

**THE IMPORTANCE OF STRATEGIC LEADERSHIP
IN STRATEGY IMPLEMENTATION IN A CHEMICAL INDUSTRY**

By

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- References and the editorial style as prescribed by the *Publication Manual (5th edition)* of the American Psychology Association (APA) were followed in this mini-dissertation. This is in line with the policy of the Programme in Industrial Psychology of the PU for CHE, to use APA-style in all scientific documents.
- This mini-dissertation is submitted in the form of one research article.

ABSTRACT

The global economy is a major irrevocable event whose existence has already had a major influence on organisations today and has created a new competitive landscape in which events change constantly and unpredictably (Ireland & Hitt, 1999). The creation of sustainable competitive advantage is the universal objective of all companies (Campbell & Alexander, 1998). Ireland and Hitt (1999) believe that being able to exercise strategic leadership in a competitively superior manner will facilitate the organisation's efforts to earn superior returns on its investments.

The objectives of this study are to assess the perceptions of executives and managers of a South African chemical organisation on the importance of strategic leadership in strategy implementation, and to determine whether there is a difference in the perceptions of the different occupational groups.

This research explores the concept of strategic leadership and the components that are key to effective strategic leadership. A literature review revealed that the following five components are key to effective strategic leadership practices: determining the firm's purpose and vision, exploiting and maintaining core competencies, developing human capital, establishing strategic control, and emphasizing ethical practices.

The research also explores the concept of strategy implementation, focusing mainly on managerial issues central to strategy implementation. These are: annual objectives, policies, organisational culture, organisational structure, and incentives. The emphasis of the study is on the importance of the role played by strategic leadership during the implementation phase of strategic management processes.

This research makes use of a cross-sectional survey design that consists of the total population of 13 group executive team, 25 group management team, and 50 strategic business unit (SBU) executives, and a sample of 412 managers randomly selected using the stratified random sampling technique. The IL-C questionnaire was adapted and used to assess the opinions of participants on the importance of strategic leadership in strategy implementation on a five-point scale.

The results obtained indicate that all participants perceived strategic leadership to be important in strategy implementation. Across the strategic leadership components, developing human capital was perceived as being the most important component, exploring core competencies as the second most important, determining the firm's vision as the third, establishing strategic control as the fourth, and emphasising ethical practices as the least

important component. It could be concluded that the executives and managers of the chemical organisation perceived 'developing human capital' as the most important component because of their current belief that investment in capital equipment is often overemphasised and that the primary opportunity to improve productivity is through investment in human capital.

The results of the comparison of means per occupational group indicated a practically significant difference only between the group executive members and the group management team. It could be concluded that the group executive members of the chemical organisation feel very strongly about the importance of proper leadership, especially when it comes to putting strategy into action. The non-existence of a practically significant difference among group executives and the other three leadership groups, and among the three groups themselves, indicates that the leadership of the chemical organisation recognise the importance of strategic leadership in the implementation process.

The limitations of this study are as follows:

- The findings of this study are limited by the unique nature of the sample, which restricts generalisation to other industries.
- The study focused on the perception of respondents regarding the importance of strategic leadership for strategy implementation in general only, and not on the extent to which respondents perceive their organisation to be using strategic leadership practices when implementing their strategy. This could have provided valuable information to management as well as critical focus areas when planning to close the gap.
- The questionnaire also did not provide for the respondent to report the "as is" versus "should be" on strategic leadership practices during strategy implementation.

OPSOMMING

Die ontstaan van die globale ekonomie is 'n enorme onomkeerbare gebeurtenis wat reeds 'n groot invloed op hedendaagse organisasies gehad het en 'n nuwe kompeterende omgewing geskep het waarin situasies voortdurend en op onvoorspelbare wyse verander (Ireland & Hitt, 1999).

Die ontwikkeling van 'n handhaafbare kompeterende voordeel is die universele doelwit van alle maatskappye (Cambell & Alexander, 1988). Ireland en Hitt (1999) is van mening dat die vermoë om strategiese leierskap beter as die kompetisie uit te oefen die organisasie in staat sal stel om voortrefflike opbrengste op sy beleggings te verdien.

Die doelwitte van hierdie studie is om die persepsies van hoofbestuurders en bestuurders van 'n Suid-Afrikaanse chemiese organisasie rakende die belangrikheid van strategiese leierskap by die implementering van strategie te beoordeel, en om vas te stel of daar verskille in persepsie tussen groepe uit verskillende beroepsrigtings bestaan.

Die navorsing ondersoek die konsep van strategiese leierskap en die sleutelkomponente in effektiewe strategiese leierskap. 'n Literatuurstudie het aangetoon dat die volgende vyf komponente sleutelkomponente vir strategiese leierskappraktyke is: die bepaling van die visie en die missie van die organisasie; die benutting en handhawing van kernvaardighede; die ontwikkeling van menslike kapitaal; die verkryging van strategiese beheer; en die beklemtoning van etiese praktyke.

Die opname-ontwerp wat in die navorsing gebruik is, bestaan uit die totale populasie van 13 groep- uitvoerende span, 25 groepbestuurders en 50 strategiese besigheidseenheid- (SBU) bestuurslui, sowel as 'n steekproef van 412 bestuurders wat lukraak geselekteer is deur die gebruikmaking van die gestratifiseerde ewekansige steekproeftegniek. Die IL-C-vraelys is aangepas en gebruik om die menings van die deelnemers te analiseer rakende die belangrikheid van strategiese leierskap by strategiese implementering. Daar is van 'n vyfpunt-Likersskaal gebruik gemaak.

Die resultate wat uit die navorsing verkry is, dui aan dat al die deelnemers strategiese leierskap as belangrik by strategiese implementering beskou. Die ontwikkeling van menslike kapitaal is as die belangrikste komponent beskou, die ondersoek van sleutelvaardighede as die tweede belangrikste, die bepaling van die visie van die organisasie as die derde belangrikste, die verkryging van strategiese beheer as die vierde belangrikste en die beklemtoning van etiese praktyke as die min belangrike. Daar kan tot die gevolgtrekking

gekom word dat die uitvoerende bestuurslui en die bestuur van die chemiese organisasie die ontwikkeling van menslike kapitaal as die belangrikste komponent beskou.

Die resultate van die vergelyking van die gemiddeldes per posgroep het alleenlik tussen die groep- uitvoerende lede en die groepbestuurderspan 'n prakties betekenisvolle verskil aangedui.

Die beperkings van hierdie studie is soos volg:

- Die bevindinge van hierdie navorsing is beperk tot die unieke aard van die deelnemers, wat veralgemening bemoeilik.
- Die studie fokus slegs op die persepsies van die deelnemers rakende die belangrikheid van strategiese leierskap by strategiese implementering in die algemeen.
- Die vraelys het persone nie die geleentheid gegee om die bestaande situasie teenoor die ideale situasie aan te dui waar dit by strategiese leierskappraktyke tydens strategie-implementering kom nie.

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CHAPTER 1

INTRODUCTION

1.1 PROBLEM STATEMENT

The changes during the 1980s and 1990s have contributed to the rapid development of the ultra-competitive global economy that we are experiencing today. There is a transformational change from regional economies and industries to global ones (Ireland & Hitt, 1999). In this global economy, products are shipped anywhere in the world in a matter of days, communications are instant, and new product introductions and their life cycles are shorter than ever before. According to Boal (2000), competition in the 21st century global economy is more complex, challenging, and filled with competitive opportunities and threats.

The global economy is a major irrevocable event whose existence has already had a profound influence on organisations today and has created a new competitive landscape in which events change constantly and unpredictably (Ireland & Hitt, 1999). The creation of sustainable competitive advantage is the universal objective of all companies (Campbell & Alexander, 1998).

Ireland and Hitt (1999) believe that being able to exercise strategic leadership in a competitively superior manner will facilitate the organisation's efforts to earn superior returns on its investments. This view is supported by Sheard and Kakabadse (2002) when they write that this 'increasingly fast-moving and competitive environment all organisations face, demands effective leadership to make their organisations prosper'. Heifetz and Laurie (1998) add that it is only through effective strategic leadership that an organisation can be mobilized so that it can adapt its behaviours and exploit different growth opportunities.

Without effective strategic leadership, the probability that a company will achieve superior or even satisfactory performance when confronting the challenges of the global economy will be reduced (Glenn, 2001). According to Beer (2000), companies have long known that, to be competitive, they must develop a good strategy and then appropriately realign structure, systems, policies, culture and the like, that is, implement the strategy. One of the reasons why strategy implementation often fails is because of insufficient attention given to strategic leadership (Lorange, 1998). Through effective strategic leadership, an organisation can be mobilised so that it can adapt its implementation strategies and exploit different growth

opportunities, and thus stay competitive in the 21st century's global economy (Ireland & Hitt, 1999).

1.2 AIM OF THIS RESEARCH

The aim of this research is to determine how strategic leadership is perceived in a chemical industry and to assess if there is a difference in the perceptions of different occupational groups of executives and management in terms of the importance of strategic leadership in strategy implementation.

The top leadership of the chemical industry in the current study invest lots of money, time and effort in formulating good strategies with the purpose of improving their market share and profitability. In most cases these initiatives fail to deliver the intended outcomes. For some reason, some initiatives fall off even before they are communicated to the rest of the business, whilst some manage to gain momentum initially, only to die a natural death after a year or even sooner. This led the current researcher to suspect that something must be seriously wrong with the organisation and its leadership regarding the translation of the organisational strategy and maintaining momentum with the implementation thereof.

Based on the above statements the following research questions are asked:

- How is strategic leadership and strategy implementation been conceptualised in the literature?
- Which component of strategic leadership is considered to be most important in implementing strategy in a chemical industry?
- How is strategic leadership perceived in a chemical industry?
- Is there a difference between perceptions of different occupational groups of executives and management in terms of the importance of strategic leadership in strategy implementation?

1.3 RESEARCH OBJECTIVES

The research objectives are divided into general objectives and specific objectives and these are specified below.

1.3.1 General objective

The general objective of the study is to explore the importance of strategic leadership in strategy implementation in a chemical industry.

1.3.2 Specific objectives

The specific objectives of this research are as follows:

- To do a literature study on the concept strategic leadership and strategy implementation within an organisation.
- To determine which of the component of strategic leadership is considered to be most important in implementing strategy in a chemical industry.
- To determine how strategic leadership is perceived in a chemical industry.
- To determine the difference in the perceptions of different occupational groups of executives and management in terms of the importance of strategic leadership in strategy implementation.

1.4 RESEARCH METHOD

The research consists of two phases, namely literature study and empirical study.

1.4.1 Literature study

The literature review, using business and economic journal articles and books, will be done focusing on both strategic leadership and strategy implementation.

1.4.2 Empirical study

1.4.2.1 Research design

A cross-sectional survey will be used to describe the information on the population collected at that time. This design (Shaughnessy & Zechmeister, 1997) can also be used to evaluate the interrelationship amongst variables within a population. According to Shaughnessy and Zechmeister (1997), this design is also used to describe and predict functions associated with correlative research.

1.4.2.2 Study population

The sample will be drawn from a South African chemical industry. The total population of this organisation is twenty nine thousand employees of whom one thousand and sixty constitute the leadership group. The sample will consist of 13 (100%) group executive team, 25 (100%) group management team, 50 (100%) strategic business unit (SBU) executives, and 412 managers (75%). A stratified random sampling technique will be used to select the managers' group. This will be done by allocating a number (e.g. manager 1-57) to a name list of manager, and all the names awarded an even number will make up the sample group (Kerlinger & Lee, 2000). Table 1 provides a summary of the target population.

Table 1

Target population

Occupational Groups	Total Population	Sample	%
Group executive team	13	13	100
Group management team	25	25	100
SBU executives	50	50	100
Managers	550	412	75
Total	638	500	78

1.4.2.3 Measuring instrument

The Integrated Leadership-Champion (IL-C) questionnaire (Mosia, 2003) will be adapted and used to assess the opinions of participants on the importance of strategic leadership in strategy implementation. The focus groups and interviews will be held with different experts to determine relevant constructs for the questionnaire.

The questionnaire will have two sections namely: Section A and Section B. Section A will be biographical information and section B will measure the importance of different strategic leadership components in strategy implementation. To ensure the validity of the study, the questionnaire will be given to different experts for validation (Cohen, 1988). Lastly the reliability and validity of the instrument for the current study will be determined.

In previous research by Mosia (2003) the Integrated Leadership-Champion (IL-C) questionnaire yielded a Cronbach alpha coefficient of 0.96, which according to Nunnally and Bernstein (1994) indicate that the questionnaire is reliable. The content validity and face validity of the items in the questionnaire were also found to be high.

1.4.2.4 Data analysis

The results of the experiment will be analysed by making use of the Statistical Package for Social Science (SPSS-X). Descriptive statistics (e.g. means, standard deviations, skewness and kurtosis) will also be used to analyse the data. The effect size (d) will be used to determine the practical significances between the group means.

The formula, $d = \frac{X_1 - X_2}{S_{max}}$ will be used where X_1 and X_2 represent the means of the two groups

or set of data compared, while S_{max} is the maximum of the two groups' standard deviation.

The following guidelines for the values of d will be used to determine the practical significant difference: 0,2 = small effect; 0,5 = medium effect and 0,8 = large effect (Cohen, 1988).

The above guidelines indicate that if the d-value is greater than 0,8, there is a practical significant difference between the compared groups. The d-value of less than 0,8 but greater than 0,5, indicates a medium practical significant difference, while the one of 0,5 is the acceptable level for inferring a practical significant different. The d-value of 0,2, on the other hand, signifies a slight practical significant difference.

1.4.2.5 Research Procedure

The questionnaires will be mailed electronically to all group members except for the group executive team (who will receive hard copies). The completed questionnaires will be electronically mailed back while the others will be hand delivered via the internal mail system to the researcher. Statistical analysis of results will then be carried out.

1.5 CHAPTER DIVISION

Chapter 1: Introduction: Problem statement

Chapter 2: Research article

Chapter 3: Conclusions, recommendations and limitations

RESEARCH ARTICLE 1

THE IMPORTANCE OF STRATEGIC LEADERSHIP IN STRATEGY IMPLEMENTATION IN A CHEMICAL INDUSTRY

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ABSTRACT

The objective of this study was to assess the importance of strategic leadership in strategy implementation and to determine whether there is a difference in the perception of different groups of management regarding the above. A cross-sectional survey design was used. The sample consisted of 265 directors and managers of a South African petrol and chemical organisation. A quantitative technique was used to reach the research objective. The results indicated that strategic leadership was perceived to be important in strategy implementation in all groups.

OPSOMMING

Die doelstelling van hierdie studie was om te bepaal hoe belangrik strategiese leierskap met betrekking tot strategiese implementering is en of daar 'n verskil in die persepsie van bestuurders op verskillende vlakke is. Daar is van 'n dwarsnitontwerp gebruik gemaak. Die populasie het uit 265 direkteure en bestuurders van 'n Suid-Afrikaanse petrol-en-chemikalie-organisasie bestaan. 'n Kwantitatiewe tegniek is gebruik om die navorsingsdoel te bereik. Die resultate het aangetoon dat strategiese leierskap wel as belangrik in strategiese implementering in alle groepe geag kan word.

Introduction

The changes during the 1980s and 1990s have contributed to the rapid development of the ultra-competitive global economy that we are experiencing today. There is thus a transformational change from regional economies and industries to global ones (Ireland &

Hitt, 1999). In this global economy, products are shipped anywhere in the world in a matter of days, communications are instant, and new product introductions and their life cycles are shorter than ever before. According to Beer (2000), competition in the 21st century global economy is more complex, challenging, and filled with competitive opportunities and threats.

The global economy is a major irrevocable event whose existence has already had a profound influence on organisations today and has created a new competitive landscape in which events change constantly and unpredictably (Ireland & Hitt, 1999). The creation of sustainable competitive advantage is thus the universal objective of all companies (Campbell & Alexander, 1998).

Ireland and Hitt (1999) believe that being able to exercise strategic leadership in a competitively superior manner will facilitate the organisation's efforts to earn superior returns on its investments. This view is supported by Sheard and Kakabadse (2002) when they write that this 'increasingly fast-moving and competitive environment all organisations face, demands effective leadership to make their organisations prosper'. Heifetz and Laurie (1998) add that it is only through effective strategic leadership that an organisation can be mobilised so that it can adapt its behaviours and exploit different growth opportunities.

Without effective strategic leadership, the probability that a company will achieve superior or even satisfactory performance when confronting the challenges of the global economy will be reduced (Glenn, 2001). According to Beer (2000) companies have long known that, to be competitive, they must develop a good strategy and then appropriately realign structure, systems, policies, culture etc, thereby implement the strategy. One of the reasons why strategy implementation often fails is because of insufficient attention given to strategic leadership (Lorange, 1998). Through effective strategic leadership, an organisation can be mobilised so that it can adapt its implementation strategies and exploit different growth opportunities, and thus stay competitive in the 21st century's global economy (Ireland & Hitt, 1999).

In this research, strategic leadership and strategic implementation are studied using a behaviourism paradigm, which focuses on actions that operate on the environment to produce consequences, and systems paradigms, which maintain that systems such as organisations function in relation and relatedness (Corey, 2001; French & Bell, 1999).

The objectives of this study were to determine if strategic leadership is important in strategy implementation and whether there is a difference in the perceptions of different levels of

management regarding the importance of strategic leadership in the implementation of strategy.

The top leadership of the chemical industry in the current study invest lots of money, time and effort in formulating good strategies with the purpose of improving their market share and profitability. In most cases these initiatives fail to deliver the intended outcomes. For some reason, some initiatives fall off even before they are communicated to the rest of the business, whilst some manage to gain momentum initially, only to die a natural death after a year or even sooner. This led the current researcher to suspect that something must be seriously wrong with the organisation and its leadership regarding the translation of the organisational strategy and maintaining momentum with the implementation thereof, hence this study.

Strategic Leadership

According to Robbins (1998), leadership is the ability to influence a group toward the achievement of goals. Strategic leadership, on the other hand, is defined as a person's ability to anticipate, envision, maintain flexibility, think strategically, and work with others to initiate changes that will create a viable future for the organisation (Ireland & Hitt, 1999). Glenn (2001) defines strategic leadership as the ability to influence others to voluntarily make day-to-day decisions that enhance the long-term viability of the organisation, while maintaining its short-term financial stability.

Glenn's (2001) definition is different from Ireland and Hitt's (1999) in that it explicitly includes the concept of voluntary decision-making, and focuses on the present as well as the future. Glenn (2001) strongly believes that the most important part of strategic leadership is influencing employees to voluntarily make decisions that enhance the organisation. Strategic leadership is thus concerned with ensuring the future of the organisation through the development and management of people, and ensuring that collectively they are capable of participating in ways that help achieve the organisation's future (Glenn, 2001).

Hagen et al. (1998) describe strategic leadership as an extremely complex and multifunctional form of leadership which requires the ability to accommodate and integrate both external and internal conditions and to manage and engage in complex information processing. The capacity to learn, the capacity to change, and managerial wisdom are thus the essence of strategic leadership (Boal, 2000).

Ireland and Hitt (1999) identify the following six key effective strategic leadership practices: determining the firm's purpose and vision, exploiting and maintaining core competencies, developing human capital, establishing strategic control, sustaining effective corporate culture and emphasising ethical practices. For the purpose of this study, the last two components are combined under the heading 'emphasising ethical practices' because subject matter experts advised that the two components are inseparable in practice. The five components will be discussed in the following paragraphs.

Determining the firm's vision. According to Hamburger (2000), a vision relates to some futuristic ideal, to some notion of how things could/should be, and can reflect an aspired state of being for an individual, an organisation, or a society. It indicates what the organisation exists to achieve and what it is willing and not willing to do to achieve it, and it provides a sense of direction and purpose, which inspires people and puts meaning into their lives (Ireland & Hitt, 1999). Ulrich (1998) also states that a vision serves as a unifying focal point of effort and acts as a catalyst for team spirit.

Hagen et al. (1998) and Kotter (1999) view determining a firm's vision as a process of developing a long-term direction, which involves gathering a broad range of data and looking for patterns, relationships and linkages that help to explain things. The process produces or creates a vision and strategies that describe a business, technology and corporate culture futuristically and articulate a feasible way of achieving this future. Glenn (2001) believes that this ability to influence employees to voluntarily make decisions that enhance the organisation is the most important part of strategic leadership.

Exploiting and maintaining core competencies. Core competencies are the resources and capabilities that give a firm a competitive advantage over its rivals (Ireland & Hitt, 1999). Typically, core competencies relate to the functional skills of the organisation, such as manufacturing, finance, marketing, and research and development. They allow organisations to produce and deliver products that have unique benefits and value for customers (Hagen, et al., 1998).

In exploiting and maintaining core competencies, the strategic leaders identify, gather and distribute resources to influence organisational processes for the achievement of set goals. They compare alternative resource utilisations and allocations, and select that alternative which is most energy-effective towards accomplishing or producing a product (Kent, Crotts & Azziz, 2001). Strategic leaders align and distribute the available resources according to

strategic business needs and in ways that will improve and profit the company's performance (Ireland & Hitt, 1999). They also promote the sharing of resources across business units in the organisation to create a competitive advantage (Hagen et al., 1998).

In the 21st century, an ability to develop and exploit core competencies will be linked even more positively and significantly with the organisation's success. Hagen et al. (1998) are of the opinion that the most effective core competencies are based on intangible resources, which are less visible to competitors because they relate to employees' knowledge and skills, for example, marketing; promotion; research and development, etc. The organisation's core competencies are only nurtured effectively through the sharing of knowledge or intellectual capital that is unique to a particular organisation. However, core competencies cannot be emphasised and exploited effectively in the global marketplace without appropriate human capital (Ireland & Hitt, 1999).

Developing human capital: Human capital refers to the knowledge and skills of the organisation's entire workforce. People in the organisation are a critical resource on which many core competencies can be built and through which competitive advantages can be exploited successfully. In today's economy, people have become the factor that will make or break a business, and they need to feel that they can make a difference (Ireland & Hitt, 1999).

According to Saratoga (2000), people cannot contribute to the aims and aspirations of an organisation if they do not know what to do, and they cannot help if they do not know how to do so. Strategic leaders therefore continuously develop the capacity of their employees by providing an environment conducive to learning. Strategic leaders motivate individuals to grow, expose them to learning opportunities, and provide needed support. They encourage employees to inquire about and analyse decisions, set personal goals that improve organisational performance, and develop new competencies and skills (Collins, Lowe & Arnett, 2000).

Strategic leaders firstly involve employees in establishing key priorities; then they transfer the power and authority to those employees to make a difference in the organisation. Thus, employees are empowered not only to voice their opinion but also to use their authority to make decisions that matter. They help employees to gain a sense of confidence and autonomy in performing their tasks as they encourage them to fulfill their potential (Saratoga, 2000; Ireland & Hitt, 1999).

Hagen et al. (1998) argue that a good approach to developing human capital is through training and development programmes. They explain that these programmes can help build skills and facilitate communication among employees by providing a common language, building employee networks, and constructing a common vision for the organisation. In addition to this, Wilson, Boudreaux and Edwards (2000) highlight the importance of integrating an employee well-being programme when developing human capital. They believe that developing human capital is the building up or nurturing of individual employees in order to bring out the best in them and help them reach their highest potential, and this includes employee well-being.

Establishing strategic control: Strategic controls are the formal information-based procedures that strategic leaders and managers use to frame, maintain, and alter patterns of organisational activities (Pearce II and Robinson Jr, 2000). Controls influence and guide work in ways necessary to achieve performance objectives. The effective use of strategic controls by corporate leaders is frequently integrated with appropriate autonomy for the subunits so they can gain competitive advantage in their respective markets (Hagen et al., 1998).

According to Ireland & Hitt (1999), strategic leaders seek to develop and use a balanced set of strategic and financial controls. Strategic leaders use strategic controls to focus on positive long-term results while pursuing simultaneously the requirement to execute corporate actions in a financially prudent and appropriate manner. Venkatraman and Gering (2000) emphasize that the control system must support the selected strategy and produce behaviour with the attributes of both flexibility to adapt to the external environment and congruence to carry out the organisation's strategy.

Emphasizing ethical practices: According to Glenn (2001), effective strategic leaders emphasise ethical practices within their organisations and seek to infuse them through the corporate culture. Corporate culture refers to the core values shared by all or most employees. It consists of a complex set of ideologies, symbols, and values that influence the way the organisation conducts its business. It defines a normative order that serves as a source of consistent behaviour within the organisation (Hagen et al., 1998, Sorensen, 2002; Ireland & Hitt, 1999).

These ethical practices serve as a moral filter through which potential courses of action are evaluated. Strategic leaders thus use trust, honesty and integrity as the foundations for their

decisions, mobilising people through adherence to shared values. They are clear about their operating values and communicate these values to others for shared understanding (Ireland & Hitt, 1999; Hagen et al., 1998; Russell, 2001).

Strategy Implementation

Thompson and Strickland (1999) explain a strategy as a "game plan" that management has for positioning the company in its chosen market arena, competing successfully, pleasing customers, and achieving good business performance. A strategy consists of a whole array of competitive moves and business approaches that managers employ in running the company. Strategic management is thus the art of formulating, implementing, and evaluating cross-functional decisions that enable an organisation to achieve its objective (David, 1999).

Strategy implementation is the full range of managerial activities associated with putting a chosen strategy in place through short-term objectives, action, and tactical plans and by influencing people's behaviours towards achieving results (Thompson & Strickland, 1999). It requires actions such as altering sales territories, adding new departments, closing facilities, hiring and training new employees, developing financial budgets, establishing cost-control procedures, transferring managers among divisions, and changing advertising strategy (David, 1999).

According to David (1999), management issues central to strategy implementation include establishing annual objectives, devising policies, allocating resources, altering an existing organisational structure, revising reward and incentive plans, minimising the resistance to change, matching managers with strategy, and developing a strategy-supportive culture. Some of these issues are discussed briefly in the following paragraphs.

Annual Objectives: Before a strategy is implemented, management must be aware of the broad strategic goals of the company. Annual objectives serve as guidelines for action, directing and channelling the efforts and activities of organisation members (David, 1999; Noble, 1999). According to Noble (1999), developing a set of clear and common objectives is necessary for aligning diverse functional units and very essential in strategy implementation.

David (1999) advises that considerable time and effort should be devoted to ensuring that annual objectives are well conceived, consistent with long-term objectives, and supportive of

strategies to be implemented. One way of doing this is by using the concept of a balanced scorecard. The balanced scorecard is an integrated set of performance measures comprising both current performance indicators and drivers of future performance.

It enables leaders to translate the objectives into meaningful tasks/targets for themselves and allows them to evaluate the organisation from four major perspectives, namely financial perspective, customer perspective, internal business perspective, and learning and growth perspective (Kaplan & Norton, 1996; Chong & Chow, 1999). David (1999) warns, however, that clear annual objectives do not guarantee successful strategic implementation, although they do increase the likelihood that personal and organisational aims will be accomplished.

Policies: Annual objectives should be supported by clearly stated policies. A policy refers to specific guidelines, methods, procedures, rules, forms, and administrative practices established to support and encourage work toward stated goals (Thompson & Strickland, 1999; David, 1999). Policies and operating procedures aid the task of implementing strategy in the following ways:

- They provide guidance on how certain things now need to be done and what behaviour is expected, thus establishing some degree of regularity, stability, and dependency in how management has decided to try to execute the strategy and operate the business on a daily basis.
- They help align actions and behaviour with strategy throughout the organisation, placing limits on independent actions and channelling individual and group efforts along the intended path.
- They help enforce needed consistency in how particular strategy-critical activities are performed in geographically scattered operating units.

Thompson and Strickland (1999) believe that strategy implementers can use the policy changing process as a powerful lever for changing the corporate culture in ways that produce a stronger fit with the new strategy. The issue of culture in strategy implementation is discussed in the following paragraphs.

Organisational Culture: Organisational culture is the way of life followed consciously or subconsciously in the day-to-day activities of the organisation. It provides members of the organisation with a way of giving meaning to their daily lives, setting guidelines and rules for

how to behave, and, most important, reducing and containing the anxiety of dealing with an unpredictable and uncertain environment (Sorensen, 2002; Fyock, 2000).

When a company's culture is out of sync with what is needed for strategic success, the culture has to be changed as rapidly as can be managed. According to Thompson and Strickland (1999), a tight culture-strategy alignment acts in the following two ways to channel behaviour and influence employees to do their jobs in a strategy-supportive manner:

- It provides a system of informal rules and peer pressures regarding how to conduct business and thus shapes the mood, temperament, and motivation of the workforce. This positively affects organisational energy, work habits and operating practices, the degree to which organisational units cooperate, and how customers are treated.
- It provides structure, standards, and a value system within which to operate. It also promotes strong employee identification with the company's vision, performance targets, and strategy.

Organisational Structure: Organisational structure is a means of holding organisational systems together for the realisation of the organisational destiny (Friedman & Gyr, 1998). A new or changed strategy is likely to lead to new or different key activities, competencies, or capabilities, and therefore new or different organisational arrangements are required for the strategy to be implemented successfully (David, 1999; Thompson & Strickland, 1999).

A lack of alignment between strategy and structure can thus open the door for implementation and performance problems. Therefore, Thompson and Strickland (1999) advise that when an organisation's present structure is so far out of line with the requirements of a particular strategy that the organisation would have to be turned upside down to implement it, the strategy may not be practicable and should not be given further consideration.

Incentives: While business strategy drives goal selection at the top of the organisation, Zingheim and Schuster (2000) state that pay and rewards accelerate the communication of this strategy to the workforce. Incentives extend people's line of sight, help them know how they add value to the business, and translate more distant strategy into terms people can understand.

Incentives can be either monetary or non-monetary and can be used effectively throughout the strategy implementation process by generously rewarding individuals and groups who achieve their assigned performance targets and denying rewards to those who don't (Thompson & Strickland, 1999; Noble, 1999). According to Johnson (1998), appropriate pay-for-performance dynamics are the lynchpin of any successful plan. Zingheim and Schuster (2000) also emphasize that companies that address pay and rewards as a lead element of change will gain strategic advantage.

Strategic Leadership and Strategy Implementation

Companies have long known that, to be competitive, they must develop a good strategy and then appropriately realign structure, systems, policies, culture and the like, that is, implement the strategy (Beer, 2000). According to Noble (1999), implementation plans often fail to materialise due to, among other reasons, communication problems, struggles for power and leadership, and personality differences. In a study conducted by Beer (2000), it was found that a top-down or laissez-faire senior management style, unclear strategy and conflicting priorities, and an ineffective senior management team were the top three barriers to implementing a company's strategy.

Research on strategic leadership indicates that organisations use the strategic management process successfully through effective strategic leadership (Hagen, et al., 1998; Ireland & Hitt, 1999; Boal, 2000). When strategic leaders influence others to voluntarily make day-to-day decisions, the implementation of strategy is spread among all stakeholders in the organisation, and this creates a sustainable competitive advantage and above-average returns for the business (Glenn, 2001; Ireland & Hitt, 1999). Through effective strategic leadership, an organisation can be mobilised so that it can adapt its implementation strategies and exploit different growth opportunities, and thus stay competitive in the 21st century's global economy (Ireland & Hitt, 1999).

AIM OF THIS RESEARCH

The aim of this research is to determine how strategic leadership is perceived in a chemical industry and to assess if there is a difference in the perceptions of different occupational groups of executives and management in terms of the importance of strategic leadership in strategy implementation.

RESEARCH METHOD

Research design

A cross-sectional survey was used to gather the information on the population at that time. This design (Shaughnessy & Zechmeister, 1997) can also be used to evaluate the interrelationship amongst variables within a population. According to Shaughnessy and Zechmeister (1997), this design is also used to describe and predict functions associated with correlative research.

Sample

The sample was drawn from all functional groups in a South African petrol and chemical organisation. The total population of this organisation is twenty nine thousand employees, of whom one thousand and sixty constitute the leadership group. The test sample consisted of 265 randomly selected leaders, of whom 4.9% represented the group executive team, which forms the first leadership group from the top; 6% of the total number represented the group management team, which is the second leadership group from the top; 18.9% were from the strategic business unit (SBU) executives, the third leadership group; and 70.2% represented the managers, which is the fourth leadership group.

A stratified random sampling technique was used to select the managers' group. This was done by allocating a number (e.g. manager 1-57) to a name list of manager, and all the names awarded an even number made up the sample group (Kerlinger & Lee, 2000). Table 2 provides a summary of the research sample and questionnaires received.

Table 2

Research sample

Occupational Groups	Population (n)	Sample (N)	Number of questionnaires received	% of received questionnaires
Group executive team	13	13	13	100
Group management team	25	25	16	64
SBU executives	50	50	50	100
Managers	550	412	186	45
Total	638	500	265	53

Table 2 indicates that a total number of five hundred questionnaires were distributed to the sample group. A total of two hundred and sixty five questionnaires were returned. This

number represents 53% of the sample group, which is 25% of the population. The four leadership groups are well represented relative to the total group. No unusable questionnaires were received, because the electronic questionnaire was designed in such a way that if a participant left out an item, s/he was reminded to complete it, prior to submission.

Procedure

The questionnaires were mailed electronically to all group members, except for the group executive team, who preferred hard copies. The completed questionnaires were electronically mailed back while the others were hand delivered via the internal mail system to the researcher.

Measuring instrument

The Integrated Leadership-Champion (IL-C) questionnaire (Mosia, 2003) was adapted and used to assess the opinions of participants on the importance of strategic leadership in strategy implementation. The IL-C questionnaire consists of 35 items in five sub-roles (Valued-S Champion, Strategic-C Champion, Powered-T Champion, Resourceful Champion and Flexible-C Champion). These sub-roles were related to what Ireland and Hitt (1999) had identified as the six key effective strategic leadership practices. After sending the questionnaire to subject matter experts to assess usability for the current study, it was suggested that the last two components of Ireland and Hitt's model should be combined since they were inseparable in practice.

Each component was measured in respect of seven items, and the respondents had to rate the importance of a component item relative to strategic implementation. A five-point scale was provided for each item, namely: 1 = Not at all; 2 = Lesser extent; 3 = Some extent; 4 = Great extent and 5 = Very great extent. The Cronbach alpha coefficient for the previous study was 0,96.

Statistical analysis

The statistical analysis was carried out using the Statistical Package for Social Science (SPSS-X). Descriptive statistics (e.g. means, standard deviations, skewness and kurtosis) were used to analyse the data. The effect size (d) was used to determine the practical significances between the group means.

The formula $d = \frac{X_1 - X_2}{S_{max}}$ was used, where X_1 and X_2 represent the means of the two groups

or sets of data compared, while S_{max} is the maximum of the two groups' standard deviation. The following guidelines for the values of d were used to determine the practically significant difference: 0,2 = small effect; 0,5 = medium effect; and 0,8 = large effect (Cohen, 1988).

The above guidelines indicate that if the d -value is greater than 0,8, there is a practically significant difference between the compared groups. A d -value of less than 0,8 but greater than 0,5 indicates a medium practically significant difference, while the one of 0,5 is the acceptable level for inferring a practically significant difference. A d -value of 0,2, on the other hand, signifies a slight practically significant difference.

RESULTS

The Cronbach alpha coefficient for the current study is 0,91. Thus the researcher concluded that the Integrated Leadership-Champion Questionnaire was reliable, and its reliability was confirmed in this study (Nunnally & Bernstein, 1994).

Table 3

First- and second-order KMO and Bartlett test analysis

	No. Items	Extracted Factors		KMO Values		Bartlett's Significance	Alpha
		1 st Order	2 nd Order	1 st Order	2 nd Order		
Strategic Leadership	35	10	1	.85	.85	<. 001	0.91

Before performing a factor analysis, the suitability of the correlation matrix for factor analysis was determined. This was done using three methods, namely: (1) Bartlett's test of sphericity, (2) the Kaiser-Meyer-Olkin (KMO) Index, and (3) examination of the number of off-diagonal elements in the anti-image covariance (AIC) matrix $> 0,09$. The 35 items were intercorrelated by means of the anti-image correlation matrix, and subjected to a principal factor analysis. Results from the intercorrelation indicate a very high measure of sampling adequacy. In all correlations MSA values above 0,80 were yielded. The intercorrelation was further confirmed through the KMO and Bartlett tests.

Table 3 shows that the KMO test yielded a score of 0,85 for the current study, which indicated the appropriateness of conducting a factor analysis. After determining the dimensionality of factors by using first- and second-order rotating matrixes, a one-factor solution was postulated which accounted for 39,69% of the total questionnaire. The content validity and face validity of the items were high on both the current and the previous study.

The descriptive statistics regarding the importance of strategic leadership relative to strategy implementation are reported in Table 4 below.

Table 4

Descriptive statistics for strategic leadership relative to strategic implementation.

	N		Mean	Median	Mode	Std. Deviation	Skewness	Std. Error of Skewness	Kurtosis	Std. Error of Kurtosis	Minimum	Maximum
	Valid	Missing										
Strategy Implementation	265	0	4,15	4,21	4,44	0,450	-1,12	0,150	3,05	0,298	1,86	4,97

Table 4 shows a mean of 4,15, indicating that (given the five-point scale) strategy implementation is rated as being of great importance in strategy implementation. This supports literature findings that strategic leadership plays a critical role in the successful implementation of strategy (Ireland & Hitt, 1999).

To check which of the five components of strategic leadership was rated the highest, the descriptive statistics on Table 5 were determined. From Table 5 below, it is evident that there are no big differences between the means, medians and modes of the different components of strategic leadership. Developing human capital, however, has the highest mean of 4,36 and thus appears to be the most critical component. Establishing strategic control, on the other hand, is perceived to be the least critical component of strategic leadership. This differs from the findings of Hagen et al. (1998), according to which the development of human capital was ranked second, whilst determining the firm's vision was most important.

Table 5

Descriptive statistics with regard to components of strategic leadership

Strategic Leadership Components	N		Mean	Median	Mode	Std. Deviation	Skewness	Std. Error of Skewness	Kurtosis	Std. Error of Kurtosis	Minimum	Maximum
	Valid	Missing										
Determining firm's vision	265	0	4,16	4,28	4,29	0,507	-0,757	0,150	0,756	0,298	2,00	5,00
Exploiting & maintaining core competencies	265	0	4,31	4,42	4,29	0,482	-0,897	0,150	1,267	0,298	2,00	5,00
Developing human capital	265	0	4,36	4,42	4,57	0,514	-1,737	0,150	3,230	0,298	1,71	5,00
Establishing strategic controls	265	0	4,06	4,00	4,00	0,436	-0,717	0,150	2,038	0,298	1,86	5,00
Emphasizing ethical practices	265	0	4,02	4,14	4,14	0,559	-0,704	0,150	0,809	0,298	1,86	5,00

To determine the perceptions of people from different occupational groups regarding the importance of strategic leadership in strategy implementation, descriptive statistics were compiled. The results are show in Table 6 below.

Table 6

Descriptive statistics on strategic leadership per occupational group

Occupational Group	N	Mean	Std Deviation
Group executive team	13	4,14	0,343
Group management team	16	4,04	0,380
SBU executives	50	4,13	0,358
Managers	186	4,18	0,472
Total	265	4,15	0,444

Table 6 indicates that the mean for all four occupational groups is above 4. Given a five-point scale, this implies that all occupational groups perceived strategic leadership to be of great importance in strategy implementation. This confirmed the findings of Hagen et al. (1998) that a high majority of CEOs agreed that strategic leadership and its components were very critical.

To determine the practical significances between the group means, the effect size (d-value) was used. The null hypothesis will be regarded as indicating a practically significant difference when $\geq 0,5$. In the next paragraphs the results and findings regarding the null hypothesis (Ho) are discussed.

Ho₁: There is no practically significant difference between the group executive members' and group management team's perceptions with regard to the importance of strategic leadership in strategy implementation.

Table 7

Comparison between mean scores of group executive members and group management team leadership

Construct	Group executive team			Group management team			Diff	d-value
	N	Mean	Std. Dev.	N	Mean	Std. Dev.		
Strategic Leadership	13	4,14	0,343	16	4,04	0,380	0,10	1,02

Table 7 presents the mean difference between group executive teams and group management teams with regard to the importance of strategic leadership in strategy implementation. The d-value of 1,02 indicates a practically significant difference with a large effect between the two groups. Ho₁ is rejected. This means that the group executive team's views of the importance of strategic leadership in strategy implementation, is significantly different from that of the group management team.

Ho₂: There is no practically significant difference between the group executive members' and SBU executives' perceptions with regard to the importance of strategic leadership in strategy implementation.

Table 8

Comparison between mean scores of group executive members and SBU executives

Construct	Group executive team			SBU executives			Diff	d-value
	N	Mean	Std. Dev.	N	Mean	Std. Dev.		
Strategic Leadership	13	4,14	0,343	50	4,13	0,358	0,01	0,02

Table 8 presents the mean difference between group executive members and SBU executives with regard to the importance of strategic leadership in strategy implementation.

A d-value of 0,02 was revealed, which indicates a smaller effect. Accordingly, Ho₂ is accepted, meaning that there is no practically significant difference between the group executive members' and SBU executives' perceptions with regard to the importance of strategic leadership in strategy implementation.

Ho₃: There is no practically significant difference between the group executive members' and managers' perceptions with regard to the importance of strategic leadership in strategy implementation.

Table 9

Comparison between mean scores of group executive members and managers

Construct	Group executive team			Managers			Diff	d-value
	N	Mean	Std. Dev.	N	Mean	Std. Dev.		
Strategic Leadership	13	4,14	0,343	186	4,18	0,472	-0,04	-0,09

The results in Table 9 indicate a smaller significant difference (d-value = -0,09) between the perceptions of group executive members and managers in terms of the importance of strategic leadership in strategy implementation. The negative sign (-) signifies that the mean of the second group (managers) was greater than that of the first group (group executive team). In view of this finding, Ho₃ is accepted, meaning that there is no practically significant difference between the group executive members' and SBU executives' perceptions with regard to the importance of strategic leadership in strategy implementation.

Ho₄: There is no practically significant difference between the group management team's and SBU executives' perceptions with regard to the importance of strategic leadership in strategy implementation.

Table 10

Comparison between mean scores of group management team and SBU executives

Construct	Group management team			SBU executives			Diff	d-value
	N	Mean	Std. Dev.	N	Mean	Std. Dev.		
Strategic Leadership	16	4,04	0,380	50	4,13	0,358	-0,09	-0,24

According to the findings in Table 10, a d-value of -0,24 was found between the perceptions of group management and SBU executives. The SBU executives perceived strategic

leadership to be of greater importance than the group management team did. Accordingly, H_{04} is accepted which means that there is indeed no practically significant difference between the group management team's and SBU executives' perceptions with regard to the importance of strategic leadership in strategy implementation.

H_{05} : There is no practically significant difference between the group management team's and managers' perceptions with regard to the importance of strategic leadership in strategy implementation.

Table 11

Comparison between mean scores of group management team and managers

Construct	Group management team			Managers			Diff	d-value
	N	Mean	Std. Dev.	N	Mean	Std. Dev.		
Strategic Leadership	16	4,04	0,380	186	4,18	0,472	-0,14	-0,32

From Table 11 it is evident that a d-value of less than 0.5 was found between the perception of the group management team and managers with regard to the importance of strategic leadership in strategy implementation. Thus the null hypothesis is accepted meaning that there is no practically significant difference between the group management team's and managers' perceptions with regard to the importance of strategic leadership in strategy implementation.

H_{06} : There is no practically significant difference between the SBU executives' and managers' perceptions with regard to the importance of strategic leadership in strategy implementation.

Table 12

Comparison between mean scores of SBU executives and managers

Construct	SBU executives			Managers			Diff	d-value
	N	Mean	Std. Dev.	N	Mean	Std. Dev.		
Strategic Leadership	50	4,13	0,358	186	4,18	0,472	-0,05	-0,11

Table 12 presents a mean difference of -0,05 between SBU executives and managers with regard to the importance they attach to strategic leadership in strategy implementation. The d-value of -0,11 confirms that there is no practically significant difference between the

perceptions of the two groups. Thus H_{06} is accepted, meaning that there is no practically significant difference between the SBU executives' and managers' perceptions with regard to the importance of strategic leadership in strategy implementation.

DISCUSSION

Empirical findings revealed that all participants perceived strategic leadership to be important in strategy implementation. This supports literature findings that strategic leadership plays a critical role in the successful implementation of strategy (Ireland & Hitt, 1999). Across the strategic leadership components, developing human capital was perceived as the most important component, exploring core competencies as the second most important, determining the firm's vision as the third, establishing strategic control as the fourth, and emphasising ethical practices as the least important component. This differs from the findings of Hagen et al. (1998), according to which the development of human capital was ranked second, whilst determining the firm's vision was most important.

The possible reason for the discrepancy could be due the fact that Hagen et al.'s (1998) sample population consisted of CEOs of various organisations and part of the CEOs' functions is to create a clear vision for their organisations by being aware of and exploiting the existing strengths of their organisations. It was therefore a natural inclination that the CEOs rated 'determining the firms vision' as the first one.

The executives and managers of the chemical industry might have perceived 'developing human capital' as the most important component because of their current believe that investment in capital equipment is often overemphasised and that the primary opportunity to improve their productivity is through investment in human capital.

The comparison of means per occupational group indicated a practically significant difference only between the group executive members and the group management team. This could indicate that the group executive members feel very strongly about the importance of proper leadership, especially when it comes to putting strategy into action. The non-existence of a practically significant difference among group executives and the other three leadership groups, and among the three groups themselves, supports the findings of (Noble, 1999) that senior leadership also recognise the importance of strategic leadership in the implementation process. Subsequently, many organisations make resources available to develop leaders and managers to look after business operations.

IMPLICATIONS TO THE BUSINESS

The results of this study have key potential implications. Firstly, strategic leadership is critical in the successful implementation of strategy - and the implementation of strategy is of vital importance in the business being studied. Because the organisation is a manufacturing business, they are action-oriented. Therefore, the implementation of strategy would be an element of their common agenda. The second implication concerns the organisational life cycle. It could imply that, when the study was conducted, the organisation had already finalised its strategies and communicated them to all stakeholders – the people were ready to implement.

RECOMMENDATIONS

It is evident from the above findings that strategic leadership is perceived by all participants as being important in strategy implementation, regardless of the difference in their positions. This confirms the existence of one factor found through the factor analysis.

In order for organisations to survive in today's competitive world, they must be able to quickly create action plans, deploy resources and implement breakthrough strategies which meet current and future customer requirements. Since the empirical evidence proved that group executive members perceived strategic leadership to be equally important in strategy implementation as the other occupational groups did, an inclusive integrative approach intervention is recommended.

The chemical industry should design an intervention whereby all leadership (and later all employees) are made aware of the importance of strategic leadership practices when planning to implement strategy and how this can benefit the organisation. Ireland and Hitt (1999) believe that until all organisational citizens embrace the concept of strategic leadership and its potential benefits for the company, implementation will always suffer.

It is also recommended that the chemical industry should initiate a leadership development programme in which competencies needed to demonstrate strategic leadership are identified and developed. This will ensure that the leadership of the organisation are fully equipped in doing what the organisation expects of them. The organisation could even consider making strategic leadership components a key performance area and thus link it to their reward strategy.

Finally, it is suggested that a three-hundred-and-sixty-degree leadership evaluation method be integrated into the initiative to allow feedback from all levels. Each leader could be assessed relative to strategic leadership components demonstrated. This should be used to get information about the leader for individual growth and further development purposes. The success of this programme would depend largely on the active involvement of senior leadership in order to encourage others to acknowledge the need for such a growth process.

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CHAPTER 3

CONCLUSION, LIMITATIONS AND RECOMMENDATIONS

In this chapter, conclusions are drawn regarding the specific objectives of this study. The limitations of the research are discussed, followed by recommendations for the organisation and suggestions for future research.

3.1 CONCLUSION

The objectives of this study were to assess the perception of executives and managers of a South African chemical industry regarding the importance of strategic leadership in strategy implementation, and to determine whether there is a difference in the perceptions of the different occupational groups.

This research explored the concept of strategic leadership and found the following five components to be key to effective strategic leadership practices: determining the firm's purpose and vision, exploiting and maintaining core competencies, developing human capital, establishing strategic control, and emphasizing ethical practices (Ireland & Hitt, 1999).

The research also explored the concept of strategy implementation with the main focus being placed on managerial issues central to strategy implementation. These were: annual objectives, policies, organisational culture, organisational structure, and incentives. The emphasis of the study is on the importance of the role played by strategic leadership during the implementation phase of the strategic management process (Thompson & Strickland, 1999; David, 1999).

Empirical findings revealed that all participants perceived strategic leadership to be important in strategy implementation. This supports the findings of Ireland & Hitt (1999) that strategic leadership plays a critical role in the successful implementation of strategy. When determining which of the five components of strategic leadership was perceived to be the most important, it was found that 'developing human capital' was perceived to be the most important component, 'exploring core competencies' as the second most important, 'determining the firm's vision' as the third, 'establishing strategic control' as the fourth, and 'emphasising ethical practices' as the least important component. This differed from the

findings of Hagen et al. (1998), according to which the development of human capital was ranked second, whilst determining the firm's vision was the most important.

The possible reasons for this discrepancy could, on the one hand, be due the fact that the sample population of Hagen et al. (1998) consisted of CEOs of various organisations, and part of CEOs' functions is to create a clear vision for their organisations by being aware of and exploiting the existing strengths of their organisations. It was therefore a natural inclination that the CEOs rated 'determining the firm's vision' as being most important. On the other hand, the executives and managers of the chemical industry might have perceived 'developing human capital' as being the most important component because of their current belief that investment in capital equipment is often overemphasised and that the primary opportunity to improve productivity is through investment in human capital.

The results of a comparison of means per occupational group were as follows:

- There was a large practically significant difference between the group executive teams and the group management teams with regard to the importance of strategic leadership in strategy implementation. This meant that the group executive team placed a higher value on the importance of strategic leadership in strategy implementation than the group management team did.
- There was no practically significant difference between the perceptions of group executive members and SBU executives with regard to the importance of strategic leadership in strategy implementation.
- There was no practically significant difference between the perceptions of group executive members and SBU executives with regard to the importance of strategic leadership in strategy implementation.
- There was no practically significant difference between the perceptions of group management team members and SBU executives with regard to the importance of strategic leadership in strategy implementation.
- There was no practically significant difference between the perceptions of group management team members and managers with regard to the importance of strategic leadership in strategy implementation.

- There was no practically significant difference between the perceptions of SBU executives and managers with regard to the importance of strategic leadership in strategy implementation.

A practically significant difference found only between the group executive members and the group management team could indicate that the group executive members feel very strongly about the importance of proper leadership, especially when it comes to putting strategy into action. The non-existence of a practically significant difference among group executives and the other three leadership groups, and among the three groups themselves, supports the findings of Noble (1999) that senior leadership in most organisations recognise the importance of strategic leadership in the implementation process. Accordingly, many organisations make resources available to develop leaders and managers to look after business operations.

3.2 LIMITATIONS OF THIS STUDY

The limitations of this study are as follows:

- The findings of this study are limited by the unique nature of the sample, which restricts generalisation to other industries.
- The study focused only on the perception of respondents regarding the importance of strategic leadership on strategy implementation in general, and not on the extent to which respondents perceive their organisation to be using strategic leadership practices when implementing their strategy. This could have provided valuable information to management as well as critical focus areas when planning to close the gap.
- The questionnaire also did not provide for the respondent to report the "as is" versus "should be" on strategic leadership practices during strategy implementation.

The limitations of this study present the best opportunities for the future research possibilities discussed in the following paragraphs.

3.3 RECOMMENDATIONS

3.3.1 Recommendations for the organisation

As mentioned earlier, in order for organisations to survive in today's competitive world, they must be able to quickly create action plans, deploy resources and implement breakthrough strategies which meet current and future customer requirements. Since the empirical evidence proved that all executives and managers of the chemical industry perceived strategic leadership to be important in strategy implementation, an inclusive integrative approach intervention is recommended. Senior leadership's long tenure will not be seen to yield any substantial destructive power, but will be perceived to embrace the principle of shared power and influence - since strategy implementation is mostly about operational activities.

The chemical industry should design an intervention whereby all leadership (and later all employees) are made aware of the importance of strategic leadership practices when planning to implement strategy and how this can benefit the organisation. Ireland and Hitt (1999) believe that until all organisational citizens embrace the concept of strategic leadership and its potential benefits for the company, implementation will always suffer. This is supported by Beer (2000) when he writes that 'understanding the strategic direction of the company helps to resolve differences of perspectives and liberates the organisation to be purposeful and tenacious'.

According to Ireland and Hitt (1999), the most effective strategic leaders must develop the skills required to mobilise organisational citizens in ways that increase their adaptive abilities. It is recommended that the chemical industry should initiate a leadership development programme in which competencies needed to demonstrate strategic leadership are identified and developed. This will ensure that the leadership of the organisation are fully equipped to do what the organisation expects of them. The organisation could even consider making strategic leadership components a key performance area and thus link it to their reward strategy.

It is finally suggested that a three-hundred-and-sixty-degree leadership evaluation method be integrated into the initiative to allow feedback from all levels. Each leader could be assessed relative to strategic leadership components demonstrated. This should be used to get information about the leader for individual growth and further development purposes.

The success of this programme would depend largely on the active involvement of senior leadership in order to encourage others to acknowledge the need for such a growth process.

3.3.2 Recommendations for future studies

- Generalisation of the findings to other organisations and industries could be investigated.
- Future studies could investigate the extent to which respondents perceive their organisation to be using strategic leadership practices when implementing their strategy versus the extent to which their organisation should be using strategic leadership when implementing strategy.
- Research needs to be done to refine the questionnaire to measure the “as is” versus “should be” on strategic leadership practices during strategy implementation.
- Future studies could concentrate on the importance of strategic leadership in any other strategic management process.
- Research needs to be done to further refine the relationship of strategic leadership to strategy implementation.

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