performance of firms where the Return on Capital Employed (ROCE) ratio was used to measure financial performance over the period of the study. The Zimbabwe Stock Exchange (ZSE) Firms were categorised into 5 sectors of basic materials, consumer goods, consumer service, financial services and industrials, leading to the establishment of sectoral performance thresholds. These performance thresholds then become the basis for the classification of participating firms into excellent, medium, poor and very poor.

The OLR model is also referred to as the Proportional Odds Ratio (POR) as it models the event as having an outcome in a particular category or any previous category, unlike the case of the binary logistic regression that models a single outcome of either 0 or 1. OLR thus preserves more information compared to both the multinomial logistic regression and the binomial logistic regression. In the context of the study, rather than modelling firms as performers or non-performers, the OLR models the impact of each strategy framework on firm financial performance. The purpose of the OLR model is to describe the relationship between financial performance measured on a scale of 1-4, and the co-variate of the Resource-Based Strategy (RBS), Business Model (BM), Innovation (INV) and Institutional Strategy Framework (ISF) were evaluated.

Excellent performance was taken as the reference point and OLR evaluated the impact of each strategy framework to drive company financial performance into excellence. Furthermore, the combined impact of all the strategy frameworks was evaluated to identify a strategy framework that was driving financial performance in line with the objectives of the study.

6.6.1. Proposition

Corporate strategy positively affects the financial performance of firms in Zimbabwe. In this study, corporate strategy was depicted by the resource-based framework, business models, innovation and institutional strategy framework. The model has shown that there is a positive

relationship between the corporate strategy frameworks and firm performance, with the RBS being the main driver of firm performance.

6.6.2. OLR model development

The next section discusses the model development and implementation strategies. The OLR model was computed using the Ordinal package in R statistics. The ordinal package implements a Cumulative Link Model (*clm* function) to compute the OLR models (Christensen RHB, 2019). Other packages within the R Statistics ecosystem that can be used to compute OLR models includes the MASS package, which relies on the *polr* function (Proportional Odds Logistic Function) (Venables and Ripley2002). Both the *clmm* and *polr* functions were tested and produce the same results. The Ordinal Package was preferred as it supports the easy export of tables and integration with Microsoft Word. The OLR model predicts ordered outcomes and, in this study, the dependent variable with four outcomes. The OLR creates three classes for prediction purposes (Excellent|Medium, Medium|Poor and Poor| Very Poor). Based on the objectives of the study, the following five models are specified:

Equation 1: The impact of the RBS on financial performance

$$\begin{aligned}\log \left[\frac{P(4 \geq 3)}{1 - P(4 \geq 3)} \right] &= \alpha_1 + \beta_1(\text{rbs_sc}) \\ \log \left[\frac{P(3 \geq 2)}{1 - P(3 \geq 2)} \right] &= \alpha_2 + \beta_1(\text{rbs_sc}) \\ \log \left[\frac{P(2 \geq 1)}{1 - P(2 \geq 1)} \right] &= \alpha_3 + \beta_1(\text{rbs_sc})\end{aligned}$$

Equation 2: The impact of the BS on financial performance

$$\begin{aligned}\log \left[\frac{P(4 \geq 3)}{1 - P(4 \geq 3)} \right] &= \alpha_1 + \beta_1(\text{bm_sc}) \\ \log \left[\frac{P(3 \geq 2)}{1 - P(3 \geq 2)} \right] &= \alpha_2 + \beta_1(\text{bm_sc}) \\ \log \left[\frac{P(2 \geq 1)}{1 - P(2 \geq 1)} \right] &= \alpha_3 + \beta_1(\text{bm_sc})\end{aligned}$$

Equation 3: The impact of the ISF on financial performance

$$\begin{aligned}\log \left[\frac{P(4 \geq 3)}{1 - P(4 \geq 3)} \right] &= \alpha_1 + \beta_1(\text{isf_sc}) \\ \log \left[\frac{P(3 \geq 2)}{1 - P(3 \geq 2)} \right] &= \alpha_2 + \beta_1(\text{isf_sc}) \\ \log \left[\frac{P(2 \geq 1)}{1 - P(2 \geq 1)} \right] &= \alpha_3 + \beta_1(\text{isf_sc})\end{aligned}$$

Equation 4: The impact of the INV on financial performance

$$\begin{aligned}\log \left[\frac{P(4 \geq 3)}{1 - P(4 \geq 3)} \right] &= \alpha_1 + \beta_1(\text{inov_sc}) \\ \log \left[\frac{P(3 \geq 2)}{1 - P(3 \geq 2)} \right] &= \alpha_2 + \beta_1(\text{inov_sc}) \\ \log \left[\frac{P(2 \geq 1)}{1 - P(2 \geq 1)} \right] &= \alpha_3 + \beta_1(\text{inov_sc})\end{aligned}$$

Equation 5: The joint impact of the RBS framework, BM, ISF and INV strategies on the financial performance of ZSE listed firms in Zimbabwe

$$\begin{aligned}\log \left[\frac{P(4 \geq 3)}{1 - P(4 \geq 3)} \right] &= \alpha_1 + \beta_1(\text{rbs_sc}) + \beta_2(\text{bm_sc}) + \beta_3(\text{isf_sc}) + \beta_4(\text{inov_sc}) \\ \log \left[\frac{P(3 \geq 2)}{1 - P(3 \geq 2)} \right] &= \alpha_2 + \beta_1(\text{rbs_sc}) + \beta_2(\text{bm_sc}) + \beta_3(\text{isf_sc}) + \beta_4(\text{inov_sc}) \\ \log \left[\frac{P(2 \geq 1)}{1 - P(2 \geq 1)} \right] &= \alpha_3 + \beta_1(\text{rbs_sc}) + \beta_2(\text{bm_sc}) + \beta_3(\text{isf_sc}) + \beta_4(\text{inov_sc})\end{aligned}$$

Where α_1, α_2 and α_3 are the proportional odds of scoring between excellent to medium, medium to poor, and poor to very poor respectively. $\beta_1, \beta_2, \beta_3$ and β_4 represent the net effect of the RBS, BM, ISF and INV respectively on the categorization of performance to be in one of the predefined groups.

6.6.3. The Impact of the RBS framework on financial performance

The first model assesses the impact of the RBS on performance. Table 47 shows the findings of the model. The standard practice in interpreting OLR models is to concentrate on the odds ratios and the p-values. The intercepts are tested to assess if the model does not violate the hypothesis of equal proportions. This will be discussed under model performance. The AIC and BIC statistics are also relative statistical measures and will be compared under the last section on model performance. A rule of thumb in interpreting the AIC is that a model with the lowest AIC is a better model.

The results in the table show that RBS on its own is a significant predictor of performance. An additional guidance on interpreting the model includes the fact that the odds are interpreted against the highest category on the outcomes. The results in the table thus show that RBS is a significant predictor of performance at a 99.90% confidence interval. In other words, a one-unit change in the RBS increases the odds of moving into the excellent| medium category by 0.191 times. These odds were also converted into probability terms using the *plogis* function in R

Statistics for ease of interpretation. Thus, the RBS increases the probability of performing well by 54.7%.

Table 47 : Ordinal Regression analysis on RBS

DESCRIPTION	RESOURCE BASED
Excellence/ Medium (4/3)	0.000*** (1.674)
Medium Poor (3/2)	0.002*** (1.537)
Poor / Very Poor (2 1)	0.010** (1.403)
Resource-Based Strategy (RBS)	0.191*** (0.387)
Num.Obs.	47
AIC	112.5
BIC	119.9
Log.Lik.	-52.265
Edf	4.000
+ p < 0.1, * p < 0.05, ** p < 0.01, *** p < 0.001	

Source: Research data (2021)

6.6.4. The Impact of the BM framework on financial performance

This section tests the impact of BM on financial performance using Equation 2. Business models alone are also significant predictors of performance. The findings show that a one unit change in the BM increases the odds of a firm being categorized (Excellent | Medium) by 0.14. This translates to a 53.4% probability that an increase in the BM score will increase the chances of a firm being categorized as Excellent | Medium. Compared to the RM model, the BM model is associated with a higher AIC, suggesting that the RM model is a better model. This will be discussed further in the model assessment section.

Table 48 : Ordinal regression analysis on basic materials (BM)

DESCRIPTION	BUSINESS MODEL
Excellence/ Medium (4/3)	0.001***
	(2.218)
Medium Poor (3/2)	0.002**
	(2.151)
Poor / Very Poor (2 1)	0.007*
	(2.079)
Business Models (BM)	0.140**
	(0.656)
Num.Obs.	47
AIC	126.3
BIC	133.7
Log.Lik.	-59.170
Edf	4.000
+ p < 0.1, * p < 0.05, ** p < 0.01, *** p < 0.001	

Source: Research data (2021)

6.6.5. The Impact of the institutional strategy framework (ISF) on financial performance

This section tests the impact of the ISF on financial performance using Equation 3. Institutional Strategy Frameworks on their own are not significant predictors of firm financial performance. The findings show that a one unit change in the ISF increases the odds of a firm being categorized (Excellent | Medium) by 0.43, but this is not significant at $p = 0.05$. Although Institutional Framework recorded the highest odds at 0.431 contribution towards financial performance, it had an insignificant contribution. A significantly high AIC value of 132.46 further confirmed that it is a very weak model which the research cannot rely on.

Table 49 : Ordinal regression analysis on institutional strategy framework (ISF)

DESCRIPTION	ISF
Excellence/ Medium (4/3)	0.035+
	(1.789)
Medium Poor (3/2)	0.116
	(1.750)
Poor / Very Poor (2 1)	0.300
	(1.735)
Institutional Strategy Framework (isf)	0.431
	(0.572)
Num.Obs.	47
AIC	134.2
BIC	141.6
Log.Lik.	-63.093
Edf	4.000
+ p < 0.1, * p < 0.05, ** p < 0.01, *** p < 0.001	

Source: Research data, (2021).

6.6.6. The Impact of the innovation (INV) framework on financial performance

This section tests the impact of the INV on financial performance using Equation 4. Innovation alone is also a significant predictor of firm financial performance. The findings show that a one unit change in the INV increases the odds of a firm being categorized (Excellent | Medium) by 0.24. Since Innovation recorded an AIC value of 123.6, it implies that it is not the best model for the research to rely on since it is significantly higher compared to the RBS only model.

Table 50 : Ordinal regression analysis on innovation (INV)

Description	Innovation
Excellence/ Medium (4/3)	0.002***
	(1.640)
Medium Poor (3/2)	0.009**
	(1.562)
Poor / Very Poor (2 1)	0.028*

	(1.476)
Innovation	0.243***
	(0.424)
Num.Obs.	47
AIC	123.6
BIC	131.0
Log.Lik.	-57.804
Edf	4.000
+ p < 0.1, * p < 0.05, ** p < 0.01, *** p < 0.001	

Source: Research data, (2021).

6.6.7. The joint impact of the RBS framework, BM, ISF and INV strategies on the financial performance of ZSE listed firms in Zimbabwe

Table 51 shows the joint impact of the four strategic frameworks on financial performance for Zimbabwe stock exchange listed firms. From the full model using the OLR, the study results show that only RBS has a significant contribution towards financial performance, whilst the remaining variables of business model, institutional strategy framework and innovation recorded insignificant contribution. Even though the other strategy frameworks of BM, INV and ISF were significant when individually analysed, they become insignificant when combined altogether. Although BM and ISF were insignificant, they contributed to firm financial performance as they had odds ratios that were above 1. Moreover, BM and ISF had odds ratios of 1.485 and 3.016 respectively. The results of the full model further show that although RBS made a significant ($p < 0.01$) contribution to Financial Performance, it is less likely to influence major changes since its odds of 0.1444 are less than 1.

Table 51 : Full ordinal regression models

Description	Full Model	Resource Based Strategy (rbs)	Business Model (bm)	Institutional Strategy Framework (isf)	Innovation (inv)
rbs_sc	0.144***	0.191***			
	(0.585)	(0.387)			
bm_sc	1.485		0.140**		
	(1.018)		(0.656)		
isf_sc	3.016			0.431	
	(0.762)			(0.572)	
inv_sc	0.680				0.243***
	(0.679)				(0.424)
Excellence/ Medium (4/3)	0.004*	0.000***	0.001***	0.035+	0.004*
	(2.632)	(1.674)	(2.218)	(1.789)	(1.640)
Medium Poor (3/2)	0.020	0.002***	0.002**	0.116	0.009**
	(2.572)	(1.537)	(2.151)	(1.750)	(1.562)
Poor / Very Poor (2 1)	0.091	0.010	0.007*	0.300	0.028*
	(2.524)	(1.403)	(2.079)	(1.735)	(1.476)
Num.Obs.	47	47	47	47	47
AIC	116.3	112.5	126.3	134.2	123.6
BIC	129.2	119.9	133.7	141.6	131.0
Log.Lik.	-51.136	-52.265	-59.170	-63.093	-57.804
Edf	7.000	4.000	4.000	4.000	4.000

Source: Research data, (2021).

6.7. Binomial logistics regression analysis

A binomial logistics regression predicts the probability that an observation falls into one of two categories of a separated dependent variable, based on one or more independent variables that can be either continuous or categorical. In line with this principle, the performance of firms in

this study was categorized into performers (1) and non-performers (0), where performers were either medium to excellent and non-performers were poor to very poor. For the binomial regression model, the following regression equations were specified to answer the research objectives:

Equation 1: Binomial with RBS only

$$\log \left[\frac{P(\text{Performance} = 1)}{1 - P(\text{Performance} = 1)} \right] = \alpha + \beta_1(\text{rbs_sc})$$

Equation 2: Binomial with BM only

$$\log \left[\frac{P(\text{Performance} = 1)}{1 - P(\text{Performance} = 1)} \right] = \alpha + \beta_1(\text{bm_sc})$$

Equation 3: Binomial with Innovation only

$$\log \left[\frac{P(\text{Performance} = 1)}{1 - P(\text{Performance} = 1)} \right] = \alpha + \beta_1(\text{inov_sc})$$

Equation 4: Binomial with Institutional Framework only

$$\log \left[\frac{P(\text{Performance} = 1)}{1 - P(\text{Performance} = 1)} \right] = \alpha + \beta_1(\text{isf_sc})$$

Equation 5: Binomial with all predictors of RBS, RM, Innovation, and Institutional Frameworks

$$\log \left[\frac{P(\text{Performance} = 1)}{1 - P(\text{Performance} = 1)} \right] = \alpha + \beta_1(\text{rbs_sc}) + \beta_2(\text{bm_sc}) + \beta_3(\text{isf_sc}) + \beta_4(\text{inov_sc})$$

Where (α_1 , α_2 and α_3) are the proportional odds of scoring between excellent to medium, medium to poor, and poor to very poor respectively. β_1 , β_2 , β_3 and β_4 represents the net effect of the RBS, BM, ISF and INV respectively on the categorization of performance to be in one of the pre-defined groups.

The logit model, the response variable is log odds: $\ln(\text{odds}) = \ln(p/(1-p)) = a*x_1 + b*x_2 + \dots + z*x_n$.

6.7.1 The impact of the RBS framework on financial performance

The binomial results show that RBS on its own is a significant predictor of performance. The results in the table thus show that RBS is a significant predictor of performance at a 99.90% confidence interval. In other words, a one unit change in the RBS increase is more likely to increase the financial performance odds by 5.387 times. Since it recorded the lowest AIC value of (49) this implies that it is the best model that the research can rely on. Similarly, when compared to the OLS model for RBS only, the Binomial Regression (BR) results in created odds and lower AIC. These findings suggest that reducing the number of outcomes when measuring performance can result in increased model specificity.

Table 52 : Binomial logistics regression analysis on resource based strategy (RBS)

Description	resource based strategy
(Intercept)	0.002**
	(1.950)
Resource Based Strategy Score (rbs_sc)	5.387***
	(0.500)
Num.Obs.	47
AIC	49.0
BIC	52.7
Log.Lik.	-22.496
+ p < 0.1, * p < 0.05, ** p < 0.01, *** p < 0.001	

Source: Research data, (2021).

6.7.2. The impact of the BM framework on financial performance

Equation 2 tests the impact of BM on financial performance. The findings show that Business models alone is a significant predictor of performance ($p < 0.05$). The findings show that a one unit change in the BM is more likely to increase financial performance by 6.038 times. An AIC value of 60.5 is higher compared to the RM, suggesting that the RM only model better compares to the BM only model.

Table 53 : Binomial logistics regression analysis on business models (BM)

Description	business model (bm)
(Intercept)	0.004*
	(2.476)
Business model score (bm_sc)	6.038*
	(0.762)
Num.Obs.	47
AIC	60.5
BIC	64.2
Log.Lik.	-28.274
+ p < 0.1, * p < 0.05, ** p < 0.01, *** p < 0.001	

Source: Research data, (2021).

6.7.3. The impact of the ISF framework on financial performance

This section tests the impact of ISF on financial performance, where it was noted that Institutional Strategy Frameworks on their own were not significant predictors of firm financial performance. The findings show that a one unit change in the ISF increases the odds of a firm increasing its financial performance by 2.163 times. A significantly high AIC value of 65.9 further confirmed that it is a very weak model when compared to the BM only model.

Table 54 : Binomial logistics regression analysis on institutional strategy framework (ISF)

Description	Institutional Strategy Framework (isf)
(Intercept)	0.143
	(1.977)
Institutional strategy framework score (isf)	2.163
	(0.650)
Num.Obs.	47
AIC	65.9
BIC	69.6
Log.Lik.	-30.974
+ p < 0.1, * p < 0.05, ** p < 0.01, *** p < 0.001	

Source: Research data (2021)

6.74. The impact of the innovation framework on financial performance

Table 55 shows that innovation is a significant predictor of financial performance using the binomial model ($p < 0.01$). A unit increase in the innovation score will increase the odds of financial performance by 3.357. As with the other model, the Innovation only model yielded an AIC value of 59.6, which is higher when compared to the BM only model. Thus, the BM remains the best model to explain the financial performance of firms.

Table 55 : Binomial logistics regression analysis on innovation

Description	Innovation (inv)
(Intercept)	0.019*
	(1.741)
Innovation score (inv_sc)	3.357*
	(0.475)
Num.Obs.	47
AIC	59.6
BIC	63.3
Log.Lik.	-27.779
+ p < 0.1, * p < 0.05, ** p < 0.01, *** p < 0.001	

Source: Research data, (2021).

6.7.5. The joint impact of the RBS framework, BM, ISF and INV strategies on the financial performance of ZSE listed firms in Zimbabwe

To assess the joint impact of the strategies on financial performance in firms, a binomial logistics regression model was constructed and run. Equation 5 evaluates the combined impact of all the variables using binary logistics regression. The results showed that RBS made a significant contribution towards financial performance (see Equation 1). From the full model, the results show that RBS was 11.04 times more likely to improve financial performance and was significant at a 5% level of significance. Akaike Information Criterion (AIC) on the four strategy frameworks obtained after running the binomial model showed that RBS had the lowest score of 49.0. This was considered to be better in driving financial performance, as alluded to by Zajic, (2019).

Table 56 : Binomial logistics regression analysis

Description	Full Model	Resource Based Strategy (rbs)	Business Model (bm)	Innovation (inv)	Institutional Strategy Framework (isf)
(Intercept)	0.112	0.002**	0.004*	0.019*	0.143
	(3.238)	(1.950)	(2.476)	(1.741)	(1.977)
rbs_sc	11.403**	5.387***			
	(0.849)	(0.500)			
bm_sc	0.521		6.038*		
	(1.310)		(0.762)		
isf_sc	0.179				2.163
	(1.148)				(0.650)
inov_sc	1.196			3.357*	
	(0.909)			(0.475)	
Num.Obs.	47	47	47	47	47
AIC	52.2	49.0	60.5	59.6	65.9
BIC	61.4	52.7	64.2	63.3	69.6
Log.Lik.	-21.093	-22.496	-28.274	-27.779	-30.974
+ p < 0.1, * p < 0.05, ** p < 0.01, *** p < 0.001					

Source: Research data, (2021).

6.76. Binomial model assumptions

Table 10 shows the performance of the model with terms added sequentially from first to last. The wide gap (deviance) between the null and model shows that the model is better compared to the null model. Before the application of the regression logistics model, data was tested to ensure an adequate sample size as too few participants for too many predictors were not ideal for

the model, as was the absence of high inter-correlations amongst the predictors, sometimes referred to as multi-collinearity and the absence of outliers. The Univariate analysis of data and the multi-collinearity test showed that data was consistent with the model, hence the use of the logistics regression model.

As shown, RBS and ISF improve the model, while BM and INV reduce the explanatory power of the model. In line with what was noted by Ogaga (2017) where the researcher's findings did not indicate innovation and automation of business processes to be core capabilities with significant influence on firm performance, innovation was found not to be a significant driver of financial performance in this research.

6.7.6.1. McFadden index

The McFadden R^2 index can be used to assess the model fit. A McFadden R^2 of 0.344 was obtained for the model, which suggests that this model is an excellent fit. The standard for interpreting the McFadden R^2 is that values that range from 0.2 to 0.4 are an excellent model fit.

Table 57 : McFadden index

	DF	Deviance	Residual. DF	Residual. Dev	Pr(>Chi)
NULL			41	56.691	
Rsc_sc	1	15.0912	40	41.600	0.0001024 ***
Bm_score	1	0.5766	39	41.023	0.4476462
Isf_score	1	3.8251	38	37.198	0.0504911.
Inov_sc	1	0.0436	37	37.155	0.8346484

Signif. codes : 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

In the context of this study, understanding organizational strategies helps one to understand the differences in financial performance. The findings of the logistics regression model show that, of the four strategies, the RBS is a significant predictor of financial performance, followed by the

institutional strategy framework. Therefore, RBS is necessary and sufficient for good financial performance. Similarly, a high ISF score also contributes to increased financial performance. While the four variables are important in explaining financial performance with varying degrees, there are also other factors that affect the financial performance of firms.

6.8. Combined models of binomial vs. ordinal regression

Comparing the AIC values obtained using the Binary Logistics Regression model (BLR) and those from the Ordinary Logistics Regression (OLR) model, it shows is that later is a better model. To that effect, the Binary Logistics Regression model had an AIC of 52.2, whilst the Ordinary Logistic Regression was 116.3. Similarly, the review of the RBS on both binomial and ordinal logistics shows similar results, but the Logistics Regression results in higher odds. The post-hoc analysis confirms that the Binary logistics regression model performs better than the OLR model.

Table 58 : Comparisons of ordinal and binomial models

Description	Ordinal logistics regression	Binomial logistics regression
Excellent / Medium (4 3)	0.004*	
	(2.632)	
Medium / Poor (3 2)	0.020	
	(2.572)	
Poor / Very Poor (2 1)	0.091	
	(2.524)	
rbs_sc	0.144***	11.403**
	(0.585)	(0.849)
bm_sc	1.485	0.521
	(1.018)	(1.310)
isf_sc	3.016	0.179
	(0.762)	(1.148)
inov_sc	0.680	1.196
	(0.679)	(0.909)
(Intercept)	n/a	0.112
	n/a	(3.238)
Num.Obs.	47	47
AIC	116.3	52.2
BIC	129.2	61.4
Log.Lik.	-51.136	-21.093
Edf	7.000	
+ p < 0.1, * p < 0.05, ** p < 0.01, *** p < 0.001		

Source: Research data, (2021).

6.9. Conclusion

The Univariate data analysis has shown that the higher the average score on RBS, the higher the financial performance. The statistical models of binomial and ordinal logistics regression analyse used in the study have also confirmed that RBS is a significant and reliable predictor of the financial performance of firms.

CHAPTER SEVEN:

SUMMARY, CONCLUSION AND RECOMMENDATIONS

7.1 Introduction

This chapter presents a summary of the important findings of the thesis in relation to the research questions and the objectives, as tabulated in Chapter One.

The main aim of the study was to establish the corporate strategy framework to be used by Zimbabwean firms to increase financial performance. In line with the stated primary objective, it is therefore important to recapitulate the secondary objectives of the study:

- a. To determine the impact of the Resource-Based Strategy Framework on the financial performance of firms in Zimbabwe;
- b. To ascertain the impact of business models using Porter's generic strategies' framework on the financial performance of firms in Zimbabwe;
- c. To determine the impact of the Institutional Strategy Framework on the financial performance of firms in Zimbabwe;
- d. To determine the impact of the Innovation Strategy Framework on the financial performance of firms in Zimbabwe,
- e. To establish the joint impact of the Resource-Based Strategy Framework, business models, institutional strategies and innovation strategies on the financial performance of firms in Zimbabwe;
- f. To establish other corporate strategy frameworks used by Zimbabwean firms to increase financial performance; and
- g. To discuss the findings, draw conclusions and provide recommendations to managers of Zimbabwean firms.

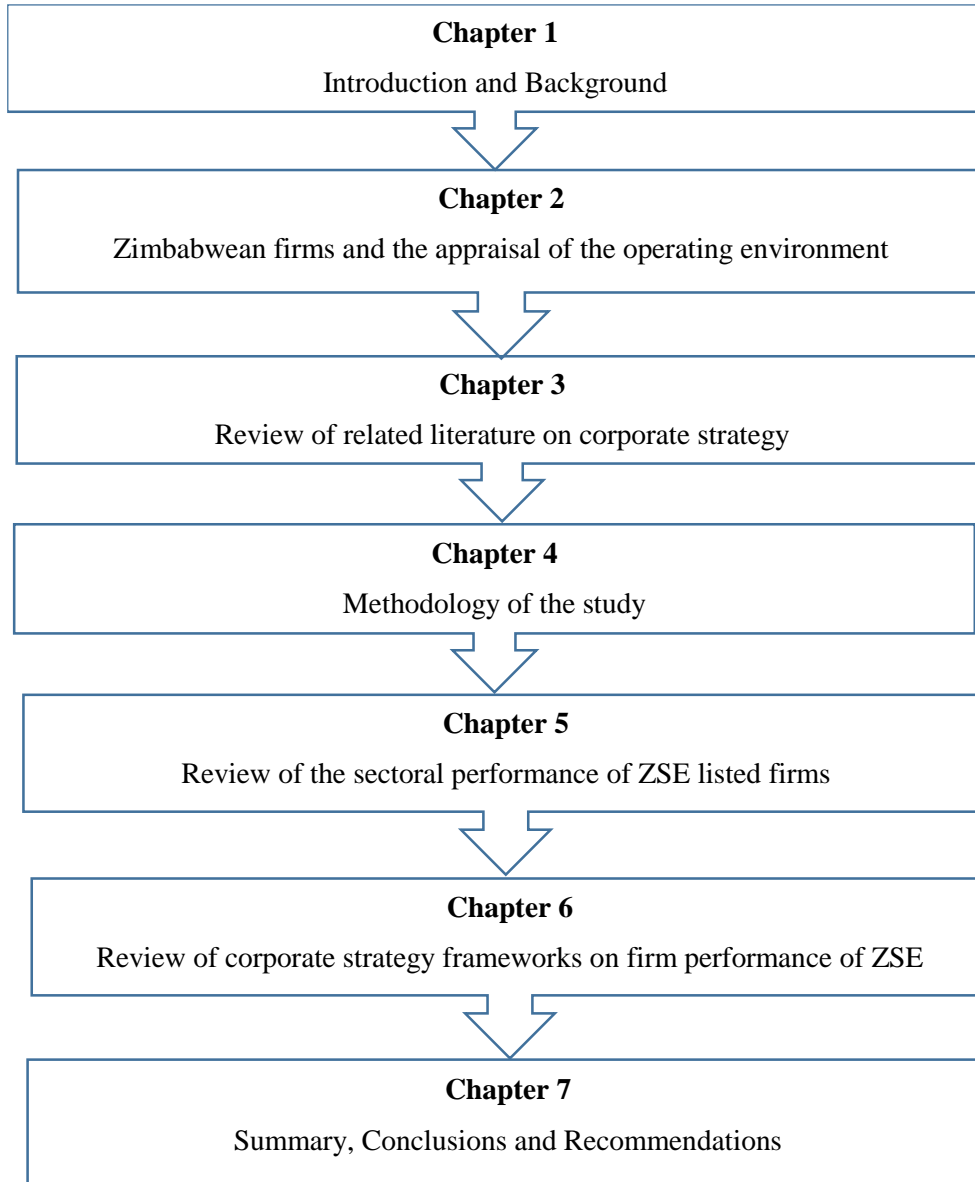
Given the objectives of the study as mentioned above, this chapter summarises the study in terms of the chapters making up the thesis, highlighting the focus of each chapter. Subsequently, there

will be a section that crystallises the main findings of the study which have been presented in the preceding two chapters. Thereafter, the researcher makes recommendations to all the relevant stakeholders on the findings of the study. Lastly, a summary of the chapter is given at the end.

7.2 Summary of the study

The thesis report is made up of 7 chapters which are summarised in fig.20.

Figure 20 : Summary of the study



Source: Researcher's own derivations, (2021)

The overview of the thesis is given in Figure 20 and the highlights of each chapter are outlined hereunder.

Chapter one: the purpose of this chapter was to provide a background to the research problem under study. The chapter highlighted the performance heterogeneity amongst firms listed on the Zimbabwe Stock Exchange despite the fact that they were all operating in the same environment. This paved way for the research objective to establish a corporate strategy framework used by Zimbabwean firms to increase financial performance. The research propositions and the significance of the study were given. Finally, the thesis outline was also highlighted in this chapter.

Chapter two: this chapter added to the background given in Chapter One by reviewing Zimbabwean firms and the appraisal of the operating environment. The scanning of the Zimbabwean operating environment was done using the PESTELG tool. This was followed by a review of the manufacturing industry capacity utilisation. An overview of the Zimbabwean firms listed on the Zimbabwe Stock Exchange was done, whereby they were grouped into 5 sectors of basic materials, consumer goods, consumer services, financials services and industrials. The sectoral annual ROCE of the firms listed on the Zimbabwe Stock Exchange was completed as well as the overall all ZSE ROCE over the eight-year duration. The suitability of the Zimbabwe Stock Exchange firms to be the study population was also presented.

Chapter three: this chapter presented theories and empirical studies that showcased literature related to objective of the study. It reviewed related literature on corporate strategy, starting with a presentation of the theoretical framework. A number of theories used in the study were presented, including the Grounded Theory, Systems Theory, Resource-Based Theory, Dynamic Capabilities Theory, the Contingency Theory, Game Theory and the Institutional Theory. The interconnection between the selected theories in corporate strategy management and a review of the corporate strategy constructs of Business strategy and Institutional strategy was done. On one hand, the Business strategy construct was further split into the specific strategies of the Resource-Based Strategy, Business Model Strategy and Innovation, whilst on the other, the

Institutional Strategy framework was further split into Social Cultural bridges, infrastructure building and relationship building strategies. Other common corporate strategies including the Blue and Red Ocean strategies, were presented.

Empirical theory on the corporate strategy constructs of RBS, Innovation and Institutional strategy, followed by a detailed review of the strategies being used by the top ten global profitable firms, was presented. A review of the procedural factors that included the strategy development process, strategy analysis and the associated tool of SWOT, Four Corner's analysis, PESTELG, Porter's Five Forces model used to better understand the environment were presented. Resultantly, a strategy formulation framework, followed by the strategy implementation framework and strategy control and evaluation, were presented. Furthermore, the relationship between corporate strategy, its processes and the performance of the firm using both financial and non-financial performance measures was discussed. To that end, the balanced scorecard, a tool for measuring both financial and non-financial performance measures, was presented. Considering that a lot has been written about corporate strategy, a summary of the knowledge gaps was presented. This led to the development of a conceptual framework that was also presented in this chapter.

Chapter four: the research methodology used in the study was presented in this chapter. The study adopted an explorative and descriptive cross-sectional survey design that allowed for both quantitative and qualitative analyse. The population of the study was limited to all the Zimbabwe Stock Exchange listed firms that were operating from 2010 to 2017. Data was collected from interviews, survey questionnaires as well as secondary data from online databases and annual reports, amongst other sources. Due to the Covid-19 pandemic, interviews were done telephonically using the following platforms: Zoom, Skype or WhatsApp. Most respondents were given a web link that allowed them to answer the questionnaire online. The data analysis and presentation procedures were detailed in the chapter, as well as the quantitative and qualitative models.

Chapter five: the chapter presented and discussed the results of the empirical findings on the sectoral performance of the Zimbabwe Stock Exchange listed firms.

It was observed that excellent firms under the basic materials sector were using a Resource-Based Strategy (RBS) and Innovation (INV) to a very large extent, whilst Business Models (BM) was used to a large extent. The Institutional Strategy Framework (ISF) was moderately being used by the basic material sector firms.

The review of the Consumer Goods sector showed that excellent performing firms under the consumer goods sector were using the RBS to a very large extent, and the other three strategy frameworks were all being used to a large extent. Medium performing firms were using both RBS and INV to a very large extent, whilst the business model was used to a large extent. ISF was moderately being used by the consumer goods firms. Very poor firms did not have any strategy framework that was being used to a very large extent. RBS, BM and INV were all being used to a large extent, whilst ISF was being moderately being used.

The review of the Consumer Services sector showed that excellent and medium performing firms were using the RBS and INV to a very large extent, whilst BM and ISF were used to a large extent. In contrast, poor firms were using RBS, BM and INV to a large extent, whilst ISF was being moderately used. The very poor firms under this sector did not have a dominant strategy framework being used as all the frameworks were being moderately used.

The Financial Services sector showed that three excellent performing firms, namely FS04, FS5B and FS06, were using the innovation strategy to a very large extent, as was FS14, a medium performing company. There were more firms in the excellence performance category using innovation to a very large extent than in the medium and poor performing firms. This overall observation agrees with the final conclusion that was observed by Geroski and Machin (1992).

The Industrial sector showed that excellent performing firms were using RBS and INV to a very large extent, whilst BM and ISF were used to a large extent. Medium, poor and very poor firms

were all using RBS to a large extent. Medium firms moderately used BM, ISF and INV, whilst the poor ones used BM to a large extent and ISF and INV to a moderate extent. Very poor firms under the industrial sector were using all the strategy frameworks to a large extent.

Finally, a review of the environmental scanning tools was done where it was observed that all the sectors of the ZSE listed firms were using environmental scanning tools to a very large extent, whilst only the basic materials sector used them to a large extent. This was further supported by p-values that were all above the 0.05 target for it to be significant. The large extent to a very large extent scores shows that all firms were largely using the environmental scanning tools and therefore no single company could have a competitive advantage over the other on the usage of the environmental scanning tools.

Chapter six: This chapter presented a review of the impact of the various corporate strategy frameworks on the financial performance of Zimbabwe Stock Exchange Listed Firms. A presentation of the corporate strategy frameworks compared to sector performance and furthermore, financial performance compared to strategy framework scores, was done. The independent review of the various strategy frameworks against financial performance using Univariate, Ordinal and Binomial analyses all showed that RBS, BM and INV had a significant impact on firm financial performance, whilst the ISF was insignificant. However, an evaluation of the joint impact of all the strategy frameworks using both ordinal and binomial logistic regression models showed a surprising scenario, whereby the RBS was the only significant factor in driving financial performance whilst BM, INV and ISF were not significant. Other corporate strategies being used by Zimbabwean firms were also presented in this chapter.

Chapter seven: Conclusions drawn from the study were abridged and blended into one section. The last section of the chapter presents recommendations based on the findings obtained from the study. The purpose of the chapter is to give a clear outline of the study from the beginning to the end in terms of all the chapters. Moreover, it highlights the conclusions drawn from the study and the pertinent recommendations that should guide future practice and policies on the impact

of corporate strategy on the financial performance of firms listed on Zimbabwe Stock Exchange, as well as for other countries that find the study important.

The following section presents the summary of findings obtained from the study as guided by the objectives of the study.

7.3 Summary of the main research findings

Based on the evidence from the results of empirical evidence on the impact of corporate strategy frameworks of RBS, BM, ISF and INV on the financial performance of ZSE listed firms, the highlights of the findings are given in five sections that answer the objectives of the study.

7.3.1 The impact of the RBS framework on the financial performance of firms in Zimbabwe

This RBS framework is premised on a firm using its core dynamic capabilities, tangible and intangible assets which are advantageous and expensive to duplicate as underlying source and are push factors to firms' comparative strength on improved financial performance.

The use of RBS had an overall average score of 3.87 for all the 47 ZSE participating firms. On one hand, the excellent and medium performing firms recorded average scores of 4.40 and 4.27 that were above the overall score of 3.87, whilst the poor and very poor firms had average scores of 3.67 and 2.75 that were below the overall score of 3.87. In other words, the 15 excellent and 13 medium firms were using the RBS to a very large extent, whilst the poor firms were using RBS to a large extent. Very poor firms were moderately using the RBS. To that end, a hierarchical relationship between the extent of the use of the RBS and the performance of the company was established, where the use of RBS to a very large extent was associated with excellence. From the analysis of the data, a pattern under the RBS was observed where the higher the RBS score, the higher the ROCE.

Using Univariate data analysis, the RBS had a p-value score of 0.001 which was below the standard of 0.05. This p-value score of 0.001 meant that RBS had a significant influence on the financial performance of firms listed on the ZSE. Further analysis on the RBS was done using OLR and BLR, where both models confirmed that RBS on its own was significant at driving financial performance. Whilst OLR showed that a one-unit change in the RBS increases the odds of moving into the excellent medium category by 0.191 times, BLR showed that a one unit change in the RBS increase is more likely to increase the financial performance odds by 5.387 times.

The study therefore showed that core competence, including physical and intellectual resources owned by the organisations, were critical in driving organisational performance.

7.3.2 The impact of the BM framework on the financial performance of firms in Zimbabwe

Porter's generic strategy framework posits the view that firms get a competitive advantage by applying differentiation, cost leadership and focus strategies. It was noted that 15 excellent firms had a business model (BM) score of 3.46; whilst the 10 very poor firms had a score of 2.88. In other words, the excellent firms were using business models to a large extent whilst the 10 very poor were moderately using the same strategy framework. The average score for all the ZSE listed firms was 3.27, which was better than both the poor and very poor. Therefore, the higher the average score on the use of the BM, the better the performance. Overall, the 47 participating ZSE listed firms were using the BM framework to a large extent as shown by a BM score of 3.27. Generally, it was observed that the higher the BM score, the higher the performance categorisation of the company.

Furthermore, using the univariate data analysis method, the research showed that ZSE listed firms were using the business model strategy framework to a very large extent to drive financial performance, as shown by a p-value of 0.021. A p-value of less than 0.05 shows that business models had a significant influence on the financial performance of firms that were part of the

study. Based on the p-value of 0.021 and the qualitative reviews done in this research, it was noted that the BM had a direct relationship with the financial performance of ZSE listed firms. This was supported by an observation made by Weill et al. (2006), who found that the business model can explain firms' performance more effectively than classification by industry. In the same vein, the Ordinal Logistics Regression analysis has shown that business models alone are also significant predictors of performance. The findings show that a one unit change in the BM increases the odds of a firm to be categorized as Excellent /Medium by 0.14. Furthermore, Binomial Logistic Regression analysis also showed that business models alone are a significant predictor of financial performance ($p < 0.05$). The findings show that a one unit change in the BM is more likely to increase financial performance by 6.038 times. All the analysis tools have confirmed that business models on their own have an impact on financial performance.

7.3.3 The impact of ISF on the financial performance of firms in Zimbabwe

The univariate data analysis has showed that there was no significant relationship between ISF and financial performance, as indicated by a p-value of 0.577 against an expected value of less than 0.05. It was noted that the 15 excellent, 13 medium and 9 poor performing firms were all using the ISF to a large extent; whilst the very poor firms moderately used the same framework. Therefore, the p-value score of 0.577 obtained points to the fact that all the firms were more or less using the ISF without any particular group gaining significant competitive advantage over the other on the use of the same strategy framework. However, empirical research on the use of the ISF has shown mixed results. The puzzle on the relationship between the use of the ISF and financial performance shows that ISF cannot solely drive financial performance but works with other strategic frameworks to drive financial performance. In agreement with Marquis and Raynard, (2014); and Seelos and Mair, (2007), the qualitative data showed that Firms provide for social, technological and physical infrastructure to grow their businesses and increase their competitiveness, which will lead to improved financial performance. It was also noted that firms that managed to adhere to the requirements/ prescriptions of consumer protection agencies, self-regulating bodies and professional associations to protect their businesses were showing resilient

financial performance, as opposed to unregistered and non-standard abiding businesses that they were considered not reliable.

The Ordinal Logistics Regression data analysis has shown that Institutional Strategy Frameworks on their own are not significant predictors of firm financial performance. The findings show that a one unit change in the ISF increases the odds of a firm being categorized (Excellent | Medium) by 0.43, but this is not significant at $p = 0.05$. This was also confirmed by the Binomial Logistics Regressions that Institutional Strategy Frameworks on their own were not significant predictors of firm financial performance. The findings show that a one unit change in the ISF increases the odds of a firm increasing its financial performance by 2.163 times. In this particular case, all the 3 data evaluation criteria have confirmed that ISF is not a significant force on financial performance.

7.3.4 The impact of the INV strategy framework on the financial performance of firms in Zimbabwe

The Univariate findings of the study have shown that the Innovation strategy on its own had a significance influence on firm performance, as shown by a p-value score of 0.002 compared to a benchmark of less than 0.05. It was also noted that firms with a high score on innovation were performing better than firms with a lower score, as shown by a score of 3.99 for the excellent performers compared to a score of 2.91 for the very poor performing firms. In line with the findings of the research, Pisano (2015) noted that outstanding innovators find it difficult to sustain performance where there is lack of an innovation strategy, as noted in the case of Polaroid, Nokia, Sun Microsystems, Yahoo, Hewlett-Packard, and numerous others. Empirical literature shows that several researchers have confirmed in their studies the close relationship between innovation and the financial or economic performance of the organization (Bigliardi 2013; Hult et al., 2004; Schulz and Jobe, 2001).

The OLR has also confirmed that Innovation alone is also a significant predictor of firm financial performance. The findings show that a one unit change in the INV increases the odds of a firm

being categorized (Excellent | Medium) by 0.24. This was further confirmed by the BLR data analysis that innovation is a significant predictor of financial performance, using the binomial model ($p < 0.01$). A unit increase in the innovation score will increase the odds of financial performance by 3.357. All the three data analysis methods have confirmed that Innovation on its own is significant to drive financial performance.

7.3.5 Establishing the joint impact of RBS, BM, ISF and INV on the financial performance of firms in Zimbabwe

A Univariate data analysis has established that RBS with a p-value of 0.0058 was significant at a 99.0% confidence interval and is a significant predictor of financial performance. Additionally, it increases the log odds of a company having “good” financial performance by 3.05-unit, whilst all the other variables are insignificant to the financial performance of firms in Zimbabwe. Although the ISF had a p-value that was below 0.05, it was considered to be insignificant.

Furthermore, the full model using the OLR showed that only RBS was significant towards increasing financial performance, whilst the remaining variables of business model, institutional strategy framework and innovation recorded insignificant contributions. The Akaike Information Criterion (AIC) on the four strategy frameworks obtained after running the binomial model showed that RBS had the lowest score of 49.0. This was considered to be better in driving financial performance, as alluded to by Zajic (2019). Even though the other strategy frameworks of BM, INV and ISF were significant when individually analysed, they become insignificant when combined. Although BM and ISF were insignificant, they contributed to firm financial performance as they had odds ratios that were above 1. BM and ISF had odds ratios of 1.485 and 3.016 respectively. The results of the full model further show that although RBS had a significant ($p < 0.01$) contribution to financial performance, it is less likely to influence major changes since its odds of 0.1444 are less than 1.

The combined full model using Binomial Logistics Regression showed that RBS was 11.04 times more likely to improve financial performance and was significant at a 5% level of

significance. The Akaike Information Criterion (AIC) on the four strategy frameworks obtained after running the binomial model showed that RBS had the lowest score of 49.0. This was considered to be a better in driving financial performance, as alluded to by Zajic, (2019).

It can therefore be concluded that the RBS is the main strategy framework used by Zimbabwe Stock Exchange listed firms to drive financial performance.

7.3.6 Establishing other corporate strategy frameworks used by Zimbabwean firms to increase financial performance

Although firms listed on the ZSE appear to be using different strategies, in the researcher's view, these perfectly fit into the conceptualised corporate strategy frameworks of RBS, BM, ISF and INV. For example, the value-added services and diversification strategies reported earlier, are part of innovation and business models. The supply chain management strategy falls under the business model framework and the growth strategy embodies all the strategy frameworks as growth could be driven from the resources of the company, innovation, business models or institutional strategy frameworks. The value preservation strategy is a function of all the four strategy frameworks. Organisations preserve value through the optimisation of their resources using business models.

7.4 Conclusion

The major objective of the study was to establish a corporate strategy framework used by Zimbabwean firms to increase financial performance. To answer this primary objective, the secondary objective of the study on the impact of the Resource-Based Strategy (RBS), Business Models (BM), Institutional Strategy Framework (ISF) and Innovation (INV) needed to be answered as this was the basis for developing the required framework. A model to test this relationship was developed and data was collected using questionnaires, interviews and secondary literature review data sources, including annual reports. Firstly, tests were conducted using three data analysis methods (univariate, ordinal and binomial), on the independent effects

of RBS, BM, ISF and INV, followed by the combined effects of all the strategy frameworks to confirm the proposition.

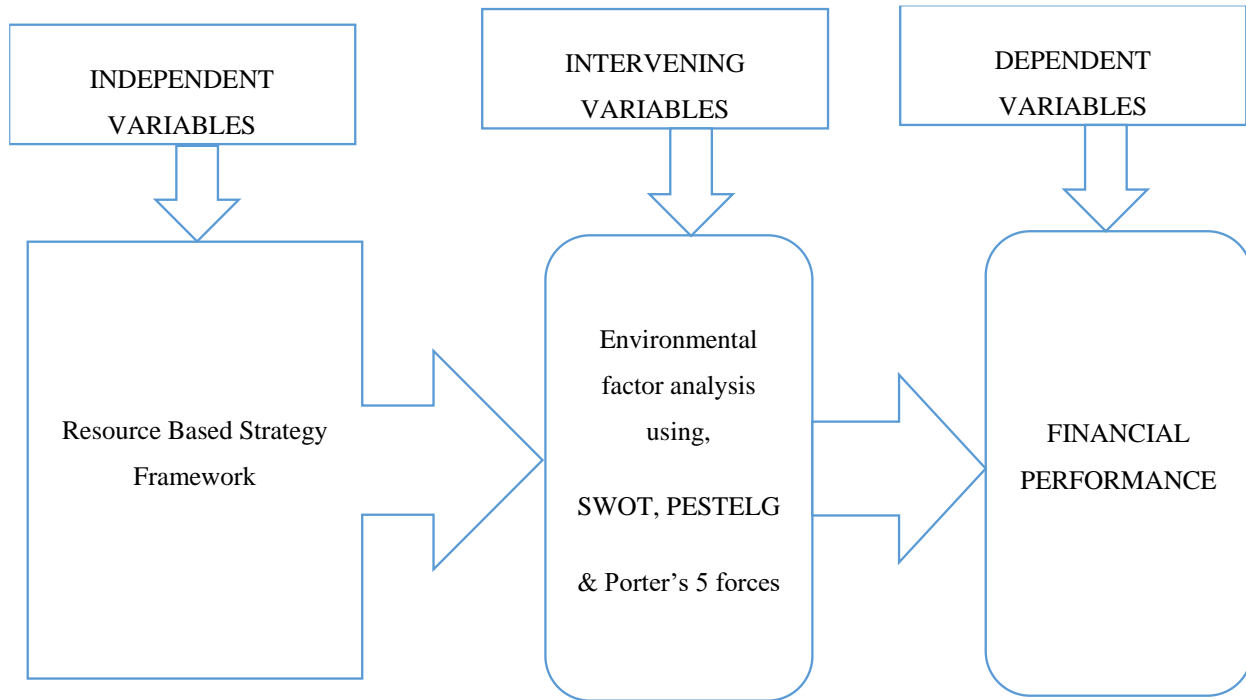
The results showed that the corporate strategy framework of RBS was significant in influencing the financial performance of firms listed on the Zimbabwe Stock Exchange during the period under review. Although all the other strategy frameworks were significant when evaluated on their own, except the ISF, they lose their significance once combined and therefore could not qualify to be part of the final model. The finding of the study is in line with earlier research on RBV confirming that RBV was a fundamental conceptual anchor of increased organisational performance (Barney, et al., 2001; Wernerfelt, 1995).

The results of this study support the main anchoring theories of the resource-based theory, Grounded theory, Systems theory Game theory and Dynamic Capability theory (DCT) (Bain, 1956; Mason 1939; Wenerfelt, 1984; Teece, 2014). Furthermore, the research outcomes were in line with the Stakeholder theory with respect to firm performance, and quite justified in the empirical study for descriptive accuracy, relevance and normative validity in the Zimbabwean business environment as represented by the ZSE listed firms (Friedman, 1970; Hilland Jones, 2007; Freeman, 1984; Ferrero, 2014).

7.5 Recommendation

Based on the empirical evidence of the study, a corporate strategy framework of RBS was confirmed as the only significant predictor of firm financial performance and therefore a new conceptual framework of the study arising from the study results will be developed.

Figure 21 : Corporate strategy framework driving financial performance in Zimbabwe



Source: Author's own derivation, (2021).

The conclusion of the study is consistent with findings from previous research and confirms the view that RBS has a positive combined effect on the financial performance of firms (Ogaga, 2017). To that end, an enabling environment is needed to operate jointly in order to improve the financial performance of firms in a volatile operating environment.

7.5.1 Implications of the study

The key objective of the research was to establish a corporate strategy framework used by Zimbabwean firms to increase financial performance using the RBS, BM, ISF and INV strategy frameworks, underpinned by the use of the various environmental scanning tools. The various corporate strategy frameworks were hypothesized as the dependent variables, whilst the various environmental scanning tools and firm financial performance were taken as the intervening variables. The resultant corporate strategy framework was the dependent variable. The findings

of the study have multifaceted implications for various stakeholders, including scholars, practitioners and policy-makers. Furthermore, theoretical, methodological, managerial and policy implications are discussed in succeeding sections.

7.5.1.1 Theoretical implications

The research findings added to existing literature on corporate strategy and firm performance by empirically confirming that the joint impact of RBS had a significant effect on the financial performance of the Zimbabwe Stock Exchange listed firms. This further strengthens the theoretical literature on RBS as opined by Barney (2001); Ansoff (1991); Machuki (2011); Thomas and Rwamaswamy (1996) and Mkalama (2014).

Therefore, the study has confirmed the contributions by the various theories to RBS, resultantly strengthening the literature by confirming the existence of a relationship between the effect of RBS on the financial performance of firms listed on the Zimbabwe Stock Exchange.

Furthermore, the study has shown that firms operate in regulated open systems and their performance is subject to environmental changes. The findings of the research confirmed the results of a number of empirical literature sources by many scholars including Aosa (2011), Manser et al. (2012), Awino(2000), Ogaga (2017) and Hall(2013), who observed that corporate strategy was a source of competitive advantage and superior performance.

7.5.1.2 Policy implications

The business sector in Zimbabwe can immensely benefit from the findings of this study as heterogeneous firm performance in a highly volatile and uncertain operating environment has been a reality. It is therefore important for the Zimbabwean business community to understand the strategy framework that has been driving the financial performance of excellent firms and how they distinguish themselves from non-performers. Policy-makers may be guided by the findings of the research to develop policies relevant to promote the growth of their firms to gain competitive advantage. Due to the positive relationship between corporate strategy framework of

RBS and ISF and firm financial performance, it is recommended that stakeholders increase funding for strategic research to help in mitigating the performance of firms in a highly volatile environment.

7.5.1.3 Implications for methodology

The study made a significant contribution to the methodological approaches used to establish the relationship between corporate strategy and firms' financial performance. In particular, the study used an explorative and descriptive cross-section survey that proved to be reliable as successful validity and reliability tests were carried out on the collected data. Regression analysis, a widely used tool in strategic research, was used to analyse the relationships between study variables. Testing the hypotheses of the study was facilitated by the use of regression analysis, which made the relationship between the variables clear. The categorisation of firms listed on the Zimbabwe Stock Exchange into excellent, medium, poor and very poor performers allowed the identification of the various strategies used by the different firms, which was a basis for comparative advantage.

7.5.1.4 Implication for managerial practice

The findings of the study showed that the combined corporate strategy frameworks of RBS and ISF had a significant effect on the financial performance of firms listed on the Zimbabwe Stock Exchange using the ROCE ratio. In the Zimbabwean context, it was noted that there was a 95% confidence of increasing financial performance by a company that invests in its RBS and therefore management should focus on this lever. Furthermore, there is a 90% confidence of increasing financial performance by investing in the ISF of the firm. This helps the management of Zimbabwe Stock Exchange listed firms to focus at the appropriate strategic imperatives that had a greater probability of increasing the financial performance of their firms than just following empirical evidence from other countries where similar studies have been done blindly. Management should therefore focus on strategic decisions on matters regarding resource

application and stakeholder relationships to gain a competitive advantage in the Zimbabwean context.

The Government of Zimbabwe can use the findings to ensure the availability of financial resources as the country has been suffering from capital flight over the years owing to investor-unfriendly policies. Governments can also provide appropriate exchange programs with industrialised countries to further develop the competency of its people. Furthermore, the Government can evaluate the effectiveness of its manpower development initiatives on the competency base of its people. Managers may also use the study to increase financial performance in various sectors of the economy by focusing at identifying and developing relevant corporate strategy frameworks aligned with the resources of the firm, or firm capabilities and competences on one hand and the institutional strategy framework that will significantly boost firm performance in the volatile business environment on the other. Zimbabwean firms are highly encouraged to develop strategies in relation to the resource base and the stakeholder management frameworks in a very dynamic environmental setting. This will allow the company to benefit from their unique, valuable, rare, inimitable and non-substitutable (VRIN) resources in order to increase financial performance. The focus should be on identifying unique resources and dynamic capabilities which can yield high performance in their industries and adjust their focus and strategies accordingly (Teece, 2014).

Corporate strategy frameworks differently impact on the various firms listed on the ZSE and it is therefore important that firms carry out frequent environmental analyses and develop appropriate strategic frameworks that ensure the going-concern of the company.

Based on the research findings, it is recommended that researchers, managers and policy-makers adopt a combination of RBS and ISF in the pursuit of increasing the financial performance of their firms as these have been found to have a significant impact on the financial performance of firms in Zimbabwe. However, as noted by Ogaga (2017), strategists must apply a cocktail of strategies as no single strategic approach can yield excellent performance. Moreover, BM and INV must also be considered, albeit to a lesser extent.

With reference to government policy, it is important that the government improves the accessibility and distribution of resources and the legal framework and competition laws, amongst other attendant concerns raised by investors, in order to enhance wealth creation, better fiscal and monetary policies and consequently spur sustainable economic growth.

7.6 Limitations of the study

The primary objective of the study was to establish a corporate strategy framework used by Zimbabwean firms to increase financial performance was achieved, although with its own limitations. Scope, time and financial constraints were amongst the limitations that were faced by the study. The study population was limited to Zimbabwe Stock Exchange listed firms despite the fact that Zimbabwe has many non-listed firms that have been recording improved financial results. Since the data gathering was done at the height of Covid-19, data collection was limited to the use of e-mail, Skype, Zoom, WhatsApp and telephonic interviews with competent research assistants, which enhanced the response rate considerably.

The conceptualisation of the study was limited to four independent variables only (RBS, BM, ISF and INV strategy frameworks) underpinned by the environmental scanning tools and performance and the resultant corporate strategy framework being the dependent variables. These cannot be the sole drivers of financial performance as these variables without other known factors statistically limits the findings considerably.

The study was also limited to the survey of 47 respondent firms listed on the Zimbabwe Stock Exchange (ZSE) as at 31 December 2017. However, the contextual limitation was mitigated by a fair representation of all the key economic sectors of the Zimbabwean economy, including the basic materials sector, consumer goods sector, consumer services sector, financial services sector and the industrial sector.

The explorative and descriptive cross-sectional survey design adopted in this study were limiting as explorative is not meant to provide conclusive evidence. The combination of explorative and

descriptive cross-sectional surveys allowed objectivity on the reliability of the data gathered from the population of organisational units listed on the Zimbabwe Stock Exchange.

Financial performance measurement was limited to the use of just the Return on Capital Employed (ROCE) in line with the recommendations of Carton and Hofer (2010) and Ogaga (2017). The need to consider other financial indicators such as Return on Assets (ROA) and Return on Sales (ROS) amongst other financial measures, may be important in order to compare and contrast the results.

Even though there were limitations to the study, the scientific design of the research that followed through the literature and theoretical review and considering objective research approaches in a rigorous and thorough approach of the analysis, interpretation and reporting of the findings gives credence to the study. To that effect, the stated limitations discussed had no material effect on the results and findings of the study.

7.7 Suggestions for further research

Based on the fact that this study focused on establishing a Corporate Strategy Framework to increase the financial performance of firms listed on the Zimbabwe Stock Exchange, the context of the study was therefore firms listed on the Zimbabwe Stock Exchange. Future research could review both listed and non-listed firms to check whether the findings will be the same. In another breath, the same study could be replicated but just on SME firms in Zimbabwe, using the same variables.

Empirical research has confirmed that there are many factors that may affect the performance of a company (Ogaga (2017)). Other researchers may seek to unravel the influence of other such factors, like corporate governance, industry, ownership structures and so forth, on the performance of ZSE listed firms. The four corporate strategy frameworks of RBS, BM, ISF and INV were taken as dependent variables; whilst the resultant recommended strategy framed by the combined effect of RBS and ISF were taken as dependent variables. Future research could take

the joint framework of RBS and ISF as independent variables, with financial performance being the dependent variable in order to determine if the same result will be obtained.

A longitudinal study design, exploring the use of a historically contextualized analysis and longitudinal research design, as suggested by Johnson et al. (2008) and Porter (2008), could be used for future studies instead of a cross-sectional research design where data will be collected and analysed over a period of time. The results from such a study may be compared and contrasted with the findings of this study.

In future research, financial measures could include a multiplicity of variables including total organizational assets, free cash flows, gearing ratios and dividend pay-out ratios to address any possible shortcomings resulting from the use of the ROCE measure variable adopted in this study. In this study, the effect of the combined corporate strategy frameworks of RBS and ISF on ROCE were found to be statistically significant.

In this type of study, where a cross-sectional approach was used, a longitudinal approach that would provide for a longer time of study to observe relationships among study variables could also be used.

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APPENDICES

Appendix 1: Questionnaire/Interview Guide

I am conducting a research on the topic: **A CORPORATE STRATEGY FRAMEWORK TO INCREASE FINANCIAL PERFORMANCE IN ZIMBABWEAN FIRMS**. To that effect, I kindly request you to participate in my research by completing this questionnaire/interview guide.

This questionnaire/interview guide is intended to collect relevant data from firms that are listed on the Zimbabwe Stock Exchange (ZSE). The data will be used for academic purposes only and will be treated as highly confidential. I will be grateful to receive feedback on the various questions raised in this research as this will be part of the evidence gathering process. The questionnaire/interview guide has four sections and each section covers various objectives of the study.

No names will appear in any part of the research. If during the process of completion, you want to withdraw from the process, you are free to do so.

All research activities will be carried out with honesty and with regard to the requirements of scientific research and the data will be protected.

Completing this questionnaire will take 25-40 minutes of your time and I will appreciate your cooperation.

CONSENT FORM

I, _____ hereby voluntarily agree
to participate in the following project:
.....

I understand that:

My responses will be treated with confidentiality and only be used for the purpose of the research.

No harm will be posed to me.

The research project aim has been explained to me.

I do not have to respond to any question that I do not wish to answer for any reason.

Access to the records that pertain to my participation in the study will be restricted to persons directly involved in the research.

Any questions that I may have regarding the research, or related matters, will be answered by the researcher.

Participation in this research is entirely voluntary and I can withdraw my participation at any stage.

I understand the information regarding my participation in the study and I agree to participate.

Signature of interviewee

Signature of witness

Signature of interviewer

Signed at _____ on this ____ day of _____ 20____

Section A: Organizational Background

Organization Name__

Identify your position in the organization by placing [X] at the appropriate answer.

CEO/CFO/COO/CMO/ CIA/MD (Executive) []

Divisional/Departmental Manager []

State in years how long you have worked for this organization. [] years.

For how long have you held your current position in the organisation [] years.

Prior to your appointment to the current position, please indicate what your previous position was by placing [X] at the appropriate answers below:

(a) Non Managerial []

(b) Junior managerial []

(c) Middle managerial []

(d) Senior managerial []

(e) Other (Please elaborate) []

.....

Kindly list the products/service your firm offers to the market

.....

How many workers are permanent employees of this organisation? Please place [X] at the appropriate answer.

0 to 500 employees []

From 500 to 1,000 employees []

More than 1000 employees []

Section B: Corporate Strategy Frameworks

The study considers a Corporate Strategy Frameworks as the independent variable that drives financial performance. To further understand how the organisation uses Corporate Strategy frameworks, please use the scale below and place an “X” as appropriate:

1 = Not at all; 2 = to a small extent; 3= to a moderate extent; 4=to a large extent; 5 =to a very large extent

9. Resource Based Strategy Framework.

This is a strategy framework that is premised on a firm gaining competitive advantage through the use of its strategic resources. The resources of a firm include core competencies and must be valuable, rare, inimitable and immobile across firms.

Description	1	2	3	4	5
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i.	The Company has a clear corporate strategy framework that is well shared by all the relevant employees.					
ii.	The Company uses its unique resource to gain competitive advantage and improve financial performance.					
iii.	The Company's unique resources and core competencies allows it to outperform competitors in the market.					
iv.	The organization utilises its resources and core competencies to produce differentiated quality products and services that gives it a competitive advantage over its competitors.					
Comments:.....						
10.Business Model Framework This strategy framework is premised on how the business creates value for its stakeholders including customers, shareholders, suppliers, employee etc. Some businesses create value by producing goods and services that are perceived to be different (differentiation), some ride on selling their goods and services at a relatively lower price than the market (cost leadership) and some may target specific markets where they can charge a premium (focus). To manage risk, some firms enter into various product lines (diversification).						
Description		1	2	3	4	5

i.	The Company has a clearly defined and well communicated business model that is a source of competitive advantage.					
ii.	The Company gains competitive advantage by producing goods and services that are perceived to be differentiated from the conventional goods and services offered in the market.					
iii.	The Company does not produce unique goods and services in comparison to what is being provided in the market.					
iv.	Although the Company sales its goods and service to everyone, there is a deliberate focus on a particular market segment where the company's products are sold at a premium to increase financial performance.					
v.	The Company charges different prices for the same product that is being sold in different markets.					
vi.	The Company charges the same price across all markets for its goods and services.					
vii.	The Company sales its goods and services at the lowest possible price in the market to gain competitive advantage.					
viii.	Selling of goods and services at the lowest possible price has been a source of competitive advantage for the Company?					
ix.	The Company's strategies that gives better value to its clients have a positive effect on the firm's financial performance?					
x.	Our company focuses at generating new revenue streams to out compete other players in the market.					

xi.	The firm produces products/services that are focused to a particular niche of customers.					
xii.	The Company focus on the supply chain of its operating activities to ensure the ability to land their goods and services on the market relatively cheaper.					
xiii.	Our company has well-defined scope of operations with clear expansion strategies for either backward or forward integration to allow control on the cost of production.					
xiv.	Our company produces highly standardized products using high technology.					
xv.	Our company produces an array of product mix with a view to spreading the risk (diversification strategy)					
xvi.	Our firm's value chain is tailored for products which are intended for specific market segments.					
xvii.	Our firm analyses systems and operation processes to identify where costs can be avoided by eliminating non value adding activities					
xviii.	Our organization adopts tight control systems and overhead minimization as a way of ensuring the delivery of low priced goods and services to the market.					
Comments:..... 						

11. Institutional Strategy Frameworks

This refers to the plans designed by the organisation to deal with the socio-political and cultural institutions in the environment in which the firm operates. The Company will have to come up with policies and procedures on how to deal with it's the society at large, technology, population demographics, statutory bodies, governance and gender equality issues.

Description		1	2	3	4	5
i.	Governance structure of an organisation has an effect on the firm's financial performance					
ii.	Good relationships with stakeholders including the Government have an effect on the firm's financial performance					
iii.	Social, technological and physical infrastructure of the business has a bearing on the financial performance of the firm.					
iv.	Adhering to requirements/ prescriptions of consumer protection agencies, self-regulating bodies and professional associations affects the ability of the Company to increase financial performance.					
v.	Creation of opportunities for the economically active youths has resulted in increased financial performance for our firm.					
vi.	The rapidly expanding workforces base has created opportunities for an increase in financial performance of our Company					
vii.	Rapid levels of urbanisation have resulted in an increase in financial performance for our Company.					

viii.	Creating opportunities to reduce gender inequality gave opportunities for increased financial performance for our Company.					
ix.	Ethnic factionalism in our country has given our company an opportunity for financial growth.					
x.	Linguistic factionalism, understanding and appreciating the social norms, customs and historical traditions of a country's citizens has an effect on the firm's financial performance.					
xi.	Our company has sound external stakeholder relationships that are sources of competitive advantage.					
xii.	Our company does not depend on political relationships to improve its financial performance.					
Comments:.....						
Innovation Strategy Innovation is about the creation of growth opportunities through new products or services, creation of efficient business models that change the game plan and generate significant new value for consumers, and the company as a whole.						
Description		1	2	3	4	5
i.	Our Company introduces new products/services to gain competitive advantage in the market.					

ii.	The Company uses technology to develop new products or services and improve production efficiencies to create better value for the customers.					
iii.	Our organisation has a clear value proposition to our clients which has been the basis for our competitive advantage.					
iv.	Creating a value proposition is part of the business strategy					
v.	Our company focuses on generating new revenue streams to out compete other players.					
vi.	The company lays emphasis on organizational culture that encourages innovation in pursuit of differentiating our products and services.					
vii.	The Company has a clear set budget for research and development.					
viii.	Research and development (R and D) plays an important role in product development and assessment.					
ix.	The Company's innovation strategies have increased its financial performance over the period 2010-2017?					
Comments:.....						

Section C: Environmental Scanning

Please indicate the extent to which the following statements are true in relation to your organisation over the past 8 years. Place [X] at the appropriate answer.

Key: 1 not at all; 2 = to a small extent 3 = to a moderate extent; 4 = to a large extent; 5 = to a very large extent

Environmental Analysis						
Appropriate strategic action plans are developed on the foundations of a strong environmental analysis. This is done through an exercise called environmental scanning using various analysis tools including SWOT. This explores the strengths, weaknesses, opportunities and threats facing the organisation; PESTEL (Political, Economic, Social, Technological, Ecological and the Legal) frameworks within the environment in which the firm operates; Porter’s four corners analysis and the five forces model which evaluates the impact of suppliers, customers, new entrants, threat of substitution and competitive rivalry.						
Description		1	2	3	4	5
i.	The Company conducts a formal environmental scanning as part of corporate strategy framework development process.					
ii.	Appropriate environmental scanning leads to the development of good strategies that will help the firm to increase financial performance.					
iii.	Environmental scanning is important in corporate strategy formulation.					
iv.	The Company uses SWOT as an environmental analysis tool and this has been a source of competitive advantage.					

v.	The Company uses PESTEL as an environmental analysis tool and this has been a source of competitive advantage					
vi.	The Company uses Porter's five forces model to better understand its environment.					
vii.	The Company uses Porter's Four Corners model that considers the likely future competitor behavior in terms of drivers, capabilities, assumptions and strategy to better understand its operating environment.					
Comments:.....						

Section D: Organizational Performance

Please indicate: the extent to which the following statements describe your firm's performance over the past 8 years. Put an [X] at the appropriate answer.

Key: 1 not at all; 2 = to a small extent 3 = to a moderate extent; 4 = to a large extent; 5 = to a very large extent

	Performance measures	1	2	3	4	5
i.	Operational efficiency in our company has improved over the last 8 years					
ii.	Internal business processes have improved over the last 8 years					
iii.	The core competencies of the company has given it competitive advantage that has led to improved financial performance.					

iv.	Automation of business processes has generally been achieved to the benefit of the Company.					
v.	Our company has achieved good returns by improving its asset utilization.					
vi.	The company entered new markets in the last 8 years					
vii.	The company's market share has increased in the past 8 years					
viii.	The company delivers products to its customers on time all the time.					
ix.	Exceptional service is provided to customers leading to the development of a solid brand.					
x.	We have flexible processes that allows speedy responses to all customers' queries and this has enabled us to retain customers.					
xii.	The Company culture of treating the customer as king has resulted in increased financial performance.					
xiii.	Generally, customers rate the quality of our products and services highly, relative to our Competitors, resulting in increased sales volumes					
Comment..... Contributing factors						
i.	Diversity and inclusivity is a major consideration in our employment policy.					

ii.	Employees are generally motivated to meet company goals.					
iii.	We conduct annual research to monitor our employee satisfaction and morale.					
iv.	Our company puts emphasis on employees' education and training as a way of enhancing performance.					
v.	Relative to our competitors our core business priority is innovation.					
vi.	We invest in community programs in which our experience can provide a lasting impact.					

If you have any comments which are not included in this questionnaire, but which you think are relevant and important for this research, please write them on the space provided.

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THANK YOU FOR YOUR KIND COOPERATION AND PARTICIPATION