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CRITICAL SUCCESS FACTORS FOR STRATEGY IMPLEMENTATION WITHIN THE SOUTH AFRICAN SHORT-TERM INSURANCE SECTOR

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KEYWORDS

Strategy, strategy formulation, strategy implementation, short-term insurance, insurance, strategic management process

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LIST OF ACRONYMS

- PESTEL – Political, economic, social, technological, ecological and legal.
- RBV – Resource-Based View
- SPSS – Statistical Package for the Social Sciences
- SWOT – Strengths, weaknesses, opportunities and threats

CHAPTER 1. INTRODUCTION

1.1 Purpose and Outline of the Study

The objective of this research is to determine a common set of considerations that underpin strategy implementation in the short-term insurance sector in South Africa. This paper will seek to analyse the factors which influence the successful implementation of strategy against the backdrop of these common considerations.

This paper is split up into 5 chapters, with Chapter 1 providing a background to the study, context to the research question and highlighting the significance of the study. Chapter 2 consists of a literature review of all of the leading scholars on strategy implementation, highlighting the key conceptions of strategy implementation contained in the literature to date. Chapter 3 provides an explanation of the research methodology applied to the study, while Chapter 4 sets out the key findings drawn from the research conducted on the defined research population. Finally, Chapter 5 sets out an explanation of the key findings contained in Chapter 4, and concludes this paper by providing recommendations and areas for potential future research in the subject area.

1.2 Background of the Study

Amid the devastating impact of the COVID-19 pandemic, a slowing global economy, rising inflation and a meagre 1.2% GDP growth in 2021, the South African insurance industry grew by 7% to R131.6bn in gross written premium on the short-term insurance side (accounting for approximately 2 per cent of South Africa's GDP), and experienced a 10.4% growth to R595.2bn in total net premium income recorded on the long-term insurance front (KPMG, 2022).

The top contributors to this result in the short-term insurance sector were Santam Limited (31%), Hollard Insurance and Guardrisk Insurance Company Limited (each contributing 12%), Old Mutual Insure Limited (11%) and OUTsurance Insurance Company Limited (9%) (KPMG, 2020). These insurers, together with

a number of other key market players, will be the main subject organisations that this research paper will look to investigate.

The short-term insurance sector in South Africa has undergone a myriad of regulatory changes over the last two decades. A cumbersome, but arguably warranted, solvency capital regime, together with legislative requirements to treat customers fairly and regulate fees collected by intermediaries are among the changes to the regulatory environment that have necessitated a step-change in the way that short-term insurers think about and implement their strategies.

In addition, technological advancements continue to impact underwriting, claims and sales processes within the sector, creating interesting niches for entities either competing with larger incumbent insurers or providing incumbents with various applications as a service (Neale, 2020).

The rise in awareness by stakeholders of environmental, social and governance matters adds to the milieu of considerations that strategists within the sector must contend with, compounded by a competitive landscape in which insurers compete, *inter alia*, on price, innovation and quality of service to customers. Amongst other macroeconomic challenges facing insurers in South Africa are steadily rising inflation rates, and a shrinking economy in which businesses and individuals continue to come under immense financial pressure.

1.3 Research Problem

The academic literature on strategy boasts a rich body of knowledge relating to the strategy formulation process, but lacks the same depth and volume on the strategy implementation process (Noble, 1999). Indeed, managers preoccupy themselves greatly with developing strategies for their organisations and spend arguably less time working through methodologies and sound practices for implementing those strategies (Hrebiniak, 2006). And while the process of strategy formulation is time-consuming, difficult and costly, the failure rate of strategies attributable to deficient implementation has proven far more perilous than the endeavour of strategy formulation (Čater, 2010).

Given South Africa's position as the most developed and sophisticated financial services market on the continent, it follows that competition is most rife in this market. The dominance of a handful of incumbents, combined with high regulatory barriers to entry has made it difficult for smaller, tech-driven players to penetrate the market.

This notwithstanding, the cell-captive[1] and underwriting management agency[2] models have made it possible for smaller players to begin to compete within the market (despite the fact that these smaller players operate in the market utilising the licences of more established players). The tension between these larger incumbents and emerging players within the market has meant that short-term insurers need to focus not only on sound strategy formulation, but on strategy implementation in order to remain competitive.

It is against this backdrop that this paper investigates the critical determinants of success in strategy implementation. In particular, this paper will focus on the factors as they relate to the short-term insurance sector in South Africa and attempt to rank and group these factors in a manner that is useful to managers in the short-term insurance sector in South Africa in their thinking around how to successfully implement strategies that drive key success metrics such as top and bottom-line growth, innovation and the development of a sustainable competitive advantage within the market. The importance of sound strategy implementation practices in achieving success within these metrics cannot be understated, and it is important that managers within the sector consciously adopt sound strategy implementation practices in order to achieve their often-rigorously formulated goals.

[1] Cell captive insurance is a form of insurance where the owner of an insurance licence creates ring-fenced " cells" where an organisation (or a group of organisations) can insure themselves within a separate structure, and where the assets and liabilities of the cell are kept separate from other organisations which may write business onto the captive cell insurers' licence.
[2] An underwriting management agency is an agency which is a separate legal entity to an insurer and which underwrites business and acts on behalf of the insurer.

1.4 Research Questions

Academic research on the critical success factors for successful strategy implementation within the South African short-term insurance sector is lacking. With this in mind, the aim of this research is, ultimately, to answer three questions: (i) what are the important frameworks for strategy implementation in the South African short-term insurance sector; (ii) are there common themes and critical success factors for strategy implementation to be found in the literature and responses from the research participants; and (iii) to the extent that the answer to the second question is affirmative, can the aforementioned critical success factors be ranked in order of importance for implementers of strategy operating within organisations in the South African short-term insurance sector?

1.5 Significance of the Study

Organisations are faced with a smorgasbord of challenges pertaining to strategy implementation, most of which emanate from factors such as: poor communication and misunderstanding of the strategy in the organisation; a lack of alignment and coordination between those tasked with executing the strategy as well as the resources and capabilities available to execute the strategy effectively; a lack of commitment to the strategy by the relevant stakeholders; and other uncontrollable and exogenous environmental factors (Beer, 2000).

As argued by Noble (1999), there appears to be a significant lack of attention in the academic literature on strategy implementation, in contrast to the depth of knowledge that exists within the strategic management field of strategy formulation. Of note is the lack of empirical research on the critical success factors of strategy implementation within the short-term insurance sector in South Africa. The aim of this research is to contribute to the development of this body of knowledge by providing insights into the success factors on strategy implementation. To this end, this research will investigate various activities within the process of strategy implementation in the short-term-insurance sector in South Africa, highlighting where organisations face serious obstacles and

proposing a number of activities and considerations that can inform successful strategy implementation.

The relevance of this study is thus derived from its investigation into a number of aspects put forward in the research topic, and given impetus, in the first place, by its investigation into the critical success factors of strategy implantation and, in the second place, the obstacles to strategy implementation within the short-term insurance sector.

The study will: (i) identify the stand-out frameworks for strategy implementation in the South African short-term insurance sector; (ii) identify any common themes and critical success factors for strategy implementation within the sector; and (iii) attempt to logically group and rank the aforementioned critical success factors in a useful way for organisations within the South African short-term insurance sector.

1.6 Limitations of the Study

Strategic management, at its core, involves the formulation, implementation and evaluation of complex cross-functional decisions and activities that allow an organisation to achieve its stated objectives (Kaplan, 2005). This field is indubitably broad, prompting a more focused approach by this paper in its investigation of the strategy implementation process within the short-term insurance sector in South Africa.

Consequently, the scope of this paper will specifically exclude any investigation into the much-researched field of strategy formulation. Furthermore, there will be a direct focus only on activities which have a direct and material impact on strategy implementation. Thus, while the findings of the study will undoubtedly carry insights for strategists across a variety of sectors, the stated sector of focus will be the South African short-term insurance sector.

CHAPTER 2. LITERATURE REVIEW

2.1 Introduction

A critical component of the strategic management process involves strategy implementation which, succinctly, concerns itself with the actioning of logically developed strategies to achieve the objectives of a company (Shah, 1996). The key determinant of how impactful a strategy is lies in the ability of people and organisations to implement it effectively. The importance of this notwithstanding, the area of strategy implementation has not been researched extensively, with some authors suggesting that it lacks a long-established theoretical basis (MacLennan, 2011). Of note, far less work has been done to create an established theoretical basis for strategy implementation within the short-term insurance sector in South Africa.

This critical review of the scholarly work pertaining to the area of strategy implementation will introduce some of the existing thinking in the area, and set out the key elements for strategy implementation found in the literature.

The aim, ultimately, is to answer three questions: (i) what are the stand-out frameworks for strategy implementation; (ii) are there common themes and critical success factors for strategy implementation to be found in the literature; and (iii) to the extent that the answer to the second question is affirmative, is there a way to rank and logically group the aforementioned critical success factors.

2.2 The Concept of Strategy

Strategy is defined as a plan to achieve a specified outcome and the long-term direction of an organisation (Whittington, 2020). Some authors have defined strategy beyond the realm of mere planning, and have suggested that the definition extends, in most instances, to include the development of resources during the strategy planning process in a manner that aides the achievement of the objectives specified in the strategy (Galbraith, 1978).

In itself, an effective strategy concerns itself not only with the internal machinations of the organisation, but also with the external environment in which the organisation is located (Munge, 2017). For some authors, effective strategy requires the not only the formulation of the strategy, but the act of turning those strategies into operations that lead to the achievement of the organisation of its stated goals (Jumba, 2015). As a consequence, the antecedent of a successfully implemented strategy is strategy formulation, with the two being interdependent for their success.

The literature indicates that there exists a relationship between strategy and performance, and that the success of a strategy can effectively be measured in one or a combination of three ways primarily: (i) on financial metrics such as return on assets, return on investment and return on sales; (ii) market-based measures such as market value-add; and (iii) subjective, qualitative measures such as customer satisfaction, stakeholder satisfaction and ethical behaviour (Kibicho, 2015).

2.3 Definition of Topic

The strategic management process involves a variety of activities, including undertaking an organisational analysis, the formulation of a strategy and strategic objectives, the implementation of that strategy as well as the monitoring and adaptation of that strategy at various intervals (Shah, 1996). Of these activities, the focus of this paper will be the implementation of strategy and the key role that this activity plays in the strategic management process.

The ultimate aim of this investigation is to make an assessment of the critical factors most relevant to strategy implementation within the short-term insurance sector in South Africa. In order to achieve this, it is critical to begin by first defining *strategy implementation* from the available literature, and setting it apart from certain other elements within the strategic management process. And while certain strategy implementation authors have criticised the traditional conceptual separation of strategy formulation from strategy implementation, arguing that the two are inherently interwoven (Floyd, 2000), this paper will seek, insofar as

possible, to treat the various activities of the strategic management process as conceptually distinct activities.

As will be gleaned later on in this paper from the data collected through the research questionnaire, executives and managers within the short-term insurance sector place a high degree of importance on the proper formulation of strategy as it pertains to the process of strategy implementation. This notwithstanding, the ultimate purpose of this paper will be the investigation of strategy implementation *per se*, distinct from the activity of strategy formulation.

2.4 Strategy Implementation

Fundamentally, managers are seized, in their day-to-day functions, with “simply getting things done” (Čater and Pučko, 2010). At its core, strategy implementation over the years has been seen as the execution of tactics aimed at the operationalisation of strategic plans that are well defined through the strategy formulation process (Čater and Pučko, 2010). This operationalisation of a strategic plan comprises a range of activities ultimately aimed at driving an organisation towards the successful achievement of its most important objectives (Wheelen and Hunger, 2012).

Put more eloquently, Ansoff (1999) sees strategy implementation as the process of moving an organisation in a specific direction through the conceptualisation and execution of a combination of internal and externally focused tactics. Invariably, strategic decisions taken by an organisation have a range of multifunctional consequences and enduring effects on the organisation, and it is important that these are considered by organisations when formulating and implementing strategy (Thompson, 2007).

There are a variety of components within the management of an organisation that are ultimately responsible for the successful implementation of strategy, and it is fundamental to the strategy implementation process that these management components are aligned on what must be achieved and how to achieve it to secure a specific strategic outcome (Thompson, 1993). In the strategic management process, success is ultimately defined more by how a strategy is

effectively implemented than it is by the sophistication of the strategy itself (Chakravarthy and White, 2001).

An organisation's successful movement from its current state to its desired future state is ultimately dependent on how well it implements the plans intended to take it towards that desired end (Chakravarthy and White, 2001). Furthermore, the effective direction and control of the firm's resources and machinations, including its structure; systems; leadership; budgeting and other fundamental control systems are all critical components of strategy implementation (Pearce, 2007).

The multi-level nature of strategy implementation analysis has hindered, to a certain extent, the creation of closed frameworks for strategy implementation, and has made it difficult to develop coherent streams of research into the topic (Lehner, 2004). This notwithstanding, a few broad conceptions of strategy implementation are evident from the literature. The first, and more traditional, conception places a high premium on *organisational structure* and its link to strategy, denoting the need for a thorough and considered design of the structure, systems and processes of an organisation, with these being essential to the ability of the organisation to effectively implement its chosen strategy (Hrebiniak and Joyce, 1984). In this conception, strategy formulation is the antecedent to strategy implementation, with the former being executed through the design of the organisational structure and processes (Ansoff, 1965).

The proponents of this conception of strategy implementation give scant consideration to the need to elicit the buy-in of the individuals within middle-management charged with delivering the strategy, much less the alignment of the interests and goals of these implementers to those borne in the minds of the formulators of the strategy (Guth and MacMillan, 1986). Instead, the primary questions to be answered pertain to the appropriateness of the design of the organisation, and the existence (and creation) of relevant systems and structures that align with the strategic goals set out during the formulation of the strategy (Bourgeois, 1984). Leaders within the organisation have a duty to be both transparent and empathetic in leading the formulation and implementation of strategy. In doing this, leaders play the qualitative role of servant, visionary and steward, as well as the more operational roles of architect, change agent, coach

and storyteller (Maritz, 2011). Furthermore, the role of the leader is extended to both a coordinator and a cultivator of strong and productive relationships with various stakeholder inside and outside of the organisation (Maritz, 2011).

Later renditions of this first conception of strategy implementation introduced slightly varied thinking on the subject, framing strategy implementation as a step-by-step process in which a multitude of steps for the successful implementation of strategy are effectively split up into two primary categories: strategy planning and organisational design (Hrebiniak, 1984). For Hrebiniak and Joyce (1984), strategy implementation fundamentally begins at the phase of strategy formulation; there is a need to ensure that implementation aspects are adequately catered for during the formulation stage. In a similar vein to earlier scholars, emphasis is placed on the organisational structure that managers have which will ultimately inform whether the strategy is capable of being broken up into smaller components and executed effectively by different parts of the organisation through a defined set of processes, backed by employee incentives and controls to ensure effective delivery (Hrebiniak, 1984).

Thompson and Strickland (1986) built upon this conception, with the key addition that strategic leadership – managers acting as problem-solvers, resource allocators and chief entrepreneurs – forms a key part of their model on strategic implementation, albeit only at the end-point where the strategy is being implemented and not throughout the strategic management process.

Kaplan and Norton (2005) take this conception even further by placing emphasis on the importance of *monitoring and learning* at the point of strategy implementation, which includes the practice of *testing and iterating* on the strategy and the manner in which it is implemented in order to optimise it and make it successful. Deficiencies in the manner in which this framework was conceived have been raised by various authors, citing that it does not explicitly focus on execution, and was tested only on a limited set of companies which utilised the “balanced scorecard” technique (Kaplan, 2008).

Various methods exist to assist organisations with how to approach strategy implementation. These methods, in the main, focus on two sets of factors: internal

and external factors (Jumba, 2015). A SWOT analysis is an effective tool in helping managers understand their internal resources and capabilities as well as their external environment in order to formulate and execute strategic decisions (Whittington, 2020). It does not, however, provide managers with specific direction on how to implement strategy, and only aides the organisation in beginning to generate strategic options and assessing their desired course of action (Whittington, 2020). A similar tool utilised for assessment of an organisation's external environment is the PESTEL analysis which, for the most part, has the same limitations as the SWOT analysis as a tool to give specific direction on strategy implementation (Jumba, 2015).

One of the most compelling frameworks for strategy implementation is drawn from Higgins who reframed the McKinsey 7 'S's strategy framework into a useful heuristic which enables executives to implement, monitor and continually assess the cross-functional execution of strategies (Higgins, 2005). For Higgins (2005), the success of a strategy is dependent on the organisation's ability to align several key organisational factors with the strategy: strategy and purpose; organisational structure; systems and processes; leadership and management style; staff; resources; shared values (or organisational culture); and strategic performance. Higgins (2005) defines these factors as follows:

S*trategy and purpose*: An organisation develops various types of strategies in order to achieve its organisational purposes – corporate strategy (what business the company should be in and how it will conduct that business), business strategy (how the firm will compete in their chosen business), functional strategy (strategies pertaining to each function of the business which are aligned to the business strategy), and/or process strategy (cross-cutting strategies aimed at integrating processes coherently).

S*tructure*: An organisation must structure jobs and responsibilities in a logical manner which provides mechanisms and clear guidelines for coordination and control.

S*ystems and Processes*: An organisation must have clear systems and processes that enable it to operate effectively on a daily basis. These include budgeting, rewards, quality control and information systems, amongst others.

Leadership and Management **S**tyle: This denotes a consistent manner of engaging with and relating to subordinates as a leader.

S*taff*: A capable collective of individuals within the organisation that can adequately deliver on the strategic purpose of the organisation.

*Re**S**ources*: A company must have adequate resources, in the form of technology, money, people, knowledge management and other managerial systems, in order to execute its strategy effectively (Kibicho, 2015).

S*hared Values*: It is critical for a company to align its strategy with its organisational culture, which are defined as a company's beliefs, attitudes and values shared within the organisation which enable effective strategy implementation.

S*trategic Performance*: Strategic performance is a derivative of the aforementioned elements and is essentially a measure of the company's performance against a number of metrics including, amongst others, financial performance and the successful implementation of a strategy.

2.5 Obstacles to Strategy Implementation

Hrebiniak (2006) identifies several broad factors and contexts that hinder strategy implementation: change management; organisational culture context; organisational power context and the leadership context (Čater, 2010). Čater (2010) argues that, to the degree that these factors are synchronised, there will likely be a positive outcome for the strategy implementation process undertaken by the organisation. The single largest one of these factors is change management, and organisations must be sure to identify areas of potential resistance to change and manage these effectively (Hrebiniak, 2006). Second among these hinderances is organisational culture which, as Mark Fields noted, "eats strategy for breakfast" (Whittington, 2020). This set of taken-for-granted

beliefs and assumptions commonly held by members of an organisation creates the propensity for members of an organisation to behave in a certain way and, to the extent that these norms are not considered when seeking to implement strategy, the results for the organisation could be counter-productive (Čater, 2010).

Closely related to the organisational culture context is the need for strategy-makers to appreciate where power lies within the organisation (Čater, 2010). Simply put, strategies are executed by people and, to the degree that the key stakeholders within the organisation are not socialised to the strategy and its intended implementation, there is the possibility that the strategy may not be implemented effectively for a number of reasons. A lack of leadership – the ability to co-ordinate people and resources towards a certain end and provide clear guidelines for doing so – often leads to uncoordinated efforts, with implementers of the strategy being unaware of what they should be doing and the manner in which that connects with other parts of the business and should be coordinated (Kaplan, 2005).

2.6 Analytical Framework

Pioneered by Jay Barney, the resource-based view of strategy avers that “the competitive advantage and superior performance of an organisation are explained by the distinctiveness of its resources and capabilities” (Whittington, 2020). Provided that these resources and capabilities are valuable, rare, inimitable and that the organisation is structured appropriately to exploit these resources, the organisation is able to gain a strategic advantage in its market by exploiting this bundle of resources (Whittington, 2020). This view of strategy looks not only at external market factors, but at the critical internal workings of the organisation in order to propose an effective way of thinking about strategy and strategy implementation (Jumba, 2015).

The resource-based view places a high premium on the internal machinations of the organisation, and the ability of the organisation to leverage its resources and capabilities, much contrasted to input-output models of strategy implementation

which focus primarily on attempting to control external factors in order to implement strategy successfully (Jumba, 2015). This emphasis on the exploitation of internal resources and capabilities provides a compelling lens through which to analyse strategy implementation. This theoretical framework will be supported by additional analysis of the external environment of an organisation as a factor in the successful implementation of an organisation's strategy.

In addition, Higgins' 8 'S' framework (2005) discussed above in the literature review is a useful framework for us to use as it provides a useful way to group all of the critical components of strategy implementation into their logical parts.

2.7 Conclusion of Literature Review

There are several conceptions of strategy implementation, each offering unique insight into how managers should think about the overarching process and critical considerations in implementing strategy. Most common is the conception of strategy implementation as a function of organisational structure, and the reliance on how the organisation is set up as a proxy for how effectively a strategy can be implemented. More recent conceptions of strategy implementation distinguish between the role of internal and external organisational factors, and place a premium on the ability of the company to grapple effectively with these factors in order to implement their strategies successfully.

In short, the critical components of strategy implementation that are gleaned from the literature are the following: Organisational culture (values, expectations, and practices that guide and inform the actions of all team members); Formulation of a clear strategic plan with defined goals and objectives; People (the organisation's human resources) and how they are managed and organised by the organisation; Transparent and empathetic leadership; Engagement with various internal stakeholders (including how the strategy is communicated and cascaded through the organisation); Understanding of market trends; Organisational structure (how activities such as task allocation, coordination and supervision are directed toward the achievement of organisational aims);

Organisational infrastructure (information technology systems, assets etc.); Financial resources; Detailed implementation plan with measurable objectives, timelines and accountability; Organisational processes (sequence of tasks that generate the product or service offered by the companies); Monitoring and iteration of defined implementation plan; Strong change-management capability; Innovative culture; Engagement with various external stakeholders (shareholders, suppliers, trade unions etc.) and a dedicated project management capability to facilitate and monitor execution.

The resource-based view of strategy is helpful in framing this discourse, and emphasises the centrality of the internal resources and capabilities of the organisation as a means to determine how an organisation should direct its efforts in order to chart the correct strategic course for itself, and ensure that it is capable of implementing its desired strategy based on the factual nature of its resources and capabilities. The research will consider the importance of these conceptualisations as they pertain to insurance organisations, assessing the impact and interplay between internal and external resources and capabilities which, in some instances, are peculiar to the short-term insurance sector.

CHAPTER 3. RESEARCH METHODOLOGY

3.1 Research Approach, Design and Population

3.1.1 Research Approach and Design

This section sets out the research design and methodology chosen for this study, and the reasons why it was selected. It provides an overview of the methods and procedures to be utilised to achieve the stated research objectives. A brief outline of the target population, as well as the methods through which the data will be collected are also provided.

The research process is, effectively, an undertaking which provides a "systematic, planned approach to a research project and ensures all aspects of the project are consistent with one other" (Brannick, 1996). Linked to this is the notion of research design which, fundamentally, is determined by considerations such as the purpose of the research, the data required and the sources from which this data can be attained (Brannick, 1996).

This study will utilise quantitative descriptive research design in order to enable the researcher to generalise data findings from a smaller population size, and generalise them to a larger population (being the short-term insurance sector in South Africa). The population for this study is defined as (i) executives and senior managers; (ii) who currently operate within the short-term insurance sector in South Africa or have operated within this sector; (iii) operate or have operated in the 10 largest short-term insurance organisations in South Africa; and (iv) have in excess of 5 years of experience operating in those positions. What ties this group of people together is their long-standing participation in strategy formulation and execution within the short-term insurance sector in South Africa within the leading insurance organisations in the sector (defined, for our purposes, as organisations with a gross written premium in excess of R1bn as at January, 2022).

3.1.2 Target Population

The respondents for the study were sourced in a number of ways: (i) through the researcher's professional network, leveraging various relationships with senior executives in order to access other members of the defined population; (ii) reaching out to members of the defined population through LinkedIn, email and various other modes of social media; and (iii) through referrals from other members of the defined population. In total, responses were received from 55 respondents across 17 different short-term insurance companies, underwriting management agencies and consultants who provide services to the short-term insurance market.

In sourcing the respondents, the researcher ensured that the subjects of the research and the researcher himself are sufficiently independent of each other in that there was no collaboration between the various participants in providing their responses, and there was no attempt to influence the outcome of the responses.

3.2 Data Collection Methods

The researcher collected primary data from this well-defined population through a questionnaire containing closed and open-ended questions. The use of close-ended questions on a Likert scale was used to limit the range of possible responses to questions and thus made the data easier to analyse, while a limited number of open-ended questions was put to the respondents to encourage respondents to give detailed feedback on a specific question (Ngonjo, 2013). Furthermore, the use of a questionnaire facilitated access to and responses from respondents who would otherwise have been difficult to interview in-person, and made the endeavour of research and data collection far more economical than in-person interview which would have required both time and money (Mugenda, 2003).

Once the data was collected, it was ensured that there was consistency and completeness in the data sets prior to analysis. The researcher analysed the data using SPSS and derived a range of statistics which provided insight into the presence, efficacy and reliability of various critical factors within the strategy

implementation process in short-term insurance organisations within South Africa. The data was then presented in the form of tables and graphs following an analysis which set out the frequency, means and standard deviations from the mean of the responses from each of the research participants. The relevance of using means and standard deviations in statistical analysis was explained by Sykes (2016) as providing the ability to present a common measure of central tendency with reference to the average value of a particular group of numbers (Sykes, 2016). As a reliable measure of variability between the responses to each question, standard deviation is a credible tool for measuring the degree of deviation from the group's mean responses (Sykes, 2016). This formed the primary basis of statistical analysis in the study.

In addition to the descriptive statistics described above, an ANOVA (analysis of variance) test was utilised to test whether the importance of each of the critical success factors set out in the research questionnaire differed between more senior executives and senior managers. This test is typically employed to determine whether there are any significant statistical variances between the means of over three independent groups (McCullagh, 2005).

All of these analyses were used to compile a common set of critical success factors, grouped logically and ranked in terms of their importance to the research participants.

3.3 Limitations of the Study

The first limitation of the study is that it seeks to make findings on the research problem as it pertains to the South African market. The second limitation is that the research collected is entirely from managers and executives within the short-term insurance sector, whose main area of expertise, in many instances, will be limited to the insurance sector. The other main limitation is the exclusion of other critical components of the strategic management process. The research has done this to create a specific focus on an area of the strategic management process that is scant in research, despite arguments by some authors that the strategy implementation process is inherently linked to strategy formulation.

3.4 Ethical Considerations

There are no major ethical considerations that have a direct bearing on the execution of the research for this study. The full list of findings from the questionnaires are provided as an annexure in the study.

CHAPTER 4. RESEARCH RESULTS

4.1 Introduction

The section below sets out an analysis of the data gathered from the responses to the research questionnaire. This section is structured in a way that clusters the themes from questions circulated in the research questionnaire under the various components of the Higgins 8S framework. An analysis into the importance of each relevant factor is conducted, after which an inference is made into which factors are deemed critical to strategy implementation in the insurance sector.

Primary quantitative data was gathered from a population of 55 executives, senior managers, chief executive officers and consultants across 17 different insurance companies and underwriting management agencies operating within the short-term insurance sector in South Africa. Following collection of the data through a close-ended questionnaire which asked 16 questions with response options ranging from “not important at all” to “critical” on a 5-point Likert scale, the responses were coded and categorised with Statistical Package for Social Sciences (**SPSS**) to produce frequency and other descriptive statistics which were utilised to derive conclusions and make generalisations.

Mean values were applied to the findings to compute measures of central tendency. In addition, standard deviations were assessed, where a lower standard deviation on a particular response between the participants indicated a higher degree of unanimity, and vice versa. Descriptive statistics were utilised in the study as the primary form of data analysis to analyse the level of importance of the critical factors put forward in the research questionnaire.

No regression analysis was conducted on the data because, according to Hair (2017), a regression analysis is best suited to instances where a researcher is looking to understand the relationship between independent

variables and dependent variables. The data collected, in this instance, therefore does not warrant conducting a regression analysis.

4.2 Demographic characteristics

This section describes the demographic characteristics of the population surveyed. The research questionnaire provided to the participants required demographic responses pertaining to the (i) company that the respondent works for (and in the case of retired executives, the company where they last worked); (ii) their job title and role in that company; and (iii) the number of years that the respondent has worked in the short-term insurance sector in South Africa. The purpose of these questions was to ensure that the respondents were experienced executives and senior managers with experience in formulating and implementing strategy in the short-term insurance sector in South Africa.

Of the 55 valid responses received, 45.5% were executives within their companies, 32.7% were senior managers, 5.5% were consultants, 9.1% were chairpersons of their companies' board of directors and 7.3% were chief executive officers or managing directors.

Table 1

JOB TITLE / ROLE	FREQUENCY	PERCENTAGE
CEO/MD	4	7.3
Chairperson	5	9.1
Consultant	3	5.5
Executive	25	45.5
Senior Manager	18	32.7
TOTAL	**55**	**100**

Table 2 below illustrates the level of experience amongst the questionnaire respondents within the short-term insurance sector in South Africa. 49.09% of respondents had in excess of 21 years of experience working in the sector, followed by 18.18% of respondents accounting for respondents with 11-15 years of experience.

Table 2

YEARS OF INDUSTRY EXPERIENCE	FREQUENCY	PERCENTAGE
1-5 Years	6	10.91
6-10 Years	8	14.55
11-15 Years	10	18.18
16-20 Years	4	7.27
21+ Years	27	49.09
TOTAL RESPONSES	**55**	**100**
AVERAGE TENURE	**11 years**	

4.3 Study variables

The study investigated the 8 determinants of strategy implementation success as set out by Higgins (2005) and explained in detail earlier in this paper, namely: strategy and purpose; organisational structure; systems and processes; leadership and management style; staff; resources; shared values (or organisational culture); and strategic performance.

On the back of these determinants, a set of 16 questions were generated and put to the 55 respondents within the defined population (see **Appendix 1** for research questionnaire). These questions were presented to respondents on a 5-point Likert scale, where 1 = *not important at all*; 2 = *slightly important*; 3 = *moderately important*; 4 = *important*; and 5 = *critical*.

4.3.1 Strategy and purpose

The study sought out to ascertain from respondents the extent to which they believe that the formulation of a clear strategic plan with defined goals and objectives was integral to successfully implementing a strategy. It also investigated the extent to which the respondents believed that a detailed implementation plan with measurable objectives, timelines and accountability was critical for successful strategy implementation. The final question put to the respondents sought to examine whether the

respondents though it was important to continuously monitor and iterate the strategy and the attendant implantation plan.

Regarding whether the respondents believe that the formulation of a clear strategic plan with defined goals and objectives was integral to successfully implementing a strategy, the respondents generally viewed this as critical (mean = 4.69 with a standard deviation of 0.51).

Table 3

	N	MEAN	STD. DEV
Formulation of a clear strategic plan with defined goals and objectives	55	4.69	.505
Detailed implementation plan with measurable objectives, timelines and accountability	55	4.24	.838
Monitoring and iteration of defined implementation plan	55	4.22	.686
Understanding of market trends	55	4.47	.604

On the extent to which an understanding of market trends was critical to strategy formulation and the resultant strategy implementation, respondents agreed that this was critical (mean = 4.47). They further indicated that the existence of a detailed implementation plan with measurable objectives and timelines was important (mean = 4.24), and that the monitoring and iteration of this implementation plan was a key contributor to the ultimate success of the plan implemented (mean = 4.22).

The findings above reveal that strategy formulation is important to managers and executives when thinking about strategy implementation. Furthermore, the findings reveal that a significant part of the strategy formulation process which is important to managers and executives is an understanding of where the market is and where it is going, which taken together form an integral part of creating and implementation plan that is

capable of being monitored and iterated on as a consequence of having clearly outlined objectives, timelines and lines of accountability. These findings are in line with Shah's (1996) view that all strategy implementation is preceded by the formulation of a clear strategy which, at its conception, considers various (external and internal) factors and trends, ultimately resulting in the creation of a strategic plan to enable the implementation (Shah, 1996). Irrespective of how good the execution of a strategy is, such execution often does not make up for the shortcomings of a poorly crafted strategy with poor formulation on how the strategy will be achieved (Hrebiniak, 2006). The kind of strategy that an organisation develops ultimately has an impact on the effects of strategy implementation (Hrebiniak, 2006; Eppler, 2008), and so it is trite that the research participants view this preliminary step to strategy implementation as critical in the strategy implementation process.

4.3.2 Structure, Systems and Processes

The existence of an organisational structure where tasks are allocated, coordinated and overseen in a manner that aligns with the organisation's strategy and culture was also deemed to be fairly critical to successful strategy implementation (mean = 4.39). The existence of a strong change-management capability was rated fairly high (mean = 4.22), with the lowest rated factor in relative terms being the existence of a project management capability to carry out the implantation of the strategy (mean = 3.95). The latter factor also showed a relatively high standard deviation (0.803) compared to the other factors. Despite this, a strong change management capability is still classified as important to the research participants when thinking about strategy implementation.

Table 4

	N	MEAN	STD. DEV
Organisational structure (how activities such as task allocation, coordination and supervision are directed toward the achievement of organisational aims)	55	4.36	.729
Strong change-management capability	55	4.22	.762
Dedicated project management capability to facilitate and monitor execution	55	3.95	.803

Systems and processes as a factor received a fairly high response (mean = 4.22), with 47 out of 55 respondents rating this factor as important or critical (i.e. a rating of 4 or 5 on the 5-point Likert scale).

Table 5

	N	MEAN	STD. DEV
Organisational processes (sequence of tasks that generate the product or service offered by the companies)	55	4.22	.738

34 out of the 47 respondents that rated this factor as important or critical were executives and CEOs within their organisations.

The above findings accord with some of the earlier conceptions of strategy implementation that placed significant emphasis on the design of the organisation as a fundamental, if not primary, consideration for strategy implementation (Carter, 2010). In particular, the ability of a company to allocate, coordinate and supervise tasks (mean = 4.36) gives credence to

elements of the “structural view” of strategy implementation, which requires (as a precursor to strategy implementation) systems and structures within the organisation to be aligned with the strategic objectives that the company seeks to achieve through the implementation of strategy (Noble, 1999).

This strategy-structure alignment is particularly important within any competitive landscape, where organisations are compelled to constantly adjust and/or re-align their organisational structure in order to prevent their competitors from gaining a competitive advantage over them (Eppler, 2008). In aligning organisational structures and system, organisations essentially have three critical levers to pull on: the centralisation or decentralisation of organisational functions and systems; adjustments to control systems; and the election of managers with particular strengths to plan, lead and manage various systems throughout the organisation (Govindarajan, 1988).

Based on the work of Noble (1999), Eppler (2008) expands on the aforementioned levers by proposing a helpful heuristic to improve the implementation of strategy at various stages of the strategy implementation process, which provides support for the responses presented in the research above. In the first place, it is important to ensure that prior to the implementation of a strategy, each functional competency within the organisation must have the slack resources it requires in order to contribute meaningfully to implementing the strategy (Eppler, 2008). When organising the implementation effort, it must be made clear throughout all relevant parts of the organisation that there are particular individuals and business units responsible for the implementation of a particular strategic effort. Thirdly, it is critical to ensure adequate representation by all business units in the implantation effort. And finally, in order to maximise cross-functional performance between functional areas, it may be necessary to allow individuals the latitude to dedicate sufficient time towards planning and managing the implementation of the strategy over and above their ordinary responsibilities (Noble, 1999;

Eppler, 2008). This last part of the heuristic speaks directly to the importance that respondents put on having a strong change-management capability, capable of effectively seeing out the strategy formulated by the organisation.

4.3.3 Leadership and management style

Where respondents were asked to rate the importance of leadership and management style, most respondents indicated that this was one of the more important factors for successful strategy implementation. The need for leaders and managers to be transparent and empathetic (mean = 4.65) ranks amongst the top 4 of all of the factors analysed in the study, followed closely by the ability of leaders to engage with various internal stakeholder for the purposes of effectively cascading the strategy throughout the organisation (mean = 4.51).

Table 6

	N	MEAN	STD. DEV
Engagement with various internal stakeholders (including how the strategy is communicated and cascaded through the organisation)	55	4.51	.573
Engagement with various external stakeholders (shareholders, suppliers, trade unions etc.)	55	3.95	.756
Transparent and empathetic leadership	55	4.65	.552

The ability of leaders to engage effectively and lead in a transparent and empathetic manner were also amongst some of the factors with the lowest standard deviations (0.552 and 0.573 respectively).

Interestingly, the ability of leaders to engage with external stakeholders such as suppliers, trade unions and shareholders ranked amongst the least critical factors in relative terms (mean = 3.95). 15 of the 55 respondents representing 27% of all of the respondents rated this factor as a 3 or lower on the 5-point Likert scale.

Effective leadership, and the role of internal and external stakeholder engagement is an important determinant of the success of an organisation (Whittington, 2020). Leaders throughout the various levels of the organisation have a duty to give impetus and direction to the implementation of a strategy in an organisation through transparent engagement (Shah,1996), which is underscored by the research findings which place high importance on this factor with relatively low variation in the responses from research participants. Effectively communicating the strategy of the organisation and how it will be implemented to internal stakeholders responsible for carrying out the strategy provides an important link between the entire strategic management process and the strategic vision of the organisation. The ability to align the organisation around a compelling vision, and champion that vision through effective communication is at the centre of a leaders responsibilities in the strategy implementation process (Whittington, 2020). Again, the importance of this is made clear by the research participants' responses to the question pertaining to the extent to which internal communication and cascading of a strategy is important in the implementation of an organisation's strategy. It is also worth noting that, on this score, there was relatively low variation in the responses of the research participants, with a high degree of participants answering in a similar manner (see Table 6).

4.3.4 Staff and Resources

With the exception of 4 respondents, the research participants found that the people within the organisation responsible for carrying out the strategic objectives once the strategy has been formulated was a critical factor,

rating this factor as important or critical on the 5-point Likert scale (mean = 4.67).

Table 7

	N	MEAN	STD. DEV
People (the organisation's human resources) and how they are managed and organised by the organisation	55	4.67	.610

There was also a relatively low standard deviation in the responses (standard deviation = 0.61), indicating a shared view of the importance of this factor amongst the respondents.

An important part of this component of the strategy management process stems not just from having the correct people in the appropriate positions within an organisation, but from also ensuring that these people are correctly managed, organised and incentivised (Shah, 1996). The responsibility thus falls on the leadership of the organisation (a reference from the previous section on leadership and management style). An efficient use of the human resources within an organisation depends, to a large degree, on the decision that managers make in respect of how these resources will most competently be utilised (Kibicho, 2015). And while having the appropriate people in the right parts of the organisation to implement the strategy is important, it is equally important to align their role with the correct rewards and incentives as this forms a crucial part in the management of staff resources in an organisation. Shah (1996) argues that there is a direct correlation between improving strategy implementation efforts and effectively tying appropriate rewards and incentives of employees to the successful implantation of a strategy.

4.3.5 Resources

The ability of a company to deploy financial resources to enable the implementation of a given strategy was seen by the respondents as a critical component for strategy implementation (mean = 4.31).

Table 8

	N	MEAN	STD. DEV
Financial resources	55	4.31	.690
Organisational infrastructure (information technology systems, assets etc.)	55	4.36	.649

Organisational infrastructure had a mean score of 4.36, with the respondents placing a high degree of importance on the existence of supportive infrastructure such as information technology systems and other assets for the successful implementation of an organisation's strategy.

These findings accord with Whittington and Barney's (Whittington, 2020) thinking. For them, the importance of financial and other organisational resources is underpinned by the "Resource-Based View", which suggests that superior performance and competitive advantage is gained, in part, by an organisation's ability to utilise physical resources (organisational infrastructure) and financial resources (the ability of an organisation to manage money, debtors, creditors and other systems effectively) in a distinctive manner (Whittington, 2020).

4.3.6 Shared values

The study revealed that organisational culture, the values, expectations, and practices that guide and inform the actions of all team members, was the most important contributory factor to successful strategy implementation (mean = 4.73). This was complemented by the relatively

low standard deviation in the responses of the participants (0.449), indicating a high degree of agreement between the respondents on the critical nature of this factor. Overall, this was the highest rated factor supported by the lowest degree of variation between the participants.

The presence of an innovative culture did not receive a similar response from participants, with responses indicating a mean of 3.98 with a standard deviation of 0.733.

Table 9

	N	MEAN	STD. DEV
Organisational culture (values, expectations, and practices that guide and inform the actions of all team members)	55	4.73	.449
Innovative culture	55	3.98	.733

The findings on the importance of organisational culture to strategy implementation accord with Bushardt, Glascoff and Doty's findings (2011). In particular, it is imperative for an organisation to get the support of the people within the organisation actually responsible for implementing the strategy. One of the ways of achieving this is to ensure that there is alignment between any given strategy (and strategic implementation plan) and the culture of the organisation (Bushardt, 2011). Where this alignment doesn't exist, the authors contend that there is often a conflict between the strategic plan and the confidence in and willingness of employees to implement the plan. As indicated by the high mean value and relatively low standard deviation in the responses to the question around the importance of organisational culture in strategy implementation, the respondents agree with the with the stated importance of organisational culture. It is crucial for managers and implementers of strategy to consider the culture of the organisation as early as when the strategy is conceived, and equally as important to have this as a key when putting together the strategic

implementation plan and when executing upon the plan. In line with the Resource Based View of strategy, organisational culture is viewed as a way to gain a sustainable competitive advantage (Whittington, 2020). This suggests that this sustainable competitive advantage is capable of being gained both through how the organisation interacts with its external environment, and also through how it uses its culture to drive progress towards executing on its strategic plans.

The extent to which an organisation is innovative is also a factor that both the research participants and the literature agree on as being an important factor (albeit relatively low in relation to its mean score versus the other factors). The literature suggests that innovation is key in a number of respects in the strategic management process: it assists in lowering production costs, it adds novel and beneficial knowledge to the organisation, and is crucial in the development of new products, processes and ways of working (Kibicho, 2015). These are factors which, at some point in the strategic management process, play a major role in developing the goals of the organisation and successfully implementing the actions necessary for achieving those goals. The mean value and standard deviation of this factor relative to the other factors points to another interesting point in the literature – various authors (Kibicho, 2015; Wiklund and Shepher, 2010) point to the fact that there is a rather tenuous link between innovation and strategy implementation, and that the link is rather stronger between successful strategy formulation and innovation. This notwithstanding, there is still enough evidence in the data to suggest that this is certainly an important factor for implementers of strategy to consider in the implementation of strategy.

4.3.7 ANOVA

The ANOVA (analysis of variance) test is a test employed to determine whether there are any significant statistical variances between the means of over three independent groups (McCullagh, 2005). In this instance, the test was run in order to test whether the importance of each of the critical

success factors set out in the research questionnaire differed between more senior executives and senior managers. To achieve this, two groups were created: (i) a group of the most senior executives by title within the research participants, consisting of chief executive officers, managing directors, chairpersons of the board and executive members; and (ii) a group of less tenured senior managers and consultants.

As a rule, a significance of less than 5% indicates a significant difference in the means of the responses between the two groups, and shows that there exists statistical evidence to suggest that the two groups responded to a particular question in markedly different ways.

TABLE 10

		SUM OF SQUARES	DF	MEAN SQUARE	F VALUE	SIGNIFICANCE
Formulation of a clear strategic plan with defined goals and objectives	Between Groups	1.363	1	1.363	9.911	**0%**
	Within Groups	4.952	36	0.138		
Organizational culture (values, expectations, and practices that guide and inform the actions of all team members)	**Between Groups**	1.009	1	1.009	5.337	**3%**
	Within Groups	6.807	36	0.189		

The results in Table 10 above indicate that a significant difference in the manner in which the two groups answered the questions is only present in two of the questions put to the respective groups of research participants. In the first place, the first group of senior executives placed a higher degree of importance on the formulation of clear strategic plans with defined goals and objectives. Similarly, the first group of senior executives placed a higher degree of importance on the importance of organisational culture in strategy implementation. On the basis of these findings, it appears that senior executives who are more widely responsible for more aspects of the overall management of their organisations place a premium on cultural alignment and strategy formulation to the strategy implementation process.

4.3.8 Ranking of factors

All of the factors that formed part of this study returned a result with a mean of at least 3.95, with a standard deviation of at least 0.803. By all indications, each of these factors plays a critical role in the successful implementation of a strategy. What we have attempted to do in table 10 below is to rank the various responses from highest to lowest in accordance with their mean. In addition, we moderated the importance of each of these factors according to the standard deviation to the mean of each one.

What is evident is that the top four factors that impact strategy implementation based on the mean of the responses are: (i) organisational culture; (ii) formulation of a clear strategic plan; (iii) the people in the organisation responsible for implementing the strategy; and (iv) transparent and empathetic leadership. Of these 4 factors, the top 3 (organisational culture, formulation of a clear strategic plan and transparent and empathetic leadership) are the only ones where the there is little divergence in response from the research participants (the minimum standard deviation from the mean of each of these is 0.505). The third element (people), has a standard deviation of 0.61 to the mean, and

therefore stands to be considered amongst the top 4 factors, despite its marginal difference in standard deviation based on the responses.

Strong change-management capability, engagement with external stakeholders, a dedicated project management capability and innovative culture ranked among the bottom 4 factors relative to their mean (all of them less than 4.22). Of these 4 factors, only innovative culture had a less divergent standard deviation of 0.733.

Table 11

	N	MEAN	STD. DEV
Organisational culture (values, expectations, and practices that guide and inform the actions of all team members)	55	4.73	0.449
Formulation of a clear strategic plan with defined goals and objectives	55	4.69	0.505
People (the organisation's human resources) and how they are managed and organised by the organisation	55	4.67	0.61
Transparent and empathetic leadership	55	4.65	0.552
Engagement with various internal stakeholders (including how the strategy is communicated and cascaded through the organisation)	55	4.51	0.573
Understanding of market trends	55	4.47	0.604
Organisational structure (how activities such as task allocation, coordination and supervision are directed toward the achievement of organisational aims)	55	4.36	0.729
Organisational infrastructure (information technology systems, assets etc.)	55	4.36	0.649
Financial resources	55	4.31	0.69

Detailed implementation plan with measurable objectives, timelines and accountability	55	4.24	0.838
Organisational processes (sequence of tasks that generate the product or service offered by the companies)	55	4.22	0.738
Monitoring and iteration of defined implementation plan	55	4.22	0.686
Strong change-management capability	55	4.22	0.762
Innovative culture	55	3.98	0.733
Engagement with various external stakeholders (shareholders, suppliers, trade unions etc.)	55	3.95	0.756
Dedicated project management capability to facilitate and monitor execution	55	3.95	0.803

CHAPTER 5. CONCLUSION AND IMPLICATIONS

5.1 Introduction

This chapter provides a conclusion and summary of the findings and related recommendations from the study. In addition, this chapter makes recommendations by the researcher on potential areas for additional research.

5.2 Summary of findings

This paper sought out to establish a list of critical factors for successful strategy implementation in the short-term insurance sector in South Africa. The literature on strategy implementation identified a number of factors, which we subsequently distilled and presented to 55 research participants in the form of questions on a 5-point Likert scale. The results show that all of the factors identified and subsequently presented in the research questionnaire play an important role in the implementation of strategy in the South African short-term insurance sector, with the lowest ranking factor (a dedicated project management capability to facilitate and monitor execution of strategy) occurring in the data with a mean value of 3.95.

We have ranked and organised the factors into three categories: (i) primary considerations, where the mean response for the related factors was between 4.5 and 5; (ii) secondary considerations, where the mean response for the related factors was between 4 and 4.49; and (iii) tertiary considerations, where the mean response for the related factors was lower than 4. This construction does not suggest an exclusion by organisations of the secondary and tertiary considerations. Instead, it merely groups the factors and serves as an indication of what considerations are foremost in the minds of implementers of strategy in the short-term insurance sector in South Africa.

5.2.1 Primary Considerations

Although it is not possible to eliminate any factor as a result of it being unimportant, the ranking of the factors in Table 10 above suggests that when thinking about strategy implementation, leaders place more reliance on clear strategic planning (mean = 4.69) that is reliant on the people within the organisation being managed in a way that supports the strategic goals of the organisation (mean = 4.67), and being led throughout the process with transparent and empathetic leadership (mean = 4.65) within an organisation with an aligned organisational culture (mean = 4.73). These factors are supported by proper communication of the strategic plan throughout the organisation, where the strategy is cascaded effectively throughout the organisation (mean = 4.51). For each of these 5 factors, the highest standard deviation amongst them was 0.61, indicating a degree of alignment between the senior seasoned leaders in the sector who participated in the research. Despite market trends having a mean response of 4.47 and thereby falling to be a secondary consideration, it is inherently linked to the primary consideration of the strategy formulation process since it forms an important part in the development of a strategy that is aligned to the organisation's macro environment.

The above findings are supported in the literature, with Thompson and Strickland (1986) emphasizing the importance of strategic leadership - managers acting as problem-solvers, resource allocators and chief entrepreneurs – and its key role in the strategic implementation process. Hrebiniak (2006) further emphasises that strategy implementation is often hindered by a lack of alignment between a proposed strategy's implementation strategy and organisational culture. To the degree that this alignment exists, there will likely be a positive outcome for the strategy implementation process undertaken by the organisation (Čater, 2010). In addition, strategies are executed by people and, to the degree that the key stakeholders within the organisation are not socialised to the strategy and its intended implementation, there is the possibility that the strategy may not be implemented effectively for a number of reasons (Carter, 2010).

The resource-based view of strategy, which avers that the competitive advantage and superior performance of an organisation are explained by the distinctiveness of its resources and capabilities (Whittington, 2020), also supports the primacy of the abovementioned factors. It is imperative that the resources and capabilities of the organisation are valuable, rare, inimitable and that the organisation is structured appropriately to exploit these resources. While strategic plans can be replicated, it is extremely difficult to replicate organisational culture and unique human resources within a company that are led through transparent and empathetic leadership. This kind of leadership has a tendency to engage transparently with internal stakeholders, cascading strategic plans effectively in order to ensure achievement of the key strategic goals.

5.2.2 Secondary Considerations

The secondary considerations in the minds of the respondents were organisational structure (mean = 4.36), organisational infrastructure (mean = 4.36), financial resources (mean = 4.31), detailed implementation plan (mean = 4.24) as well as organisational process, monitoring and iteration of strategic plan and strong change management capability (all of which had a mean score of 4.22). while these factors are still critical, they rank lower in importance for implementers of strategy in the short term insurance sector.

5.2.3 Other Considerations

Innovative culture (mean = 3.98), engagement with external stakeholders (mean = 3.95) and a dedicated project management capability to facilitate and monitor strategy implementation (mean = 3.95) were still important considerations for the respondents when thinking about strategy implementation, but these factors were the only factors where the mean response was lower than 4.

5.3 Conclusion

This paper set out to add to the literature on strategy implementation by studying the critical success factors for strategy implementation in the short-term insurance sector in South Africa. In particular, the research sought to establish the following: (i) the important frameworks for strategy implementation in the South African short-term insurance sector; (ii) a study of the common themes and critical success factors for strategy implementation to be found in the literature and responses from the research participants; and (iii) to the extent that the answer to the second question is affirmative, a ranking and logical grouping of the aforementioned critical success factors in a way that provides a useful insights for organisations within the South African short-term insurance sector.

The literature identified numerous frameworks for strategy implementation, with earlier conceptions focusing primarily on how the organisation is structured and discounting a multitude of factors such as leadership and organisational culture. Later conceptions of strategy implementation are evidently more holistic, with the most comprehensive being the Higgins 8 ‘S’s framework, which avers that the successful implementation of a strategy in an organisation depends on the following: strategy and purpose; organisational structure; systems and processes; leadership and management style; staff; resources; shared values (or organisational culture); and strategic performance (Higgins, 2005).

On the basis of the elements identified in the literature, 16 factors where extrapolated. The respondents in this study were asked to rate each of these elements. On the back of those results, we split the responses into primary, secondary and other considerations in the minds of leaders in the short-term insurance sector in South Africa, highlighting the primacy of organisational culture, formulation of a clear strategic plan, people, engagement with internal stakeholders as well as transparent and empathetic leadership in strategy implementation.

5.4 Recommendations

Based on the above findings, the study recommends that leaders should consider the 8 ‘S’s proposed by Higgins when implementing strategy. As a first port of call, leaders must be careful to formulate rational strategic plans with clearly defined goals and objectives. These plans that they devise must take into account the culture of the organisation, and ensure that the taken-for-granted ‘values and practices’ of the organisation are well aligned to enable the proposed strategy. In addition, it is important to ensure that the organisation has the right people to implement the strategy effectively, and that these internal stakeholders are adequately managed and have the strategy cascaded to them by leaders that are both transparent and empathetic.

Once these primary factors have been considered, it is then incumbent on the organisation to consider the secondary and tertiary factors of strategy implementation in order to ensure that their approach is complete and delivers on the desired outcomes.

5.5 Areas for further study

Future studies on this topic should seek to address a number of other areas. Firstly, it would be useful to study the link between each of the variables proposed as factor for successful strategy implementation in the insurance sector specifically. This may be useful in determining whether, for instance, the primacy of one factor enhances or diminishes the importance of another.

Further studies may also want to ask a set of qualitative questions probing why respondents have provided the responses that they have in rating the importance of each of the proposed factors. This will provide deeper insights why leaders approach strategy implementation in the way that they do.

In addition, further studies should also consider the impact of the size of the organisation, the ownership structure and the lines of insurance business on the primacy of the various factors identified for successful strategy implementation. Finally, further studies must consider the measurable extent of success achieved by organisations when implementing their strategies in accordance with the various factors identified in this paper.

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APPENDIX 1 – REASEARCH QUESTIONNAIRE

Topic: “Critical Success Factors for Strategy Implementation Within the Short-Term Insurance Sector in South Africa”

Type of Research: Quantitative Research

Nature of Questions: Close-ended questions relating to the research topic

Directive for Each Question: State how important you think each of these factors are when implementing strategy in the short-term insurance sector:

CRITICAL ELEMENTS FOR SUCCESSFUL STRATEGY IMPLEMENTATION	**Not important at all**	**Slightly important**	**Moderately important**	**Important**	**Critical**
1. Formulation of a clear strategic plan with defined goals and objectives	**1**	**2**	**3**	**4**	**5**
2. Organisational structure (how activities such as task allocation, coordination and supervision are directed toward the achievement of organisational aims)	**1**	**2**	**3**	**4**	**5**
3. Organisational culture (values, expectations, and practices that guide and inform the	**1**	**2**	**3**	**4**	**5**

actions of all team members)					
4. Organisational processes (sequence of tasks that generate the product or service offered by the companies)	**1**	**2**	**3**	**4**	**5**
5. Financial resources	**1**	**2**	**3**	**4**	**5**
6. People (the organisation's human resources) and how they are managed and organised by the organisation	**1**	**2**	**3**	**4**	**5**
7. Organisational infrastructure (information technology systems, assets etc.)	**1**	**2**	**3**	**4**	**5**
8. Engagement with various internal stakeholders (including how the strategy is communicated and cascaded through the organisation)	**1**	**2**	**3**	**4**	**5**
9. Engagement with various external stakeholders	**1**	**2**	**3**	**4**	**5**

(shareholders, suppliers, trade unions etc.)					
10. Detailed implementation plan with measurable objectives, timelines and accountability	**1**	**2**	**3**	**4**	**5**
11. Monitoring and iteration of defined implementation plan	**1**	**2**	**3**	**4**	**5**
12. Transparent and empathetic leadership	**1**	**2**	**3**	**4**	**5**
13. Strong change-management capability	**1**	**2**	**3**	**4**	**5**
14. Dedicated project management capability to facilitate and monitor execution	**1**	**2**	**3**	**4**	**5**
15. Innovative culture	**1**	**2**	**3**	**4**	**5**
16. Understanding of market trends	**1**	**2**	**3**	**4**	**5**

1. Are there any other factors that you consider to be critical to implementing strategy within the short-term insurance sector? If so, please share these and state why you think they are important.

   Response:

2. Would you like to elaborate on any of the responses you have provided above? If so, please provide further commentary.

   Response:

APPENDIX 2 – SUMMARY OF RESPONSES (DESCRIPTIVE STATISTICS)

DESCRIPTIVE STATISTICS

	N	Mean	Std. Deviation
Formulation of a clear strategic plan with defined goals and objectives	55	4.69	.505
Organisational structure (how activities such as task allocation, coordination and supervision are directed toward the achievement of organisational aims)	55	4.36	.729
Organisational culture (values, expectations, and practices that guide and inform the actions of all team members)	55	4.73	.449
Organisational processes (sequence of tasks that generate the product or service offered by the companies)	55	4.22	.738
Financial resources	55	4.31	.690
People (the organisation's human resources) and how they are managed and organised by the organisation	55	4.67	.610

Organisational infrastructure (information technology systems, assets etc.)	55	4.36	.649
Engagement with various internal stakeholders (including how the strategy is communicated and cascaded through the organisation)	55	4.51	.573
Engagement with various external stakeholders (shareholders, suppliers, trade unions etc.)	55	3.95	.756
Detailed implementation plan with measurable objectives, timelines and accountability	55	4.24	.838
Monitoring and iteration of defined implementation plan	55	4.22	.686
Transparent and empathetic leadership	55	4.65	.552
Strong change-management capability	55	4.22	.762
Dedicated project management capability to facilitate and monitor execution	55	3.95	.803
Innovative culture	55	3.98	.733
Understanding of market trends	55	4.47	.604

Valid N (listwise)	55		

APPENDIX 3 – ANOVA TEST RESULTS

ANOVA						
		Sum of Squares	df	Mean Square	F Value	Significance
Formulation of a clear strategic plan with defined goals and objectives	Between Groups	1.363	1	1.363	9.911	0%
	Within Groups	4.952	36	0.138		
	Total	6.316	37			
Organizational structure (how activities such as task allocation, coordination and supervision are directed toward the achievement of Organizational aims)	Between Groups	0	1	0	0.001	98%
	Within Groups	19.473	36	0.541		
	Total	19.474	37			
Organizational culture (values, expectations, and practices that guide and inform the actions of all team members)	Between Groups	1.009	1	1.009	5.337	3%

	Within Groups	**6.807**	**36**	**0.189**		
	Total	**7.816**	**37**			
Organizational processes (sequence of tasks that generate the product or service offered by the companies)	**Between Groups**	**0.112**	**1**	**0.112**	**0.194**	**66%**
	Within Groups	**20.756**	**36**	**0.577**		
	Total	**20.868**	**37**			
Financial resources	**Between Groups**	**0.054**	**1**	**0.054**	**0.102**	**75%**
	Within Groups	**19.025**	**36**	**0.528**		
	Total	**19.079**	**37**			
People (the organization's human resources) and how they are managed and organized by the organization	**Between Groups**	**0.149**	**1**	**0.149**	**0.373**	**55%**
	Within Groups	**14.403**	**36**	**0.4**		
	Total	**14.553**	**37**			

Organizational infrastructure (information technology systems, assets etc.)	**Between Groups**	**0.009**	**1**	**0.009**	**0.019**	**89%**
	Within Groups	**17.07**	**36**	**0.474**		
	Total	**17.079**	**37**			
Engagement with various internal stakeholders (including how the strategy is communicated and cascaded through the organization)	**Between Groups**	**0.665**	**1**	**0.665**	**1.866**	**18%**
	Within Groups	**12.835**	**36**	**0.357**		
	Total	**13.5**	**37**			
Engagement with various external stakeholders (shareholders, suppliers, trade unions etc.)	**Between Groups**	**0.828**	**1**	**0.828**	**1.311**	**26%**
	Within Groups	**22.751**	**36**	**0.632**		
	Total	**23.579**	**37**			

Detailed implementation plan with measurable objectives, timelines and accountability	**Between Groups**	**0.001**	**1**	**0.001**	**0.001**	**98%**
	Within Groups	**23.815**	**36**	**0.662**		
	Total	**23.816**	**37**			
Monitoring and iteration of defined implementation plan	**Between Groups**	**0.184**	**1**	**0.184**	**0.352**	**56%**
	Within Groups	**18.868**	**36**	**0.524**		
	Total	**19.053**	**37**			
Transparent and empathetic leadership	**Between Groups**	**0.004**	**1**	**0.004**	**0.01**	**92%**
	Within Groups	**12.549**	**36**	**0.349**		
	Total	**12.553**	**37**			
Strong change-management capability	**Between Groups**	**0.437**	**1**	**0.437**	**0.958**	**33%**
	Within Groups	**16.431**	**36**	**0.456**		

	Total	**16.868**	**37**			
Dedicated project management capability to facilitate and monitor execution	**Between Groups**	**0.13**	**1**	**0.13**	**0.264**	**61%**
	Within Groups	**17.765**	**36**	**0.493**		
	Total	**17.895**	**37**			