

**AN EVALUATION OF STRATEGY IMPLEMENTATION PRACTICES AT THE
NATIONAL HOUSING ENTERPRISE (NHE)**

**A THESIS SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS
FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION**

OF

THE UNIVERSITY OF NAMIBIA

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JANUARY 2014

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ABSTRACT

The purpose of the study is threefold namely, to do an evaluation of the strategy implementation practices at the National Housing Enterprise (NHE) and to understand what are the current challenges and impeders that are hampering the implementation of the strategic plan as well as to make recommendations on how the implementation of the formulated and approved strategic plan can be improved in order to realise the goals and objectives as stipulated in the strategic plan.

This study has applied the empirical research design methods using both primary and secondary data. Secondary data has been obtained from existing available literature and primary data from a case study. Documents such as the annual reports and departmental strategies have been used for this purpose. The study utilised qualitative data gathering techniques by means of focus group discussions and document analysis (research instruments).

The study found that NHE does not have a systematic approach to strategy implementation. NHE also do not have a performance management system (PMS) that is link to strategy implementation. The rewards structure is also not link to strategy implementation. The lack of effective communication between the different departments was found to be a barrier to strategy implementation.

The study concluded that there is a need for effective communication throughout the organisation that leads to a clear understanding of key roles and responsibilities of all stakeholders including middle managers. It further concluded that there is a need for the establishment of an effective strategic control system. This in turn requires the identification of clear performance targets and measures that deliver long-term value whilst mediating short-term demands. The study recommends that NHE fully implements the balanced scorecard approach.

TABLE OF CONTENTS

Content	Page
Abstract	i
Table of content	ii
List of figures	vi
List of tables	vii
List of abbreviations	viii
Acknowledgements	ix
Dedication	x
Declaration	xi
Copyright	xii
Approval form	xiii
 CHAPTER 1: INTRODUCTION	
1.1 Introduction	1
1.2 Statement of problem	2
1.3 Research questions	3
1.4 Research Objectives	3
1.5 Significance of the study	4
1.6 Limitation of the study	4
1.7 Outline of the thesis	5

CHAPTER 2: LITERATURE REVIEW

2.0	Introduction	7
2.1	Strategic management	8
2.2	Historical development of strategic management	10
2.3	Benefits of Strategic Management	12
2.4	Strategic Management Processes	13
2.5	Chaffee's Three Models of Strategy	17
2.6	Basic Model of Strategic Management Process	19
2.7	Strategy Formulation	26
2.8	Levels of Strategy	28
2.9	Strategy Implementation	36
2.10	Variables that Impact on Strategy Implementation	44
2.11	Strategic Leadership	45
2.12	Leadership and Communication	46
2.13	Role of Leadership in Strategy Implementation	49
2.14	Top Management Commitment to the Strategic Values	49
2.15	Allocation of Sufficient Resources	50
2.16	Relationship between Structure and Strategy	50
2.17	Organizational Culture	51

2.18	Impact of Organizational Culture on Strategy Implementation	55
2.19	Role of Training and Development in Strategy Implementation	55
2.20	Strategy Evaluation and Control	56
2.21	Chapter Summary	58

CHAPTER 3: METHODOLOGY

3.1	Rationale of the Methodology	59
3.2	Research Design	59
3.3	Research Population	60
3.4	The sample size	60
3.5	Sampling procedure	61
3.6	Research instruments	62
3.7	Pilot study	62
3.8	Data collection Procedure	63
3.9	Data analysis	67
3.10	Reliability and Validity	67
3.11	Ethical Considerations	67
3.12	Conclusions	68

CHAPTER 4: RESULTS

4.1	Introduction	69
4.2	Objectives of the Research	69
4.3	Themes and Sub-themes Interpretation	72
4.4	Summary of Findings	99

CHAPTER 5: FINDINGS AND RECOMMENDATIONS

5.0	Introduction	100
5.1	Summary of Findings	100
5.2	Conclusions	101
5.3	Recommendations	101
5.4	Directions for Future Research	102

REFERENCE LIST	103
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APPENDIX 1:	Transcribed Management and Executive Management FGD Audio Recordings.	106
APPENDIX 2:	Consent Form	159
APPENDIX 3:	Focus Group Discussion Demographics	160
APPENDIX 4:	Focus Group Discussion Guide	161

LIST OF FIGURES

Figure 2.2 Strategic Management Module	16
Figure: 2.3 Strategic Management Basic Model	19
Figure: 2.4 Forces Driving Industry Competition	23
Figure: 2.5 Strategy Process	35
Figure: 2.6 Evaluation and Control Process Model	56
Figure 3.1: Data Analysis process	64

LIST OF TABLES

Table 2.7 Three Models of Strategy	19
Table 4.1: Participants Profile	69

LIST OF ABBREVIATIONS

FGD	Focus Group Discussion
NHE	National Housing Enterprise
SOEs	State-Owned Enterprises

ACKNOWLEDGEMENT

This research project would not have been possible without the grace of God, who granted me the necessary wisdom and taught me the value of perseverance. I also wish to express my appreciation to my supervisor, Professor Dr Peter Clement of the International University of Management in Namibia, for his professional support and guidance during this research project. A sincere word of thanks is also due to Dr Lovemore Matipira of the International University of Management who assisted me in the data gathering phases. Furthermore I wish to thank my friend and study mate Johannes Naanda, for his companionship and support during this research project.

DEDICATION

To Dorothy, my loving and supportive wife who supported me throughout the entire MBA programme. To William and George, my loving children who often had to give up spending quality time with me to enable me to complete my MBA. Lastly to my late parents, who taught me the value of hard work.

DECLARATION

I, Willem George Titus declare that this thesis is my original piece of work and to my knowledge has not been submitted for a similar degree in any other university.

W.G Titus

17 January 2014

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APPROVAL FORM

The undersigned certify that they have read and recommended to the University of Namibia; a research project entitled: An evaluation of strategy implementation practices at the National Housing Enterprise in accordance with the requirements of the Master of Business Administration.

Professor Dr Peter Clement (International University of Management)

SUPERVISOR

DATE: 17 January 2014

CHAPTER ONE

INTRODUCTION

1.0 Introduction

1.1 Orientation of the study

According to Ehlers & Lazenby (2010), they argued that strategic management is the process whereby all the organisational functions and resources are integrated and coordinated to implement formulated strategies which are aligned with the environment, in order to achieve the long-term goals of the organisation and therefore gain a competitive advantage through adding value for the stakeholders. However, more importantly, it embraces the processes of ensuring that strategic planning is implemented and executed efficiently and effectively in order to reap the intended results.

The notion of strategy implementation might at first seem quite straightforward: the strategy is formulated and then it is implemented (Aaltonen and Ikavalko, 2002). However, as many practitioners and business executives can vouch, transforming strategies into action is a far more complex and difficult task. In fact, Nutt (1983) as cited by Chimhanzi (2004), argued that empirical evidence suggests that implementation in practice is fraught with difficulties and generally falls short of expectations. Statistics noted by Bigler (2002) and Miller (2002) suggest that between 70 and 90 per cent of formulated strategies are not implemented on time and with the intended results. These results seem to be attributable to failures in the implementation process rather than in the formulation of strategy itself (Al-Ghamdi, 1998).

Essentially, until a strategy is implemented, it remains a plan and not an operational reality. The good intentions of a strategy can become insignificant if not implemented. The ability and

strength to execute a decision is thus more crucial for success than the underlying analysis of the strategy (Gummesson, 1974 as cited by Chimhanzi, 2004). Giles (1991), as cited by Chimhanzi, 2004), saw implementation as the most powerful part of the strategic management process.

1.2 Statement of problem

The National Housing Enterprise (NHE) was established through an Act of Parliament in 1993, (Act No. 5 of 1993). In terms of the National Housing Enterprise Act, NHE's operations are guided by a strong commitment to provide and finance housing for the inhabitants of Namibia. NHE therefore acts both as a developer and financier in the housing market of Namibia. NHE provides funding for land development and housing construction as well as home loan financing to the inhabitants of Namibia. Despite having formulated a proper strategic plan which has been in place since 2006; after approval by its Board of Directors and further reviewed in 2010, the NHE has not succeeded to fully implement the said strategic plan.

This is evident in the fact that the NHE has not yet achieved its target of building 1,200 housing units per year as outlined in the plan; growing its loan book value by 10% per year and reducing its outstanding arrear payments to below 5% of the loan book. On top of the aforementioned, the NHE also made financial losses for the past three financial years (2010, 2011 and 2012) as is evidenced in the annual financial reports of those respective years. This seriously puts a strain on business growth and long-term sustainability. The failure to meet the set targets and consecutive accumulative of losses, coupled with failure to successfully implement the agreed strategy, remained a worrying situation to the researcher and has motivated the researcher to carry out a research of this kind.

1.3 Research questions

Several research questions emerged in this study, amongst them the following;

- i. How does the NHE implement its strategic plan?
- ii. Why has the NHE failed to fully implement its strategic plan in order to realise operational targets?
- iii. What are the current challenges and impediments hampering the implementation of the strategic plan at the NHE?
- iv. How can the implementation of the formulated and approved strategic plan be improved at the NHE?
- v. How can the identified impellers be overcome in order to realise the goals and objectives as stipulated in the strategic plan?

1.4 Research Objectives

The revolves on the following primary and secondary objectives;

- i. To identify and evaluate how the National Housing Enterprise implement its strategic plan.
- ii. To find out why the National Housing Enterprise failed to fully implement its strategic plan.
- iii. To indentify the challenges and impediments that hampers the implementation of the strategic plan at the National Housing Enterprise.
- iv. To assess and find out ways of improving strategy implementation at the National Housing Enterprise.

- v. To make recommendations on strategy implementation at the National Housing Enterprise.

1.5 Significance of the study

The research outcome will help to foster good understanding of the strategy implementation at the National Housing Enterprise and boosts the confidence of NHE management and employees. A well balanced strategy implementation is of absolute importance to all stakeholders such as the government, the public and other civic boards, as it provides them with a level of assurance that the company is well run and their interests are protected. The findings of this research will try to fill the gap in the missing link in strategy implementation at the National Housing Enterprise. The findings of this study will be beneficial to both the policy makers, house seekers and dwellers, employees and management at the National Housing Enterprise. The research of this kind will contribute to the knowledge of education. Conclusions drawn from this research can also be used to draw lessons which will contribute towards strategy implementation in other State-Owned Enterprises (SOEs) in the country. More importantly the study contributes to increasing knowledge on effective strategy implementation in SOEs in Namibian.

1.6 Limitation and delimitations of the study

This study will not go beyond the National Housing Enterprise and the results, findings and recommendations may not be relevant to other companies and industries. The study will be limited by time constraint and financial resources as the researcher reside in Windhoek and have to avail time within his busy work schedule to respond to this task. The availability of key interviewees could also cause possible delays.

1.7 Outline of the Thesis

Chapter 1: Introduction

This chapter focuses on the discussion of the background of the study, the problem statement, the research question and objectives, and the significance of the study. The chapter provides an overview of the general background of the study to the reader. A chapter summary rounds off the chapter to prepare the reader for the next chapter.

Chapter 2: Literature Review

The chapter deals with review of literature. The chapter provides a comprehensive account of the conceptual and theoretical knowledge of strategy implementation and identifies gaps in that area. The chapter prepares the reader to the next chapter.

Chapter 3: Research Methodology

The chapter presents the approach and methodology used in the research that include the research approach, the research design, sampling, data collection, data analysis and ethical considerations. Finally, a chapter summary rounds off the chapter and prepares the reader for the next chapter.

Chapter 4: Results

Empirical results of the study are presented in this chapter. It includes the presentation of findings in both frequencies and graphic form. The validity and reliability of the research instruments is also discussed in this chapter. The chapter prepares the reader for the next chapter.

Chapter 5: Discussions, Conclusions and Recommendations

The chapter discusses the results of findings and links them with literature review where applicable. The chapter also presents conclusions drawn from the findings, reviews the research objectives and questions, and provides recommendations for action and further research.

1.8 Summary

Chapter one dealt with the background to the problem, the problem statement, the aim of the study and the objectives of the study are spelt out clearly. The problem identified in the statement of the problem is the missing link in the strategy implementation at the National Housing Enterprise in Namibia. The significance of the study has been discussed in this chapter which indicates that the study helps in resolving the protracted problem pertaining to strategy implementation at the National Housing Enterprise in Namibia. The next chapter focuses on the review of literature on strategy implementation.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The literature review provides a theoretical basis of the thinking and practice on the subject of strategic management and more importantly the impeters of strategy implementation. Although most recent sources on these subjects are sought, the researcher recognises that strategic thinking has been practiced over many centuries and some thinking employed years ago is still as valid today as it was then.

The main aspect of this chapter however is concerned with strategy implementation. Aaltonen, P and Ikavalko, H (2002) noted that in the realm of strategic management, strategy implementation has attracted much less attention in strategic and organisational research than strategy formulation or strategic planning. Alexander (1991), as cited by Aaltonen, P and Ikavako, H (2002) suggests several reasons for this, namely:

- Strategy implementation is less glamorous than strategic planning
- Strategy implementation is overlooked as academics and practitioners believe that everyone can do it;
- People are not exactly sure what the strategic management process includes, where it begins and where it ends;
- There are only a limited number of conceptual models for strategy implementation

Despite the lack of attention, strategy implementation has long been recognised as being critical for business success. Yet, more than half of new strategic initiatives failed to get implemented (Miller, 2002). This seriously puts a strain on business growth and long-term sustainability.

2.1 Strategic management

Ehlers and Lazenby (2010) postulated that strategic management is the process whereby all the organisational functions and resources are integrated and coordinated to implement formulated strategies which are aligned with the environment, in order to achieve the long-term goals of the organisation and therefore gain a competitive advantage through adding value for the stakeholders. According to Fahey, L and Randall, RM (1994), strategic management is the name given to the most important, difficult and encompassing challenge that confronts any private or public organisation: how to lay the foundation for tomorrow's success while competing to win in today's market place. However, more importantly, it embraces the processes of ensuring that strategic planning is implemented and executed efficiently and effectively in order to reap the intended results. In fact, Ansoff (1969) already emphasised in 1969 the duality of strategy, namely its formulation (the originally conceived plan) and its implementation (the carrying through of that plan).

Trainer, (2004) noted the basic elements of the strategic management process to be;

- Environmental scanning
- Strategy formulation
- Strategy implementation
- Evaluation and control

The stage dealing with strategy implementation is however regarded by many practitioners as the main reason why strategy fails. This was acknowledged by Dobnii and Luffman (2000), as cited by Leslis, D. (2008) who noted that the current key challenge for management in achieving a competitive advantage lies in the implementation of strategy, as opposed to formulation of it.

Strategy implementation address the issue of how to put formulated strategy into effect within the constraints of time, an organisation's financial and human resources, and its capabilities. Bigler (2004) concludes that 90 per cent of formulated strategies of firms in the USA and Europe are not implemented on time and with the intended results. Waldersee and Sheather (1996) supported by Mellalieu (1984), Alexander (1985), Bracbe and Freedman (1999) and Nutt (1999) argued that weaknesses of strategic management seem to be more in the implementation than formulation.

There is a general belief in which Bigler (2004) stated that general management can be a key source of competitive advantage for the global economy and may be the most difficult advantage to imitate. Most competitive strategies, however, gain parity among competitors very quickly. As a result, it is clear that strategy implementation will emerge as one of the critical sources of sustainable advantage in the twenty-first century. In fact, Bigler (2004) reminded business leaders about what Peter Drucker wrote in 1967 about the effective "execute-ive" where Drucker's play on the word underscores the view that the key responsibility of being an executive is to execute to results ó to go beyond being a thinker and a leader.

According to Fahey and Randall (1994), they said that strategic management is the name given to the most important, difficult and encompassing challenge that confronts any private or public organisation: how to lay the foundation for tomorrow's success while competing to win in today's market place. However, more importantly, it embraces the processes of ensuring that strategic planning is implemented and executed efficiently and effectively in order to reap the intended results.

2.2 Historical Development of Strategic Management

Grant (2005) states that enterprises need business strategies for much the same reasons that armies need military strategies, to give direction and purpose to deploy resources in the most effective manner and to co-ordinate the decisions made by different individuals. The concepts and theories of business strategy have their antecedents in military strategy. The term strategy derives from the Greek word *strategia*, meaning 'generalship,' itself formed from *stratos*, meaning 'army,' and *ag*, 'to lead.' However, the concept of strategy did not originate with the Greeks. Sun Tzu's classic 'The Art of War' written 500 BC is regarded as the first treatise on strategy.

Military strategy and business strategy share a number of common concepts and principles, the most basic being the distinction between strategy and tactics. Strategy is the overall plan for deploying resources to establish a favourable position; a tactic is a scheme for a specific action. Whereas tactics are concerned with the manoeuvres necessary to win battles, strategy is concerned with winning the war.

Strategic decisions, whether in military or business spheres, share three common characteristics:-

- They are important
- They involve a significant commitment of resources
- They are not easily reversible.

According to Bracker (1980) the word strategy is derived from the Greek *stratego*, meaning to plan the destination of one's enemies through the effective use of resources. Strategy concepts remained in the military domain up until the nineteenth century. Cummins (1993) states that the

essential attribute of an aspiring strategoi was "knowing the business which (they) propose to carry out". A general was not only expected to plan for battle but also to lead the troops into battle himself. Burnes (1996) notes that the concept of strategy originated with the ancient Greeks and then spread to the rest of the world. After the realization of the potential and opportunities of strategy concepts many organizations have now attempted strategic management concepts in their management systems.

Heracleous (2003), Macmillan & Tampoe (2000) concurring with the aforesaid authors state that strategy concept is an ancient one, that originated in the study of success in war. The word strategy comes from the Greek "Stratos" (army) and "agein" (to lead). The Greeks viewed strategy settings as one of the responsibilities of a leader. Military thinking certainly has some relevance of business strategy. It emphasizes on winning, on the importance of leadership and on taking action to achieve desired results.

Professor Alfred Chandler recognized the importance of coordinating the various aspects of management under one all-encompassing strategy. In his classic work (Strategy and Structure, 1962), Chandler stated that a long-term coordinate strategy was necessary to give an organization structure, direction and focus.

In support of Chandler, Quinn, (1996) adds that having a well-formulated strategy is beneficial since it integrates an organization's major goals, policies and action sequences into a cohesive whole.

2.3 Benefits of Strategic Management

Wheelen & Hunger (2003), Jauch & Glueck (1998) maintain that research has revealed that organizations that engage in strategic management generally outperform those that do not. The most highly rated advantages are:-

- Clearer senses of strategic vision for the firm.
- Sharper focus on what is strategically important.
- Improved understanding of a rapidly changing environment.
- Allows organizations to anticipate changing conditions.
- Provides clear objectives and direction to the employees of the organization.
- Strategic Management process research is advancing so that it can help managers to achieve desired objectives.
- Organizations that perform strategic management are much more effective.

Jauch & Glueck (1998) further maintain that businesses that perform formal Strategic Planning have a higher probability success rate as compared to those organizations that do not practice strategic management due to the following reasons:

- There is great risk in business and strategic management attempts to facilitate informed decision-making.
- It facilitates improved organizational communication and co-ordination of individual projects allocation of resources and short-range planning such as budgeting.

- Strategic management helps managers to become better decision-makers and be able to examine the basic problems of the organization.

2.4 Strategic Management Processes

Anheier (2005), states that strategic management are the process which organizations develop and determine their long ó term vision, direction, programs and performance. Strategic planning involves various techniques and tools to ensure careful formulation, effective and efficient implementation and evaluation. Strategic management integrates organizational functions and unites into a more cohesive, broader strategy. It involves the ability to steer the organization as a whole through strategic change under conditions of complexity and uncertainty.

Johnson & Scholes (2002), state that strategy is concerned with the direction and scope of an organization over the long run. According to these authors organizations that apply õstrategic concepts achieve a competitive advantage through the configuration of their resources and in the process, fulfil the expectations of their stakeholdersö Renowned authors, Wheelen & Hunger (2003, p.3) define strategic management as that set of managerial decisions and actions that determine the long run performance of an organization and in support of the foregoing definition, Thompson & Strickland (2003), add that the term strategic management refers to the management function of formulating a strategic vision for the organization and coming up with the appropriate objectives and strategy.

The basic model of Strategic Management covering strategic decision ó making process to improve the making of strategic decisions these include:-

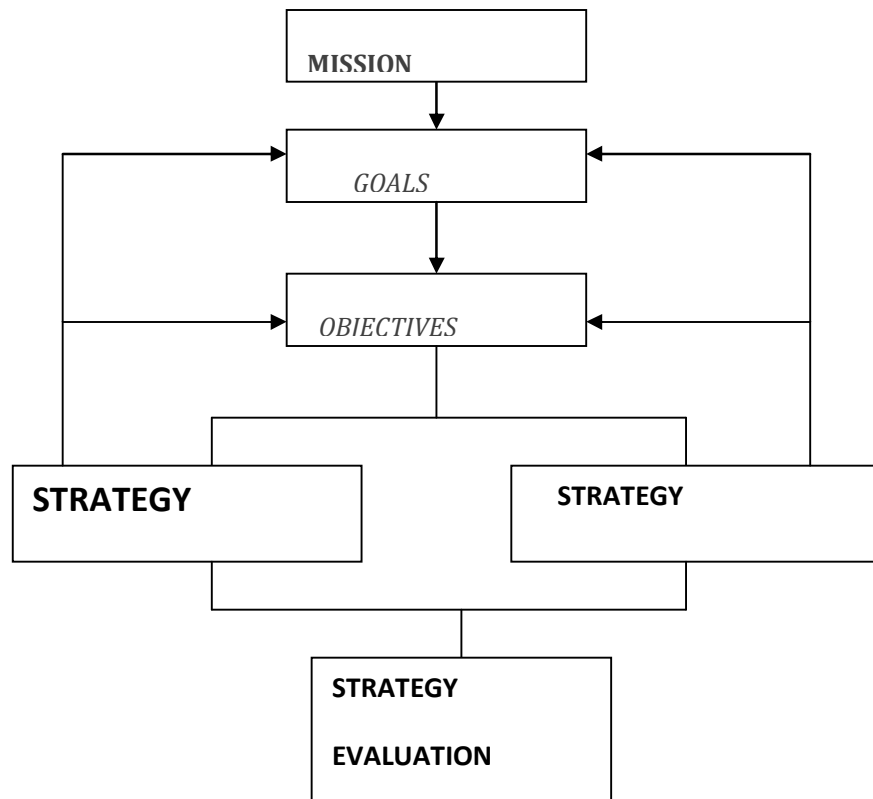
- Evaluation of current performance results in terms of return of investment, profitability and the current mission, objectives, strategies and policies.
- Review corporate governance that is the performance of the firm's Board of Directors and Top Management. Scan and assess the external environment to determine the strategic factors that pose opportunities and threats.
- Scan and assess the internal corporate environment to determine the strategic factors that are strengths (especially core competencies) and weaknesses.
- Analyze strategic (SWOT) factors (a) pinpoint problem areas, and (b) review and revise the corporate mission and objectives as necessary.
- Generate, evaluate and select the best alternative strategy in light of the analysis conducted in step
- Implement selected strategies via programs, budgets, and procedures.
- Evaluate implemented strategies via feedback systems and the control of activities to ensure their minimum deviation from plans Wheelen & Hunger (2003).

According to Thompson & Strickland (2003) the strategy - making / strategy implementation process consists of five interrelated managerial tasks which include: Forming a strategic vision of where the organization is headed so as to provide long ó term direction, delineate on what kind of enterprise the company is trying to become and infuse the organization with a sense of purposeful action. This entails setting objectives ó converting the strategic vision into specific

performance outcomes for the company to achieve and crafting a strategy to achieve the desired outcomes.

Implementing and executing the chosen strategy efficiently and effectively. Evaluating performance and initiating corrective adjustments in vision, long- term direction, objectives, strategy, or execution in light of actual experience changing conditions, new ideas and new opportunities

Katsiolouides (2002) maintains that strategies are not always successful. Others also have strategies and this means that your strategy is not developed in vacuum; it then means that one's strategy has to be dynamic. That being the case, strategic planning is viewed as a continuous process and defines the dynamic strategic management process as one that involves the formulation of a strategy, the implementation of the strategy and the evaluation of the strategy's success.



Source: Module taken from Global Strategic planning cultural Perspectives for profit and Non – profit organizations, Katsioloude (2002)

Figure 2.2 Strategic Management Module

Mintzberg in his five P's model Mintzberg & Quinn (1991), Mintzberg et al. (1998) define strategy as a plan, a ploy, a pattern, a position and a perspective. Plan is defined as a consciously intended course of action, or a guidance to deal with a situation. Ploy means a specific maneuver intended to outwit an opponent or competitor. While plan and ploy refer to intended strategies, that are looking forward, pattern is a stream of actions or consistency in behaviour over time or looking back. Strategy as a position looks outside an organization seeking to locate the organization in its environment whereas strategy as a perspective looks inside the organization and inside its members' heads, referring to a shared way of perceiving the world.

2.5 Chaffee's Three Models of Strategy

Chaffee (1985) has categorized strategy into three models: linear, adoptive and interpretive strategy. Linear model focuses on planning. According to the linear view, strategy consists of integrated decisions, actions or plans that will be set to achieve organizational goals. Both the goals and the means of achieving them are results of strategic decisions.

In the adaptive model of strategy the organization continually evaluates its external and internal conditions. The main concern here is the development of a viable match between the opportunities and risks present in the external match between the opportunities and risks present in the external environment and the organization's capabilities and resources for exploiting these opportunities.

The interpretive model of strategy is associated with the social and cultural aspects of the organization. Strategy is about conveying meanings by using orienting metaphors or frames of references that are intended to motivate stakeholders in ways that favour the organization conditions. The main concern here is the development .of a viable match between the opportunities and risks present in the external environment and the organization's capabilities and resources for exploiting these opportunities.

Variable	Linear Strategy	Adaptive Strategy	Interpretive Strategy
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Sample definition	<p>–Determination of the basic long term goals of enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these Goals (Chandler, 1962, p.13)</p>	<p>–Strategy is fundamental pattern of present and planned resources developments and environmental interactions that, indicates how the organization will achieve its objectives (Hofer and Schendel, 1978, p.25).</p>	<p>–Orienting metaphors constructed for the purpose of conceptualizing and guiding individual attitudes of organizational participants (Chaffee, 1985, p. 94)</p>
Nature of Strategy	Decisions, actions, plans integrated	Achieving a match Multifaceted	Metaphor Interpretive
Focus for Strategy	Means, ends	Means	Participants and potential participants in the organization.
Aim of Strategy	Goal achievement	Co- alignment with the environment	Legitimacy
Strategic behaviour	Change markets, products	Change style, marketing quality	Develop symbols, improve interactions and relationships.
Associated terms	Strategic planning, strategy formulation and implementation	Strategic management, strategic choice, strategic predisposition, strategic trust, strategic design, strategic fit, niche	Strategic norms emergent strategic management, strategy and flexibility

Associated measures	Formal planning, new products, configuration of products or business, market segmentation and focus, market share, merger / acquisition, product diversity	Price, distribution policy, marketing expenditure and intensity, product differentiation, authority changes, proactiveness, risk taking, multiplicity, integration, futurity, adaptively, and uniqueness.	Measures must be derived from context and may require qualitative evaluation, demand responsiveness
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Table 2.7 Three Models of Strategy

Source Adapted from Chaffee (1985) "Three Models of Strategy: Academy of Management Review, 10 (1), 89-98

Wheelen & Hunger (2003) state that the strategic management process can be viewed as having four basic elements as illustrated below: -

2.6 Basic Model of Strategic Management Process

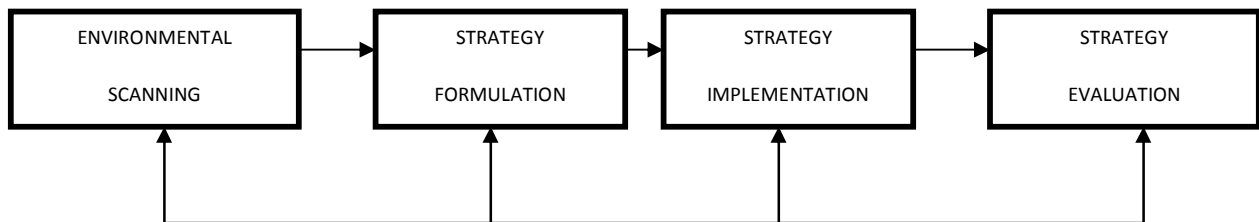


Figure: 2.3 Strategic Management Basic Model

2.6.1 Environmental Scanning

In strategic management, environmental scanning involves the process of monitoring, evaluating and disseminating information from the external and internal environments to key people within

an organization with a view to identifying external and internal strategic factors that can have a profound influence on an organization's operations. (Wheelen & Hunger, 2003)

According to Thompson & Strickland (2003), Wheelen & Hunger (2003), Anheier (2005:266) the study of Strategic Management involves the monitoring and evaluating of external opportunities and threats in light of the organization's strengths and weaknesses (SWOT). Opportunities are positive environmental trends or changes that will help the organization to improve its performance. Strengths are resources that the organization possesses and capabilities that the organization has developed which can be exploited and developed into, attainment of sustainable competitive advantage. Weaknesses are resources and capabilities that are lacking or deficient which prevent the organization from developing a sustainable competitive advantage.

Wheelen & Hunger (2003) maintain that environmental scanning is the monitoring, evaluation and dissemination of information from the external and internal environments to key people within the corporation. Its purpose is to identify strategic factors ó those external and internal elements that will determine the future of the organization. The simplest way to conduct environmental scanning is through SWOT analysis. SWOT is an acronym used to decide those particular strengths, weaknesses, opportunities and threats that are strategic factors for a particular organization. The external environment consists of variables (opportunities and threats) that are outside the organization and are not within the short ó run control of top Management. These variables form the context within which the organization exists.

Alpkan (2000) states that of strategic planning and generic strategies extends to the employment of exhaustive decision making process of upper management concerning environmental threats and opportunities .The principle of comprehensiveness is the intensity of endeavours to cope with a serious problem, a quantitative measure of these efforts is difficult if not almost impossible. Thus comprehensiveness expresses the abundance of managerial efforts to cope with these problems or environmental uncertainties (Miller, Burke and Glick, 1998). Managers can deviate from rationality by avoiding problems in the respect of neither to initiate nor to take decisions, yet they like to preserve the status quo (Raiifa, 1994). Decision making and planning is a set of vast cognitive activities involving information gathering, analyzing and deciding (Yukl, 2002).

Nevertheless the strategic planning process has been depicted as the development of decision making rules that guide future organizational actions .To understand the strategy making process by examining the organizational environmental context is crucial (Miller and Freesen, 1978). Strategy formation can be viewed as the interplay between external and internal dynamics of changing environment with leadership mediating these two variables (Mintzberg, 1978) .When the scanning intensity is insufficient ,the managers or owners of SMEs will confront some serious problems (Yukl, 2002).

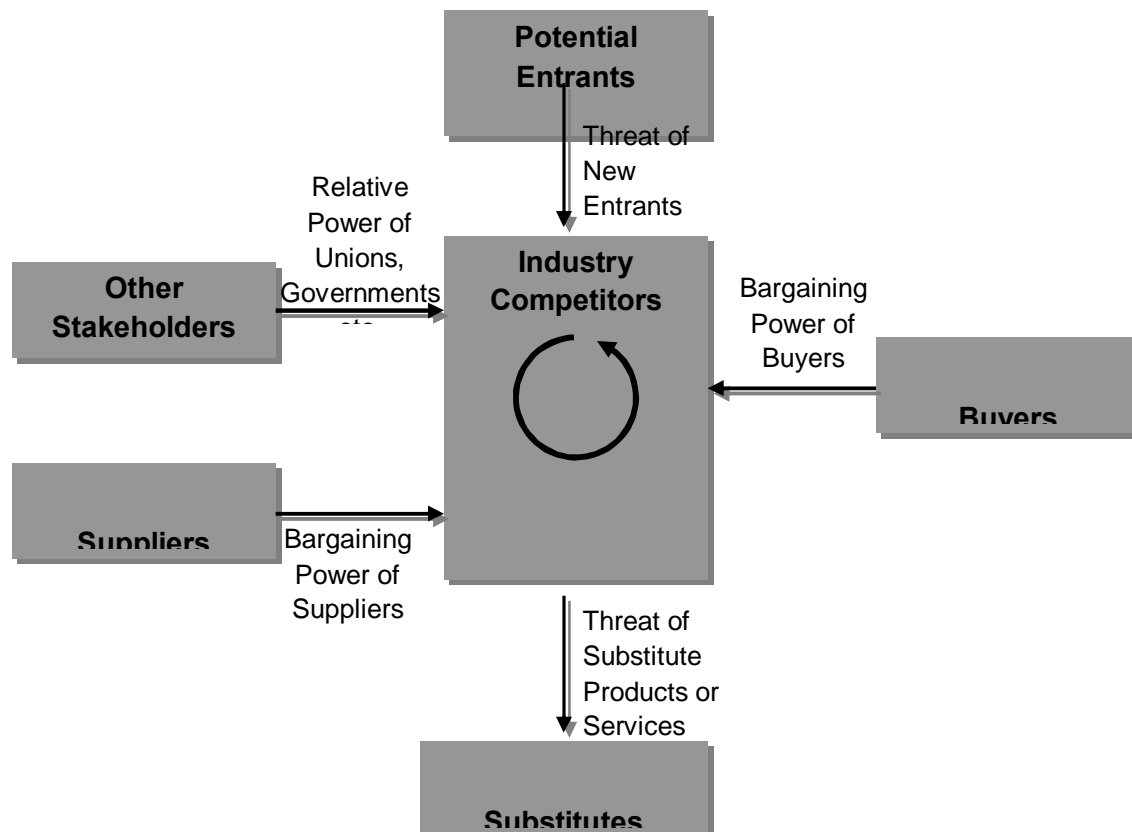
There has been a tendency to emphasize the role of strategic planning propensity of managers in recent years (Andersen, 2000). Managers must correctly perceive the nature and dictations of the environment. Environmental scanning and the perceptions on the environment have powerful

effects on strategic planning approaches and strategic orientations of managers (Goll and Rasheed, 1997; Pelham, 1999; Barringer and Bluedorn, 1999).

Successful organizations achieve strategic fit with their task environment and support their strategies with appropriately designed structures and management processes (Miles and Snow, 1984). According to the Miles and Snow typology, the choice of strategic roles or behaviours that is defenders, prospectors, analysers and reactors, is connected with their entrepreneurial problems (Slater and Narver, 1993). We can deduce that environmental factors such as market dynamism, technological change, market munificence, environmental uncertainty, and so forth and so forth, necessitate higher levels of environmental scanning and strategic planning efforts of top managers aiming to increase their organizational performance by making the appropriate strategic choice. Environmental scanning extends to learning and gathering about events and trends in the organizations' environment (Hambrick, 1981). Scanning intensity is related to strategic choices (Mintzberg, 1973; Ansoff, 1975; Barringer and Bluedorn, 1999). These choices usually seek to increase the firm's innovativeness, adaptation, and agile strategic responses to changes in the external environment (Zahra and Garvis, 2000). Porter (1980) offers two main generic strategies, as the core idea or strategic orientation on which all the strategic actions are based, low cost and differentiation that may be appropriate for small manufacturing firms towards industry conditions. Low cost strategy aims to create a sustainable competitive advantage by offering the lowest prices in an industry segment based on low cost producer status or to maximize the profitability by reducing the costs to supply product or service with a competitive price. Differentiation strategy on the other hand, aims to create a unique product or service, brand image, customer loyalty, and higher margins.

2.6.2 Approach to Industry Analysis

Wheelen and Hunger (2003) define an industry as a group of firms producing similar goods or services. Thorough examination of the important stakeholder groups such as suppliers, and customers, in a particular corporation's task environment is a part of industry analysis. Porter (1980), an authority on competitive strategy contents that a corporation is concerned mainly with the intensity of competition within the industry. Porter mentions five forces and the sixth one are added to his list to show how the government, local communities and other stakeholders affect the activities of the industry. The six forces are: threat of new entrants, rivalry among existing firms, threat of substitute products or services, bargaining power of buyers, bargaining power of suppliers and relative power of other stakeholders.



Source: Adapted with permission of the Free Press, a Division of Simon and Schuster, from Competitive Strategy: Techniques for Analyzing Industries and Competitors by Michael E. Porter.

Figure: 2.4 Forces Driving Industry Competition

2.6.3 Threat of New Entrants

They are therefore a threat to the already established corporations. The threat of entry depends on the presence of entry barriers and the reaction expected from the existing competitors. An entry barrier is an obstruction that makes it difficult for a company to enter an industry. It protects the existing corporation within an industry. Some of the barriers to entry are: economics of scale, product differentiation, capital requirements, switching costs, access to distribution channels, and cost disadvantages independent of size and government policy.

2.6.4 Rivalry among existing firms

Corporations in most industries are mutually dependent. A competitive move by one firm may cause retaliation or counter efforts from the competitors. Porter states that intense rivalry is related to the presence of several factors which include number of competitors, rate of industry growth, product or service characteristic, amount of fixed costs, capacity, height of exit barriers and diversity rivalry.

2.6.5 Threat of substitute products or services

Substitute products are those products that appear to be different but can satisfy the same need as another product. Substitutes limit the potential returns of an industry by placing ceiling on the prices that the industry can profitably charge.

2.6.6 Bargaining power of buyers

Buyers have an effect on industry due to their ability to force down prices, bargain for higher quality or more services and play competitors against each other. Buyers or a group of buyers is powerful if some of these factors take place: - If a buyer purchases a large portion of the seller's product or service for example oil purchased by a major motor-car maker. A buyer has the potential to integrate backwards by producing the product itself for example a newspaper chain can produce its own paper. Alternative suppliers are many if the product is standard or undifferentiated. Changing of suppliers costs very little and therefore it becomes easy to change suppliers. Buyers are sensitive to costs and service differences as they earn low profits.

2.6.7 Bargaining power of suppliers

Suppliers can affect an industry through their ability to raise prices or reduce the quality of purchased goods and services. Suppliers or supplier groups are powerful due to the following factors:- If the supplier industry is dominated by a few companies, but it sells to many for example the petroleum industry, when the product or service is unique and it has built up switching costs, or substitutes are not readily available, or if suppliers are able to integrate forward and compete directly with their present customers and finally is a purchasing industry buys a small portion of the supplier group's services and is thus unimportant to the supplier.

2.6.9 Relative power of other stakeholders

This sixth force should be added to Porter's list and it is a variety of stakeholder groups, from the task environment. These groups comprise of governments, local community, creditors, trade unions, special-interest groups, union, shareholders and complementers. The importance of these shareholders varies from industry to industry and they have a significant role to play in the industrial framework.

2.7 Strategy Formulation

Katsidoules (2002) suggests that the organizations need to establish a base from which realistic and achievable plans can be formulated. At the foundation of such a base SWOT analysis needs to be undertaken. Examining of strength and weaknesses constitutes an internal analysis and an examination of opportunities and threats is an external analysis. Wheelen & Hunger (2003) define strategy formulation as the development of long range plans for the effective management of environmental opportunities and threats, in light of corporate strengths and weaknesses. Concurring with the foregoing definition, Stahl and Grigsby, (1997), add that strategy formulation involves decisions that determine the organization's mission and establish its objectives and strategies. It is this stage, therefore, that the definition of an organization's vision, mission, objectives, strategies and the setting out of policy guidelines takes place.

Corporate strategy formulation according to (Armstrong, 2006) can be defined as a process for developing a sense of direction. In theory the process of formulation of strategy consists of the following steps:-

- Define the mission.
- Set objectives
- Conduct internal and external environmental scans to assess internal strengths and weaknesses and external opportunities and threats (a SWOT Analysis).
- Analyse existing strategies to determine their relevance in the light of the internal and external appraisal.
- Define in the light of this analysis the distinctive capabilities of the organization.
- Define the key strategic issues emerging from the previous analysis.
- Determine corporate and functional strategies for achieving goals and competitive advantage taking into account the key strategic issues.

These may include business strategies for growth or diversification generic strategies for innovation, quality or cost leadership, technological developments or human resource development.

- Prepare integrated strategic plans for implementing strategies.
- Implement the strategies.
- Monitor implementation and revise existing strategies or develop new strategies as necessary.

Strategy Formulation is about how the firm chooses to define its strategy and how it approaches its implementation through strategic management (Bowman, 1998). The approach to strategy formulation will ultimately dictate the eventual management style. In contrast the managerial style and the degree of effectiveness of the senior managers involved can influence the nature of

strategy formulation in organizations (Analoui, 1997). Only after a firm has determined how it will formulate strategy can the path of strategic management be effectively undertaken.

The development of a strategy can be either formal or rational (Mintzberg, 1994), emergent or progressed (Whittington, 2001) under a logical incremental path. Strategic management handles how a strategy is developed and where the organisation's environment is analysed before the appropriate strategy is selected and implemented (Hambrick, 1981, Thompson, 1995, Wheelen & Hunger, 1998).

2.8 Levels of Strategy

Hannagan (2002), distinguishes three levels of strategy: corporate, business and functional.

2.8.1 Corporate Strategy – applies to large companies, which are divided into a number of discrete and fairly autonomous units. Holding companies are a typical example of this type of organizations in which a number of companies are grouped together usually for financial reasons such as efficient allocation of capital and investment.

Corporate strategy is the responsibility of corporate head office. Corporate strategy may be based around investment, the economy of scale or the sharing of core competencies and in particular what should be its portfolio of business. In practice the corporation may adopt hands off approach to the individual companies or units under its control so long as they fulfil the corporate objectives.

2.8.2 Business Strategy – The critical issues for business strategy will be in terms of which markets to focus on, the critical factors required in order to compete successfully, the organization of the business and overall competitive strategy.

2.8.3 Functional Strategy - involves the functional departments or divisions of the organizations. Most companies have some elements of a functional or divisional structure in which people focus on a particular specialization such as finance, marketing, manufacturing, quality assurance, information systems, and customer care. The overall business strategy has to be reflected and linked into functional level strategies such as marketing strategies, human resource strategy and financial strategies. Thompson & Strickland (2003) mention four levels of strategy which are corporate, business functional and operational.

2.8.4 Corporate Strategy - concerns how a diversified company intends to establish business position in different industries and the actions and approaches employed to improve the performance of the group of business the company has diversified into.

2.8.5 Business Strategy- relates to the actions and approaches crafted by management to produce successful performance in one specific line of business, the central business strategy issue is how to build a stronger long term competitive position.

2.8.6 Functional Strategy – concerns the managerial game plan for running a major functional activity or process with a business ó R&D, production, marketing, customer service, distribution,

finance, human resources etc. a business needs as many functional strategies as it has major activities.

2.8.7 Operating Strategy - Concerns the narrower strategic initiatives and approaches for managing key operating units (plants, sales district, distribution centres) and for handling daily operating tasks with strategies significance (advertising, campaigns, materials purchasing, inventory control, maintenance, shipping). Operating strategies while of limited scope add further detail and completeness to functional strategies and to overall business plan.

The first level of strategy is concerned with determining the corporate strategy. It is concerned with deciding what business the organization should be in and how the overall group of activities should be in and how the overall group of activities should be structured and managed (Analoui, 1990, 1991, Thompson, 1995). It is also argued that corporate strategy describes a company's overall direction in terms of its general attitude towards growth and management of its various business and product lines (Wheelen & Hunger, 1998).

The second level of strategy is business strategy. Business level strategy is concerned with creating and maintaining a competitive advantage in each strategic business unit. It can be achieved through any one function or a combination of several (Thompson, 1995).

The third level of strategy is the functional one. Functional strategy is concerned with the functional areas of the firm such as operations, marketing, financial, human resources and research and development. It is the approach taken by functional area to achieve the corporate

and business objectives .of the unit strategically by maximizing resource productivity (Wheelen & Hunger, 1998). It is critical that these functional strategies are designed and managed in a co-ordinate way, so that they interrelate with each other and at the same time collectively allow the competitive strategies to be implemented properly (Thomson, 1995).

Strategy Formulation/Mission Statements

Bryson (1995) further maintains that the strategy development or formulation may be a five step process which involves:-

- Identification of practical alternatives and dreams or visions for resolving strategic issues phrased in action terms.
- Enumerating barriers to achieving these alternatives.
- Developing major proposals for achieving the alternatives either directly or indirectly by overcoming the barriers.
- Listing actions that must be taken over a period of time to implement the major proposals.
- A detailed work program for a period of time spelt out to implement the actions.

Thompson & Strickland (2003) maintain that Managers need to pose a set of questions:-

- ◆ What is our vision for the organization?
- ◆ Where the company should be headed?
- ◆ What should its future technology ó product ó customer focus be?
- ◆ What kind of enterprise do we want to become?
- ◆ What industry standing do we want to achieve in five years?

Management's view and conclusions about what the organization's long term direction should be, the technology or product- customer focus it intends to pursue and its future business scope constitute a strategic vision for the organization. A strategic vision thus reflects management's aspirations for the organization and its business, providing a panoramic view of "Where we are going" and giving specifics about its future business plans. It spells out long term business purpose and molds organizational identity. A strategic vision points an organization in a particular direction and charts a strategic path for it to follow.

Strategic vision is very much concerned with where the organization is going and mission statements tends to deal with the organization's present business scope, "Who we are and What we are doing". According to (Pearce & Robinsons, 2005) the mission of an organization as the fundamental unique purpose that sets a business apart from other firms of its type and identifies the scope of its operations in product and market.

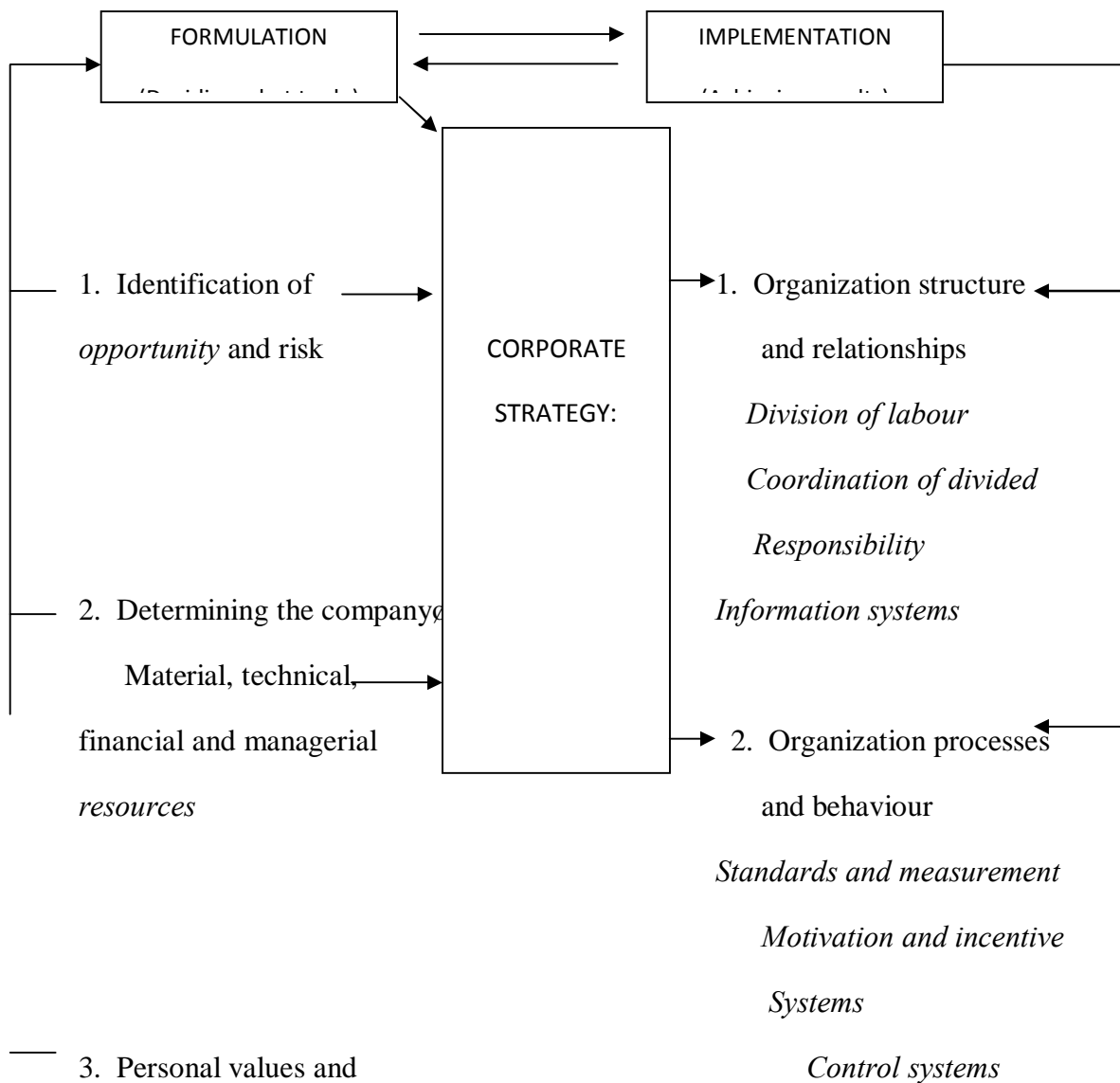
They further argue that the process of defining the mission for a specific organization can perhaps be best understood by thinking about the organization and its inception. The typical business organization begins with the beliefs, desires and aspirations of a single entrepreneur. The sense of mission for such an owner or manager is usually based on several fundamental elements: -

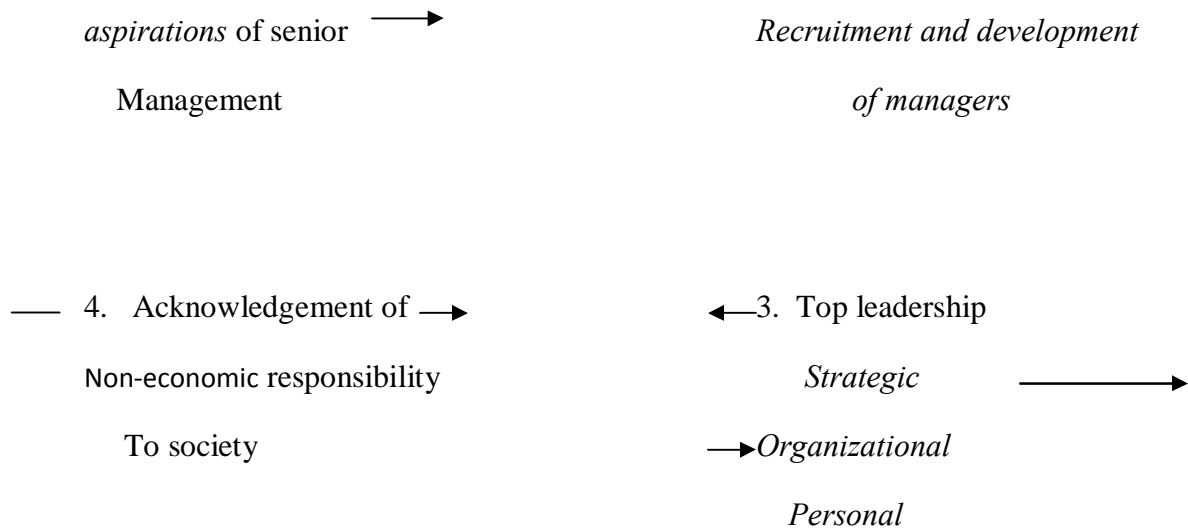
- Beliefs that the product or service can provide benefits at least equal its price.
- Belief that the product or service can satisfy a customer need currently not met adequately for specific market segments.

- Belief that the technology to be used in production will provide a product or service that is cost or quality competitive.
- Belief that with hard work and the support of others the business can do better than just survive, it can grow and survive.
- Belief that the management philosophy of the business will result in a favourable public image and will provide financial and psychological reward for those willing to invest their labour and money in helping the firm to succeed.
- Belief that the entrepreneur's self-concept of the business can be communicated to and adopted by employees and stakeholders Ibid (2005).

De Wit & Meyer (1998) states that corporate strategy is an organization process, in many ways inseparable from the structure, behaviour and culture of the company in which it takes place. Nevertheless, two important aspects may be abstracted from the process, interrelated in real life but separable for the purposes of analysis. The first of these is called formulation and the second implementation. The principle sub-activities of strategy formulation as a logical activity include identifying opportunities and threats in the company's environment and attaching some estimate or risk to the discernible alternatives. Before a choice can be made, the company's strengths and weaknesses should be appraised together with the resources on hand and available. Its actual or potential capacity to take advantage of perceived market needs or to cope with attendant risks should be estimated as objectively as possible. The strategic alternative that results from matching opportunity and corporate capability at an acceptable level of risk is what we may call an economic strategy.

The process described thus far assumes that strategists are analytically objective in estimating the relative capacity of their company and the opportunity they see or anticipate in developing markets. The extent to which they wish to undertake low or high risk presumably depends on their profit objectives. The higher they set the latter, the more willing they must be to assume correspondingly high risk that the market opportunity they see will not develop or that the corporate competence required excelling competition will not be forthcoming.





Adapted from Strategy Process, Content, Context Page 91

Figure: 2.5 Strategy Process

Achievement of Objectives

Objectives are a yardstick for tracking an organization performance and progress (Thompson and Strickland, (2003) According to Injety, 2003) and Drucker, 1990), non- profit organizations have different approaches (multiple objectives) which call for greater professionalism in administration.

Drucker (1995) suggests that for organizations to achieve their objectives, they must build a true team and weld individual efforts into common efforts and they must all contribute towards a common goal. Their contributions must fit together without gaps, without frictions, without unnecessary duplication of effort. Wheelen & Hunger (2003) and Pearce & Robinson (2005) maintain that objectives are the end results, of planned activities. They state what is to be accomplished by when and should be quantified if possible.

2.9 Strategy Implementation

The notion of strategy implementation might at first seem quite straightforward: the strategy is formulated and then it is implemented (Aaltonen and Ikavalko, 2002). However, as many practitioners and business executives can vouch, transforming strategies into action is a far more complex and difficult task. In fact, Nutt (1983) as cited by Chimhanzi (2004), argued that empirical evidence suggests that implementation in practice is fraught with difficulties and generally falls short of expectations. Statistics noted by Bigler (2002) and Miller (2002) suggest that between 70 and 90 per cent of formulated strategies are not implemented on time and with the intended results. These results seem to be attributable to failures in the implementation process rather than in the formulation of strategy itself (Al-Ghamdi, 1998).

Essentially, until a strategy is implemented, it remains a plan and not an operational reality. The good intentions of a strategy can become insignificant if not implemented. The ability and strength to execute a decision is thus more crucial for success than the underlying analysis of the strategy (Gummesson, 1974 as cited by Chimhanzi, 2004). Giles (1991), as cited by Chimhanzi (2004), to such an extent, saw implementation as the most powerful part of the strategic management process.

However, Stahl & Grigsby (1997) define strategy implementation as those activities and decisions that are made to install new strategies or support existing strategies. Recent studies have revealed that although strategy implementation is an integral part of the strategic management process, it has taken a back seat to strategy formulation (Bigler, 2001). Consequently, it has been observed of late that most organizations are in a position to formulate

comprehensive corporate strategic plans but encounter serious problems during the subsequent implementation stage.

Emphasizing the importance of strategy implementation, (Carrols, 2000) highlights that two top executives in Europe, Barnevick and Welsh concur that organizational success depends not only on designing strategies that are appropriate for external and internal environments but on implementing those strategies successfully. Poor strategy implementation practices have been blamed for a number of failed attempts at changing the strategic direction of organizations.

According to (Thompson and Strickland, 2003), strategy implementation is the least charted, most open ended part of strategic management. According to (Wheelen & Hunger, 2003), strategy implementation is the process by which strategies and policies are put into action through the development of programmes, budgets and procedures. (Lynch 1997) concurring with the other authors defines strategy implementation as the process by which the organization's chosen strategies are put into actions and entails converting the organization's strategic plan into action and finally into results.

Strategy implementation has received increasing attention in literature (Bourgeois & Brodwin, 1984, Alexander, 1991, Grundy, 1998, Noble, 1999, Beer & Eisenstat, 2000, Flood et al, 2000). However, no coherent research paradigm seems to exist due to the diversity of perspectives that have been taken in defining the concept (Noble, 1999). Noble, (1999) has carried out a large review of research in the dispersed field of strategy implementation. He combines the

perspectives and having a focus on the process of implementation interpretation, defines strategy implementation as communication, adoption and enactment of strategic plans.

Noble makes a distinction between structural and interpersonal process views on strategy implementation. The structural perspective focuses on formal organizational structure and control mechanisms, while the interpersonal process is about understanding issues like strategic consensus, autonomous strategic behaviour, diffusion perspectives, leadership and implementation styles and communication and other interaction processes. Bourgeois & Brodwin (1984) categorize strategy implementation into five models, which they imply to represent a trend towards increasing sophistication in thinking about implementation and also a rough chronological trend in the field.

In the commander model the general manager after exhaustion period of analysis makes the strategic decisions and present it to top management instructs them to implement it and waits for the results. In this model the general manager has great deal of power and access to complete information and is insulated from personal biases and political influence. The model splits the organization into thinkers and doers. The charge model after making strategic decisions the general manager plans a new organizational structure, personnel changes, new planning, information measurement and compensation systems and cultural adoption techniques to support the implementation of the strategy.

Collaborative model of strategy implementation involves the management team in strategic decision ó making. The general manager employs group dynamics and brainstorming techniques

to get managers with different viewpoints to provide their input to the strategy process. Cultural model takes the participation elements to lower levels in the organization as an answer to the strategic management questions. "How can I get my whole organization committed to our goals and strategies?" The general manager guides the organization by communicating the vision and allowing each individual to participate in designing work procedures in concert with the vision. In creative model, the strategy comes upward from the bottom of the organization, rather than downward from the top. The general manager's role is to define the organization's purposes broadly enough to encourage innovation and to select judiciously from among those projects or strategy alternatives that reach his attention.

According to Wheelen & Hunger (2003) strategy implementation is the sum total of the activities and choices required for the execution of a strategic plan. It is the process by which strategies and policies are put into action through the development of programs, budgets and procedures.

2.9.1 Programs

A program is a statement of the activities or steps needed to accomplish a single use plan. It makes the strategy action oriented. It may involve restructuring the corporation, changing company's internal culture or beginning a new research effort.

2.9.2 Procedures

Procedures are sometimes termed Standard Operating Procedures (SOP), are a system of sequential steps or techniques that describe in detail how a particular task or job is to be done. They detail the various activities that must be carried out in order to complete the corporation's programs.

Heracleous (2003) notes that several tools are available to help managers analyse the environment, analyse the organization, generate and evaluate strategic options. But even with the most sophisticated analysis and planning, realizing strategic plans has never been easy. He gives ten reasons which may result in strategy implementation failure these are: -

- ✓ The so ó called òstrategic planö is nothing more than a collection of budgets and vague directions, which do not provide clear guidelines for action.
- ✓ The strategy does not correspond to market realities because it has been developed by strategic planners with no input from the grass roots.
- ✓ The strategy does not enjoy support from and commitment by the majority of employees and middle management because they do not feel consulted in the development of the strategy.
- ✓ Middle management does not think the strategy is the right one, or does not feel it has the requisite skills to implement it, so it may sabotage the implementation.
- ✓ Insufficient top management time is spent on communicating about, selling the new strategic direction, and managing the organizational changes involved.
- ✓ No provision is made for developing the new skills and competencies required by the employees successfully to make the transition and operate within the new strategic direction.
- ✓ No provision is made for instituting the appropriate organizational systems for the selection, motivation and reward of people in accordance with the new strategy.
- ✓ No provision is made for creating a close fit or coherence between the business ó level strategy and the various functional ó level strategies that can operationally it.

- ✓ There are factions in the organization which disagree with the strategy because if implemented it would reduce their power and influence, so they sabotage it by deliberate actions or inactions.
- ✓ No attempt is made to analyse the culture of the organization and identify aspects, which would be barriers and facilitators to change and manage change accordingly.

Strategy implementation is arguably the most important stage in the process for the simple reason that without successful implementation, an organization's strategy is really nothing more than a fantasy (Harris & Moran, 2000).

Implementation according to (Katsioloudes, 2002) should not be treated as a separate part of the process. It should be explicitly considered in the formulation stage so that any resulting strategy is implementable. (Grant 2005) suggests that without effective implementation, the best laid strategies are of little use.

De Wit & Meyer (1998) notes that effective implementation can make a sound strategic decision ineffective or a debatable choice successful, it is as important to examine the processes of implementation as to weight the advantages of available strategic alternatives. The implementation of strategy comprises a series of sub-activities that are primarily administrative. If purpose is determined, then the resources of a company can be mobilized to accomplish it. An organizational structure appropriate for the efficient performance of the required tasks must be made effective by information systems and relationships permitting coordination of subdivided activities.

The organizational process of performance measurement, compensation, management development ó all of them enmeshed in systems of incentives and controls ó must be directed toward the kind of behaviour required by organizational purpose. The role of personal leadership is important and sometimes decisive in the accomplishment of strategy.

- *Is the strategy identifiable and has it been made clear either in words or in practice?*

The degree to which attention has been given to the strategic alternatives available to a company is likely to be basic to the soundness of its strategic decision.

- An absence of analysis of opportunity or actual determination of corporate strength is worse than to remain silent, or it conveys the illusion of a commitment when none has been made.
- The unstated strategy cannot be tested or contested and is likely therefore to be weak. If it is implicit in the intuition of a strong leader, the organization is likely to be weak and the demands the strategy makes upon it are likely to remain unmet. A strategy must be explicit to be effective and specific enough to require some actions and exclude others.
- *Does the strategy exploit fully domestic and international environmental opportunity?*
The relation between market opportunity and organizational development is a critical one in the design of future plans.
- Unless growth is incompatible with the resources of an organization or the aspirations of its management, it is likely that a strategy that does not purport to make full use of market

opportunity will be weak also in other aspects. Vulnerability to competition is increased by lack of interest in market share.

- *Is the strategy consistent with corporate competence and resources, both present and projected?* Although additional resources, both financial and managerial, are available to companies with genuine opportunity, the availability of each must be finally determined and programmed along a practicable time scale. This may be the most difficult question in this series.
- *Are the major provisions of the strategy and the program of major policies of which it is comprised internally consistent?* One advantage of making as specific a statement of strategy as is practicable is the resultant availability of a careful check on fit, unity, coherence, compatibility, and synergy ó the state in which the whole of anything can be viewed as greater than the sum of its parts.
- *Is the chosen level of risk feasible in economic and personal terms?* The riskiness of any future plan should be compatible with the economic resources of the organization and the temperament of the managers concerned.
- *Is the strategy appropriate to the desired level of contribution to society?* To the extent that the chosen economic opportunity of the firm has social costs, such as air or water pollution, a statement of intention to deal with these is desirable and prudent.
- *Does the strategy constitute a clear stimulus to organizational effort and commitment?*
Generally speaking, the bolder the choice of goals and the wider range of human needs they reflect, the more successfully they will appeal to the capable membership of a healthy and energetic organization.

- *Are there early indications of the responsiveness of markets and market segments to the strategy?* A strategy may pass with flying colors all the tests so far proposed, and may be in internal consistency and uniqueness an admirable work of art. But if within a time period made reasonable by the company's resources and the original plan the strategy does not work, then it must be weak in some way that has escaped attention.

A business enterprise guided by a clear sense of purpose rationally arrived at and emotionally ratified by commitment is more likely to have a successful outcome, in terms of profit and social good, than a company whose future is left to guesswork and chance. Conscious strategy does not preclude brilliance of improvisation or the welcome consequences of good fortune. Its cost is principally thought and work for which it is hard but not impossible to find time.

2.10 Variables that Impact on Strategy Implementation

The variables that impact on strategy implementation in large corporations are basically the same. These are:-

- Leadership and Communication
- Role of leadership in strategy implementation
- Top management commitment to strategic values.
- Allocation of sufficient resources.
- Strategic Leadership

Literature in general argues that strategy implementation is a difficult task in practice. The problems in strategy implementation include unfeasibility of the strategy, weak management role, lack of communication, lacking commitment to the strategy, unawareness of misunderstanding of the strategy, unaligned organizational systems and resources, poor coordination and sharing of responsibilities, inadequate capabilities, unexpected obstacles, corrupting activities, delayed schedule, uncontrollable environmental factors and negligence of daily business (Alexander, 1991, Giles, 1991, Galpin, 1998, Lares ó Mankki, 1994, Beer & Eisenstat, 2000).

2.11 Strategic Leadership

According to Thompson (1997) without strong leadership an organization is unlikely to successfully implement a corporate strategy. Emphasizing the importance of strong leadership, Orit, Stan and Paul, (2003) argue that even the best formulated corporate strategies cannot succeed without ability and that means a strong management team.

The authors further observe that in nearly all organizations that have successfully implemented corporate strategies, particularly turn around strategies, the organizations concerned replace senior management who cannot perform up to organization's standards or who fail to commit to the organisation's new strategic direction.

Galpin (1998) states what makes the difference between successful and unsuccessful strategy deployment is the way management motivates and educates its people to act on a business strategy. In support of the foregoing, Kaplan and Norton, (2001) state that successful change

management must be mobilized through executive leadership. These authors are of the view that without energetic strategic leaders of the process, change management and successful strategy implementation will not be realized. The responsibility of strategy formulation and strategy implementation lies with the Chief Executive Officer and his/her top management team. According to Quirke, (1996), if top management is not clearly united behind its mission and policies it sets, its behaviour will always act powerfully and silently to undermine the mission.

According to Sterling (2003), some corporate strategy implementation efforts fail due to insufficient buy ó in or understanding of the strategy. Giles, (1991), adds that strategy implementation is bound to fail if there is no ownership of the strategy. Basing his argument on interviews he conducted with several Chief Executive Officers, he persuasively argues that it is critical to involve people in the creation of the strategy, if they are to understand it.

2.12 Leadership and Communication

For strategy implementation to be successful employees in an organization need to understand the strategic direction being pursued and the rationale for adopting the particular strategy. This can be achieved through effective communication. The importance of communication in strategy implementation is also emphasized by Quirke (1996), who states that management must spend time communicating with staff in order to reduce the resistance normally encountered during the strategy implementation phase. Through effective communication, the strategic leader can be in a position to share his / her vision with the rest of the organization and be able to òpaint a pictureö of a desired future that is better than the present situation.

In support to the foregoing, Wheelen & Hunger (2003) argue that communication is key to effective management of change, adding that top management must effectively communicate to the workers the rationale for strategic changes. For a corporate strategy to be implemented successfully, the customers and staff need to fully understand the strategy. (Corboy & Corrbui, 2002) observe that there is a tendency for Chief Executives and senior management to communicate the business strategy on a "need to know" basis and this leads to failure in strategy implementation efforts. A strategy implementation plan, according to these authors, should include a communication plan. The communication plan should include, in addition to senior management, middle management, supervisors and staff, external stakeholders like the customers and suppliers. Also emphasizing the importance of effective communication. Sterling (2003) states that communication of the strategy and its underlying rationale, are critically important particularly when reaching out beyond the group directly involved in the development of the strategic plan.

Furthermore, organizations must also ensure that there is two-way communication between top management and the staff below. According to Thompson & Strickland, (2003) organizations that ensure that ideas and suggestions of employees are valued and respected, increase employee motivation and satisfaction and thus enhance chances of strategy implementation. In support of the need for upward communication, Quirke (1996) argues that the majority of existing channels of communication are designed for effective downward communication and are wrong for a strong upward and horizontal communication. Reiterating the importance of two-way communication during strategy implementation Beer & Eisenstat, (1996) state that people cannot

develop realistic and implementable plans for change unless, all impediments are taken into account.

The environment in an organization that is implementing a corporate strategic plan must allow employees to highlight problems encountered during the implementation process. The communication process should not be an event but a continuous process if it is to achieve the desired results. According to Wilson, (2004), the Chief Executive Officer must use every opportunity to explain (and, if need be, defend) the nature of the culture shift, the reasons, for this shift, and the changes in personal behaviour that it entails. The author strongly argues that there is no more important challenge to a CEO's leadership than meeting this communication challenge.

2.13 Role of Leadership in Strategy Implementation

Strategy implementation should be treated as a continuous process rather than a once off event. Corboy and Corrbui, (2002) observe that in many organizations where strategy implementation was not successfully implemented, the Chief Executive Officers and senior managers in those organizations step out of the picture once implementation begins these authors point out that employees in an organization are adversely affected once they perceive that senior management are not fully committed to the corporate strategic plan. A strong leadership, one with deep value convictions and energy, is vital for an organization that is implementing a corporate strategic

plan. According to Stahl and Grigsby, (1997), there are no known cases of organizations sustaining strong quality strategies and practices without the vocal and personal leadership of the organization's Chief Executive Officer and the top management.

2.14 Top Management Commitment to the Strategic Values

The Chief Executive Officer and the top leadership must be very clear on what the quality concept entails. There is need to cultivate an internal and external customer concept in the organization. Lings, (1999) states that the integral customer concept stresses the importance of building quality into every step of the service delivery process so that the external customer is also satisfied. Top management should demonstrate their commitment to quality enhancement not only through words but deeds as well. Leadership is the most important component for launching and sustaining a quality improvement programme. Lings, (1999) states that systems for measuring service quality levels should always be assessed from the point of view of the customer.

2.15 Allocation of Sufficient Resources

Some corporate strategies fail because insufficient resources are made available to those charged with the responsibility of implementing strategies. Sterling, (2003) suggests that a financial evaluation be undertaken to ensure that sufficient resources will be available during the implementation phase. Lynch, (1997) also categorically states that resources should be channelled away from those areas that are poor at delivering the organization's objectives towards those areas that are good.

According to Thompson & Strickland (2003) inadequate funding may lead organizations to realize limited success to outright failure in strategy implementation. These authors further argue that forceful actions to reallocate operating funds and move people into new organizational units signal determined commitment to strategic change.

2.16 Relationship between Structure and Strategy

Chandler's (1962) classic argument is that to achieve the objectives of the organization, the structure has to be consistent with strategy. He concluded that changes in strategy should entail changes to the organizational structure. Structure and strategy should be related if corporate strategy is to be implemented successfully. Stahl and Grigsby, (1997) argue that the single most important requirement for organizational design concerns the degree of responsiveness of the structure to customer requirements.

2.17 Organizational Culture

According to Wederspahn (2000) culture entails the following:-

- Culture encompasses an identifiable group of people who share common values, beliefs, customs and a distinctive way of life.
- Culture explains why these people tend to think, feel, communicate act the way they do.
- Culture learned, mostly informally, within the social environment.
- Culture also includes the unique artefacts, language, art, music, drama, literature, folklore, cuisine, architecture and other products of a people.

- Culture is an integrated whole, coherent and internally logical. It creates a unified worldview and mind-set.
- Culture is not static but changes slowly due to the influence of other cultures and internal developments and innovations.

The company's attitude toward risk taking and entrepreneurship is a critical factor in the success of strategic business planning. Effective long-term business planning requires a culture that encourages entrepreneurial responses to risks and uncertainty. A highly risk-averse company will find it difficult to formulate explicit long-term plans, and to assign explicit accountability for carrying them out. Management can, however, avoid, or at least attempt to avoid, accountability for the mistakes and failures that are inevitable in an uncertain environment.

If the culture will not tolerate such failures, entrepreneurialism and risk taking will be driven out of the business plans, and they will degenerate to nothing more than indisputable data, facts, and numbers, rather than valuable business intelligence. Implementation will be limited to generic strategies and ambiguous, qualitative, and easily achieved objectives rather than specific action strategies and measurable, goals against which the management can be held accountable (De Wit & Meyer, 1998).

Organizational culture according to Handy, (1985) is made out of four namely: power, role, task and person.

Culture	Description
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Power	This type of culture is based on trust and good personal communication.
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There is little need for rigid bureaucratic procedures since power and authority are based on only a few individuals. The power culture is dynamic in that change can take place quickly, but is dependent on a small number of key, powerful individuals. This culture tends to be tough on employees because the key focus is the success of the organization, often resulting in higher labour turnover.

Role This type of culture tends to be bureaucratic in nature, thus requiring logical, coordinated and rational processes with a heavy emphasis on rules and procedures. Control lies with a small number of employees who have a high degree of authority. These tend to be stable organizations, operating in a predictable environment with products and services that have a long lifespan. Not considered to be innovative organizations, they can adapt to gradual, minor change, but not to radical ones.

Task This type of organizational culture relies on employee expertise. The matrix structure tends to prevail in these organizations, with teams of individuals specializing. They need and tend to be flexible organizations with individual employees working with autonomy, allowing fast reaction to changes in the external environment and having set procedures in place to address this aspect.

Person This type of culture relies on collective decision making often associated with partnerships. Compromise is important and individuals will tend to work within their own specialist area, coordinating all aspects and working with autonomy without the need to report to other employees.

Quinn & McGrath (1985) suggest the following cultures:

Culture	Description
Rational	The rational culture is firmly based on the needs of a market. The organization places emphasis on productivity and efficiency and encourages management to be goal-orientated and decisive. All activities are focused on tangible performance and employees are rewarded for achievement.
Adhocracy	This type of culture is an adaptive, creative and autonomous one where authority is largely based on the abilities and charismatic nature of leaders. These organizations tend to be risk-orientated, and emphasis is placed on employees' adherence to the values of the organization itself.
Consensual	These types of organization are often concerned with equality, integrity and fairness and much of the authority is based on informal acceptance of power. Decisions are made by collective agreements or consensus and dominant leaders are not often present. Morale is important, as is cooperation and support between employees in order to reach organizational objectives. Employee loyalty is high.
Hierarchical	This type of culture relies on stability and control through the setting of rigid regulations and procedures. Decisions are made logically on facts alone with the management tending to be cautious and conservative. The employees are strictly controlled with management expecting obedience.

Thompson & Strickland (2003) maintain that every institution has a unique organizational culture. Each organization has its own business philosophy and principles, its own ways of approaching problems and decision making processes, its own work climate, its own embedded patterns of "how we do things around here" its own beliefs, myths and stories told over and over to illustrate the organizational values and what they mean to stakeholders. These should define the institutions own beliefs, behaviour and thoughts. Schein (1992) further argues that culture is a pattern of shared basic assumptions that the group learned in solving its external problems of adaptation and internal integration that has worked well enough to be considered valid and to be taught to new members as the correct way to perceive and fill in relationship to those problems. Newman & Chaharbaghi (1998), suggest that culture is the by-product of technology that has been developed towards the exploitation of an opportunity. Hetcht & Ramsey (2002) further maintain that culture reflects the identity of the organization. It is a combination of the organization's vision, values, core beliefs, and the people who are attracted by the vision and values, translate the shared vision and these values into action.

Barnard & Walker (1994) define organizational culture as the way we do things around here it incorporates the organization's style and feel, shared values, routines, myths and symbols. Cultures are not static. They emerge, grow, mature alter and die. There is likely to be fierce resistance if the strategy tries to change the way we do things around here.

2.18 Impact of Organizational Culture on Strategy Implementation

Organizational culture is a vital element in strategy implementation since it affects the way that people in an organization make decisions. Charan (2006) emphasizes the importance of culture

by stating that the greatest cause of corporate under performance is the failure to execute and the inability to take decisive action is rooted in a company's culture.

2.19 Role of Training and Development in Strategy Implementation

According to Thompson and Strickland (2003) there is a need for an organization to have new or revised standard operating procedures in place if an organization is to successfully implement its strategy. These authors argue that prescribing new or revised operating procedures assists strategy implementation through the provision of top-down guidance to middle, supervisory and general staff on expected ways of doing work; putting boundaries on independent actions and decisions.

According to Wheelen and Hunger, (2003) promotions should also be based not only on current job performance but also on whether a person has the skills and abilities to do what is needed to implement the new strategy. Hiring and training requirements should always be reviewed following the adoption of a new strategy to ensure that these practices are compatible with the strategic direction of the organization.

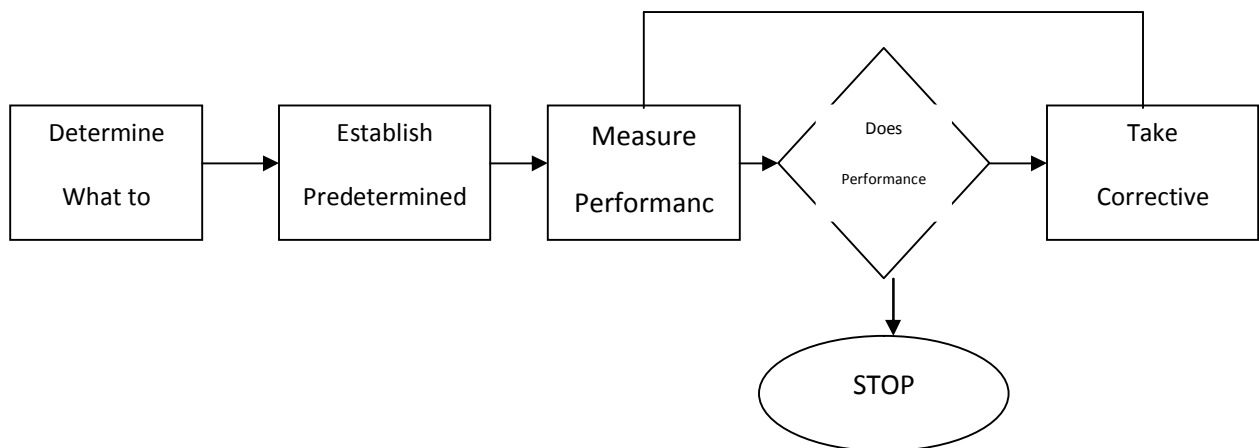
2.20 Strategy Evaluation and Control

Strategy evaluation and control systems are an important component of the strategic management process as this process assists in monitoring changes in the environment and this facilitates the timely adjustments to the vision, objectives and strategy. According to Wheelen & Hunger, (2003) strategy evaluation and control ensures that an organization is achieving what it set out to accomplish. A strategy evaluation and control system monitors how the organization is

performing relative to its strategic plan and this ensures that an organization stays on track in its strategy implementation efforts. According to Sterling (2003) effective corporate strategy implementation requires continual monitoring of progress of the competitive environment, of customers satisfaction and of the financial returns generated by the strategy. Stirling concludes by emphasizing that monitoring is meaningless if it is not accompanied by accountability and change when change is warranted.

Wheelen & Hunger (2003) argue that an evaluation and control process must be put in place during the strategy implementation stage in order to ensure that the set strategic objectives are accomplished. According to Lynch (1997) for successful corporate strategy implementation, there is need to monitor the main elements of strategy and its objectives.

They further argue that strategy evaluation and control process has five distinct steps as depicted in the figure below.



Source: Wheelen T.L & Hunger J.D. (2003); 8th Ed Strategic Management and Business Policy: Pearson education, India

Figure: 2.6 Evaluation and Control Process Model

According to Stahl and Grigsby (1997), strategy evaluation and control systems monitor the main elements of strategy and entail the evaluation of the appropriateness of the objectives and the strategies, as well as subsequent control of performance. At the operational control level, the system accepts the objectives and attempts to control operations in accordance with the plan. The crucial point for both systems is that information should be made available to the decision makers in time for them to be able to take corrective action.

Information from the monitoring and control systems can be used to assess resource allocation, monitor progress during implementation stage and to evaluate the performance of individual managers as they go about achievement of their implementation tasks (Lynch, 1997). Lynch furthermore, states that the information generated from the monitoring and control system can be used to validate the assumptions and projections that were made during the strategy formulation stage and also to monitor the environment for significant changes. The information can also provide a feedback mechanism that can be used to fine tune the strategy implementation process. Lynch, (1997) strategy implementation is unlikely to achieve desired outcomes if there are no implementation plans in place. Carrol, (2000) stresses that strategies must be implemented through goal setting and review processes during that ògoals help to focus attention on the activities and results needed to achieve certain ends.

To this end, organizations should develop implementation plans detailing who will do what and when. The progress on the attainment of objectives set out in the implementation plans should be reviewed periodically. This involves performing a full ó scale review of the strategy periodically at pre ó scheduled intervals. The objective of the reviews is to make necessary

changes to the strategy if the assumptions made during the planning stage do not hold on the wide scope of the process; the frequency of such reviews is usually limited to once in one or more years.

2.21 Chapter Summary

From the reviewed literature, it is evident that strategic management is not easy to implement. The effective strategy formulation and implementation depends on a variety of factors and the critical ones being communication, strategic leadership, organizational culture, organizational structure and training and development. The research explored the extent to which the identified variables affected the effectiveness of strategic management processes for the National Housing Enterprise in Namibia. The next chapter dealt with the methodology used to gather data pertaining to these issues.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Rationale of the Methodology

This study is a qualitative research which investigates strategy implementation at the National Housing Enterprise in Namibia. The interpretive research strategy was used in gathering data that was used in this descriptive qualitative approach. Qualitative research focuses on phenomena that occur in natural settings and involve studying those phenomena in all their complexity (Leedy and Ormrod, 2010). In this case, this research seeks to examine the variables that influence strategy implementation at the National Housing Enterprise in Namibia.

3.2 Research Design

The study is a qualitative research which assesses the factors that influence strategy implementation at the National Housing Enterprise in Namibia. It is descriptive in nature and rooted in Case Study that is an interpretive methodology that looks in in-depth on a particular event or situation. This approach allows the description of the situation qualitatively. Interpretive research strategy enables the researcher to gain new insights about a particular phenomenon, develop new concepts or theoretical perspectives about the phenomenon and discover the problems that exist with phenomenon (Leedy and Ormrod, 2010). In this case, the phenomenon explored is strategy implementation at the National Housing Enterprise in Namibia.

By using descriptive research strategy, the researcher intended to describe and interpret the characteristics of the existing phenomenon on strategy implementation in Namibia. The researcher sought to discover answers to questions relating to the fundamental characteristics that define the research subject of the factors that influence strategy implementation. Saunders, Lewis, and Thornhill (2003) indicate that the object of descriptive research is to portray an accurate profile of persons, events or situation. Collis & Hussey (2003) defined research design as a science or art of planning procedures for conducting studies so as to get the most valid findings.

3.3 Research Population

Akpo (2006) argued that a research population is the entire group of persons or set of objects and events of interest to the researcher. The population of this research comprised of 110 employees of the National Housing Enterprise. Blanche et al, (2006) concludes that the population selected should be those to whom the research question applies. A sample frame was drawn from the population.

3.4 The Sample size

The sample size is generally determined by the population of the research subjects to be studied. According to Leedy and Ormrod (2010), he argued that if the population is less than 100, do not sample, survey the entire population. If the population size is around 500, sample 100.

However, there are no hard and fast numbers that represent the correct number of participants in a qualitative study. According to Gay et al (2009), he argued that qualitative studies can be carried out with a single participant or, when studying multiple contexts, may have as many as 60 or 70 participants. They further argued that, there are two general indicators used to determine whether a sample is of sufficient size, namely representativeness and redundancy of information. Redundancy of information can only be ascertained after collection of field data, this is at the data analysis stage. For this study, the sample size was 3 executive management, 8 middle management, and 8 senior staff members.

3.5 Sampling Procedure

Leedy and Ormrod (2010) argued that there are two main types of sampling methods that include probability sampling and non-probability sampling. In this study, purposive probability sampling technique was used to select the sample frame. Welman et al. (2005) stated that purposive probability sampling enables each member of the population to have the same chance of being included in the sample. The primary consideration in purposive sampling is the judgment of the researcher as to who can provide the best information to achieve the objectives of the study. The researcher only goes to those subjects who in the researcher's opinion are likely to have the required information and be willing to share it (Horn, 2009, Kumar, 1999). In this case employees of the National Housing Enterprise, senior staff, management, and executive management were hand-picked for this research on the basis of relevance to the theory/issue

being investigated and privileged knowledge or experience about the research topic. Purposive sampling was selected as the researcher already knows something about the specific universe or events and deliberately selects the particular universe because they are seen as instances that are likely to produce the most valuable data (Denscombe, 2010). The purposive sampling technique was used to select a sample of 19 respondents using purposive sampling technique. This procedure was used to ensure that each participant had a chance of being included in the sample.

However, although purposive sampling may be very appropriate for certain research problems, it can result in sample bias as the selection of the participants is determined by the researcher. It is therefore impossible to evaluate the extent to which such samples are represented of the relevant population thus not possible to generalize the results (Welman, Kruger, and Mitchell, 2012). The participants profile is outlined in Table 3.2 below.

3.6 Research Instrument

The researcher made use of a Case Study. Extensive data were gathered from the senior staff members, management, and the executive management concerning strategy implementation in the National Housing Enterprise in Namibia. Three focus group discussions were conducted over a period of 2 days at their availability and convenience. Dual Moderator Focus Group was conducted. Focus group discussion was selected because it can provide accurate information, is less expensive than other traditional research methods.

3.7 Pilot Study

To ascertain the efficacy of the research instruments, a pilot study was carried out to identify areas that require revision and correction, to refine the research instrument. One focus group

(Senior Staff) from the study was used as a pilot study. Weaknesses of the design that includes questions, comments and inputs from the subjects used for the pilot study were identified and improved. Some questions were re-phrased, some discarded and some new questions were added to the focus group question guide. The pilot study helps the researcher to have greater insight and to establish the reliability and validity of the research instruments (Bell, 1999).

3.8 Data Collection Procedure

The researcher prepared a focus group question guide where questions were based on predetermined notions and were listed. With permission of the subjects, a Dictaphone was used to record the conversation for transcription after the focus group discussion. Focus group discussions were conducted with the middle management and the executive management groups.

3.9 Data Analysis

Interpretive researchers attempt to derive their data through direct interaction with the phenomenon being studied. An important aspect of data analysis in qualitative case study is the search for meaning through direct interpretation of what is observed by themselves as well as what is experienced and reported by the subjects. Bogdan and Biklen (2003) defined qualitative data analysis as "working with the data, organising them, breaking them into manageable units, coding them, synthesising them, and searching for patterns".

The aim of analysis of qualitative data is to discover patterns, concepts, themes and meanings. In case study research, Yin (2003) discusses the need for searching the data for "patterns" which may explain or identify causal links in the data base. In the process, the researcher concentrates on the whole data first, then attempts to take it apart and re-constructs it again more

meaningfully. Categorisation helps the researcher to make comparisons and contrasts between patterns, to reflect on certain patterns and complex threads of the data deeply and make sense of them. The process of data analysis begins with the categorisation and organisation of data in search of patterns, critical themes and meanings that emerge from the data. A process sometimes referred to as 'open coding' is commonly employed whereby the researcher identifies and tentatively names the conceptual categories into which the phenomena observed would be grouped. The goal is to create descriptive, multi-dimensional categories that provide a preliminary framework for analysis.

These emerging categories are of paramount importance as qualitative researchers tend to use inductive analysis. In a case study like this one, the data collection and analysis can also go hand in hand in an iterative manner in that the results of the analysis guide the subsequent collection of data. Data collection and analysis inform or drive each other, with the result that the analysis becomes a higher level synthesis of the information. The iterative cycle was repeated and discussions that emerged were checked and revised as the process continues. In this study, the interview results were recorded and transcribed. The individual responses were analysed, compared and categorised. The collected data was interpreted and explained against the relevant research questions.

For the purpose of this study, data were analysed only qualitatively. The process followed in analysing and presenting the data was based on a data analysis depicted in figure 1, below. The model was derived from the logic model approach. Actor-Network theory (ANT) could have been appropriate framework to use in this study. The theory is a philosophical approach which attempts to comprehend complex social situations by paying attention to relation elements, referred to as associations (Latour, 2005). Initially, the theory emerged as a way to study the

process of producing scientific knowledge (Shapin, 1995). The theory focuses on human and non-human actors (in form of ideas), (Sheehan, R, 2010). This underpins the weaknesses of the theory. The theory is further compounded by its focus on investigating micro-contexts (Mclean and Hasard, 2004). The theory only provides structural explanations. Given these limitations, the theory was not used in this research.

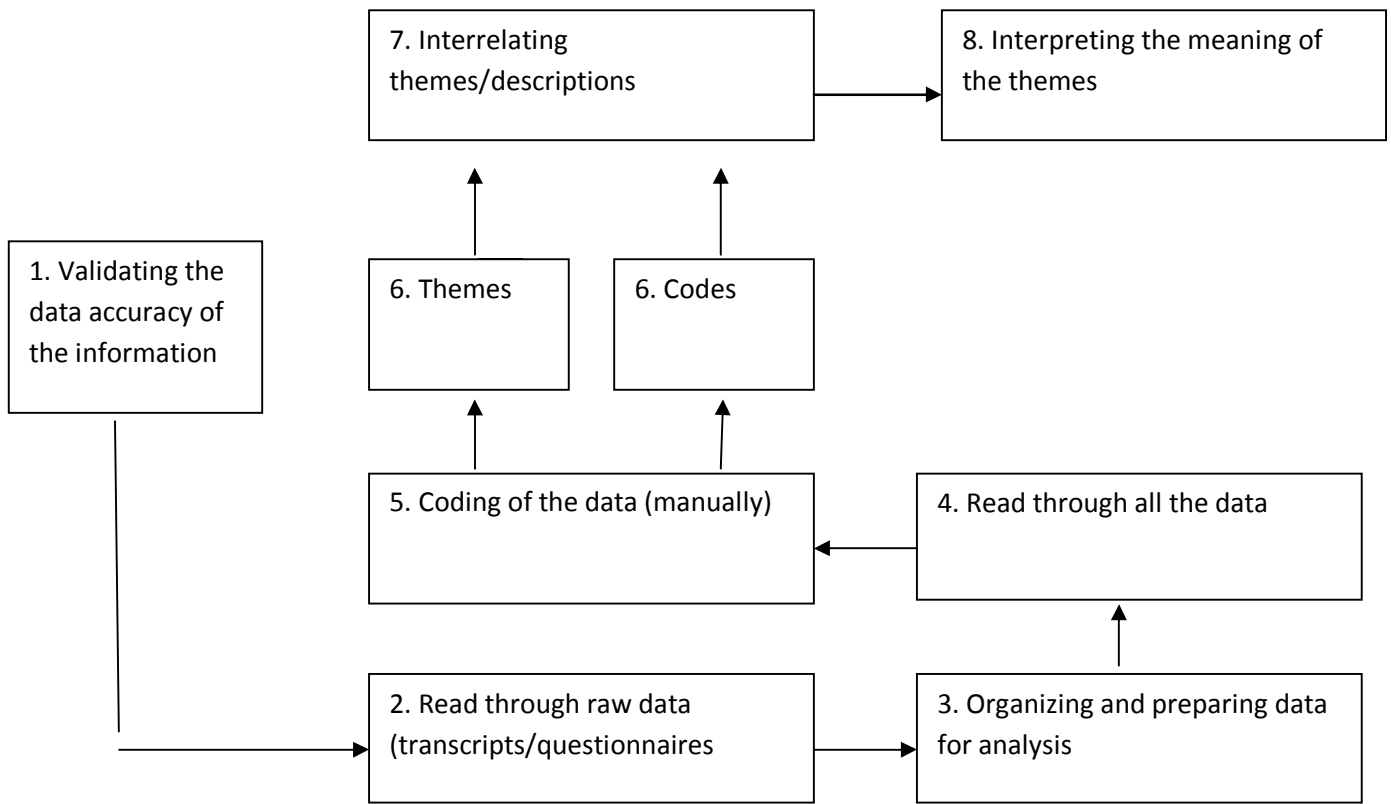


Figure 3.1: Data Analysis process (Cresswell, 2009)

Figure 3.1 above depicts the various steps that are involved in the explanation of the data analysis model. The steps range from step 1 up to step 7.

Step 1: Involves the validation of data for accuracy of information. In this process, the researcher validated the accuracy of the data transcribed by professionals, by reading through each transcription several times comparing them against their respective recordings.

Step 2: In this part process of data analysis, the researcher carefully read through all raw data of the transcripts several times to get a general sense of the information and to reflect its overall meanings and identify themes and sub-themes of the focus group discussion.

Step 3: The researcher organised and prepared the data for analysis by sorting and organizing the data into different categories/themes as per sub question formulated from the main research question.

Step 4: The researcher read through all data carefully once again. The reasons were to find out what participants are really saying, what ideas emerge from the data and what is the impression of the overall depth, credibility, and use of the information. At this stage the researcher started to look for general patterns, similarities and differences in the responses from the subjects.

Step 5: This stage outlines the coding system used in this research. The researcher began by making detailed analysis with a coding process. In this case the researcher only coded the interviewees as SS1, SS2, SS3, SS4, SS5, SS6, SS7, SS8, MM1, MM2, MM3, MM4, MM5, MM6, MM7, MM8 and EM1, EM2, and EM3 respectively.

Step 6: At this stage, themes and sub-themes are identified. The researcher focuses on themes and sub-themes predetermined from the sub-questions of the main research question by organizing the material into segments of text before bringing meaning to information. Data were then fit to these themes and sub-themes through sentence construction. The procedure involves organizing the data according to a data analysis memo/summary, by tabulating it under the sub

questions of the main questions. Themes were formulated based on the questions under each sub question.

Step 7: Is the final step in the data analysis process that involves making an interpretation or meaning of the data. Data were interpreted by means of reading with understanding what emerged from the themes and the sub-themes according to the information provided by the subjects' personal opinions, experience and appreciating the study based on employees understanding of strategy implementation in the company.

A summary of the overall analysis of the raw data was then given under each sub question based on the information gathered under each theme and sub-theme. Discussion of the findings was based on an integration of the researcher's personal interpretation with a meaning derived from a comparison of the findings with information assembled from the literature or theories. This could result in either a confirmation of past information or a divergence from it, or could also suggest new questions that could be asked or questions raised by the data and analysis that the researcher had not foreseen earlier in the study. However, these are discussed in chapter five of the thesis; discussion of findings, conclusion and recommendations.

3.10 Reliability and Validity

Two experts were identified and asked to rate the reliability of the focus group question guide. The degree of agreement of the two experts determined the reliability of the focus group question guide. Welman et al. (2005) stated that if the research finding can be repeated, it is reliable. On the other note, Maree (2009) described reliability as the extent to which a measuring instrument

is repeatable and consistent. The inter-rater reliability was used to rate uniformity of the focus group question guide. Maree (2009) defined content validity as the extent to which the instrument covers the complete content of the particular construct that it is set out to measure. Face validity and content validity are the two forms of validity that were used to measure what was to be set out in the focus group question guide.

3.11 Ethical Considerations

Welman, Kruger and Mitchell (2005) stated that ethical behaviour is important in research, as in any other field of human activity. Welman, Kruger and Mitchell (2005) further explained that principles underlying research ethics are universal and concern issues such as honesty and respect for the rights of individuals. In respect of this study, the researcher observed the research ethics throughout the study. Leedy and Ormrod (2010) also stated that researchers should not expose research participants to unnecessary physical or psychological harm. Furthermore, Leedy and Ormrod (2010) argued that researchers must keep the nature and quality of participants' performance strictly confidential. This means that ethical issues of participants' rights and privacy were considered in this research. The information gathered in the study remains confidential and identity anonymous. The researcher sought consent from the respondents to conduct the study before carrying out the study.

3.12 Conclusion

This section dealt with the methodology employed in this study. The research approach, method and the research process is covered and explained in this chapter. The methods of collecting data by means of focus group question guide have been explained. Finally, the need for ethical consideration in carrying the study was considered.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.0 Introduction

This study focused on how the National Housing Enterprise can successfully implement the agreed strategy in order to turn around the organization. This chapter focuses on the presentation analysis and discussion of data collected based on the research objectives and research questions. In discussing the research findings, a comparison of the results obtained during the study to the literature reviewed in Chapter 2, was also undertaken with a view to identify similarities and departures from the knowledge gained from other authors.

4.1 Objectives of the Research

The objectives of this study revolve around the following;

- i. To identify and evaluate how the National Housing Enterprise implement its strategic plan.
- ii. To find out why the National Housing Enterprise failed to fully implement its strategic plan.
- iii. To indentify the challenges and impediments that hampers the implementation of the strategic plan at the National Housing Enterprise.
- iv. To assess and find out ways of improving strategy implementation at the National Housing Enterprise.
- v. To make recommendations on strategy implementation at the National Housing Enterprise.

4.2.1 Primary Data Analysis

The aim of collecting primary data was to establish the respondents' views on how the National Housing Enterprise implement its strategy and use the data gathered to determine patterns and ultimately draw conclusions on the research problem.

4.2.2 Sample Description

The respondents were characterized and code named. Table 4.1 below depicts the coded respondents who participated in this research.

Table 4.1: Participants Profile

n = 19

Participants Profile	SS1	SS2	SS3	SS4	SS5	SS6	SS7	SS8
Designation	Fin, Hr & admin	Corp Communications	Fin, Hr & Admin	Technical Services	BD & Ops	Legal & Debt Management	BD & ops	IT Department
Years of experience	12 years	7 Years	28 years	6 years	14 Years	6 years	15 years	6 Years
Gender	F	M	F	M	F	F	F	M
	MM1	MM2	MM3	MM4	MM5	MM6	MM7	MM8
Designation			Strategic Infor Mgment Serivces	BD & Operations	Fin, Hr & Auxili ary	Regional Manager	Fin, Hr & Auxili ary	Procurement Manager

Years of experience			7 years	7 years	2 months	6 years	2 months	1 year 4 months
Gender			M	M	F	M	M	F
	EM1	EM2	EM3					
Designation	Senior Mger Tech Services & Prop Mgmt	Senior Manager: Fin & Admin						
Years of experience	6 years	5 years						
Gender	M	M						

Source: Survey Data

Table 4.1 above reflects the participants profile matrix, showing the designation of participants, years of experience, gender and type of business. The information helps the researcher to understand and appreciate the relationship between the participant and the company under investigations.

4.3: Themes and Sub-themes Interpretation

A summary of the overall analysis of the themes and sub-themes of the collected data is discussed under this section. Discussion of the findings is based on the respondents output and the integration of the researcher's interpretation and meanings derived from relevant literature and theories reviewed. The findings either confirm historical results or refute it. At times, the findings suggest new questions that could be asked, derived from the analyzed data. The interconnectedness of the findings is discussed in the next chapter five of the study. The next section will give a breakdown of the data analysis memo used.

4.3.2: Summary review of focus group discussion questions (Management)

Summary Data: Sub Questions		
1. How have you been involved in strategic implementation of the NHE?		
1.0	Themes and Sub-themes Interpretations/Reflections/Observations	Participants Responses
1.	Theme 1: Involvement in strategic implementation	
	<ul style="list-style-type: none"> • How? 	MM4: ö. I am fairly new in the organization and my contribution has not been all that much..ö

		<p>MM6: ò..So in terms of the strategic schemes that we have currently in terms of the demand for housing is that we at the business level make sure that we have people that are competent currently. ..ö</p> <p>óí .we work together with technical services..ö</p> <p>ò..From grade B development the initiatives we are currently also involved in trying to get a strategy for ground, although it has not been fully, totally talked about at this particular point in timeí ö</p> <p>MM2: óí I think a number of fifteen to sixteen managers, who were taken off site and they came up with a strategy plan which is, I think, commendable from the NHE side if they have followed that approach that all the key players, especially management, was part of the formulation of the strategy planí ö</p> <p>MM1: óí are supporting services and we are supposed to help the colleagues to</p>
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		<p>achieve those objectives that are set in the strategyí ö</p> <p>õí So in terms of my role as a support function it is to, for example, enable the main players in this equation to be able to have all the equipments and also enable them to be able to operate those equipmentsí ö</p> <p>õí .we have for some of the business units successfully implemented what was due now from our side to be able to enable the colleagues to do their job..ö</p> <p>MM3: ö..My role in the strategic planning process is to facilitate the procurement process and since my involvement with NHE we have been involved with a few, especially on the tendering process, because we are a support function..ö</p> <p>õí Our role is to make sure that the procurement process is properly facilitated..ö</p> <p>MM4: ö.. There was a gap in the implementation because employees were</p>
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		<p>not trained or informed about the strategy and its implementation..ö</p> <p>MM1: öí there was the strategic planning where the main core members were in and then we did the second level which was process mapping which is now most of the operational people were involved in thereí ö</p> <p>öí Now that lineage between the strategy and the processes may not have been properly explained as to you are doing this process in order to achieve thisí ö</p> <p>öí The whole Management is well-acquainted with the strategy but majority employees do not understand the objectives that the company need to achieve..ö</p> <p>MM1: ö.. General staff are being introduced to the process now but the whole strategic process was not properly filtered in to all employees..ö</p>
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Summary: Theme 1 and Sub-theme 2: Involvement in strategic implementation and the how, part?

Six opinions were given by the six respondents.

- Agreed that senior staff members were not trained or adequately informed and involved in the strategic implementation (**MM1, MM2, MM3, and MM4**)
- Were involved in the implementation stage at business level (**MM6, MM1**)
- All the 15 to 16 managers who initiated the strategy failed to implement it (**MM2**)
- Was involved in facilitating the procurement process (**MM3**)
- All key members were involved in the strategic planning and all operational employees are involved in the process mapping (**MM1**)
- General staff are being introduced to the process now but the whole strategic process was not properly filtered in to all employees (**MM1**)

2	<p>Summary Data: Sub-question 2:</p> <p>2. Think back over all the years that you've participated in the implementation process and tell us your memory about the implementation.</p>	
	<p>Sub-theme 2:</p> <ul style="list-style-type: none"> • Memories of the implementation 	<p>MM4: ö.The most challenging thing, the first thing that I can think of about implementing the strategic plan is obtaining financing. ..ö</p>

	<p>MM6: ÷..Got the feeling that we were doing things haphazardly ..ö</p> <p>÷..Was quite disappointed to find out that none of the particular things planned were actually implemented..ö</p> <p>MM2: ÷..Things have been done haphazardly in pockets and not a follow-through, a thought through process was followed and also I keep asking myself at what point did we review our five year plan strategy...ö</p> <p>MM3: ÷..If you look at the implementation part we are lacking a bit. We don't implement fully what we were supposed to be doing...ö</p> <p>÷..We are implementing, but maybe it's half, not hundred percent of what we were supposed to be doing...ö</p> <p>÷..I think, Management when it comes to the strategic plan it needs a review, review and then monitoring and execute for us to</p>
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		see how far it, we will go..ö
		MM2: ö.I have a feeling that we operate in silos. The one hand doesn't know what the other hand is doing..ö
		<p>ö..There is no opportunity for the Executive committee to bring down to the functional level to filter the information down, downstairs...ö</p> <p>MM3: öI think on the part of communication we lack information there, because we are not sharing. We don't know what is happening within the whole organisation í ö</p> <p>MM4: öRealign our strategic plan to include communication..ö</p> <p>MM6: ö..Certain things that you need to discuss at a middle management level that actually are critical to the success of the company are not discussed freely, because of the presence the Executive committee members and that might inhibit basically</p>

		<p>things that are very critical at the ground level that needs to be addressed..ö</p> <p>ö.I donø think that there is that total openness from everybody to participate. ..ö</p> <p>ö.You would find that ordinary employees, not ordinary, but staff members that are not management positions are better informed than the middle man and that is a true fact. .ö</p>
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Summary: Theme 2, Sub-theme 1,

Summary opinion of memories of the implementation of the strategic plan

Responses given by the respondents

- Major challenge of the implementation was obtaining finance **(MM4)**
- The whole implementation process was done haphazardly **(MM6, MM2)**
- Failed to implement what we were supposed to implement **(MM3)**
- Management need to periodically review the implementation plan **(MM3)**
- We operate in silos, where one does not know what is happening in another department **(MM2)**
- There is lack of communication about the implementation process **(MM3, MM4)**
- Lack of openness to participate by junior level employees since they fear the executive management **(MM6)**

- Company information is a preserve of certain employees, especially very junior ones
(MM6)

Summary: Sub-theme 2,

Summary opinion of respondents;

- Lack of proper communication of information exists in the company
- There is evidence of failure to properly follow the implementation process
- There is no openness to participate by employees and this shows that employees are not empowered
- Employees have no feeling of belongingness and they feel that they are not part of the implementation process.

4.2.2: Summary review of focus group questions (Management)

Summary Data: Sub Questions	
3. Think back over the past year of the implementation of the strategy and tell us what went particularly well or wrong?	
Themes and Sub-themes	Participants Responses
Interpretations/Reflections/Observations	
Theme 1: Reflections of strategy implementation	

	<ul style="list-style-type: none"> • What went well 	<p>MM6: ÷ On delivery of houses, we made a plus since we managed to build over 600 units against a target of 1200 houses/units.</p>
	<ul style="list-style-type: none"> • What went wrong 	<p>MM1: ÷..I think our budgeting process didn't go too well.ö</p>
<p>Summary Data: Sub-Question 4</p> <p>4. What do you think needs improvement in the implementation process?</p>		
	<p>Sub-theme 2</p> <ul style="list-style-type: none"> • What needs improvement in strategy implementation 	<p>MM4: ÷Increase communication between parties involved..ö</p> <p>÷..I think the realignment or the revisiting of the strategic plan should be done more regularly and then monitored..ö</p> <p>÷..I think monitoring was also lacking quite a bit which hampered the implementation of the strategic plan..ö</p> <p>÷..To draft a strategic plan in 2006 and then</p>

		<p>only review it in 2010 in my opinion I think strategy should be reviewed and realigned on an annual basis..ö</p> <p>MM6: ö..Everybody in the organisation should know right down from the low level need to, up to top level need to know your priorities. .ö</p> <p>MM6: ö..Need to improve on communication..ö</p> <p>MM4: ö..Need to communicate new values to all employees..ö</p> <p>MM3: ö..I think on the implementation as well we need to look at the past, how we have done it, and look forward how will we do it, are we doing correctly. The, our targets, are we meeting our targets and deadlines that we are putting for ourselves?...ö</p> <p>MM2: ö We need to do this kind of discussion on our own as a company, and not to wait for a research to be conducted..ö</p>
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	<p>Summary: Theme 4, Sub-theme 1,</p> <p>Summary opinion of what needs improvement in the strategy implementation at NHE</p> <p>Responses given by respondents</p> <ul style="list-style-type: none"> • Need to increase on communication (MM4, MM6) • Need to periodically review the strategic plan (MM4, MM3 and MM2) 	
	<p>Summary Data: Question 5</p> <p>5. Suppose that you were in charge of the implementation and could make one change that would make the implementation process better. What would you do?</p>	
	<p>Sub-theme 5</p> <ul style="list-style-type: none"> • Changes that would improve the implementation process 	<p>MM3: “..Will grow our loan book..ö</p> <p>MM4: ö.I think I would improve the synergy between the business units...ö</p> <p>MM6: ö..bring up more leadership to make sure that you communicate well..ö</p> <p>MM1: ö..I will create a right structure and make employees accountable..ö</p>

		<p>MM4: ðWill incentivise personnel in order to implement the strategic planí ö</p> <p>MM2: ðWill introduce performance management system and reward employees accordingly..ö</p> <p>MM5: ð.I think we need to educate our employees whether they should take responsibility to say that nobody's working or somebody, we are all working for NHE.ö</p> <p>MM3: ð.I think we need to move with change, change management within the organisation..ö</p> <p>MM3: ð.We need to educate our staff. The entire organisation must be prepared for that change otherwise ...ö</p> <p>MM1: ð..We need the hardcore and just say do what you're supposed to doí ö</p> <p>MM2: ð.I think the big challenge that we have is that mentality chain that we have to change starting from top to the bottom..ö</p>
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	<p>Summary: Theme 5, Sub-theme 1,</p> <p>Summary opinion of changes that would improve the implementation process</p> <p>Responses given by respondents</p> <ul style="list-style-type: none"> • Grow the loan book (MM3) • Improve the synergy between the business units (MM4) • Create right structure and make employees accountable (MM1) • Introduce performance management system and reward employees accordingly (MM4, MM2) • Educate employees (M3, MM5) • Change employee mentality (MM2, MM3) 	
	<p>Summary Data: Question 6</p> <p>6. What can each one of us do to make the strategy implementation better?</p>	
	<p>Sub-theme: 6</p> <ul style="list-style-type: none"> • What can each employee do to 	<p>MM5: öWe must take responsibility and accountability...ö</p> <p>MM2: ö..Must take individual and shared</p>

	<p>make the implementation better</p>	<p>accountability..ö</p> <p>MM1: öMust take accountability and ownership..ö</p> <p>MM6: ö..Have more workshops where we can have a common understanding. ..ö</p> <p>ö..</p>
	<p>Summary: Sub Question 7</p> <p>7. Of all the things we've talked about the strategy implementation at NHE, what is most important to you?</p>	<p>MM6: “..Probably say you would hope that all the themes in the strategic plan would be important, but for me one thing stands out and that is resources. If you don't have resources then you cannot implement.</p> <p>MM4: ö.. Communication..ö</p> <p>M3: ö.. Monitoring and evaluationö</p> <p>MM1: ö..I'd love to see leadership, taking ownership and push the masses to follow, what's that word? ö</p> <p>ö.. Taking ownership of the project..ö</p> <p>MM3: ö..Want to see implementation happening..ö</p>

	<p>Sub-theme: 8: Suppose you have one minute to talk to the CEO about strategy implementation in NHE what would you say.</p>	
	<p>Sub-theme 8: One minute advise</p>	<p>MM2: “..Mr CEO let’s reconvene..ö ö..Let’s look at the lessons learned from the past four years, let’s start tomorrow. No really I say Mr CEO let’s reconvene, let’s look at our strategy document and let’s look at the lessons learned from the past..ö M6: ö..I would say that, CEO we have a brilliant plan that meets the institution, but how will we execute it. .ö ö..Stay focussed in terms of the company vision..ö ö..to get every manager onboard and have them informed as to what is happening within the organisation..ö öí To be honest and open so that he can harness basically the talent and the skills by also convening regularly all those people to drive the organisation forwardí ö MM4: ö..Obviously, I would not have</p>

		<p>something to say. I would have something to ask. Mr CEO, when will we start implementing our strategic plan? ö</p> <p>MM1: ö..I would also ask a question. I will say what is your plan to implement that strategy, because for me thatø still the thing which has been lacking out of the equation is for a leader to pronounce himself to say guys, this is how I want this thing doneí ö</p> <p>MM3: ö..I think I will also ask a question. What will be the turnaround time of the strategic plan for implementation? ö</p> <p>MM5: ö..Implement the strategy and then make a review after three or six months to see the resultí ö</p>
	<p>Summary Data 9: Now that we have talked a lot about strategy implementation at NHE, is there anything else that you might want to add in our discussion.</p>	

	<p>Sub-theme: Recommendations</p>	<p>MM4: “.. Need to change organizational culture..ö</p> <p>MM3: ö..Improve on communication..ö</p> <p>MM6: “..We should get serious, we should get our house in order and incubate the right people and reward them accordingly..ö</p> <p>MM1: ö.. Need to reorganize ourselves and assign responsibilities to each employee..ö</p>
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Source: Survey Data

4.2.2: Summary review of focus group questions (Executive Management)

<p>Summary Data: Sub Questions</p> <p>1. How have you been involved in strategic implementation of the NHE?</p>		
1.0	<p>Themes and Sub-themes</p> <p>Interpretations/Reflections/Observations</p>	<p>Participants Responses</p>
1.	<p>Theme 1: Involvement in strategic implementation</p>	

	<ul style="list-style-type: none"> • How? 	<p>EM1: „Was involved in the initial crafting of the strategy and I am also involved in the implementation process..“</p> <p>“ I am responsible for houses to ensure that we actually build the houses..”</p> <p>EM2: “ Involved in financing the strategic implementation..”</p>

Summary: Theme 1 and Sub-theme 2: Involvement in strategic implementation and the how part?

The three respondents gave three opinions.

- Crafting the strategy (**EM1, EM2, EM3**)
- Implementation of the crafted strategy (**EM1, EM2, EM3**)
- Financing the implementation (**EM2**)

2	Summary Data: Sub-question 2:
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	<p>2. Think back over all the years that you have participated in the implementation process and tell us your memory about the implementation.</p>	
	<p>Sub-theme 2:</p> <ul style="list-style-type: none"> • Memories of the implementation 	<p>EM1: ð.I think my memories are very positive in the sense that we did not just look at the challenges that we encounter but, we took the challenges as they come..ö</p> <p>ö.We bought the land and service it and borrow money to buy the land and service it..ö</p> <p>ó We managed to find solutions to the challenges that we faced during the implementation process..ö</p> <p>EM2: ð.Maybe it was a blessing in disguise that we were not supported by Government, because we have come up with strategies really that are sustainable...ö</p> <p>ö.Currently we have a partnership with the private sector where we mobilise funding through bridging finance, through</p>

		<p>tentative solutions, through and user financing which are self-financing programs of our products. ò</p> <p>ò..Because of innovative ways of actually partnering with the private sector, we have increased on number of units being built per year although we failed to meet the target..ö</p>
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Source: Survey Data

Summary: Theme 2, Sub-theme 1,

Summary opinion of memories of the implementation

Responses were given by the respondents as follows;

- Faced challenges during the implementation and managed to overcome them **(EM1, EM2)**
- Partner private developers, borrow money to finance project, service land **(EM1, EM2)**

Summary: Sub-theme 2,

Summary opinion of memories of the implementation

- Used innovative means to overcome challenges during implementation **(EM1, EM2)**

4.2.2: Summary review of focus group questions (Executive Management)

Summary Data: Sub Questions 3

3. Think back over the past year of the implementation of the strategy and tell us what went particularly well or wrong?

	<p>Themes and Sub-themes</p> <p>Interpretations/Reflections/Observations</p>	<p>Participants Responses</p>
	<p>Theme 1: Reflections of strategy implementation</p>	
	<ul style="list-style-type: none"> • What went well 	<p>EM1: ð..We have been able to structure the financial struggle and find alternative ways of raising funds.</p> <p>ð..Implemented those projects like in Walvis Bay we built probably our largest single project in one location of three and six houses was done with this partnership..ð</p> <p>EM2: ð Agree with what EM1 said.</p>
	<ul style="list-style-type: none"> • What went wrong 	<p>EM1: ð..What has not gone very well</p>

		<p>maybe I can mention is that maybe the capacity constraints, human resource capacity constraints. ..ö</p> <p>ö.Were constrained by the fact that one of the strategic objectives was also to minimise costs in a possible joining..ö</p> <p>ö..So I think that is the negative part that we were not able to expand the organisation to (indistinct), but of course we were got ways around that through outsourcingí ö</p> <p>EM2: ö..The challenge we had was to grow our loan book by above at least a minimum of the deduction rate which we have not been able to achieve obviously because of some finding issues..ö</p> <p>ö..Missed the target of implementing the performance management system..ö</p> <p>ö..Another target that we are finding a challenge is our loan book arrears. Arrears under normal circumstances if you look at the banking institution your arrears should stand around five percent (5%) of the loan</p>
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		book. Ours is ranging between eight (8%) to ten percent (10%)í ö
Summary Data: Sub-Question 4		
4. What do you think needs improvement in the implementation process?		
Sub-theme 4	<ul style="list-style-type: none"> • What needs improvement in strategy implementation 	<p>EM2: öWe need to work on our resources, I think capacity-wise basically. ..ö</p> <p>ö..Need to re-capitalise technical services..ö</p> <p>öí Should have constant funding by government and consistent commitment..ö</p> <p>EM1: ö.. Need to stream-line processes..ö</p>
Summary Data: Question 5		
5. Suppose that you were in charge of the implementation and could make one change that would make the implementation process better. What would you do?		
Sub-theme 5		EM1: “..Need autonomy to run the organization, taking care of the whole

	<ul style="list-style-type: none"> Changes that would improve the implementation process 	<p>process once everything is agreed upon and agreement signed.. .ö</p> <p>EM2: ö.I would target land proclamation, everything to do with Land Boards and what have you, I would restructure that completely so that that process is shortened times ten or divided by ten in terms of the time, because if you don't do that one then the construction of houses is automatically undermined. So for me if I was to make a change I would start from that..ö</p>
<p>Summary Data: Question 6</p> <p>6. What can each one of us do to make the strategy implementation better?</p>		
	<p>Sub-theme: 6</p> <ul style="list-style-type: none"> What can each manager do to make the implementation better 	<p>EM1: öLook at, really focus on our strategy output and say look, this is our strategic output, this is how we are going to</p>

		<p>operationalize it on a weekly basis and check how we implementing our strategy</p> <p>..ö</p> <p>EM2: ö..For me I think it is just commitment really. I think we just need to be more focused which we have not been.</p> <p>..ö</p>
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Summary: Sub Question 7

7. Of all the things we've talked about the strategy implementation at NHE, what is most important to you?

	<p>Sub-theme: 7</p> <p>Important thing</p>	<p>EM1: ö We need to restructure the business units..ö</p> <p>EM2: ö Present a better organizational structure..ö</p>
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Summary Data: Question 8

Now that we have talked a lot about strategy implementation at NHE, is there anything else that you might want to add in our discussion.

	<p>Sub-theme: 8</p> <p>Recommendations</p>	<p>EM1: “..Formulate an agenda which focuses on the planned strategy..ö</p> <p>ö..Executive commit members need to be able to measure operations and achievements in relation to the strategyí ö</p> <p>EM2: “..I would tell the CEO that CEO, NHE comes first and the issues of NHE should always come first and the other issues from outside should also come second, because sometimes we spend almost a month without meeting as Executive commit because heø involved elsewhere you know, they need his help at the Ministry, at all levels, and I think Iød remind him that please, you are the CEO of NHE, that is where you are first, other issues come second..ö</p> <p>EM1: “ Government should re-think the creation and existence of State Owned Enterprises..ö</p> <p>ö.. Need to improve on communication</p>
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		when implementing a strategy..ö
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Source: Survey Data

4.4 Summary of Findings

- i. Respondents agreed that senior staff members were not trained or adequately informed and involved in the strategic implementation.
- ii. The whole implementation process was done haphazardly
- iii. Lack of proper communication of information exists in the company
- iv. There is evidence of failure to properly follow the implementation process
- v. There is no openness to participate by employees and this shows that employees are not empowered
- vi. Employees have no feeling of belongingness and they feel that they are not part of the implementation process.
- vii. Overall, the strategy implementation is viewed to be a failure.

CHAPTER 5

Summary, Conclusions and Recommendations

5.0 Introduction

In this chapter, the steps taken in carrying out this qualitative research are re-visited. This study focused on how the National Housing Enterprise can successfully implement the agreed strategy in order to turn around the organization. Critical thematic areas emerged in this study and are linked to literature review. The research objectives of the study have been met.

5.1 Summary of Major Findings

Generally there is much that needs to be done in order to successfully implement the crafted strategy. The thematic themes that emerged in this research revolve around failure by the management to communicate the strategy to employees within the organization and involve all employees in the implementation. The overall opinion of the respondents who participated in this research indicated that the implementation process is a failure since they are not involved (lack of ownership) of the strategy. They believe that the strategy was implemented haphazardly. It also emerged that there is no openness to participate by employees and this shows that employees are not empowered in the implementation process. The respondents believed that if funding is provided, and that they are incubated into mainstream implementations plan, this will enhance and shape the implementation process. Majority of respondents' opinion supported the initiative but questions the implementation process, especially how it was communicated to them.

5.2 Conclusion

The conclusions based on the research study are:

- Management must empower employees in the strategy implementation process through proper communication of the reasons for implementation of the strategy.
- Through empowerment of employees, management should encourage employees to take ownership of the implementation process.
- Adequate training on implementation of the strategy needs to be provided by management so as to enable employees understand the implementation process since implementation driven at business level and practiced at the functional level.

5.3 Recommendations

The major recommendations for this study are:

1. To encourage the National Housing Enterprise management to properly implement the crafted strategy by communicating it well to all employees, train the employees and empower them in the implementation process.
2. Management need to periodically review the strategic plan
3. Grow the loan book
4. Improve the synergy between the business units
5. Create right structure and make employees accountable
6. Introduce performance management system and reward employees accordingly

7. Educate employees on the implementation process through increased workshops
8. Change employee mentality towards implementation
9. Make emphases on monitoring and evaluation of the implementation process
10. There is need to partner with private developers, borrow money to finance projects and service land
11. The executive committee members need to be able to measure operations and achievements in relation to the strategy
12. Fully implement the balanced scorecard approach for strategy implementation.

5.4 Directions for Future Research

- Research is a continuous process. This research study recommends that further research should be undertaken to determine new thematic areas that are not covered in this study.
- Similar research may be conducted in areas not covered by this research which could involve the implementation of new strategy in the company.
- A further research with a change of methodology and widening of scope to cover a larger population would also be recommended.

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Appendix 1: Transcribed Management and Executive Management Audio Recordings

NATIONAL HOUSING ENTERPRISE

(NHE)

FOCUS GROUPS TWO & THREE

Management Focus Group

Executive Management Focus Group

Audio Recording

(Duration 00:57:38)

&

(Duration 00:30:30)

&

(Duration 00:48:34)

MANAGEMENT FOCUS GROUP

MODERATOR: Now from my understanding I believe that most of you you have been involved in the strategic implementation or planning of the organisation, trying to implement the strategy which the board of Directors passed. In that context I would like to know how will you have been involved in strategic implementation of the National Housing Enterprise (NHE) to date. How have you been involved in this whole process of strategic implementation? It's an open forum. If you feel you have something to say you can say. Thus to begin with: How have you been involved in the strategic implementation of the NHE? (Tells joke to group to break the ice) Right so coming back to our contributions where we said: How have you been involved in the strategic implementation of the National Housing Enterprise (NHE) and Number 4 was trying to contribute?

NUMBER 4: No, I just wanted to say that my role in the implementation of the strategic plan hasn't been that much up to now, because I'm quite new at the organisation, but I think at this stage I'm still busy studying the strategic plan. So my contribution was not that much up to now.

MODERATOR: Okay. If we can hear from others. This is an open forum. We encourage you to say anything. There is no right or wrong answer.

NUMBER ?: Ja, in terms of, my involvement in terms of the strategic implementation plan (indistinct) I think that although it has not been (indistinct).

MODERATOR: Okay now ...

NUMBER 6: but although it has not been fully adopted we already started to (indistinct) those critical key areas that needs to be implemented. Now automatically in terms of certain key outputs we will get the self-involvement force, specifically at business level, business development level. It is critical in terms of say for instance a service delivery. There are certain

components in service delivery that needs to be (indistinct) to actually make sure that you have a client that actually benefit from what our products is and the services that we render. Ja, so you must basically do a lot of things in terms of improving what we are currently doing, then also the processes are critical in that regard. So just to mention those are one of the critical areas. And then also in terms of making sure that the demand for housing increases is that you will, then we look at the local authorities, also liaise with them regarding availability of land. Currently we have a situation where land, service land especially is very, very scare so you need to get involved basically to make sure that those things are also obtained from those institutions, although it is not that easy, because there are certain regulations. So in terms of the strategic schemes that we have currently in terms of the demand for housing is that we at the bus level make sure that we have people that are competent currently. I think that a lot of this has to do with also that we work together with technical services, but technical services is not here today. So just to break the ice I just would like to mention those particular critical (indistinct). So ja from grade B development the initiatives we are currently also involved in trying to get a strategy for ground, although it has not been fully, totally talked about at this particular point in time. What is also critical is the fact that in terms of repositioning the organisation in terms of the structure is that we are currently waiting to have those deliverables at the end of the day. So, so what I hear from the HR division is that we are currently moving towards that and their progress is quite slow so it also hampers basically what we are trying to do and give the full service that we need to give the public outside, whether it is internally or whether it's externally. So ja, that is just my contribution for now.

MODERATOR: Thank you very much Number 6.

NUMBER 2: I think I fall in the same boat as Number 4. In fact tomorrow would have been my second month at NHE. I am quite new as well, but what I have learned and understood is that with the strategy formulation, the whole team, the whole Management team, I think a number of fifteen to sixteen managers, who were taken off site and they came up with a strategy plan which is, I think, commendable from the NHE side if they have followed that approach that all the key players, especially Management, was part of the formulation of the strategy plan.

MODERATOR: Thank you Number 2. Any other contribution?

NUMBER 1: Yes, so I think I am one of the veterans that has been around from the beginning so my contribution may be more or less. We devised the, or when we devised the strategy (indistinct) I think the key themes was really to have the, increasing the housing stock, improving the quality and then also growing the business as my previous colleague said. Now most of, there are two main bus units that are responsible for that which is BD and Technical Services. The rest of us, I am from the IT for example, are supporting services and we are supposed to help the colleagues to achieve those objectives that are set in the strategy. So as part of the implementation I think we have implemented some of the themes that are in that strategy, but there are still some that probably need to be even started, if I may say so. So in terms of, my role is now to, as a support function it is to, for example, enable the main players in this equation to be able to have all the equipments and also enable them to be able to operate those equipments. So I could say for example we have for some of the business units we have successfully implemented what was due now from our side to be able to enable the colleagues to do their job, but for some divisions I think that the, there are still some things that need to be defined. You see you can only help someone if they have defined the role that is being played on the other side. So, and I think that's where now we are still trying to find our feet into how do

we enable the colleagues to really perform at their optimum level. From the IT side that's basically what we are busy with.

MODERATOR: Thank you very much Number 1. Yes, Madam, Number 3.

NUMBER 3: Thank you. I have been with NHE for almost a year now.

MODERATOR: Can you just up the voice ja.

NUMBER 3: The voice, okay.

MODERATOR: Ja, for recording purposes.

NUMBER 3: Thank you. My role in the strategic planning process is to facilitate the procurement process and since my involvement with NHE we have been involved with a few, especially on the tendering process, because we are a support function as well to the two departments which is BD and Technical Services which means our process to ensure that the procurement process is smoothly facilitated and the tender process is awarded based on the NHE tendering procedures and process which means that process will be involved once Technical Services informs us that run this tender or procure this type of materials which means our role is to make sure that the procurement process is properly facilitated.

MODERATOR: Thank you Number 3. Any other contribution?

NUMBER 4: I think I have a question. As Number 1 stated he is a veteran here. And especially the implementation, I mean it is, my observation is that the drafting of the strategic plan of 2006 and the review in 2010 there are a lot of critical issues that haven't been implemented. I have a few observations in terms of the implementation thereof and I'm not sure if I'll be correct in stating them, but Number 1 might be able to assist me. Usually most, implementation of most strategic plans the education thereof to the, to all employees within the organisation that is usually a problem with the implementation thereof. In your opinion, how, what is your opinion

in terms of the knowledge that the personnel have of the key strategic issues or let's call it priorities of the strategic plan? Do you think employees are aware of what's in any strategic plan?

NUMBER 1: Thank you. I think the question, I can try my best to answer it this way: There were two main layers involved in this whole process, there was the strategic planning where the main core members were in and then we did the second level which was process mapping which is now most of the operational people were involved in there. Now that lineage between the strategy and the processes may not have been properly explained as to you are doing this process in order to achieve this. I think that still has to be ironed out. You see, because you can follow religiously the process, but do you really understand the strategic objective you are trying to achieve with that process. So that could have been an issue, I mean that's now from my own experience, but the whole Management is well-acquainted with the strategy.

MODERATOR: Uhm.

NUMBER 1: So there's no doubt about that, but for the general staff they are only introduced to the processes at least as far as I am aware, but the strategy may not have filtered down properly. Ja, because at some meetings for example when we had now process mapping and all that I could see there were different levels of understanding of what needed to be done or how things should have been done, because for example general staff, let's say from BD for example, really wanted to have growing the loan book as part of the main priority, but from the Management side, especially maybe from the Exco side and then they understood exactly what they wanted to do and the priority was for example to, what was that, to do the partnering, this thing we are doing that is called, you can come in there, we just want to roll out as many houses in the market as

possible without necessarily affecting our loan book. That's where these banks and other guys are coming into ...

MODERATOR: (Indistinct) finance.

NUMBER 1: to play ja. This ja, arrangement of financing. So you could see the conflicts there, the guys are saying ja, but we are giving our business to the outsiders and we will not be able to reach our targets or our strategy, because we might run out of money for example if we are not growing our loan book and stuff like that. So, and I don't think that thing was ever harmonised really to say look, with the resources we have and all that thing we think this is the way to go for now and growing the loan book for example can become secondary for now until we work out something that can help maybe the company. Luckily then something came up like the mass housing (indistinct). I think it will bring a bit of lift to the company and so on.

NUMBER 4: Now we'll exceed, exceed our targets.

NUMBER 1: Now we will exceed our targets, because of this new thing that was not actually foreseen at that point in time.

MODERATOR: Thank you Number 1. Yes, on the exceeding of targets, when I was going through your strategic plan I noticed that or observed that you were supposed to do about one thousand two hundred units a year which was not realised and now it has doubled or tripled, or I don't know, to eight thousand. Ja, so those are also other issues to think about as we discuss the implementation. Thank you very much Number 1 and Number 4. Any other contribution on our first point? If you are happy we can proceed to the next one. I want you to think back over all the years that you have participated in the implementation process and tell us your memory about the implementation. It's a reflection. I just want you to think back and try to recall what has happened over the past years during the implementation process. Just tell us something which

comes to your mind whenever you think strategic planning at NHE. What is it that rings a bell in your mind?

NUMBER 4: In the short time that I've been here ...

MODERATOR: Yes.

NUMBER 4: the most challenging thing, the first thing that I can think of about implementing the strategic plan is obtaining financing.

MODERATOR: Okay. Thank you Number 4.

NUMBER 6: Ja, I think for me in terms of looking back in terms of implementation of the strategic plan is that there were a myriad of processes or courses that we took from different services providers and the journey to excellence until (indistinct) and ja, sometimes you got the feeling that we were doing things haphazardly and it actually boils down to the fact, especially when (indistinct) took over and he came up with suggestions as to how the company should actually look in terms of meeting those specific goals that we are trying to achieve. Now mass housing is now part of the things that have come after our strategic workshops, but the thing was basically that those proposals that were made basically in terms of a five year plan and you need to revise this strategic plan every, after every five year or two years, whatever the case may be, as the demand (indistinct) take. So for me it was quite disappointing to find out that none of these particular things were actually implemented in terms of making business centres the business hub of the organisation which would mean that basically you would have to look in terms of making sure that your (indistinct) in terms of business development that your branches become a fully fledged business unit which means that you will take more responsibility and then in terms of Management that they will give also strategic direction to the company in terms of making sure that we reach our goals. So those particular tools were not put at our disposal and

in terms of what we have actually agreed in terms of where we should have been in 2014 at this particular juncture I can say that we are not even there. Now we already have this situation where we have the mass housing and we need to now realise those particular things. So looking back I think that we have, in terms of funds we have wasted a lot of funds and currently what also has been raised is that people at the end of the day within the company may feel that they are not up to the level that we need to be in terms of meeting those challenges and goals that we need to achieve. So ja, we, I am a little bit disappointed at this particular moment.

MODERATOR: Thank you Number 6. Any other reflection? Yes Maam.

NUMBER 2: Yes, maybe if I, I might say I do share the same sentiment as Number 6 even if I have been here for a very short time. That is what I observed the, or assume that really things have been done haphazardly in pockets and not a follow-through, a thought through process was followed and also I keep asking myself at what point did we review our five year plan strategy. What, at what point did we come together as Management and take stock of where we are and how we are going to move forward. I don't know whether that has happened at all. And maybe from an HR point of view I had a lot of people, even operational level say no, we couldn't have done it, we couldn't have implemented this, because we didn't have for instance one key thing that always come up with a performance management system. I say yes, it is one process to help you guide you, but in the absence of that there should have been also other measures to make sure that you, we deliver in terms of our strategy plan. Those are the issues.

MODERATOR: Thank you Number 2. Yes Number 3.

NUMBER 3: I think I agree with Number 6 and Number 2. For the time I have been with NHE I think we have processes that were supposed to be guiding us. I am not sure whether we are following those processes to make sure that we implement them fully, because of you look at the

implementation part we are lacking a bit. We don't implement fully what we were supposed to be doing. We are implementing, but maybe it's half, not hundred percent of what we were supposed to be doing. Which means now, I think, Management when it comes to the strategic plan it needs a review, review and then monitoring and execute for us to see how far it, we will go, because for now it looks like we are doing A,B,C, but not fully the way we were supposed to do it.

MODERATOR: Thank you Number 3. Any other contribution? Yes Number 5.

NUMBER 5: I also want to add on the issues looking (indistinct) I was also part of a committee when the strategy was done outside Windhoek, but I was just there as an acting, in the acting level position. So what I have noticed is that we have, like my colleague said, Number 6 says that we have come up with a lot of strategic issues or programs like (indistinct). There was a people management choose champion some of the (indistinct) of the, of changing the relation of the policy, company policy, but then Management has never come to us to say these things were (indistinct) or these things have not been (indistinct), because of A,B,C,D. So it is also difficult for us to give feedback to our colleagues to say why A,B,C was not done. So there was then also agreement to say that there will be a Manco within the company so that we can also give back to our, I mean give back feedback to the people (indistinct) that this is what is supposed to be done, but things that, I mean like the Manco meeting, the Exco meeting is taking place, but it does not give feedback to the Manco also so the Manco can also give feedback to the (indistinct). That, those are the things that you see also, I mean, give problem for the Management, I mean for the company (indistinct).

MODERATOR: Thank you Number 5. Any other contribution on the same note? Yes Ma'am.

NUMBER 2: Number 5 just took the word out of, was it Number 3. Okay, but Number 5 just took the word out of my mouth. The issue of Manco for me I have a feeling that we operate in silos. The one hand doesn't know what the other hand is doing and especially the issue of Manco really. I'm not saying our Exco is small. Small members, it's, this is what our function or our structure dictates, but then we have the Exco level, we have the business level that you say with the, where are now, we have the functional level. There is no opportunity where we at this level meet and discuss the issues that are happening in the business. There are no opportunities, I don't think there is ever opportunities for Exco to bring down as he said to this level to filter the information down, downstairs. I keep saying I pity the guys who report. The CEO has four departments reporting to him. I say I pity those people and I wonder when do they see him, when do they get feedback. Some of us are maybe in a fortunate position that the senior manager finance HR sits on Exco and we have our weekly meetings after Exco every Tuesday, but I wonder whether the other guys have the same opportunity to get feedback from Exco to them and for them to be able to filter it down to the masses below, but for me the main concern really is us at this level that we don't have a forum where we as implementers can sit and discuss the issues that might be hampering the implementation of some of the deliverables.

MODERATOR: Thank you very much Number 2. Yes Number 3.

NUMBER 3: To add on Number 2 as well I think on the part of communication we lack information there, because we are not sharing. We don't know what is happening within the whole organisation, because we are not kept informed on the same level, Exco, Manco, the staff, because all of us were supposed to be on the same level so that when this one talks this you share the same, but it looks like with us communication process or the communication level is, that it's still, it's still lacking.

MODERATOR: Thank you very much number 3. Any other contribution? Yes Number 6.

NUMBER 4: I think we should ...

MODERATOR: Number 4 yes.

NUMBER 4: realign our strategic plan to include communication.

NUMBER ?: It's one of the (indistinct).

NUMBER ?: In fact it's there.

NUMBER ?: It's there.

NUMBER ?: I actually thought, ja I actually thought it's the implementation part of it.

MODERATOR: Ja. Okay. Thank you number 6. Yes Number 6.

NUMBER 6: Ja, in terms of Manco I think it's a very critical issue, especially when you want to deliver at the end of the day. Now in terms of the communication that is happening from upstream downstream is that you will find that Exco, when deciding on strategic issues, and then also one session where we actually sit as Manco and that was once that I can remember, the Exco members were also part and parcel of that particular meeting. So obviously certain things that you need to discuss at a middle management level that actually are critical to the success of the company are not discussed freely, because of the presence the Exco members and that might inhibit basically things that are very critical at the ground level that needs to be addressed. So in terms of our strategic view how we would actually steer forward the company I don't think that there is that total openness from everybody to participate. The other thing is also the fact that you will find that in terms of manage, middle management level, because of the filtering of information from Exco downwards to them it should be done on a regular basis or on a (indistinct) namely the haphazard basis. You would find that ordinary employees, not ordinary, but staff members that are not management positions are better informed than the middle man

and that is a true fact. And at the end of the day looking back and recalling what we have discussed at the strategic level none of those that really are critical and we see basically the advantages in having that plan implemented, we cannot do it to the point that we really feel that we are part of it.

MODERATOR: Thank you Number 6. Any other contribution on point number 2 or you feel we have exhausted it? We can move on to the next point. Thank you. I also want you to think back over the past year of the implementation. Now with the past year ...

NUMBER ?: Sorry Moderator Sir ...

MODERATOR: Okay.

NUMBER ?: Where are the points (indistinct)? I am ...

MODERATOR: No, the points are with me.

NUMBER ?: Oh okay, sorry.

MODERATOR: They are with the Moderator. These are just questions. Since we are discussing I am referring them as points to probe isn't it.

NUMBER ?: Okay.

MODERATOR: Now we are on number 3 where I am saying I want you to think back over the past year which is 2000 and what, and 12.

NUMBER ?: 2012.

MODERATOR: Ja, think back over the past year of the implementation of the strategy and tell us what went particularly well or wrong. Think back over the last year of the implementation and tell us what went particularly well or wrong with the implementation in your own opinion. Just look back, 2012 and tell us what you think went wrong or right during the implementation. Yes.

NUMBER 1: Ja, I think one of the pertinent issues that we had really experienced is merchant, because with the strategy you must then of course budget for it to be implemented. At some point I think our budgeting process didn't go too well, because we budgeted for, to implement certain activities within the strategy, but I think we could not match those, that budget with the actual resources. So, and that created some serious issues where you set targets, for example the BD target are dependent on the products that are being delivered on the, on technical. Now you budget to say technical are given so much, ex amount of money to deliver a certain number of houses and based on that BD will then say okay, I'm lining up my sales and everything to be able to sell those houses and make sure that the, they are clear though they are in our books. Now, so you are targeting to sell let's say a thousand units based on the thousand units which you are supposed to get from the other side and if the other guy therefore cannot deliver that thousand units that he promised you will not be able to do that job. So you might have lined up your systems to be able to execute and sell those units, but the other guy doesn't deliver it on the other side. So it's kind of one odd thing that I think I could observe where commitments were or you budgeted for certain things, but the other arm cannot execute, because of delivery issues and so on.

MODERATOR: Thank you Number 1. Any other contribution on the same note, on what you think went wrong or right in 2012.

NUMBER 6: Ja, mine is basically a mixed one also on the same point of the budget, especially in terms of the housing delivery is that you would find that some negotiations were done for Government, other financial institutions outside and there were some positives. If you look at for instance the bridging finance in terms of the commercial banks that came and audited we were able to actually unlock a certain market, especially the market, (indistinct) income market

where we could sell houses that were within those particular peoples reach and then also at the same time be able to roll out more houses to the people that are less fortunate in that the funding that we got, basically the thirty million from Government to actually help us in that particular way that it was really possible. Well there are also other issues that we actually expected, the Child d'Afrique would have actually also contributed, but some of those talks, especially with GIPF and so on also fell flat. I don't know for what reason that particular information was not communicated, is what led to those particular funds not being available to NHE, but ja, in terms of looking back a year is that you would see that the growth in especially the north-eastern part and the central in the western part delivering of houses I think that we actually tried to come close, not yet close to one thousand two hundred houses per year, but at least we managed to reach at least a target of say more than four, five hundred, six hundred houses that we could have just delivered. So in terms of that I think that it is a plus point that we made steady progress and we need to build on that.

MODERATOR: Thank you Number 6. Any other contribution? Okay. We can move on to the next item. From what we are gathering in our discussion so far what do you think needs improvement in the implementation process? In your own opinion what do you think needs to be done in order to improve the implementation process of the strategy in NHE?

NUMBER 4: From my side I would say an issue that was raised already is communication. I think the realignment or the revisiting of the strategic plan should be done more regularly and then monitored. I think monitoring was also lacking quite a bit which hampered the implementation of the strategic plan. To draft a strategic plan in 2006 and then only review it in 2010 in my opinion I think strategy should be reviewed and realigned on an annual basis which also that it just means it improves the focus on your strategy. It's so easy for us at a business

level to get tied up in operational issues and not sit back and reflect on the strategic issues that is there. I would say during the year, I would say at least four or five times at our level to have a look and refocus on the strategic plan, monitoring the implementation thereof, I would say that that in my opinion what I could gather is it's what's lacking in the implementation of the strategy.

MODERATOR: Thank you very much Number 4. Any other contribution?

NUMBER 4: I think Number 4 summed it up quite comprehensively that we are ...

MODERATOR: Can, can, the voice.

NUMBER 4: I say Number 4 summed it up quite comprehensively that we have to make the strategic document a living document and not once in a while after four years that we pick it up again. It's important that we filter it down to our staff members, like Number 1 has said that that has been a mismatch or a, that our staff members might not know what our strat, our documents entail. It is important that we roll it out. It's important that we take out, a strat document is thick, but you can condense it to a one pager for say these are the key things, these are the key, if you walk across in the corridor and ask anyone and say what are the key things that we are concentrating this year, everybody should know. Everybody should know that. And this, well if we can do a survey, I don't even want to go to do a survey and check our staff whether we know where we are.

NUMBER 6: Everybody agree with you. Everybody ...

MODERATOR: Thank you Number 2. Yes Number 6.

NUMBER 6: Everybody in the organisation should know right down from the low level need to, up to top level need to know your priorities. Is it service delivery? Is it good quality customer service? Somebody, if I can call it, cleaning the offices, there must be a reason why that person

is cleaning the offices. I've heard quite an interesting thing. It also entails the strategy of a, it was a strategy of a huge hotel and the key focus what they did was bouncing beds, that that was their focus. They wanted bums beds and this guy was sitting at the bar, at one of the bars of the hotel drinking a beer and he chatted with the barman and the barman gave him excellent service and he actually asked him, he said listen, you're just a barman, you know, you're chatting with me, you're keeping me entertained, I'm the only one here at the bar, why is that? He said Sir, I need to get bums in bed. Now from a barman to know that they need to get bums in beds and they need to get their capacity up you know that is the type of communication that we need to have. Everybody in the organisation needs to know what are our priorities.

MODERATOR: Thank you very much Number 4. I think we are raising very essential points also highlighted yesterday that we have introduced new values, values have changed.

NUMBER 7: Yes.

MODERATOR: But employees are not aware. They still live in the historical period. Communication, communication. Any other contribution?

NUMBER 6: I think in terms of the NHE living our brand and I think it's critical what you said that even the lowest paid worker should exactly know what we are doing and in terms of our, I will not use the bum in bed, put the bums in bed, but our branding is -Quality Affordable Housing- Those, that particular thing is critical, because we have the concept that and I think it's still out there that we are building matchbox houses and basically we have in some cases substandard houses that we are putting out in the market and that is not the truth. So especially with our strategy these things needs to be relooked at and everybody within the organisation should be put on par, especially what the core values entails, customer centricity, human touch and those particular ...

NUMBER 7: Yes.

NUMBER 6: That, it is critical that we should live, I think that I agree with Number 2 that we should live basically what we preach.

MODERATOR: Thank you very much Number 6. Yes Number 3.

NUMBER 3: I think on the implementation as well we need to look at the past, how we have done it, and look forward how will we do it, are we doing correctly. The, our targets, are we meeting our targets and deadlines that we are putting for ourselves? Those are the things that I think we need to look at as well, whether we are meeting the deadlines, whether we are achieving our objective and whether we are meeting the targets that we set for ourselves.

MODERATOR: Thank you very much Number 3.

NUMBER 2: It's a good thing that we are now discussing this by focus group and it's for the purpose of Mr Titus (indistinct) we say we're also going to benefit from the paper, but these are the things that we are supposed to discuss in our main course. These are the things that we have to discuss on a monthly basis, where are we, what are we doing, what's happening in BD, what's happening in HR, what's happening in technical, what are the hiccups, you know, by ja those are the opportunities that we want.

MODERATOR: Thank you very much Number 2. And we promise that this one will be disseminated to all the participants and will go a long way in re-engineering or turning around the organisation. So we may proceed to the next point after having listened tentatively to issues of empowerment and issues of ownership and communication, we can move on to the next point. So with this discussion what do you think needs improvement? This one we have done it, isn't it? The next one, now suppose that you were in charge of the implementation and could make one change that would make the implementation process better what would you do? Suppose

that you were in charge of the implementation and you would make one change that would make the implementation process better, what would you do? Yes Maørn, Number 3.

NUMBER 3: I think grow our loan book, because if you look like now we are in arrears and we are struggling to collect which means my focus will be to grow that loan book and make sure that there are no arrears (indistinct).

MODERATOR: That one is the one for five percent (5%) or the ten percent (10%)? Are you ...

NUMBER 3: Itø the one for, I think itø ten percent (10%).

MODERATOR: The ten percent (10%) and more ja.

NUMBER 3: Yes, but now itø, the outstanding arrears are below, but they were supposed to be, what they become?

NUMBER ?: (Indistinct) ten percent (10%).

NUMBER 3: Itø ten percent (10%).

MODERATOR: Ten percent (10%).

NUMBER 3: No, ja, yes, that one.

MODERATOR: Okay, thank you for the contribution Number 3. What will you do?

NUMBER 4: I think I would improve the synergy between the business units.

MODERATOR: Thank you Number 4. Others, what will you do of you were in charge?

NUMBER ?: Ja, mine in terms of improving that particular (indistinct) would be basically to bring up more leadership to make sure that you communicate well and I think that leadership should not be vested in one entity, but it should be spread throughout the whole organisation, choose that you should build leadership within the organisation to reach goals.

MODERATOR: Okay. Thank you Number 6. Others, what would you do if you were in charge? We have listened to the problems and then we say here, you are in charge now. What will you do?

NUMBER 1: Now, okay from my side I think the human capacity side of the thing has always been the issue in this lack of implementation side, what that means is that you might, yes you might have people in places, but do you have your structures right, do you have your structures right and are the people taking accountability of what they're supposed to do. So and remove that thing of token or whatever. Let people work and get rewarded or get (incomplete)

NUMBER 1: but the human element is ultimately responsible for either doing or breaking that recommendation. So I think that's where we, because there was something introduced called a token of appreciation then which is, then one gets free money, I don't know what its, but ja. Get people responsible and reward them for doing the right thing and correct them for not doing the right thing. Those are the only two things.

MODERATOR: Thank you very much Number 1. Any other contribution others, what will you do?

NUMBER 4: I think that is an interesting point that you're raising. From where I'm coming, my previous job we have, we had that, we had implemented that thing of incentivising personnel so each year after realigning or revisiting our strategic plan we would then cascade it down to job descriptions and then to performances as well and then we readjust the incentives that we give to personnel according to our strategic plan. We had a thing of the eighty/twenty percent (80%/20%) principle where we said twenty percent (20%) of your monthly earnings is coupled to incentives and those incentives goes back to the strategic plan and it actually worked, you

know. It worked in implementing the strategic plan. So I think that's quite an interesting point in incentivising personnel in order to implement your strategic plan.

NUMBER 2: I, I

MODERATOR: Thank you Number 4. Yes Number 2.

NUMBER 2: I totally agree with my colleagues, but on the other hand I'm saying we are all here to do a job. We come up with a strat document, we are accountable for certain things for deliverables in our department, we get a salary for being here and suppose we have done a job, and that's what I say, if we just do hundred percent of our strategy that's what we are being paid for. On a monthly basis if we do above our strategy then yes, people must be incentivised and must be rewarded for going above what we said, but we can't come and say listen, because we are not incentivised people we can't do what we said and what we promised Government or what we promised the stakeholders or whatever we have promised to do. So what I'm saying is yes I totally agree it's a good thing to do, it should be there, people should be rewarded, because this thing of really the token of appreciation we say thank you for everybody whether you have done something, whether you have done nothing. It is important that we have a performance management system in place. It's important that we incentivise our staff members, but the other side of the coin is, colleagues, we are here to do a job. That strat plan is hundred percent of what we're being paid for.

MODERATOR: Thank you very much Number 2. Any other contribution on what we can do to change?

NUMBER 5: Yes, I think what I have ...

MODERATOR: Number ...

NUMBER 5: observed when I joined NHE I think we need to educate our employees whether they should take responsibility to say that nobody's working or somebody, we are all working for NHE. So once you educate your employees then you implement your performance (indistinct) system. If you don't, if you just implement performance (indistinct) system without educating ...

NUMBER ?: Exactly.

NUMBER 5: them this is also going to create a problem.

NUMBER ?: You are so right.

MODERATOR: Thank you Number 5. Any other contribution or we move on?

NUMBER 3: Just to add on the education ...

MODERATOR: Yes Number 3.

NUMBER 3: of Number 5. I think we need to move with change, change management within the organisation, because we have, especially with the introduction of the (indistinct) that we are about to introduce.

NUMBER 2: Going through the documents it's like from 2, every, I'd find the document 2006, I'd say this is 2006, 2007, I say when did this monster strike?

NUMBER 3: Straight after we start implementation we need to like Number 5 said we need to educate our staff. The entire organisation must be prepared for that change otherwise ...

NUMBER ?: That's right.

NUMBER 3: resistance within the organisation will.

NUMBER 2: I was just telling ...

MODERATOR: Thank you Number 3. Number 2 yes.

NUMBER 2: Sorry I was just telling Number 5 the other day and about this whole thing of performance and the token, I said guys, if we implement it wrong, just what we are saying, because people already in their minds said like I'm used to getting something ...

NUMBER ?: Yes.

NUMBER 2: every year, okay. So I said we have as managers we need to learn to have this serious conversation and honest conversation with our staff members and I say in the first year you miss it already and give a non-performer a bonus you're dead, because it's going to be difficult for you for the next year to tell this person and say ah, actually you are not a five, you are actually a two. And I totally agree with Number 3 that it's, and Number 5 that we need to change that mindset that the time will come where you won't get anything.

NUMBER ?: Yes.

MODERATOR: Thank you very much Number 2.

NUMBER 1: Just to maybe round it up, you see I always get a concern when I think running these State-owned companies make people, you know, not only lazy, but not taking, like if you were running your own company I mean I am sure at some point some of us have tried business here and there, you know, the bloodline of your business is actually that performance that the staff is giving you. Now you wouldn't just take your own business and now say ja, but I must first educate you to be ready for tender. Look when you got in that position you have some basic minimum requirement which qualifies you to be in that position to be able to do certain tasks. All we are asking you is that if you do task, this task from one to ten I give you something. If you only do from one up to three I'm sorry you will not get anything. I might actually reprimand you for that you see. That's all we are saying. So this thing when we start talking of ja, people might reject this or people might, will get affected and this way or the other, I think it's, this is

one of the things which is actually preventing us from implementing the strategy. We concentrate on the soft part of things, of, you know.

NUMBER ?: Yes.

NUMBER 1: We need the hardcore and just say do what you're supposed to do.

MODERATOR: Thank you Number ...

NUMBER ?: Can I ...

MODERATOR: Number 1. Yes Number 2.

NUMBER 2: But the sad part is that it's the culture, that's not the culture what we have here.

We are newcomers and I've experienced it, you have to go down if you have to explain like you can't do this, we, let's look it that way and the mentality is there, if there's money let's spend it, if I have to be off or what have you I don't need to, I, you know I said guys just, I always said if it was your company will you allow that. That's the only, I actually put my staff or whoever to the test, if it was your company will you do that. And when they don't have an answer, in fact they actually have an answer for themselves, but the thing is our, and the sad part is that this culture is not only the staff, it's from management. It's with us. I mean it's, you live by examples. If we come late staff will come late. I mean it's a simple thing, but ja, if you're not taking your work seriously why must I as a staff member. And that's I think the big challenge that we have is that mentality chain that we have to change starting from top to the bottom.

MODERATOR: Thank you Number 2. Yes Number 6.

NUMBER 6: Ja, it, I think that a debt within an organisation will hamper any progress. So what Number 1 has said it's critical that if you come into an organisation you should have that right (indistinct) in your highest people. Now whether that (indistinct) is still relevant at this particular point in time towards the way that the organisation is moving that needs to be looked at. In

terms of the incentives that we are talking about and making sure that people would then be enticed to perform better is something that needs to be tailor-made towards that particular strategic goal as Number 4 has said. And I think that once we revisit that particular part in terms of the performance management system that it is basically to make sure that this token of appreciation later just disappears and then we just focus on what you deliver and what you actually, if you go the extra mile you should be rewarded, but in terms of negatively rewarding somebody for not doing anything and still get a token and a thirteen cheque I think ...

MODERATOR: Okay. Alright, thank you very much Number 6. Yes, serious issues emerging, performance management, balance, scorecard, the reasons of existence, that's education, do we know why we are here and so forth and so forth going with a mission statement and others. Right, we can move on to the next point. Now that we have, we are beginning to understand the implementation at National Housing Enterprise (NHE) and we have heard different what, problems which we are encountering. The next point is that what can each one of us do to make the strategy implementation better. What can each one of us do to make this strategy implementation better? Yes Number 5.

NUMBER 5: What we can do, you must take responsibility.

MODERATOR: You must take responsibility.

NUMBER 5: That is, and accountability as well.

MODERATOR: And accountability.

NUMBER 2: Individual and shared accountability.

MODERATOR: Individual and?

NUMBER 2: Shared accountability.

MODERATOR: And shared accountability. Interesting, from Number 5 and Number 2. What do others think we should do?

NUMBER ?: It's the same thing, it's ownership.

MODERATOR: It's the same thing.

NUMBER ?: Ja, on the processes.

MODERATOR: Accountability and ownership. Very interesting.

NUMBER 6: Ja, from my side it's actually also understanding what is expected of you. If you interpret the strategic plan as it ought to be and maybe we should seek to have more workshops where we can have a common understanding. Once we have a common understanding, although sometimes at face value it looks like this is the way we should go, but interpretation is different and you can only get ownership once everybody understands that this is your vision mission and everybody has a share in that then you can take it further the issue of taking and make it your own in terms of accountability that what you do you need, everybody needs to be accounted and that can actually permeate throughout the organisation. So basically I think it starts with understanding.

MODERATOR: Thank you very much Number 6. Yes, the discussion is becoming interesting isn't it? Issues of accountability and so forth and so forth. Right, we move on to the next point. Still on the issue of accountability outside the discussion I developed a mathematical model of the definition of corruption which involves accountability and other variables which are there. It's very interesting. It's going around, circulating now on the net. Now we move on. Of all the things we have talked about, the strategy implementation at NHE, what is most important to you? Of all what we are discussing about strategy implementation in our organisation here what

do you think is the most important thing to you to do? Since morning we have looked at a number of things, isn't it? So what do you think is most important to you?

NUMBER 6: Probably say you would hope that all the themes in the strategic plan would be important, but for me one thing stands out and that is resources. If you don't have resources then you cannot implement.

MODERATOR: Okay. Thank you Number 6. No resources, no implementation. Yes, any other? Others, what do you think, what do you think is the most important thing?

NUMBER 4: Communication.

MODERATOR: Communication. Thank you Number 4. Others?

NUMBER 3: Monitoring and evaluation.

MODERATOR: Monitoring and evaluation. M and E. Thank you Number 3. Others. From what we were discussing and what comes to your mind what do you think will be the most important thing to you as a manager?

NUMBER ?: I am looking for one word.

MODERATOR: You are looking for ...

NUMBER ?: My sentence is so ...

MODERATOR: you can say the long word, the long sentence.

NUMBER ?: I'd love to see leadership, taking ownership and push the masses to follow, what's that word?

NUMBER ?: Setting an example?

NUMBER ?: Not really.

MODERATOR: That's ownership.

NUMBER ?: Then it's ownership.

MODERATOR: Of the ...

NUMBER ?: Yes.

MODERATOR: of the strategy, of the project.

NUMBER ?: Because my feeling is like it's, the implementation is left there. Whoever wants and who taking it up and who, that day if you wake up you want to do something about it and if you don't want, but it should be start somewhere and everybody should want to run behind it.

MODERATOR: Okay. Any other contribution?

NUMBER ?: I think implementation itself.

MODERATOR: Implementation.

NUMBER ?: We want to see it happening.

MODERATOR: Okay. Thank you Number 3. Implementation must be seen to do what?

NUMBER ?: To be happening.

MODERATOR: Happening. We are done with this one. We move on to the other one. Now suppose you have one minute, suppose you have one minute to talk to the CEO about strategy implementation in NHE what would you say. You have met the CEO, he has given you a chance to talk one minute about strategy implementation. What would you advise him or her? You have one, exactly one minute. And maybe for the benefit of him also coming let me repeat that again whilst you are thinking.

NUMBER 2: Mr CEO let's reconvene.

MODERATOR: Ja, just one ...

NUMBER 2: Let's, let's look at the lessons learned from the past four years, let's start tomorrow. No really I say Mr CEO let's reconvene, let's look at our strat document and let's look at the lessons learned from the past (indistinct).

MODERATOR: Thank you Number 2. The point was suppose you have one minute to talk to the CEO about strategy implementation in NHE. What would you say? That's the thing, what would we say? I hope, we are managers, we should be able to tell him something. Can we hear from others? Number 2 has contributed. What would you tell the CEO or the drivers of implementing strategy? What would you tell them? Now, yes.

NUMBER 6: I would say that (indistinct) CEO that we have a brilliant plan that meets his institution, but how will we execute it. The only possible, viable solution would be to stay focused in terms of our vision and not be distracted by things that are not critical for us reaching that particular goal of the mass housing currently and then also to get every manager onboard and have him informed as to what is happening within the organisation, I will not basically give him (indistinct) information. To be honest and open so that he can harness basically the talent and the skills by also convening regularly all those people to drive the organisation forward.

MODERATOR: Thank you Number 6. Others, what would you tell the CEO? You remember in our ground rules we say that if we take long without saying something I am privileged.

NUMBER ?: You see the problem is we all have in our minds, but if you speak your mind that might be a career-limiting move.

MODERATOR: No, no we said, we agreed in our ground rules isn't it that whatever we are saying is what, is not going, is remaining here and it's not going to be used by any other person for any other means. This is for the purpose of turning around NHE.

NUMBER 4: Ja, obviously I would not have something to say. I would have something to ask. Mr CE, when will we start implementing our strategic plan? Obviously given that there are lots of challenges to implement in this strat it is up to us and how we manage those challenges. And I think one of the major issues as well is in implementing this strat was facing and dealing with

those challenges. Perhaps we made the wrong decisions here and there, but the ideal is to realise that you've made a wrong decision and then rectify it. So no, I would ask when we will start implementing the strat.

MODERATOR: Thank you very much Number 4. Yes, what would you say? CEO is waiting. You have met a CEO and you must say something about strategy implementation. What would you say? Number 1.

NUMBER 1: I would also ask a question. I will say what is your plan to implement that strategy, because for me that's still the thing which has been lacking out of the equation is for a leader to pronounce himself to say guys, this is how I want this thing done. So not leaving up to us to come up with our own means of implementing what we think, some, that's just some hint.

MODERATOR: Thank you very much Number 1. Yes Number 3.

NUMBER 3: I think I will also ask a question. What will be the turnaround time of the strategic plan for implementation?

MODERATOR: Thank you very much Number 3. Do you have any other contribution? No other contribution. Number 5, what would you tell the CEO?

NUMBER 5: Implement the strategy and then make a review after three or six months to see the result.

MODERATOR: Thank you very much Number 5. Right, last, but not least now that we have talked a lot about strategy implementation at NHE if there is anything which has crossed your mind as we were discussing you are free to share with us anything related to strategy implementation at NHE which you feel this point I think is important, it must be said out. We'll sincerely appreciate that at this point in time.

NUMBER 4: I think something that perhaps, that will really lead the discussion a bit further that Number two also touched on is the culture, especially from HR side. I think that that would be an issue on their side. Coming from the, let's call it, the private sector, the two of us, that we become (indistinct) and experiencing the two different cultures that exist within organisations, the private sector and the so-called public sector if we can strive towards that it might be a sensitive issue and so on, but if we can strive to that in order to, I know it's a huge task in order to change culture with certain, within that, but if that is something that we can strive to and in order to obtain that any organisation and specific NHE can become a great organisation if we can call it that. And we joked about it, I said a fish rocks from the head, but how are we going to change that culture? Leading by example.

MODERATOR: Thank you very much Number 4. Anybody with any other information which we can share for strategy implementation? Yes Number 3.

NUMBER 3: I think the issue of customer service, especially our external customers, our clients, how we share information with them. We need to improve on that one as well.

MODERATOR: Thank you number 3. Yes, others.

NUMBER 6: Oh, if I had to say, it's actually very broad and you cannot pin down a specific area that you would like to focus on, but ja, maybe I will just try and say what needs to be said. Since we have been coming a long way in terms of managing this particular strategic plan it is time to take the bull by the horns and actually deliver what we promised and deliver, especially the fact that we as NHE have the mandate from Government to deliver housing to the Namibian nation. If we actually do not do that now and actually implement it very, very immediately then we ought, we will basically ones that will lose out in terms of other players that can come in. We can also have the fact that if we are not delivering that a second parastatal might be created. It

actually, I mean that could be a challenge towards the current NHE and which might actually diminish the role that we are currently playing. So for me it is that we should get serious, we should get our house in order and also to make sure that we reach those targets that we have promised that we would deliver and also get the right people onboard and reward the right people for what they are doing and also recognise people inside the organisation. So in terms of that actually propelling our (indistinct) to the ultimate goal would then be basically to be focused and not be distracted.

MODERATOR: Thank you Number 6. Yes Number 1.

NUMBER 1: Ja, I think from my side I will say I don't know how it exactly, where it fits in, but running a company like NHE would be the easiest thing as far as I'm concerned. We have a tangible product which we ultimately need to deliver. All things aside what we are here for is to house the nation and the, when you put a house there people know, you know, people know out there okay the house has been put there. Then people are asking where are the houses. So now as a management we need to answer that question. So where are the houses? So within NHE who is responsible for what? And why are we not putting those houses there? Is it money? Is it, why are we not putting the houses on the ground? And within, if I was in charge then I will put people into task to say if you are responsible for sourcing the money to, so that we can deliver that house, you are given your target and then you give your, the resources maybe to the next person who is supposed also to (indistinct). So it would be so easy if we can just organise ourselves in that way. Have people responsible for certain things in order to deliver a house on the ground. So I don't know now how to put it exactly to which theme on the strategy, but ultimately that's what we need to do and I don't think it is clear at the moment.

MODERATOR: Thank you very much Number 1. Ladies and gentlemen, it is my single honour to thank every each one of you on behalf of Mr Titus and ladies and gentlemen be assured of our highest consideration. I thank you all once more. I thank you for participating in this focus group. Meanwhile if you can hand over the consent forms and the demographics to, to the (incomplete)

END OF FOCUS GROUP SESSION

EXECUTIVE MANAGEMENT FOCUS GROUP

MODERATOR: So we would like to know how you have been involved in strategic implementation in NHE. How have you been involved in this whole strategic process?

NUMBER 1: (Indistinct) year 2006 (indistinct).

MODERATOR: We just say it a bit louder for recording ja.

NUMBER 1: I joined the company in 2007 so I found the strategic plan already (indistinct), but we were involved in the (indistinct) of the (indistinct) 2010. So, in any rate the implementation then from our side is at a strategy level is for us to, I am responsible for houses to ensure that we actually build the houses, the one thousand two hundred houses, provided that my comrade Number 2 gives the money. He is the man who was giving the money and so forth and then we have Number 3 who is a candidate, he is responsible now for the marketing side for the clients. So actually (indistinct). I think the implementation therefore for us to look at this is our strategic objective is to build those many houses which is based on one of the NHE plans (indistinct) forty-seven thousand houses by the year 2013 and so. It was then divided in the number of houses and then we came to about one hundred and (indistinct) houses, but because of the lack of resources we were not able to achieve that and then most probably, they are probably higher than six, seven hundred. (Indistinct) to service the land so we have not been successful (indistinct) not achieved our target, but (indistinct).

MODERATOR: Thank you very much Number 1.

NUMBER 2: Thank you Chair, I think just as my colleague has said our challenges are many. By our mandate we are supposed to provide housing, affordable housing to the Namibian population, especially targeting the middle and lower groups of our State society amidst one, lack of support in terms of funding from the Government, two, lack of service land within the

Local Authorities throughout the country, three, having to be forced to borrow on the open market at current rates of cost of financing in order for you then to provide affordable housing. So it's a challenge. So we found ourselves really in a situation whereby there is a lot of money out there, you know, to borrow, but if we borrow at the cost that the lenders are actually asking it means that we will not build the type of houses that would happen with the money that we are (indistinct). So I think there was a mismatch to say we should provide an affordable house, but the cost of capital is such that if you borrow and you build you will be missing the target that you are actually targeting. So that is it. So as my colleague said we are then forced, because of lack of land, we are then forced to borrow money and service land. Now servicing of land is a technical and expensive exercise. I think currently if you service a plot of, a small plot of four hundred thousand it will cost you seventy-five thousand which is the minimum discount. So already before you build a house you have a cost of seventy-five thousand. So if you just build a house which is a basic house for hundred and fifty you're already looking at two hundred and something thousand whatever, you're already missing your target. I think these are the challenges that we have had in the past. Hence our cry to the Government continuously to try and support and we are glad that the Government has now responded. It has started supporting us about three years ago with a very minimal amount, but I think they now saw the need of actually putting housing as one of the priority areas. So yes, we may not have achieved the target as per our strategic plan, but those were the challenges that were actually met in the process.

MODERATOR: Thank you very much Number 1, Number 2. Is there anything you would want to add on this, on your involvement into the strategic plan or we'll move on to the next ...

NUMBER ?: No I think let's move.

MODERATOR: So I want you to think back over all the years that you have participated in the implementation process and tell us your memory about the implementation. Just think back, your reflections about the implementation of the strategy here.

NUMBER 1: I think the mem, my memories are very positive in the sense that we did not just look at the challenges and we were not overawed, you know, by the challenges. I think we took the challenges as my colleague explained we said okay these forces are the problem, starting with the land, if the service land is not available we'll go and service the land, if there are no funds available from Government we'll go and borrow or we'll come up with a (indistinct) financing with a private company. So at every stage we were constantly on the lookout for solutions (indistinct). When we reviewed the strategy one of our core values was solution (indistinct), the solution of (indistinct) and that's what we've been looking for is the challenges, but we're looking for a solution. We've been finding the solutions, I think that is my memory. My memory is a positive one of people constantly on the lookout for solutions to these challenges.

MODERATOR: Okay. Thank you very much Number 1.

NUMBER 2: Maybe to add on what my colleague has just said. Maybe it was a blessing in disguise that we were not supported by Government, because we have come up with strategies really that are sustainable. Currently we have a partnership with the private sector where we mobilise funding through bridging finance, through tentative solutions, through and user financing which are self-financing programs of our products. They may not be as affordable as if Government was to chip in, but I think at least currently the model that we are using, the three that I've mentioned, are so, are working so well we have been able to produce more. In fact before the restructuring of the company I think the company was producing about one hundred

and something houses, two hundred. We have gone beyond six hundred and so forth. Not because of any additional money that we may have received, but because of innovative ways of actually partnering with the private sector. So currently as we sit, yes, we just need to expand the partnership. Basically we can produce as many houses as we can.

MODERATOR: Okay. Thank you very much Number 2. We move on to the next point. I also want you to think back over the past year of the implementation of the strategy and tell us what went particularly well or wrong during the process of implementation.

NUMBER 1: Since the beginning of past year, past twelve months?

MODERATOR: For the past year, 2012.

NUMBER 1: Oh okay.

MODERATOR: Ja. The other one was back, but I want your reflections for 2012 in implementation of the strategy and tell us what is it that went well and what is it you think might have gone wrong during the implementation process.

NUMBER 1: I think what went well is that, as we explained earlier (indistinct) that we've been able to structure this financial struggle (indistinct) alternative ways of raising funds. I think on that front it went very well, you know partnership with the clients, (indistinct) financing as well, financing (indistinct) supplier, so we implemented those projects like in Walvis Bay we built probably our largest single project in one location of three and six houses was done with this partnership. So I think that's a (indistinct). What has not gone very well maybe I can mention is that maybe the capacity constraints, human resource capacity constraints. We were not able to have what we would have wanted to have in order to (indistinct), but I think we were constrained by the fact that one of the strategic objectives was also to minimise costs in a possible joining. So that is where there is almost like a contradiction you know that on the one hand you want to

increase output and then on the other hand you want to cut down on the operational costs. So it's almost like two mutually exclusive objectives you know. And so that's why I think from that point of view maybe we need to have a rethink and we need to decide and maybe even our ratios, our metrics that we use on sustainability (indistinct) employment cost is a very (indistinct) employment as (indistinct) of output and therefore justify (indistinct). But then all of that of course (indistinct) sustainability, because we don't want to employ more people now and only to retrench them a few years later on you know (indistinct). So I think that is the negative part that we're not able to expand the organisation to (indistinct), but of course we've got ways around that through outsourcing.

MODERATOR: Thank you very much Number 1.

NUMBER 2: Without repeating much of what my colleague has said about what we think was positive, meaning the continuation of innovative ways of keeping our production at that level we had set our targets also which we did not need. Our loan book, if you look at our loan book which is our main, which is the major asset base through which we can finance our operational costs is an aged one and as your loan book ages you will find that the capital repayment toward the end of the years becomes more, your interest which is supposed to be contributing to operational cost becomes much smaller. So we had set ourselves a target to grow our loan book by more than ten percent (10%), because we suspect in fact that our loan book is going down by almost sixteen percent (16%) per year. So the challenge we had was we should also grow our loan book by above at least a minimum of the deduction rate which we have not been able to achieve obviously because of some finding issues. Another one that is quite noticeable, we had also promised to introduce a performance management system. I think we have missed targets a few years and it is haunting us sometimes when we do for salary negotiations, you know when

we are being reminded as management to say hey, but you were supposed to have implemented a performance management system, what is happening, but we, in this current year we have committed ourselves that I think by the beginning of this coming year which is June next year this will actually have been in place. So I think a lot of initiatives that weren't taking place during the current year we'll make sure that we do not lose the target. Another target that we are finding a challenge is our loan book arrears. Arrears under normal circumstances if you look at the banking institution your arrears should stand around five percent (5%) of the loan book. Ours is ranging between eight (8%) to ten percent (10%). So I think there is still a lot of work that needs to be done in that area which we are working on now or trying at least.

MODERATOR: Ja, thank you very much for your contributions and I also think it boils down to the issue of the one thousand two hundred which has grown to eight hundred, to eight thousand now. How would you comment on that one, because it was a major strategic issue in the implementation?

NUMBER 1: Look I mean the thing is that increase output has always been a major (indistinct), even one of our strategic themes is to meet, you know, the housing demand, is to be able to provide (indistinct), so if the demand is eight thousand units a year that is our objective, we should meet that. And our vision if you saw that, the revised vision is actually housing for all, you know ...

MODERATOR: (Indistinct) year 2030.

NUMBER 1: by year 2030 you know, so we, we were, in terms of our objective we should be organising ourselves, structuring ourselves, structuring that objective. So we'll always expect that at some stage when the resources permit we'll be able to fly, you know, into the stratosphere ten thousand, whatever thousand houses and we feel that all of those can be done. That's why

I'm going back to my earlier point that for us to achieve that we must now look at the structure for a strategy you know. Now that we have a strategy to increase, now we must look at the strategy, because the strategy must be geared towards achieving that particular (indistinct) and that is where we are now. Now we didn't do that (indistinct) how do we rearrange (indistinct) whether, not necessarily through increased personnel, but also maybe through other engagements (indistinct). So I think we've been ready, at least conceptually, conceptually we've been ready to increase output, it's just structurally that we are not ready. I think structurally we're not ready, but I think conceptually we've been ready all along. So it's a major jump. It's a, what we call, is a bungee jump or more or less, but the other way round you know going from this, you know, to high up, but it's a positive for us, it's a positive jump.

MODERATOR: Okay.

NUMBER 1: Positive jump that energises us, looks for, forces us to look for new ways now of doing this, because business as usual will not, sitting in a comfort zone hoping that things will just work themselves out that will not work. So we'll be challenged. Maybe some of us who are old now already, we will not be needed now for this process, maybe newer people, younger people with better energy will now drive the process forward, but we're very excited about the prospect as (indistinct).

MODERATOR: Okay. Thank you very much Number 1.

NUMBER 2: If you look at since independence I think housing was, has always been one of the four national priorities, although it may not have received the necessary, the type of attention that it should have received up to today. We are actually very excited that Government has realised that, that if they do not do something about it the vision 2030 which we are talking about will be missed and this is, I think, where the mass housing has come in, the eight thousand. I think we

now have Government commitment to invest into land servicing which was a serious hindrance to our production, you know, (indistinct) the same. Now if Government can commit itself to providing land and which land can then be sold at affordable prices to the people, because if government services, like they will still spend the seventyô five thousand anyway, but when there is, when they sell it, when the Local Authorities sell it they sell it for ten thousand, twenty thousand and that reduces the cost of housing. So we look at the eight thousand really as something that is possible. As NHE we can also increase our output, because Government has now also come to fore to promise that they will assist us when we look for affordable funding, which normally comes with Government guarantees, Government has promised that they will be available to assist. Meaning we have now reached a point where we can actually access affordable funding. At the same time we have a commitment, continuous commitment from the Government that they will pump in a lot of money in ensuring that the land on which houses are supposed to be built is actually available. So if the two can actually be consistently supported I think the eight thousand vision can be realised.

MODERATOR: Thank you very much on that note. Now what do you think needs improvement in the implementation process itself?

NUMBER 2: I don't have to start. I think just as my colleague said I think we need to work on our resources, I think capacity-wise basically. You know technical services are responsible for actually producing houses. It means we must seriously look at capacitating this department, because if you are producing six hundred and you are producing eight thousand there are many things that will happen now. Why? The supervision, because we cannot all build eight thousand houses as NHE, these will be houses that are going to be subcontracted and built by various people, various contractors. Now NHE's role, especially the technical services who have to

make sure that the quality of these houses is absolutely uncompromised, because if that happens it means we'll be sitting with a problem after all these contractors have gone home. I think that is the challenge. Two, the funding should consistently come, you know. Government should not give a commitment today because elections are next year and after next year then they forget about the vision. You know, then we are back to square one. I think there must be a consistent commitment from Government to avail funding to that and even to support NHE to enable us also to produce the volumes that they are prescribing for us. I think maybe in the short I think that is what I see as the ...

MODERATOR: Thank you very much Number 2.

NUMBER 1: Ja no, I think that says, look I mean we've been discussing these things, I think one of the positive things that as a management team we've really been work-shopping (indistinct), we've been toying, I can tell you (indistinct) know how many pages these could have written ...

MODERATOR: Ja.

NUMBER 1: you know and when we look back we actually don't give ourselves the credit that we deserve, because we've really put in a lot of work thinking through these issues you know. So I think a lot of the things he says I share, so I, we don't want to waste your time ...

MODERATOR: Ja.

NUMBER 1: regurgitating what he said there, but I think as he said the processes that we've looked at now (indistinct) processes and we know that some of the processes need to be streamlined, even the tendering procedure for instance now you know we must now build so many houses, how do we do that, do we go the normal way or the other way that we look at all of that and then we've got the Government also breathing on our necks, how do we streamline all of

that that we don't cause unnecessary delays yet still do our duty and actually take accountability or (indistinct) accountability to ensure that these things are done properly, he mentioned the quality assurance and so and the flow of funds. (Indistinct) for instance, I think the way we're doing it so far is okay that okay look, once the project is done an invoice is submitted from the contractor, we submit it to them, they pay. I think that been going, you know, very smooth. What happens for instance if the projects really come fast and thick and the funds from Government have not been released or from our private sources have not been released, do we stop construction while we're looking for funds or what do we do? So I think those processes have to be streamlined almost like your Japanese, just in time, you know, so that by the time everything is needed or that everything must sort of meshed you know and (indistinct) and all of that to ensure that almost like one well-oil machine you know that runs smoothly, but to get there is still, is still a dream. I mean I think we, well at least we are dreaming about, we are thinking about it and we've got, I think, an idea of how we want to streamline our structures and our processes in such a way that it becomes that efficient machine.

MODERATOR: Okay. Thank you Number 1. Suppose that you were in charge, which I hope you are, of the implementation and could make one change that would make the implementation process better, what would you do?

NUMBER 1: Of this mass housing, are you talking about this? I think from our point of view as NHE if we could have total control over the process, I know that we, as the implementing agency, if we could be told, maybe even have some kind of a terms of reference or some agreement, which another one of our colleagues also raised actually, that maybe we could have an agreement with Government and say look this, these are the outputs, these are your parameters (indistinct), have that sort-of blueprint within which we can work and then run with

the process you know. The funds are there, maybe there's some kind of a, whether it is a bank account or (indistinct) fund available as and when we need and so on so that this, this process once it starts going, because it becomes very, very hectic, very hectic, there'll be so many contractors, I mean we're looking, let's say about probably close to thirty-six contractors already that we put on the, and we only consider the tender part, so thirty-six guys will be on sites all over the country you know and there has to be payments on a daily basis and for us to always go back to Government looking for money that cannot work, so if it can be arranged in such a way that once everything is agreed upon we sign this agreement, NHE then takes care and is responsible for the whole process from beginning to end. Of course with oversight there may be some national body (indistinct) so that (indistinct). That will be my dream statement.

MODERATOR: Okay, thank you very much Number 1. When you are in charge ...

NUMBER 2: For me ...

MODERATOR: what would you do?

NUMBER 2: I would, I would target one thing. You see land is a critical issue when we talk about housing. Now if you look at the current system that is used to, just to proclaim a town I think it takes two years you know. In other countries probably it takes, I don't know, in Kenya it takes maybe two weeks. For me I would target land proclamation, everything to do with Land Boards and what have you, I would restructure that completely so that that process is shortened times ten or divided by ten in terms of the time, because if you don't do that one then the construction of houses is automatically undermined. So for me if I was to make a change I would start from that.

MODERATOR: Thank you very much Number 1. We proceed.

NUMBER 2: Number 2.

MODERATOR: Number 2. I don't know why I, maybe it's my right hand. Okay, we proceed with the discussion. What can each one of us do to make the strategy implementation better? We are in the Board, what should we do to make it better?

NUMBER 1: As Board Members?

MODERATOR: Ja, I mean as ...

NUMBER 2: Senior management.

MODERATOR: as drivers for implementing the strategy what can we do to make it better from where it is now?

NUMBER 1: Look, I've always thought that look, I must say maybe as a self-criticism that I don't think we are very much strategy-focused as we should be. I think that we can focus on strategy when have that workshop where we look at the strategy, like today now we have a workshop, there's a retreat somewhere and then we somehow now look at the document and then we start (indistinct). I think that's the first time we really serious start to look at it. Once that retreat is done we are back to normal you know. Everybody is now engaged in their own little world and so on, so we do not constantly look at it, because there was even a suggestion that we could maybe have strategy as a standing item on our Exco where we meet regularly, at least weekly, as much as possible, but if you look at our agenda you'll find that there are a lot of operational issues. Some of the issues that will be done at a different level which is why I think we came to the Manco (indistinct) management (indistinct). So I think we could then have at the Exco level look at, really focus on our strategy output and say look, this is our strategic output, this is how we are going to operationalise it, on a weekly basis how far are we in implementing our strategy so that then we also (indistinct) and so on and so on, but I don't think we are doing that. We are not as focused. We somehow at the back of our minds know what we want to do,

but we don't really remind ourselves constantly as we mentioned and consciously take decisions to (indistinct).

MODERATOR: Thank you very much Number 1. What do you think you can do to make it better? Your recommendation.

NUMBER 2: I totally agree with him. I think as management we've been fire fighting you know. When it is here we run there and we extinguish the fire and we lose the broader picture. For me I think it's just commitment really. I think we just need to be more focused which we haven't been. I mean if, I gave an example we missed the performance management system implementation three consecutive years, you know, after promising the general, you know, population of our employees which is a shame, I mean we are quite embarrassed. When we came for the salary negotiations for which I was party this time, you know you are being reminded by the Union to say hey, but what is happening, you know it is not a very good state of affairs if you're sitting on the other side and then you are saying we can't give you ten percent (10%) and they are saying ja, but give us ten percent (10%), you failed to implement the system that was supposed to take care of that. You know it puts you really in a compromising position. So I think for me it's more commitment really. I think he outlined it very much, ja, nicely, that we lose focus, you know, to strategy, we lose, the day we come to strategy then we, you know, that sort of, so we just need to be more committed than that.

MODERATOR: Okay. Thank you very much Number 2. Now of all the things we have talked about, this strategy implementation in NHE, what is most important to you? What do you think this is the most important thing?

NUMBER 1: Of the strategy?

MODERATOR: Ja, of the strategy implementation. We are looking at the process of implementing the strategies there. What do you think is the most important thing which needs to be done in other words?

NUMBER 1: Basically I think now we become sectoral, because obviously my focus will be, because I want to have houses built so I think what I want (indistinct) if we want as NHE to really build those houses we have said this is now like a production, we are like the factory, we are the production arm of the company and some of this input have been (indistinct) so I think we can focus on that, which I think we have done. We have sat down, we have looked at it and said what is it that we need, you know, in order to achieve that, whether we need to rebuild our signs or (indistinct), whatever the case might be, that can be done and then we focus our (indistinct) on the housing. I'd also thought that we could, because the way I look at it is that we more or less have two, three units, business, let's call it business units, and I think if you structure them, I know there was even a proposal there, let's look at it as (indistinct), they are almost like the banker, he's the financier who gives the money and under the construction company now and then my colleague there is the marketer or is like, is the estate agent, and my, call him Number 3, (indistinct). So I think if we can have that sort of arrangement where we operate almost similarly, although we're not in, we're still in the one company, but we operate like this, you know, how would I, if I were to be a construction company, how would I work with my bank, what arrangements would I make, what agreements will I sign. Even if it's an internal service, even if we're talking about service level agreements internally you know where we would say look, he needs this information from me, that there should, they use the (indistinct) the cash flow, the analysis and so on and so on, so we sign that, so no, this is what I need on a weekly basis or a monthly basis and this is what I need from him, this is what I need from

somebody else and so on. So we generate a sort-of a, you know, internal synergy and coordination. So that's what I think (indistinct). I (indistinct) are answering your question.

MODERATOR: No, no, no it's ...

NUMBER 1: Ja, answered okay, alright.

MODERATOR: Okay, thank you very much Number 1. Any contribution from Number 2?

NUMBER 2: I just want to reflect on the board meeting that we had last week, I mean this week. We presented a structure to the board, mainly incapacitated, you know, because of the volumes that were supposed to be produced and the board had one view, management we have seen the structure which is something that we may want to discuss maybe further and reflect and before we do that ...

NUMBER 1: (Indistinct).

NUMBER 2: where, is there an indication that there is money that is forthcoming to enable us to comfortably even enter into this discussion? That's why I think the issue of funding is an overriding part, you know, when it comes to programs of this nature. The funding, the moment the funding is there everything else falls into place. It's like inflation. If you control inflation, you know, exchange rates and everything else comes, you know, falls into place. I think that is how I look at it.

MODERATOR: Thank you very much Number 2. Maybe we are nearing the end now.

NUMBER 1: Very good news.

MODERATOR: Ja. Suppose you have a minute to talk to the CEO about strategy implementation in the National Housing Enterprise what would you say?

NUMBER 1: I would (indistinct) say that we must ...

MODERATOR: You have one minute brief to tell the CEO.

NUMBER 1: Comrade CEO, Comrade CEO we must (indistinct) strategy focused. We need to look at those strategic issues that we have raised, I think means and objectives and place them, our agenda should actually be an agenda structured along the lines of our strategic plan everyday, every time we meet as Exco we need to be able to measure our operations and our achievements in relation to the strategy. Everything must be measured relative to the strategy. Everything we do we see, how, I want to see everything that we do whether it's building a house or whether it is attending a workshop or doing a training course, everything must be geared towards achieving the strategic objectives and we'll be able to measure that so that everything is (indistinct) is more or less, you know, aligned (indistinct). So that's one minute of your time. Thank you very much.

MODERATOR: Thank you very much Number 1. Yes Number 2.

NUMBER 2: I think without repeating what he said ...

MODERATOR: Ja, one minute to ...

NUMBER 2: I would tell the CEO that CEO, NHE comes first and the issues of NHE should always come first and the other issues from outside should also come second, because sometimes we spend almost a month without meeting as Exco, because he's involved elsewhere you know, they need his help at the Ministry, at all levels, and I think I'd remind him that please, you are the CEO of NHE, that is where you are first, others, other issues come second.

NUMBER 1: Prioritise.

NUMBER 2: Ja, exactly. I think would be fine.

MODERATOR: Thank you very much Number 2. Last, but not least now that we have talked a lot about strategy implementation at NHE maybe there is something else we have not discussed or which have crossed your mind during the discussion which you might want to share with us.

NUMBER 1: Ja.

MODERATOR: If there is anything else related to strategy implementation you might want to share with us.

NUMBER 1: Ja, I think that maybe one thing that, it goes to the, really the root of the establishment of SOEs. I think at the Government level I would just like Government to step back and look again as what, what is the purpose, why do they want State owned enterprises and I know now they have gone to almost seventy-two, I think now we have got seventy-two SOEs ...

NUMBER 2: Ja seventy-two.

NUMBER 1: you know. What do we want to achieve? I know we have got the State owned governance council that is there, it is not doing much, we don't have any contact with them, I know they came with some, some of the structuring of SOEs in terms of TS and so and then I think they are more effective in trying to restrict the salaries of State owned employees, but in terms of governance, because even if you look at the Governance SOE Act it talks about signing performance agreements, signing governance agreements, the board must sign a governance agreement with the line minister or the portfolio minister and then the board must sign a performance agreement you know with the ...

NUMBER 2: CEO.

NUMBER 1: with the management you know, more or less. We don't have those things in place and they are not being enforced and that is why now every parastatal, every SOE is doing their own thing. Your strategies are also supposed to be, our strategy is supposed to be aligned with a national strategy whether it is vision 2030 or even the NDB4 or I don't know what NDB we are there now, so that even the Governance Council is actually taking care of that, they're

making sure that, and they must actually not approve, but somehow have sight of all of these strategic plans. Maybe they should have once a year or once every five years organise a super workshop and all those SOEs has set what we call a strategic tone you know, set a strategic, national strategic tone, because even now this mass housing is not only about housing, there are things like roads, there will be things you know, even about business development, because we're creating so much, there will be so much economic activity so all these other sectors of the economy must also be aligned to that so that all of us can revert to that and then we have one national orchestra so to speak. We all sing from the same hymn book and then we move and then, so I think we need to look at a national level, at a bigger dialogue and try to sort-of align them so that, towards as one national.

MODERATOR: Thank you very much Number 1.

NUMBER 2: I think the whole governance structure within either SOEs and Government had these losses, basically that's what it is, isn't, we didn't say why. It's because of the way we appoint our board members for example. A board is the overseer of an organisation like NHE. But how are the board members appointed, you know? We appoint one person who sits on ten boards, then we appoint another one who has no clue with what NHE is doing and there is, and then one is appointed, because political affiliation, you know, and also the entire governance structure is lost. So you find even sometimes even to get a board meeting takes you two months just to organise them. This one is busy, because this one will be out of the country, why, because these people are sitting on ten boards you know. That is one. Two, some have no clue, you don't even know how to present information to them, because they have no idea as to the nature of the operations of the board. So I would say in order to improve that situation I think the board members, the appointment of board members should be done independently from Ministers so

that it is manned by probably the SOG and SOE Governance Council where even, advertise these jobs, let, interview people, let people come for interviews and then they are appointed. Then it means you have made a commitment. You applied for a job, you have been appointed, you have some level of commitment whereas now people are just being appointed and they will tell you hey, I've got better things, I have done enough national job and whatever, I was in the reparation staff, I mean it doesn't work like that. So for me that is very critical if we have to bring what he was talking about the governance structure.

MODERATOR: I assume that there is nothing more to share on the implementation of the strategy here at National Housing Enterprise.

NUMBER 1: Maybe, maybe one.

MODERATOR: Yes Number one.

NUMBER 1: Maybe just one more thing. Maybe, you see when you are implementing a strategy communication becomes critical you know. I think maybe we should also communicate more. I think the lack of communication which has taken place is also, has been quite minimal, I think has been restricted to a smaller group which is management and then management a few times, so I think we should just do more in trying to make sure that the employees also understand our vision when we talk about a strategy so that there is total commitment and (indistinct) even at the lowest levels. I think that's another thing that our (indistinct) may assist.

MODERATOR: Thank you very much. It's a very important observation. In some of our deliberations there were issues of new values which have come up ...

NUMBER 2: Ja.

MODERATOR: but not communicated. Just, something else. So lady and gentlemen, it is my single honour and on behalf of Mr Titus to thank you very much to take your time from your

busy schedules to come and participate in this focus group. And I hope the outcome of the discussions will be utilised fully in trying to transform NHE into better heights in line with its mission and vision. I thank you once more.

NUMBER 1: Thank you very much.

END OF FOCUS GROUP DISCUSSION

Appendix 2: Consent Form

Consent to Participate in Focus Group

You have been asked to participate in a focus group sponsored by Mr Willem George Titus. The purpose of the group is to try and understand the strategy implementation process at the National Housing Enterprise. The information learned in the focus groups will be used to improve strategy implementation at NHE and assist the sponsor in completing his Master`s programme at the University of Namibia.

You can choose whether or not to participate in the focus group and stop at any time. Although the focus group will be tape recorded, your responses will remain anonymous and no names will be mentioned in the report. There are no right or wrong answers to the focus group questions. We want to hear many different viewpoints and would like to hear from everyone. We hope you can be honest even when your responses may not be in agreement with the rest of the group. In respect for each other, we ask that only one individual speak at a time in the group and that responses made by all participants be kept confidential.

I understand this information and agree without undue influence to participate fully under the conditions stated above:

Name: í Date: í í í í í í .

Signed: _____ Date: _____

Appendix 3: Focus Group Discussion Demographics

NHE Focus Group Participant Demographics

Instructions:

Please fill in this form

1. Date: í í í í í í í í í í í í í í .
2. Time: í í í í í í í í í í í í í í í
3. Place: í ..
4. What is your job title: í
5. How long have you been working at NHE?.....
6. Your age: (Please tick the most appropriate response)
 - i. Below 30 years
 - ii. 30 to 40 years
 - iii. 41 to 50 years
 - iv. 51 to 60 years
 - v. over 60 years
7. Your gender:
 - i. Male
 - ii. female

Appendix 4: Focus Group Discussion Guide

NATIONAL HOUSING ENTERPRISE FOCUS GROUP INTRODUCTION

WELCOME

Thank you for agreeing to be part of the focus group. We appreciate your willingness to participate.

INTRODUCTIONS

Moderator; assistant moderator (Secretary)

PURPOSE OF FOCUS GROUPS

We have been asked by Mr Willem George Titus to conduct the focus group. The reason we are having this focus group is to find out how NHE is implementing its strategic plan since 2006 to date. It is also in partial fulfilment of Mr Willem George Titus's requirement for completing his Master's degree at the University of Namibia. We need your input and want you to share your honest and open thoughts with us.

GROUND RULES

1. WE WANT YOU TO DO THE TALKING.

We would like everyone to participate.

I may call on you if I haven't heard from you in a while.

2. THERE ARE NO RIGHT OR WRONG ANSWERS

Every person's experiences and opinions are important.

Speak up whether you agree or disagree.

We want to hear a wide range of opinions.

3. WHAT IS SAID IN THIS ROOM STAYS HERE

We want you to feel comfortable sharing when sensitive issues come up.

4. WE WILL BE TAPE RECORDING THE GROUP

We want to capture everything you have to say. We don't identify anyone by name in our report. You will remain anonymous.

You are well come.

FOCUS GROUP QUESTIONS FOR NHE EMPLOYEES

1. How have you been involved in strategic implementation of the NHE?
2. Think back over all the years that you've participated in the implementation process and tell us your memory about the implementation.
3. Think back over the past year of the implementation of the strategy and tell us what went particularly well or wrong?
4. What do you think needs improvement in the implementation process?
5. Suppose that you were in charge of the implementation and could make one change that would make the implementation process better. What would you do?
6. What can each one of us do to make the strategy implementation better?
7. Of all the things we've talked about the strategy implementation at NHE, what is most important to you?
8. Suppose you have one minute to talk to the CEO about strategy implementation in NHE what would you say?
9. Now that we have talked a lot about strategy implementation at NHE, is there anything else that you might want to add in our discussion.

Thank you very much for taking part in this discussion. Thank You.