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Strategy Communication Effectiveness in the South African Banking Industry

Manessah Obinali Alagbaoso

A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Business Administration

Johannesburg, 2008

ABSTRACT

In the business environment of South African banking industry, informed and committed employees are a source of competitive advantage. More than ever before, organisations' strategies need to be effectively communicated, understood at all levels, and effectively implemented.

The purpose of this study is to examine factors responsible for the effective communication of strategy between the head office and the network of a South African banking organization using the face-to-face medium.

The data for this study was collected via a questionnaire and statistically analysed using Descriptive Statistics, Factor Analysis, Cluster Analysis and Analysis of Variance (ANOVA).

A five-factor solution was obtained and the factors are: 1. Interpersonal Communication; 2. Change and Improvement; 3. Employee Involvement in Strategy Formulation; 4. Stability; and 5. Vertical Communication. Of these five factors, the first three are deemed significantly important to strategy communication effectiveness and factors one and five are specifically important to effective strategy communication through the use of the face-to-face medium. The Cluster Analysis resulted in six clusters named: 1. Best of both worlds; 2. Specialists; 3. Elitists; 4. Bureaucrats; 5. Salesmen; and 6. Ostriches.

The research confirmed the importance of the involvement of all levels of managers in strategy formulation and the predominant use of the face-to-face medium for effective strategy communication. Other key recommendations include the use of managers that have been in the organisation for more than six months and less than ten years for policies related to strategy communication, and the specific use of middle managers to oversee policies related to strategy communication using the face-to-face medium.

DECLARATION

I, Manessah Obinali Alagbaoso, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration in the University of Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

……..
Manessah Obinali Alagbaoso

Signed at …….

On the ……. day of …… 2008

DEDICATION

To my family

for their understanding, encouragement, love and support

ACKNOWLEDGEMENTS

I wish to express my gratitude to:

- God, for granting me the resources to complete this study
- My family, for their love and support
- My supervisor, Peter Christie, for his belief in me and his guidance throughout the research process
- Anthony Stacey, for his assistance with the statistical analysis of the data
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- The staff of the bank, for the timely return of the questionnaire responses
- My friends, colleagues and acquaintances, who helped with proof-reading, suggestions and advice

Without all of you, this research either would not have been possible or would have taken longer than necessary.

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CHAPTER 1: INTRODUCTION

The Customer Strategy Unit (CSU) of the banking organisation, which is the focus of this study, is located at the head office (HO) while the operational implementation of the strategies generated by the CSU happens in the branch network. The alignment of strategy and operations between these two units results in effective implementation of the strategies (Gasser 1989).

This alignment, however, is dependent on effective communication between the two units (Gasser 1989). In (De Ridder 2004), the nature of this communication emphasises the social (face-to-face) aspect of communication and relationship building rather than technology and media. The level of employee buy-in achieved through this social communication is also dependent on the organisational structure. The organisational structure determines how the strategy formulation occurs, which either encourages or discourages employee buy-in (Holtzhausen 2002a).

Most of the studies that have been carried out in the area of organisational, employee and strategy communication in recent times have been set in the context of European (De Ridder 2004; Kalla 2005; Dolphin 2005) and American (Hatch 1966; Tegarden, Sarason, Childers, and Hatfield 2005) organisations. Two studies in this research area set in the South African context have looked at "*the effects of divisionalised and decentralised organisational structure on a formal internal communication function in a South African organisation*" (Holtzhausen 2002a) and "*the effects of workplace democracy on employee communication behaviour: implications for competitive advantage*" (Holtzhausen 2002b).

The various research areas that have been studied have established a relationship between effective organisational internal communication and employee commitment, involvement, satisfaction and buy-in (De Ridder 2004); a relationship

between effective communication and improved profitability (Greenbaum 1974); the positive effects of structural changes on internal communication (Holtzhausen 2002a); the positive relationship between employee involvement in the strategy making process and organisational performance (Hellweg and Philips 1982); and the improvement of the internal communication function through the democratisation of the work place (Holtzhausen 2002b).

The study that has the closest relevance to this study in terms of context is "*the effects of workplace democracy on employee communication behaviour: implications for competitive advantage*" (Holtzhausen 2002b), which was carried out in a South African financial services organisation. The study formulated the following five hypotheses:

1. A democratic communication process will increase trust in the workplace.
2. A democratic communication process will improve information flow in the workplace.
3. A democratic communication process will improve face-to-face communication in the workplace.
4. A democratic communication process will improve open and honest communication and reduce fear of communicating in the workplace.
5. A democratic communication process will improve communication between employees and their superiors.

These hypotheses were supported by the results of the evaluation of the effectiveness of communication champions at the cost centre level. The study by (Holtzhausen 2002b) evaluated the outcome of a specific action: the appointment of communication champions, and the effect of structural changes on the hierarchical structure of the banking organisation. The extension of the body of knowledge that the current study brings is the investigation of the communication processes between the head office and the operational network in a hierarchical

organisation, which will seek to understand the factors required for effective communication of strategy using the face-to-face medium.

The sample for this study has been drawn from the CSU of a South African banking organisation located at its head office in Johannesburg and the customer-facing consultants and managers in five provinces (Gauteng, Western Cape, Mpumalanga, Limpopo and Eastern Cape). The choice of the provinces was made to get a balance between the metro and non-metro (refer to Table 1 for a definition of these terms) areas of the country.

The emergence of service-based competitive advantage makes it imperative for organisations with dispersed strategic and operational functions to strive towards alignment that will ensure that their intended strategies are implemented at an operational level. This is relevant to both financial services organisations and organisations that operate a head office and network model popularly known as “hub and spoke”.

1.1 Purpose of the Study

This research aimed to investigate the factors underlying the effective communication of strategy between the head office Customer Strategy Unit (CSU) and the branch network, with the consequent effective or ineffective implementation of strategy at the operational level.

The communication context has more to do with effective communication and relationship building between the human elements of the system than with simple data and information exchanges.

In this regard, the scope of the research incorporates:

- Structures, processes and communication channels existing between the two entities;
- The internal communication function;
- The strategy formulation and implementation processes as they affect network buy-in; and
- The strategy communication and alignment with operations.

The adoption of customer centricity as the overarching strategy of the bank's CSU and the strategic intents that revolve around this make it imperative for effective communication between the CSU and the network (Gasser 1989) and the empowerment of customer-facing staff to occur (Bick, Brown, and Abratt 2004), with proper alignment of strategy and operations to integrate the units effectively. The fit created between activities in this process will act as a source of competitive advantage (Stockport 2007). Other gains will include streamlined and effective processes, clear and purpose-driven structures, integrated communication channels, clarity on strategic direction, and employee inclusion and buy-in. All of these will form multiple sources of competitive advantage (Stockport 2007).

1.2 Problem Statement

The research problem of this study is as follows: Will the communication of strategy between the head office and the network in the South African banking industry be made more effective by the predominant use of face-to-face communication?

1.2.1 Sub-problems

The sub-problems formulated from the problem statement above are given in the sub-sections below as sub-problem one and two. These are formulated as instructions, rather than questions.

Sub-problem One:

Investigate the communication processes between the head office and the network.

Sub-problem Two:

Examine the factors responsible for the effective communication of strategy, between the head office and the network, using the face-to-face communication process.

1.3 Significance of the Study

In a South African financial services environment where there is no differentiation of products and services from the customers' perspective (Bick, Brown, and Abratt 2004), operational efficiency is one avenue to create competitive advantage that will ultimately be perceived as differentiated services by customers (Treacy and Wiersema 1993). The achievement of this objective has become a strategic imperative for South African banks owing to the rising customer influence (through, for example, consumerism, knowledge, loyalty, and buying power) and the competitive environment that includes global financial organisations.

Customer-centricity can only be achieved if the operational unit has both clarity on the strategy to be implemented and the empowerment (Bick, Brown, and Abratt

2004), commitment and buy-in to follow through with implementation. Likewise, the strategic unit needs regular feedback in the form of insights from the network to ensure that the strategy remains relevant to the changing socio-economic environment.

Achieving this clarity and buy-in requires effective communication beyond data transfer and electronic exchanges. It requires dialogue, trust, downward and upward communication, sincere employee engagement, relationship building and commitment to a common course (Bartolomé 1989).

Literature by researchers and authors such as (Bartolomé 1989), (Mintzberg 1990), (Treacy and Wiersema 1993), (Oswald, Mossholder, and Harris 1994), (Holtzhausen 2002a, 2002b), (Bick, Brown, and Abratt 2004), (Gillis 2006) and others has been summarised to show that the achievement of effective communication of strategy between the head office and the network results in the following benefits for the banking industry:

- More robust strategies that have the required buy-in to achieve effective implementation;
- Clarity on the strategic direction of the organisation by both the head office and network staff;
- Formulation of policies that are relevant at the operational level;
- Achievement of the desired customer experience, which translates into customer loyalty and higher profitability;
- Effective positioning of the banks, through the use of employee buy-in, against local and global competitors;
- Ability to integrate network insights into the strategy-making and review processes on a proactive basis;
- An environment of trust between the head office and the network;
- The platform for transparency and empowerment of staff at all levels;

- Ability to resolve customer complaints swiftly, by taking ownership and not referring to a higher authority;
- Higher profitability through staff commitment; and
- Creation of organisational ambassadors that improve the organisations' brand equity.

These benefits are not restricted to the financial services industry but extend to other service organisations where there is a need for effective communication of strategy between the head office and the operational network.

1.4 Delimitations of the Study

- This research does not concentrate on the self-service electronic channels but on the channels in the network that involve human interactions.

- The processes and structures considered in the research do not take place in the context of automated processes and structures but exist in the context of human understanding and ownership of those processes and structures.

- The discussions on strategy-making process do not seek to identify flaws with the process itself but to identify the contribution of the process to employee buy-in or non-buy-in. The question is: Does the strategy making process generate a feeling of inclusion and buy-in from employees in both CSU and the network?

- This study does not seek to make a direct link between communication effectiveness and the bank's financial performance.

- The head office sample for this study is drawn from the CSU and Distribution Unit only and does not include the other business unit areas of the bank, which is the focus of the study.

1.5 Definition of Terms

The terms and abbreviations used in this document are explained in Table 1.1 below.

Table 1.1: Terms and Abbreviations Used in the Report

Term	Meaning
Bureaucracy	Complicated official rules on how things get done, involving several reporting lines
Business Banking	The segment of the bank that includes business interactions
CSU	Customer Strategy Unit
Customer Consultants	The branch-based (network) customer-interaction managers in the Personal Market segment
Head Office	The head office or head quarters of banks in South Africa
Hierarchical structure	An organisational structure with several layers of positions between management and staff, with attendant several reporting lines. Decision making resides at the top in this structure
Metro area	The urban areas of the country
Network	The operational environment of bank branches
Network Managers	The branch based (network) customer-interaction managers in Business Banking
Non metro area	The non-urban areas of the country and areas

	geographically distant from the urban commercial centres
OD	Organisational Development – the field of study that deals with the organisational culture as shaped by human interactions and relationships
PBB	Personal and Business Banking. An area of the bank that incorporates both Personal and Business Banking units
Personal Market	The segment of the bank that includes individual customer interactions
SCA	Sustainable Competitive Advantage
Strategy-formulation	The process of formulating the strategy that drives the operations of the Personal and Business Banking segments
Strategy-making	Same as strategy-formulation

1.6 Assumptions

1. It is assumed that the methods of data collection and analysis are accurate and yielded accurate results within the bounds of the research methodology.

2. It is assumed that respondents in this research have given their honest opinion to questions in the research questionnaire.

3. It is assumed that the sample for this research is representative of the population in the South African banking industry.

4. It is assumed that conclusions drawn from the research results are not biased in any way.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

The exploratory nature of this study lends itself to a review of a broad base of literature to gain a deep understanding of the theory base, which is used to substantiate the conclusions drawn from the results of the study. However, the study is limited to internal communication with the employees of the bank focused on in the study and specifically the people component of that interaction, as opposed to the external public relations function. The role of structures, processes and media is also investigated for a holistic understanding of the topic but the emphasis is on the people and their use of these.

In reviewing literature for this study, the scope is defined by the specific requirements of the context in which the study is being conducted. Communication between the Customer Strategy Unit (CSU) and the branch network of a banking organisation in South Africa takes into consideration the actual communication function; the organisational structure / culture in which this communication takes place (Holtzhausen 2002a); and the actual need for communicating and aligning strategic information to the operational environment (Gasser 1989).

On the basis of this need, the literature review is undertaken under the following three broad headings:

1. Organisational structures, processes and media;
2. The communication function in organisations; and
3. Organisational strategy formulation, communication and implementation.

These sections of the literature review are preceded by a section that provides background information on the CSU and the network. The sub-headings under these broad headings are used to further clarify the review.

2.2 Customer Strategy Unit

According to the internal documents of the banking organisation (not referenced to maintain confidentiality) used for this study, the CSU is the area of the bank that is tasked with formulating the strategies that drive the provision of financial services to the personal and business banking (PBB) customers of the bank. These customers across the banks represent most of the customer base of South Africa's banking industry. The CSU of the financial organisation under study is located at the head office.

In an ideal situation the CSU and the network would be one entity, with strategy being jointly formulated and communicated down to the network for operational execution. The customer insights and market intelligence gathered from the network would then be communicated back to the head office for improvements to processes, structures, designs, distribution channels and segment strategies.

2.3 Network as Referred to in the Study

The same internal bank documents define the bank network as the provincial, regional and branch activities. The operational centres of the network are the branches, which is where the actual customer-interaction occurs and the strategies of the CSU are either executed or not. The management structures of the networks include the provincial directors, regional managers and branch managers for the provinces, regions and branches respectively.

2.4 Organisational Structures, Processes and Media

2.4.1 Structures

The South African banking organisations are generally structurally hierarchical and bureaucratic (Holtzhausen 2002a). Communication characteristics of bureaucracies (Miller 1999) include that:

- The content of communication is normally task-related and discourages social communication and innovation;
- Vertical communication is prevalent and lateral communication is encouraged only among employees of the same level;
- The content of the communication is typically in the form of orders, rules, and directives and will result in little feedback;
- The written mode of communication is most prevalent and focuses on rules and procedures for efficient organisational functioning;
- Style of communication is probably formal;
- Employee inputs, when asked for, are typically not acted upon; and
- Job satisfaction, one of the key results of good employee communication, is seldom achieved.

These observations are supported by (Hunt 1980) in his writing on the intended and unintended consequences of hierarchical structure.

The work of (Holtzhausen 2002b) on "*The effects of workplace democracy on employee communication behaviour: Implications for competitive advantage*" showed, through the support of hypotheses, that a democratic workplace will increase:

- "trust in the workplace";
- "information flow" in the organisation;
- "face-to-face communication" in the workplace;

- “open and honest communication and the reduction of fear to communicate” in the workplace; and
- “communication between employees and superiors”

In contrast to a hierarchical structure, the communication characteristics of a democratic structure are captured in the definition of workplace democracy by (Cheney 1995) as:

> *A system of governance which truly values individual goals and feelings (e.g., equitable remuneration, the pursuit of enriching work and the right to express oneself) as well as typical organisation objectives (e.g., effectiveness and efficiency, reflectively conceived), which actively fosters the connection between those two sets of concerns by encouraging individual contributions to important organisational choices, and which allows for the ongoing modification of the organisation’s activities and policies by the group. (pp. 170 – 171)*

2.4.2 Processes

In Figure 2.1 (Section 2.5), the communication process is depicted as involving an information source, a receiver, and a channel (Hunt 1980). This is supported by (Gasser 1989) and is expanded to include the intimate interaction among these components within a certain situational context, using particular media and channels.

This view is also held by (Gillis 2006), in a study conducted by the Communications Effectiveness Consortium (CEC) on best practices in employee communications. This CEC study of 2004 was a follow up to an earlier 2003 study and involved 25000 employees in Europe. Among the outcomes of the study is the

"*Preferences for Communication Approach by Business Issues*" in which the approach (media and channel) is dependent on the business issue (situational context) as shown in Table 2.1:

Table 2.1: Preferences for Communication Approach by Business Issue (Gillis 2006)

	E-Newsletter	E-mail	Company Intranet	Voice Mail	Live Presentation / Town Halls	Presentation via Video or Web Cast	One-on-One with your direct supervisor	Printed material	Coworkers who are peers	
Company Strategy and vision	9%	21%	17%	1%	25%	8%	19%	9%	1%	100%
The company's overall performance	10	25	19	1	21	8	7	9	1	100
Business unit strategy and vision	7	18	11	1	32	5	18	7	2	100
Information on business unit performance	7	24	11	1	26	4	19	7	2	100
The role I play in helping my company reach its goals	13	4	0	9	1	63	3	3	4	100
Information on compensation and benefits program	6	15	34	0	12	3	10	18	1	100
Information on customers (for example, satisfaction with products / services)	13	22	23	1	13	3	10	13	2	100
Information on competitors	16	21	29	0	12	3	5	13	2	100
Information on learning and development opportunities	8	26	30	0	5	2	19	8	1	100

Source: Towers Perrin (2004)
(The shaded items show the greatest preference from the responses.)

The responses presented in Table 2.1 support other studies (Pfeffer 1994; Holtzhausen 2002b; De Ridder 2004) on the effectiveness of face-to-face communication as the preferred process for communicating organisational and business unit strategies. The responses are also aligned with the proponents of the integrated approach (Kalla 2005; Dolphin 2005), who advocate the use of multiple

communication processes integrated into one communication function catering for different situational contexts.

The emphasis of this study is on the people component of communication, where there is a requirement for clarity, feedback and discussion. This is important as all of the parts of the communication process – sender, receiver, message, purpose, medium and context – affect the meaning, understanding and reaction to the communication (Gasser 1989). In this situation, two-way communication is more accurate, acceptable and effective in obtaining understanding, buy-in, commitment, acceptance and implementation (Gasser 1989).

2.4.3 Media

The objectives of the internal communication media listed in (Gillis 2006) include:

- To inform and reinforce the company's business plan, i.e. organisational goals and objectives;
- To inform employees about organisational activities, problems, accomplishments, and the employees' role in these;
- To encourage employees to provide feedback to management concerning organisational issues;
- To provide a regular, frequent, and trusted forum for discussing positive and negative issues related to the success of the organisation;
- To establish a culture of information sharing for the improvement of individuals and the organisation;
- To reinforce each employee's role in the organisation and in meeting organisational goals and to educate employees about one another's roles in the organisation;
- To provide a forum for clarifying company policies and procedures; and
- To recognise employee achievements and accomplishments.

This is by no means an exhaustive list but captures the essence of what organisations should strive to achieve by their choice of communication media.

Some of the considerations for media selection include audience needs and preferences, available resources, and media richness (Gillis 2006), and studies show that face-to-face communication rates highest in social presence and media richness. The different media that can be employed include person-to-person communication, print media, audiovisual programmes and broadcast and electronic media. The integration of these different approaches has proven to be the most effective (Gasser 1989) as it integrates the different ways in which individuals process information.

On the basis of the literature reviewed in Section 2.4, the first proposition was formulated thus:

The communication processes between the head office and the network go through too many reporting lines owing to the hierarchical structure of the banking organisation.

2.5 Communication Function in Organisations

The communication function in organisations encompasses both internal and external communication aimed at internal and external stakeholders respectively.

(Daft 1997:560) defined organisational communication as “the process by which information is exchanged and understood by two or more people, usually with the intent to motivate or influence behaviour”. This definition is confirmed by (Foster and Jonker 2005), who suggested that the essential building-block of stakeholder relationships is communication. A number of other scholars (Gasser 1989; Zetterquist and Quirke 2007) agree with this line of thinking, which emphasises the people component of organisational communication.

However, (Schonfelder 1998) differentiated organisational communication, from internal communication, as a holistic approach to communication within an organisation which focuses on behaviours and processes needed to create an effective communication culture.

While the focus of organisational communication has traditionally been on media and the electronic approach, current approaches place emphasis on face-to-face or two-way symmetrical communication. This type of communication encourages relationship building and improves morale and job satisfaction in organisations (Holtzhausen 2002a). In the same vein, (Quirke 1995) suggested that emphasis be shifted to the receiver and his needs rather than being exclusively on the sender, which is typical of a more traditional organisational communication approach. The role of sender and receiver is alternately reversed in an environment of two-way symmetrical communication.

The model of organisation communication put forward by (Hunt 1980) shows the common elements of both interpersonal and organisational communication, which includes the information source, receiver and channel; it also shows the encoder,

decoder and noise source that accompany every communication as shown in Figure 2.1 below.

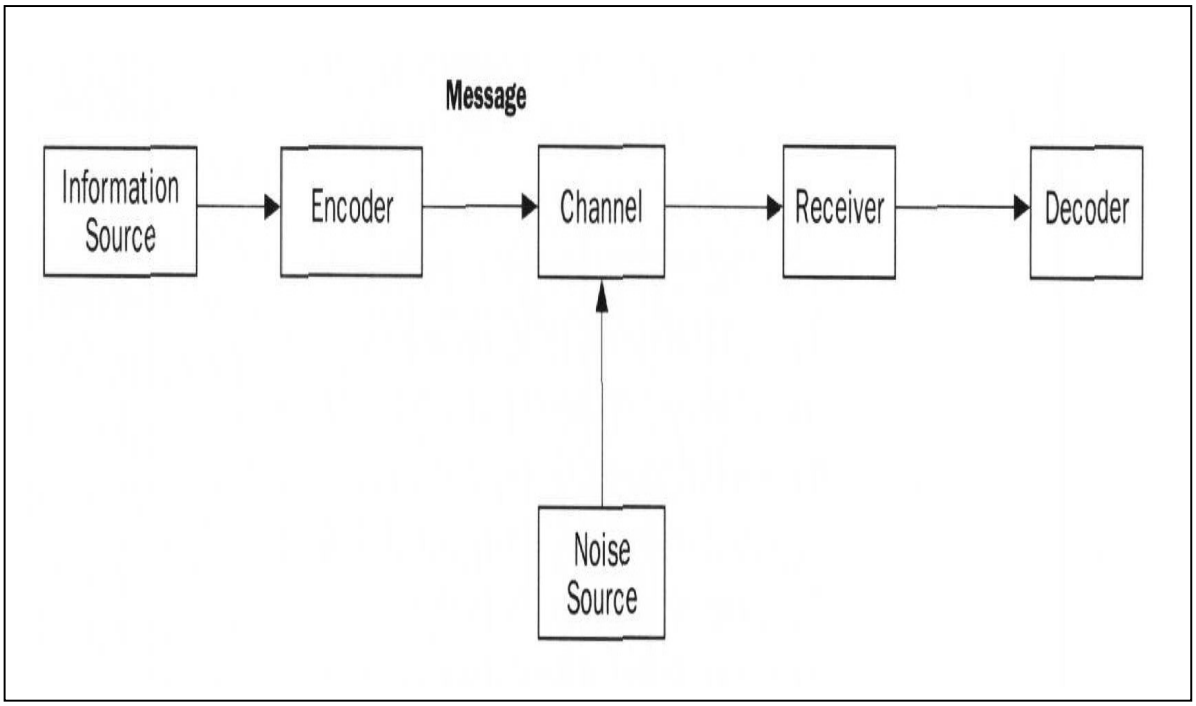


Figure 2.1: A Model of Organisational Communication (Hunt 1980:35*)*

Another relevant model put forward by (Greenbaum 1974) makes the link between the objectives of the communication, the organisational goals and productivity (Hellweg and Philips 1982) as shown in Figure 2.2 below.

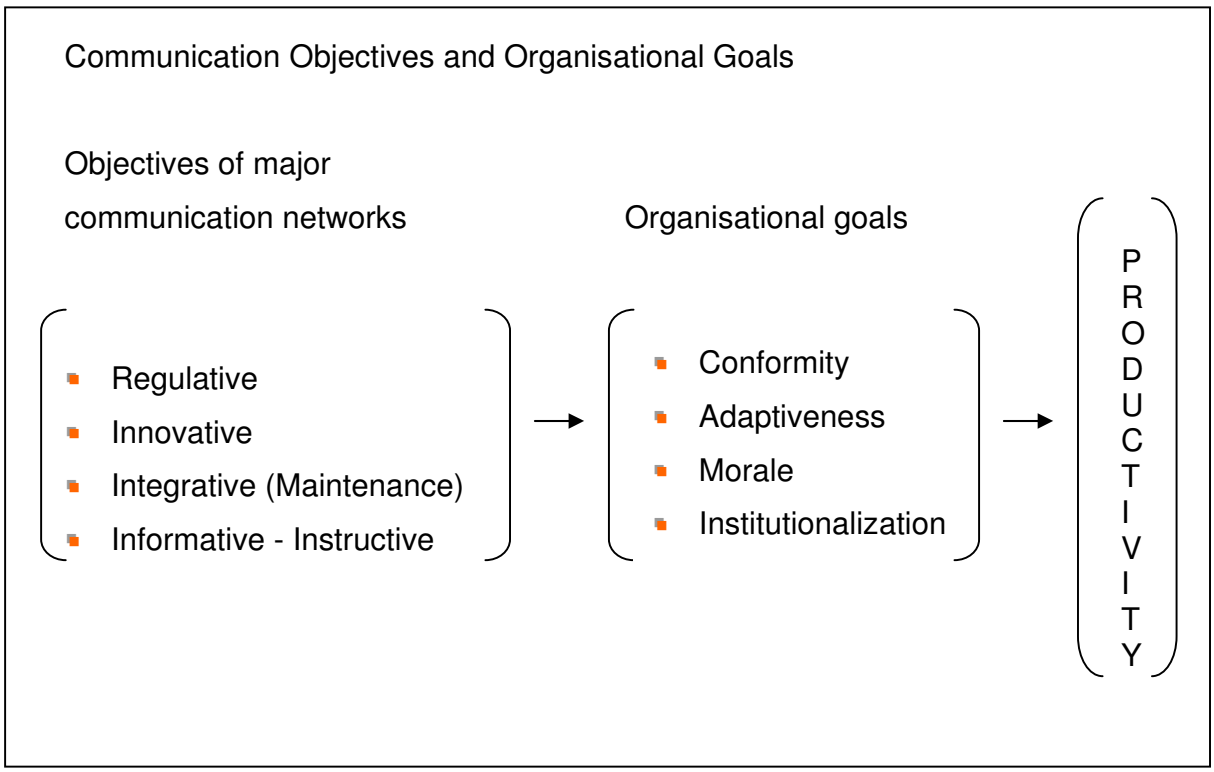


Figure 2.2: Communication Objectives and Organisational Goals (Greenbaum 1974)

The elements of this model find support in (Te'eni, Saggie, Schwartz, Zaidman, and Amichai-Hamburger 2001) and more succinctly in Hatch's statement, that communication involves a sender and a receiver, and that the communication is effective only to the degree that results at the receiving end match the purposes of the transmitting end (Hatch 1966), which expressly aligns operational implementation of strategy to the purpose of the strategy.

Although the end goal of this study is not to link the communication function to organisational performance, the effective communication of strategy could lead to effective implementation of the strategy, which is a key metric in organisational performance.

2.5.1 Internal Communication Strategy

Although having a formal communication strategy does not guarantee effective communication, the absence of a formal communication strategy between the CSU and the network would result in ineffective communication (Gasser 1989). Also, “the cost of inefficiency resulting from poor communication, miscommunication, and the poor motivation that accompanies these failures, is beyond measurement” (Hatch 1966).

Lee’s Twelve Dimension Framework of internal strategic communication, as shown in Figure 2.3 below, integrates internal communication into the leadership function, the strategy-making process, the managerial and employee function, and the alignment of communication to the business strategy.

Communication as a Function of Leadership

1. Strategic Orientation and Imperative
2. Integrity and Integration
3. Dignity and Respect

The Content and Expression of Strategy

4. Flow of Information
5. Clarity and Power of Messages
6. External Perspective

Individual and Team Accountabilities in Communication

7. Communication Roles and Responsibilities
8. Listening and Visible Presence
9. Training and Support

Aligning Communication with Business Strategy

10. Structure and Process
11. Measurement Systems
12. Continuous Improvement

Figure 2.3: The Twelve Dimension Framework of Strategic Internal Communication (Lee 1997)

Another model put forward by (Gasser 1989), as shown in Figure 2.4 below, looks at the information requirements of “TOP LEVEL” employees and “MID LEVEL” / “BOTTOM LEVEL” employees as conforming to strategic and operational information respectively.

For the purpose of this study, “TOP LEVEL” will mean “strategy formulators” represented by the CSU managers, based on the fact that strategy formulation represents their primary function. On the other side of the divide, “MID LEVEL” will mean “network managers and consultants” as their primary function is strategy implementation. This study does not take position into consideration in labelling any of the dimensions of the model by (Gasser 1989). Hence, “network managers and consultants” are represented on the same dimension as “MID LEVEL”. This does not imply that they are lower in grading or ranking than the CSU managers but simply aligns their position to the information needs and responsibilities depicted in the original model.

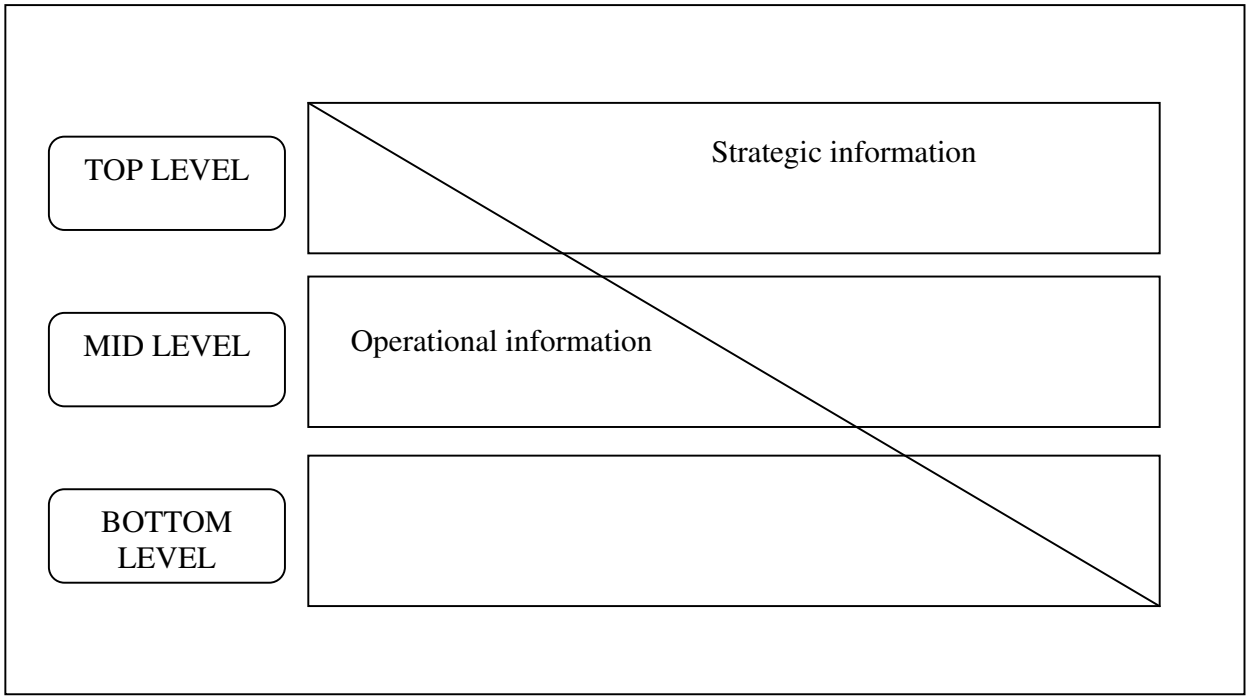


Figure 2.4: The Information Requirements by Organisational Level (Gasser 1989)

Although Gasser’s model presents a clear demarcation between the strategic and operational information needs, the diagonal line means that there is a mix of strategic and operational information that each side requires. Also, in practice there

is a continuum of operational requirements informing strategy and of strategy in turn driving operational requirements.

The quality of inputs at both ends of the continuum and effective communication within and between both ends determine the quality of the outcome. This outcome in most organisations is so critical that the survival of the organisation depends on it.

Gasser's model is extended by Baron's model as adapted by (Gillis 2006) as shown in Figure 2.5 below.

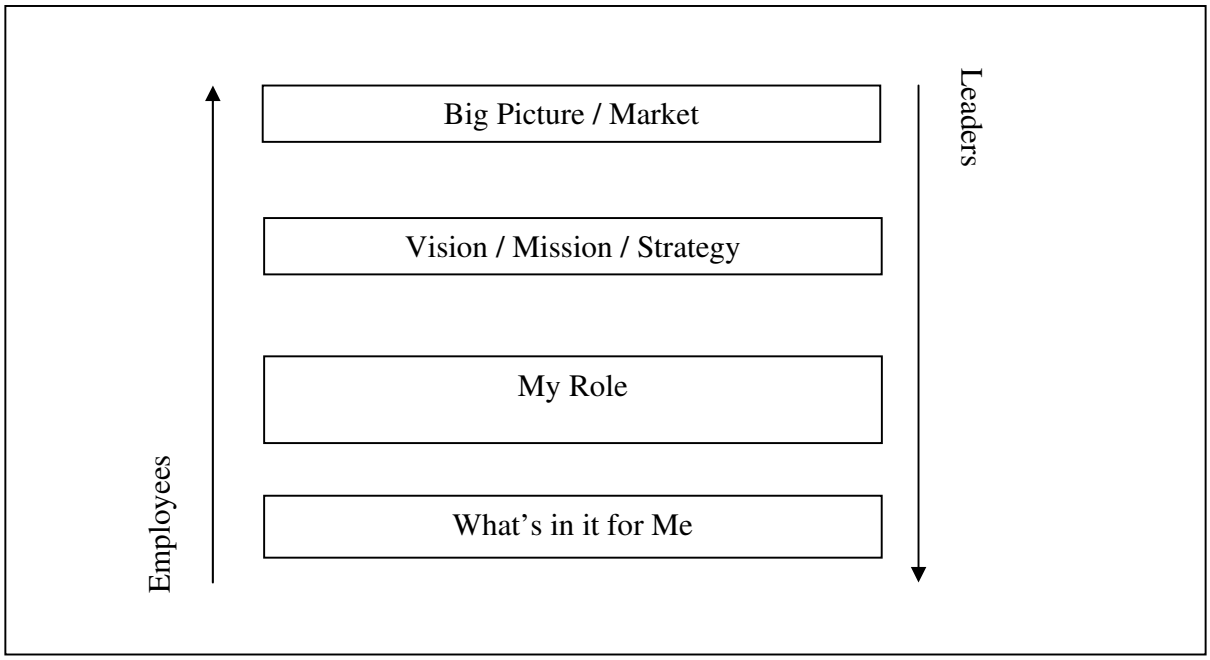


Figure 2.5: Better Alignment is Needed between Employees' Communication and Management (Gillis 2006)

This model integrates the role of leadership or management, vertical (upward and downward) communication, two-way communication, clarity, and alignment of strategy and operation.

This aligns with (Bridget and Jaesub 2002) interpersonal context, which comprises:

- “Personal feedback”;
- “Supervisory communication”; and
- “Subordinate communication”.

The main focus of Bridget and Jaesub’s study is “Communication Satisfaction”; the other five dimensions making up the eight dimensions are:

- “Co-worker communication” and “organisational integration”, grouped under the group context; and
- “Corporate communication”;
- “Communication climate”; and
- “Media quality”, grouped under the organisational context.

Dolphin’s definition of internal communications considered the transactions between individuals and groups at various levels and in different areas of specialisation and the influence of these transactions on designing organisations and their activities (Dolphin 2005).

The emphasis of this definition and of most of the literature on internal communication strategy is transactions / interactions / relationship between individuals. This context underlies the purpose of this study.

2.5.2 Organisational Communication and Internal Stakeholder Management

In the hierarchical environment typical of banking organisations in South Africa, the management of employees as internal stakeholders determines the success or failure of strategies and operational initiatives (Holtzhausen 2002a).

The buy-in required to make a success of strategies hinges on the level of trust between those higher up in the hierarchy, both positionally and structurally, and those lower down in the hierarchy. In Bartolomé's model (Figure 2.6), there are six critical areas required for developing and increasing trust (Bartolomé 1989):

1. Communication;
2. Support;
3. Respect;
4. Fairness;
5. Predictability; and
6. Competence.

Of these areas, communication ranks foremost and is expected to be a two-way experience in order to avoid the problem of upward communication usually associated with hierarchical organisations (Kelly 2000).

A model of organisational trust put forward by (Shockley-Zalabak and Ellis) as adapted by (Gillis 2006) is similar in meaning but not in exact wording to the model shown in Figure 2.6 below.

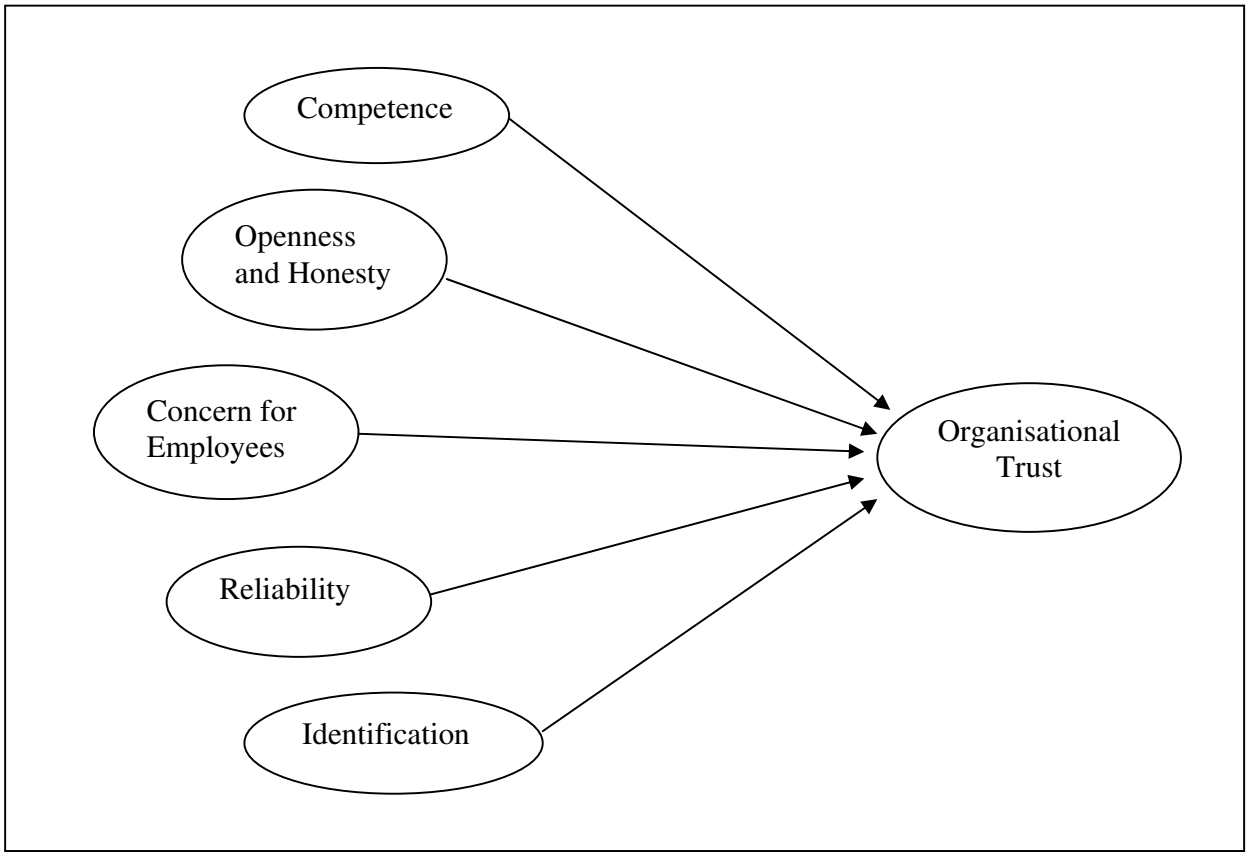


Figure 2.6: Path Model of the Five Dimensions of Organisational Trust (Gillis 2006)

This line of thinking was evident in the earlier work of (Nichols and Stevens 1957) regarding the availability of several avenues for downward communication as opposed to upward communication. (Nichols 1965) was also of the opinion that in a hierarchical organisation vertical communication is ineffective, whether upward or downward, owing to the "status problem".

Further support for the positive effect of organisational trust was shown in the study conducted by (De Ridder 2004), which links organisational trust to employee commitment. The four hypotheses that were supported by this study (De Ridder 2004) include:

Hypothesis 1:

The greater an employee's commitment to the organisation, the more supportive he / she will be of the organisation's strategic direction.

Hypothesis 2:

The more employees trust the management, the more supportive they will be of the organisation's strategic direction.

Hypothesis 3:

The higher the quality of the employees' task-related information, the more commitment they will feel towards the organisation.

Hypothesis 4:

The higher the quality of non-task-related information, the more trust employees will place in management.

Recent literature (Kalla 2005; Dolphin 2005) encourages the use of the integrated stakeholder communication approach, which progresses from "communication to internal stakeholders" to "communication to external stakeholders", using the satisfied internal stakeholders as organisational "ambassadors".

2.5.3 Barriers to Organisational Communication

The barriers to organisational communication are required to provide a context for some of the reasons given for communication in the organisation under study not being optimal. Including a discussion of these barriers in the review of the literature enhances the understanding and interpretation of the research results.

The three broad areas of barriers to organisational communication that are reviewed are:

1. Organisational development (OD) barriers;
2. Interpersonal barriers; and
3. Organisational barriers.

The OD barriers are based on people issues in communication and the conflicts that arise between people. According to (Richard 1974), these conflicts start relatively small and unimportant but, left unresolved, they turn into conflicts that affect personal and organisational productivity.

Some of the interpersonal barriers as discussed by (Richard 1974), include:

- Our communications being extremely complex processes;
- Our conditioning to be “polite,” have the “right personality,” manipulate ourselves and others, and play roles;
- Our fear and avoidance of conflict;
- Our drawing of conclusions, making assumptions, evaluating and judging rather than observing behaviour and reporting what we see, hear and feel;
- Our usually are not being in touch with ourselves; and
- Our lack of skills.

The interpersonal barriers also relate to the people component of communication, and according to (Kelly 2000), these include:

- Perception and perceptual selection processes;
- Semantics;
- Channel selection; and
- Inconsistent verbal and nonverbal communication.

These barriers emanating from individual characteristics and differences indicate that we disagree more than we agree (Quirke 1995) and need to find ways to regularly measure our level of agreement. This agreement will be better achieved by face-to-face communication where the total exchange, including body language, can be observed. Resolution of differences and clarification is more likely to be accomplished through this communication medium than through impersonal electronic communication.

Whether communication is effective or not is determined by the achievement of its intended outcome (Kalla 2005). Also, according to (Daft 1997), the process of communication goes beyond transfer of information and includes an intent or purpose to influence behaviour.

The barriers to communication interfere with the achievement of this intent (Kelly 2000). The organisational barriers listed by (Kelly 2000) include:

- Physical distractions;
- Information overload;
- Time pressure;
- Technical and in-group language;
- Status differences;
- Task and organisational structure requirements; and
- Absence of formal communication channels.

The notable characteristic of organisational barriers is that they are based on the organisation's structures, systems and processes (Kelly 2000).

The hierarchical structure of South African banking organisations results in filtering of messages, distortion and refusal to communicate (Hunt 1980). All of these barriers could be intentional for selfish purposes or unintended consequences of the hierarchical structure.

On the basis of the literature reviewed in Section 2.5, the second proposition was formulated thus:

The predominant use of face-to-face communication will improve the effectiveness of strategy communication between the head office and the network.

2.6 Organisational Strategy Formulation, Implementation and Alignment

The work of (Tegarden, Sarason, Childers, and Hatfield 2005) on "The *Engagement of Employees in the Strategy Process and Firm Performance: The Role of Strategic Goals and Environment*" investigated whether involving employees in the strategy-making process leads to a higher achievement of strategic goals and subsequently increased financial performance.

Of particular interest in this study is hypothesis 1a, which states that:

The use of multi-level strategy processes is positively related to the achievement of strategic goals.

The result showed that the use of multi-level strategy processes was significantly related to strategic goals and, hence, the hypothesis was supported.

Participative management recognizes "the goodwill, interest, talent, and needs of employees, and encourages open communication and cooperation between management and employees" (Forrester 2000:67). Furthermore, engaging employees at multiple levels of the organisation, in the strategy making process, results in greater commitment to strategic goals. There is also the potential for improved decision making, either through use of more relevant insights or higher satisfaction, which in turn leads to the greater motivation to implement the strategy (Tegarden *et al.* 2005). In their concluding discussion, (Tegarden *et al.* 2005) stated that:

> *Implications of our study to managers suggest that strategy formulation should be made on an iterative basis, involving managers and employees in ongoing dialogue. This is in direct contrast with the traditional models of strategy formulation in*

> *which a vision is generated by the leader and then communicated throughout the organisation. Involving organisation participants in important strategic decisions lead to not only a greater commitment toward the strategic goals but better implementation of these goals. These intangible Organisational processes are hard to imitate and can be a source of sustainable competitive advantage (SCA).*

The work of (Oswald, Mossholder, and Harris 1994) on "*Vision Salience and Strategic Involvement*", in which they specifically examined the influence of managers' perceived involvement in strategy formulation on their feelings of job satisfaction, organisational commitment, and job involvement, found a significant relationship between strategic involvement and the attitudinal variables.
This suggests that, successful strategy formulation and implementation require the commitment and involvement of managers of all levels (Mintzberg 1990).

Other studies in support of employee involvement in the strategy process include (Zetterquist and Quirke 2007): "*Transforming internal communication at Ericsson – Restructuring the function to deliver on business strategy";* and case studies on "*The planning and logistics of strategy communication*" (Melcrum Publishing 2006b) on: Afrox – *"Pair action plans with words for strategy success*"; RBC Financial – *"Linking communication strategy to business goals*"; BP – *"A model for allowing local adaptation of strategy*"; and AETNA – *"Educating employees to turn the business around*".

The implementation and alignment of strategy to operations as depicted in Figure 2.7 below show that employee involvement in the strategy-making process will most likely guarantee the starting point of effective strategy implementation and strategy / operational alignment – awareness (Gillis 2006). Underlined by communication, involving the leadership and formal / informal communication channels, the activities drive the process through commitment, where alignment is

achieved. The final step in the model is internalisation, which results in the desired behaviour and attitude, based on shared and common goals.

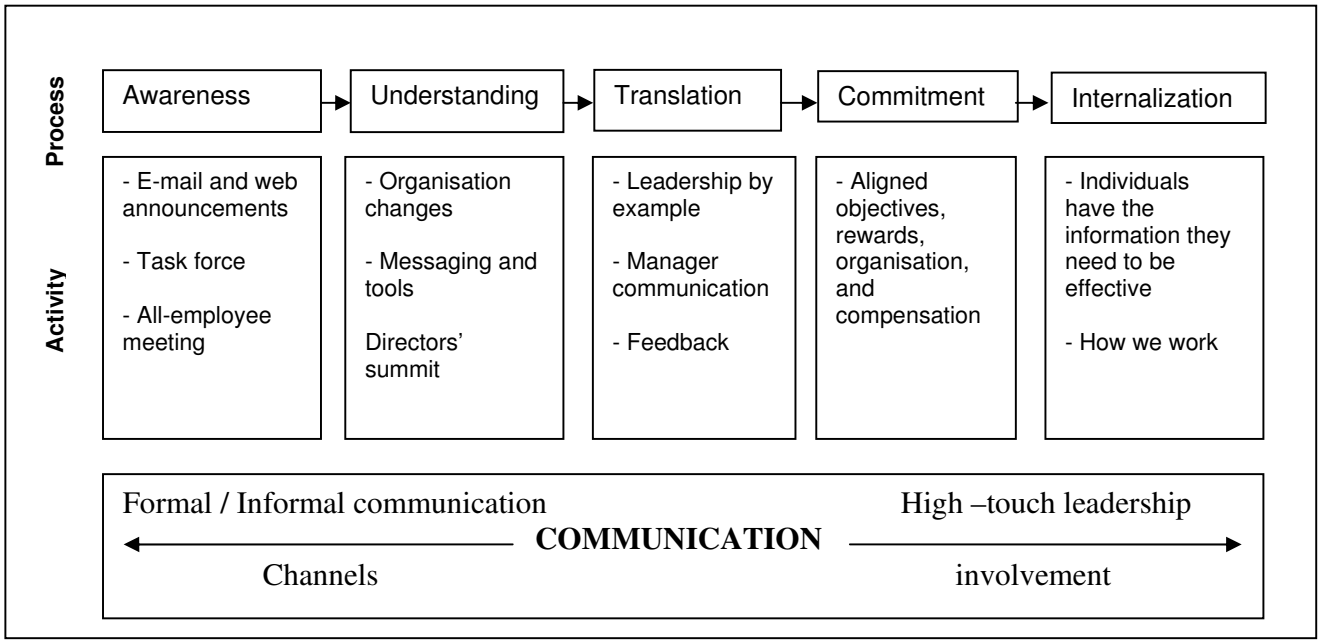


Figure 2.7: Translating Strategy to Action (Gillis 2006)

2.6.1 Organisational Strategy-making Process and Employee Buy-in

The strategy-making process of the CSU of a banking organisation in South Africa is usually carried out at the executive level and excludes the customer-facing staff of the network (Holtzhausen 2002a). The strategy is made at this level and filtered down to the senior and middle management at the head office, whose duty it is to customise it to their specific area and get it executed through the network. This hierarchical approach is manifested in the paternalistic model of communication (Gasser 1989), which has been shown to be ineffective. (Holtzhausen 2002b) also showed the benefits of implementing the democratic approach through the support of her hypotheses.

The work of (Nardine, Francis, and Steven 2004) supported the positive effects of employee involvement in the strategy-making process but also looked at the

negative effects of employee involvement, as shown in Figure 2.8 below. According to this diagram, “cultural inertia”, “increased politics”, and “more constrained strategy” were pointed out as the negative effects of employees’ inclusion in the strategy-making process, although the relative importance of the effects to the organisational well-being is in favour of the positive effects (Nardine *et al.* 2004).

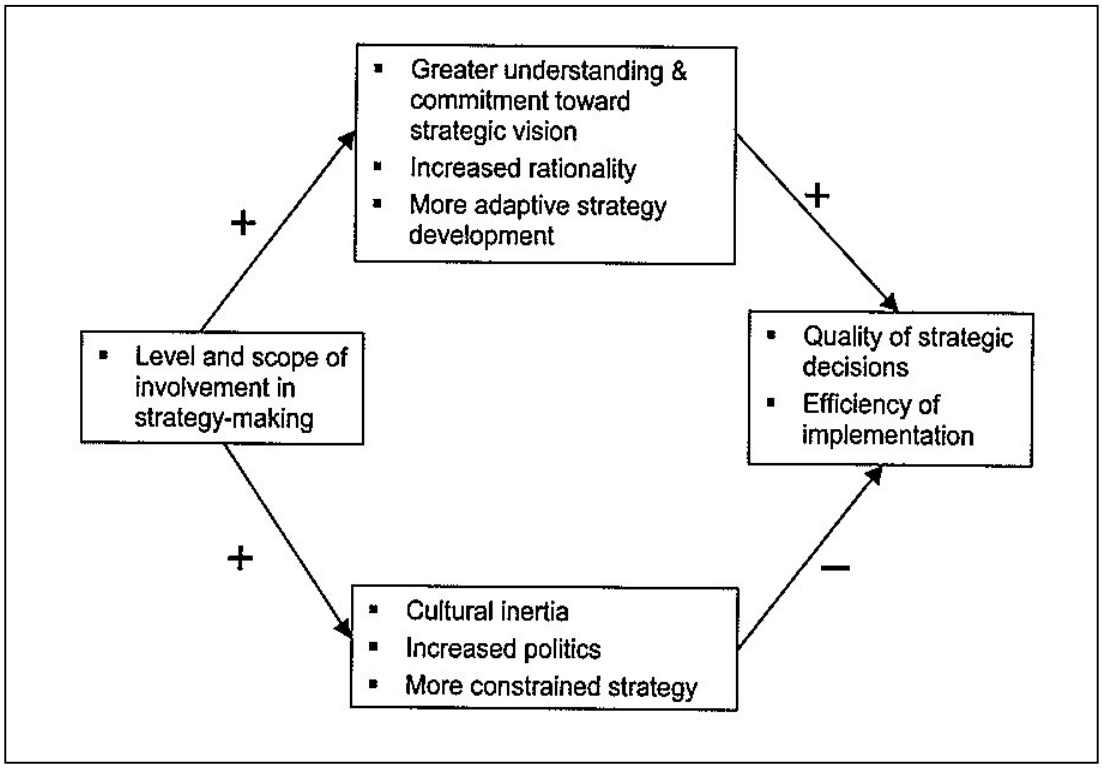


Figure 2.8: Effects of Involvement of Employees in the Strategy-making Process (Nardine *et al.* 2004)

2.6.2 Organisational Strategy Communication

> *When management teams think about communication, they typically think of information flowing from them down through the organisation. Employees, by and large, know better. Most strategic communications in organisations is lateral. (Lee 1997:31)*

In Lee's Twelve Dimensions Framework, the first dimension (strategic orientation and imperative) used the words of Emerson "begin with the end in mind" to advocate effective organisational strategy communication if the strategy was meant to be implemented (Lee 1997). Strategic implementation as an organisational imperative cannot be an event that happens long after the formulation of the strategy. Between formulation and implementation lies the crucial task of strategy communication, which must be an integral and ongoing part of both formulation and implementation in the form of downward, upward and lateral communication.
The task of communicating strategy is easier if employees are involved in the strategy-making process (Tegarden *et al.* 2005). In the absence of a democratic structure (Holtzhausen 2002b), the hierarchical mode of communication will prevail and the communication of strategy will follow the paternalistic approach of one-way downward communication (Gasser 1989).

The implications of this structural dependence are two-fold:

- Either there is only one organisational structure that supports effective strategy communication; or
- There are factors underlying effective strategy communication, which can be employed in either a democratic or a hierarchical structure.

The argument of this research follows the second point.

On the basis of the literature reviewed in Section 2.6, the third proposition was formulated thus:

An organisation-wide approach to strategy formulation will result in more effective communication of strategy.

2.7 Conclusion of Literature Review

The study of strategy communication effectiveness in the South African banking industry has an element of a communication audit (Paul and Dennis 2005), which seeks to understand the communication philosophy, concepts, structure, flow and practice within an organisation. The emphasis, however, is on the effectiveness of strategy communication through face-to-face communication.

The review of literature on existing theory in this field supports the importance of effective strategy communication to employee commitment, strategy implementation, organisational productivity, participatory management, alignment of strategy and operations, competitive advantage, and ultimately organisational financial performance.

In the model put forward by (Kelly 2000), information flow from source to receiver involves encoding and decoding, as well as noise source. The magnitude of this noise source and the extent of distortion to the original message are dependent on the organisational structure (Holtzhausen 2002a). Furthermore, the achievement of the organisational goals put forward by (Greenbaum 1974) is dependent on the clarity of the message being communicated through the minimisation of the noise source.

Gasser's model of information requirements by organisational level supports the continuum from strategic to operational information and the level of employees that need this information (Gasser 1989). There is support for this model in a face-to-face communication medium (Gasser 1989), where the noise source is minimised.
The effectiveness of this strategic-operational interface requires successes in: communication as a leadership function, communication as individual and team accountability, clarity of strategy, and the alignment of communication with business strategy (Lee 1997).

However, the South African banking organisations are generally structurally hierarchical (Holtzhausen 2002a) and as such include multiple levels of noise source, which results in communication distortion. On the basis of these models and the literature reviewed the first proposition for this study was formulated.

The literature underlying the formulation of the second proposition for this study includes a study by (Holtzhausen 2002b) on the "*Effects of Workplace Democracy on Employee Communication Behaviour: Implications for Competitive Advantage"*, which confirmed the importance of workplace democracy for the improvement of trust, information flow, face-to-face communication and communication between superiors and subordinates. The development of organisational trust requires six critical areas (Bartolomé 1989). These areas are similar to those in Gillis's model of organisational trust (Gillis 2006). Improving these areas requires a rich medium, and studies show that face-to-face communication rates highest in social presence and media richness (Gillis 2006).

Further support for the predominant use of face-to-face communication in the communication of strategy is shown in the study conducted by the Communications Effectiveness Consortium (CEC) (Gillis 2006), in which strong preference was shown for live meetings (face-to-face) and intranet for the communication of strategy. Hence, the second proposition for this study.

The relationships formed in the course of face-to-face communication are a pre-requisite for employee buy-in, commitment, trust, loyalty, retention and brand ambassador, without which an organisation cannot function optimally (Pfeffer 1994). The requirements for this relationship building start with employee awareness and move through to understanding, translation, commitment and internalisation (Gillis 2006). This relationship involvement is supported by the model put forward by (Nardine *et al.* 2004) on the effects of employee involvement in the strategy-making process. Although the model pointed out cultural inertia, increased politics and more constrained strategy as likely negative effects of

employee inclusion, there are greater positive effects in support of employee inclusion in the strategy-making process. This employee involvement makes the task of communicating strategy easier (Tegarden *et al.* 2005). The models and literature related to the paragraph above formed the basis for the formulation of the third proposition for this study.

The skills shortage and competitive business environment in the financial services sector in South Africa have made it a priority for banking organisations to strengthen their internal capabilities, contain costs, and develop differentiated products and services aimed at both employee and customer retention. The success of this initiative depends on the knowledge, skills and commitment of employees, which have been shown to be impacted by the effectiveness of the organisational strategy communication.

The minimisation of the negative structural effects of the organisation on the strategy communication process, the predominant use of the face-to-face medium in the communication of strategy and the inclusion of the network in the strategy-formulation process have been shown by the review of literature to improve the effectiveness of strategy communication. These factors have been put forward as propositions for the next chapter of the study, which presents the research methodology used to analyse the data for this study statistically. The results of the data analysis presented in chapter 4 determine the acceptance or rejection of the propositions.

2.7.1 Proposition 1

The communication processes between the head office and the network go through too many reporting lines owing to the hierarchical structure of the banking organisation.

2.7.2 Proposition 2

The predominant use of face-to-face communication will improve the effectiveness of strategy communication between the head office and the network.

2.7.3 Proposition 3

An organisation-wide approach to strategy formulation will result in more effective communication of strategy.

CHAPTER 3: RESEARCH METHODOLOGY

This exploratory study lent itself to a quantitative paradigm because of the requirement to identify the factors that underlie the effectiveness of strategy communication processes between the CSU and the network using the face-to-face medium.

Although much research study has been done in this field, organisational communication is still a relatively developing field. Most of the research undertaken in this field has used American and European companies as samples and relatively few studies have been carried out on South African organisations. This informed the exploratory nature of this study and the use of research propositions as opposed to hypotheses. The abundance of literature in this field reduces the need for a qualitative paradigm.

3.1 The Research Process

The first step in the process was the reviewing of literature related to this study. The purpose of this step was to understand the extent of the body of knowledge available in this field, the theoretical base of the study of interest, and other studies conducted in this field that would aid the interpretation of the results. The review was conducted with a priority placed on articles from peer-reviewed academic journals. Other journals of an academic nature, business journals and a couple of textbooks were also reviewed for completeness.

The second step was the construction of the survey questionnaire. This step built on the knowledge gained from the first step and used the research propositions drawn up from the literature review to construct the questionnaire. The questionnaire was aimed at eliciting accurate responses from respondents that would either support or disprove the research propositions.

The research questionnaire was piloted, with a similar but not the same sample for the final questionnaire, in the third step, to further refine the questionnaire with feedback from the pilot respondents. The aim of this step was to ensure that the questionnaire was not ambiguous, was well understood by the respondents, contained non-leading questions, could be completed in a reasonable amount of time, and had no aspect that was offensive to or might be rejected by the respondents. These characteristics would enhance reliability and validity.

The revised research questionnaire was implemented in the fourth step using the real sample for this study. The questionnaire was electronically delivered to the respondents, using the organisation's intranet. Where this was not possible, manual delivery was arranged to ensure that all respondents in the sample were included.

The responses from the respondents were collected electronically and manually where applicable, for the next step of the study. The final step of the process involved the analysis of the questionnaire responses, the presentation of the results, the interpretation of the results, and drawing of conclusions and making of recommendations.

The Number Cruncher Statistical System (NCSS) was used for the statistical analysis using Descriptive Statistics, Factor and Cluster Analysis, as well as one-way analysis of variances (ANOVA). The interpretation of the results was based on the outcome of the analysis and the literature review.

The diagrammatic representation of the research process is shown in Figure 3.1 below.

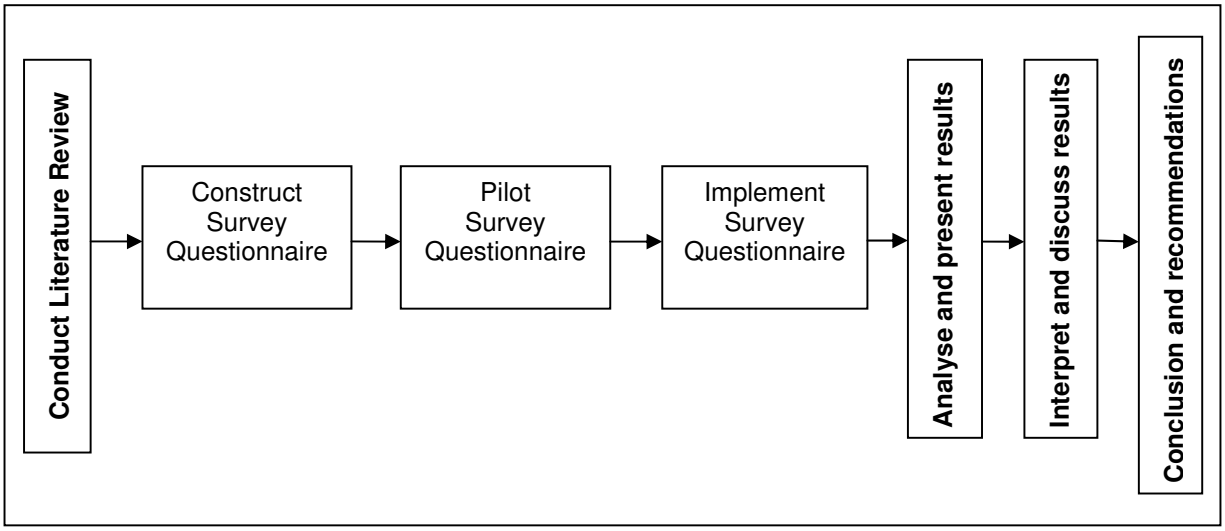


Figure 3.1: The Research Process Followed

3.2 The Quantitative Research Approach

This approach was used to understand the relationships of measured variables with the purpose of explaining and predicting phenomena (Leedy and Ormrod 2001). The quantitative approach utilised the interval data collected from the research survey questionnaire (see Appendices B and C) for analysis.

The use of interval data enabled the elicitation of the characteristics of observations using descriptive statistics and other quantitative analysis methods. The quantitative data analysis methods that were used in this approach include Descriptive Statistics, Factor Analysis, Cluster Analysis and One-way Analysis of Variance (ANOVA).

3.2.1 Survey Questionnaire

Questionnaire Construct

The questionnaire was developed on the basis of the findings from the review of literature and discussions with the marketing research unit of the bank used for the study. The questionnaire design was not based on any existing instrument.

The questionnaire (see Appendices B and C) utilised a Line Marking Scale of between 0 and 10 with Likert agreement. The use of an 11-point scale improved the reliability of the interval data (Stacey 2005) for quantitative analysis purposes.

The questionnaire was divided in sections A to D as shown:

- Section A – Respondents demographics;
- Section B – Questions on communication processes and the effect of organisational structure;
- Section C – Questions on the effective communication of strategy through the use of face-to-face communication; and
- Section D – Questions on the effect of organisation-wide strategy-making process on the communication of strategy.

Demographics

This section was used to obtain the respondents' demographic information. This information was used for the demographic analysis of the whole data and the resulting clusters from the cluster analysis. Demographic categories collected included: respondent's job position, location, gender, and duration in position.

The demographic information was also used to ensure that the respondents had been correctly assigned to the specified sample, by having the required job position in the province that formed part of the sample.

Communication processes and the effect of organisational structure

This section of the questionnaire was used to elicit answers to Proposition 1 as stated in Chapter 2, and effectively to Sub-problem 1 as stated in Chapter 1.

Proposition 1:

The communication processes between the head office and the network go through too many reporting lines owing to the hierarchical structure of the banking organisation.

- Quantitative questions established:

- The current nature of the communication processes between the head office and the network; and
- If the communication processes identified are a function of the organisational structure.

The effective communication of strategy through the use of face-to-face communication

This section of the questionnaire was used to elicit answers to Proposition 2 as stated in Chapter 2, and effectively to Sub-problem 2 as stated in Chapter 1.

Proposition 2:

The predominant use of face-to-face communication will improve the effectiveness of strategy communication between the head office and the network.

- Quantitative questions established:

- The current predominant medium of communication of strategy between the head office and the network;
- The extent of use of face-to-face communication in the communication of strategy between the head office and the network; and
- The view of the respondents on the use of face-to-face communication in the communication of strategy between the head office and the network.

The effect of organisation-wide strategy-making process on the communication of strategy

This section of the questionnaire was used to elicit answers to Proposition 3 as stated in Chapter 2, and effectively to Sub-problem 2 as stated in Chapter 1.

Proposition 3:

An organisation-wide approach to strategy formulation will result in more effective communication of strategy.

- Quantitative questions established:

- The effect of network inclusion, in the strategy-formulation process, on effective communication of strategy between the CSU and the network; and

- The effect of network inclusion, in the strategy-formulation process, on lessening the negative effects of hierarchical structure on the communication process.

Questionnaire Administration Process

The administration of the research questionnaire was undertaken to maximise the response from the respondents. Hence, a covering letter was sent to all the respondents, via e-mail, with the questionnaire. The covering letter detailed what the study was all about, the need for the questionnaire to be completed accurately and on time, and the guarantee of anonymity of respondents. The only details that were required on the questionnaire were demographical and excluded names.

There was a promise to inform interested respondents about the results of the study and this will be done in future by directing the respondents to the library of the banking organisation for a copy of the study.

The draft questionnaire was reviewed after the pilot to incorporate the recommendations from the pilot study. The pilot was conducted in the four provinces not chosen as a sample but with only a couple of volunteers per province.

3.2.2 Questionnaire Pilot

The aim of conducting a pilot (see Appendix B) study prior to developing the final questionnaire was to test for the feasibility, reliability and validity of the study (Leedy and Ormrod 2001). In addition, the pilot study ensured that the questionnaire was not ambiguous, was well understood by the respondents, contained non-leading questions, could be completed in a reasonable amount of

time, and had no aspect that was offensive to or might be rejected by the respondents.

Twenty respondents from the non-sampled provinces participated in the pilot and the result were used to make the following changes to the draft questionnaire:

- The reduction of the number of questions from 33 to 31 by eliminating two questions that returned “N/A” by most of the respondents;
- The revision of the duration demographic variable to reflect non-overlapping timelines;
- The revision of the “example” question to be a question not included in the actual questionnaire;
- The rephrasing of the questions flagged as “not understood” or “ambiguous”; and
- The reviewing of the instruction to achieve more clarity.

3.3 Data Collection

The total sample included all customer consultants, managers (junior, middle, and senior) and directors, (grouped with senior managers) of the selected five provinces, Distribution unit and the CSU.

The data-collection process for the quantitative approach involved sending out the questionnaire electronically, via the bank intranet, to the identified sample of the population. Where this was not feasible a physical delivery of the questionnaire was undertaken to ensure a high level of participation in the survey.

The nature of the data collected was interval data, specified by the use of the Line Marking Scale of between 0 and 10 with Likert agreement. The valid returned questionnaires were the input for the quantitative analysis.

3.3.1 Population Description

Owing to the nature of this study, the population was not the entire 36000 bank employees of the banking organisation used for this study. The population rather comprised all the employees of the CSU and the customer-interaction staff in the network with strategy implementation responsibilities. This qualification excluded the tellers from the population of this study as, although they are customer-interacting, they were not considered to be explicitly involved in strategy implementation.

The other inclusions, other than the managers and customer consultants of the branch network, were the provincial directors/managers, regional managers, and distribution directors/managers.

The total population figure for the study was estimated to be between 2000 and 2200.

3.3.2 Sample Description

The sample for this study comprised managers and directors of the CSU; the managers and customer consultants of five provinces (Gauteng, Western Cape, Eastern Cape, Mpumalanga and Limpopo); the regional and provincial managers and directors in these sampled provinces; and the managers and directors of the Distribution Unit.

The sample size for the questionnaire was 444, which was the number of questionnaires sent out, of which 238 were returned, representing a 53.6% response rate. Of these 222 were fully completed and valid, which represents a 50% response rate.

Although the return rate for any questionnaire is deemed to be satisfactory at 30% (Emory and Cooper 1991), the study conducted by (Gaylard, Sutherland and Viedge 2005) achieved a 77.3% return rate. This was with the cooperation and the use of the organisation's infrastructure for the data collection.
This study was conducted under similar circumstances and the return rate of 50.2% was deemed satisfactory.

3.3.3 Sampling Method

The sampling method for this study was purposive and not random. The choice of the five provinces was aimed at getting a balanced spread between metro and non-metro provinces. This was important as the strategies for the metro areas of the country differ from those for the non-metro areas in some instances.

The choice of managers and directors in the CSU, Distribution Unit and the provinces was also purposive, as the communication function is more of their responsibility than it is of the non-managers in the CSU. The same goes for the regions and the provinces in the selected sample.

The choice of the managers and the customer consultants in the branch network was made because it is their responsibility to implement the strategy formulated by the CSU. Their interaction with the customer is more in-depth than the 'fleeting' interaction of the tellers with the customer. This in-depth interaction with the customer is vital for their role in the communication of customer insights to the CSU for the purpose of defining and refining the strategy.

3.4 Data Analysis

The data analysis methods for this research, as listed in the consistency matrix (see Appendix I), are given below:

1. Descriptive Statistics;
2. Factor Analysis;
3. Cluster Analysis; and
4. One-way Analysis of Variance (ANOVA).

3.4.1 Descriptive Statistics

Demographics

The demographic categories were “Position”, “Location”, “Gender” and “Tenure”. The sample distribution across the demographic categories was analysed using the Number Cruncher Statistical System (NCSS). This determined that there was no skewness in any of the demographic categories that might affect the integrity of the results.

Statistical Mean

Descriptive Statistics were used to establish the mean associated with the data, using NCSS. This helped in assigning relative ranking of agreement to questions in the questionnaire.

3.4.3 Factor Analysis

The use of Factor analysis for this research enabled the researcher to take advantage of the interval data that was collected using the Line Marking Scale. The analysis was performed using NCSS.

Factor Analysis does not distinguish between dependent and independent variables, but rather the whole set of interdependent relationships between variables is examined (Henson and Roberts 2006) to identify underlying dimensions or factors.

This is important to the study as the study aims to understand the underlying factors, and their relationships, that define the effectiveness of strategy communication in the South African banking industry. The number of factors extracted was based on the Eigenvalues. This initial factor matrix was then rotated, using varimax rotation, to produce orthogonal factors, which were easier to interpret.

3.4.4 Cluster Analysis

Cluster Analysis was used to classify responses into relatively homogenous groups (Malhorta 1996). This clustering of respondents into groups (clusters) was based on their similarity, in terms of which the clusters should be internally homogenous and externally distinguishable from other clusters (Hair, Anderson, Tatham, and Black 1998). This method has been widely used in a number of different areas, which include banking (Safdari, Ohanian, and Scannell 2005). Since Cluster Analysis considers the whole set of interdependent relationships, it was considered interesting to establish whether the experience of the strategy communication process was homogenous across the bank or differed across clusters.

The significance of this approach to the study was the generation of clusters that were taken into consideration in making the necessary recommendations to the banking industry on communication of strategy. The approach also gave some insights into the problems with the current strategy communication processes.

The analysis was performed using NCSS and the data input to the Cluster Analysis was the factor scores from Factor Analysis. This yielded more robust and consistent results as the factors had already been elucidated.

The combination of these two techniques (Factor Analysis and Cluster Analysis) made the conclusions drawn from this study more robust, particularly in the context of this study where there was a need to establish homogeneity of experience and perceptions or lack of them.

3.4.5 One-way Analysis of Variance (ANOVA)

The Kruskal-Wallis One-way Analysis of Variance (ANOVA) was performed using NCSS for demographics that contained more than two categories. The Gender demographic was subjected to a Two-Sample T-Test. The analysis determined whether the means of each category were different for each factor.

3.5 Limitations of the Study

This section contains a detailed description of the limitations identified in the research methodology.

3.5.1 Sampling procedure

The purposive sampling procedure decreases the generalisability of findings. Furthermore, differences in definitions and descriptions of the terms “Customer Strategy Unit”, “Distribution Unit”, “Network”, “Manager”, “Customer Consultant” and “Director” within the South African banking industry could change the population and sample for this study and yield different results from those presented in this research.

3.5.2 Judgement

Emphasis on the people component of communication means that the same systems and operating environment might not necessarily yield the same results as long as people differ among organisations.

3.5.3 Perception versus Reality

The requirement of this study for employees to indicate their level of agreement to the questions relating to communication needs the respondent’s perception to be the same as the reality. Hence, an assumption was made that respondents would respond honestly to the questionnaire. However, there is a possibility that the respondents’ honest responses might not reflect the communication reality.

3.6 Validity and Reliability

This section has details of steps taken to ensure that the validity and reliability of this study is upheld.

3.6.1 Internal Validity

Internal validity is defined as the extent to which the design of, and the data produced by, an instrument allows the researcher to draw accurate conclusions about the cause and effect and other relationships between the data (Leedy and Ormrod 2001).

The internal validity was achieved by piloting the questionnaire to ensure that the questions were not ambiguous, vague or leading; that the respondents understood the questionnaire; and that the answers from the questionnaire would provide answers to the research problems.

3.6.2 External Validity

External validity is defined as the extent to which the results from a study apply to situations beyond the study (Leedy and Ormrod 2001). The fact that the sample for this study is from one banking organisation may reduce the generalisability and external validity of the study.

However, the use of employees in managerial positions for this study enhances the external validity. This is because access to the members of the population is not solely dependent on the respondent but also on the position. Managers in the population are expected to experience similar communication processes. They are also expected to work within similar structures, processes and media and

experience similar strategy-making processes. Any differences that occur owing to regional, provincial, metro or non-metro variations are expected to apply equally to the managers.

Furthermore, although the sample for this study is purposive, its representation of more than 50% of the provinces in the population tilts the balance in favour of generalisability and hence external validity.

3.6.3 Reliability

Reliability is defined as the extent to which a test or procedure produces similar results under constant conditions on all occasions (Bell 2005).

Reliability was achieved by the use of a standard questionnaire, which was piloted to eliminate any ambiguity in question wording, to ensure consistency of results.

CHAPTER 4: PRESENTATION OF RESULTS

4.1 Introduction

The results obtained from the statistical analysis of the questionnaire responses are presented in this chapter.

The demographic information was used to analyse the response rates of the respondents in the different demographic categories.

The results of the Descriptive Statistics, Factor Analysis, Cluster Analysis and Analysis of Variance (ANOVA) are also presented in this chapter.

4.2 Demographic Profile of Respondents

The demographic categories consisted of: position in the organisation, geographic location, gender, and tenure in the organisation. The purpose of this section of the study was to describe the data.

The distribution of the sample across these categories is shown in the charts below.

a) Position

Figure 4.1 shows the position distribution of the respondents.

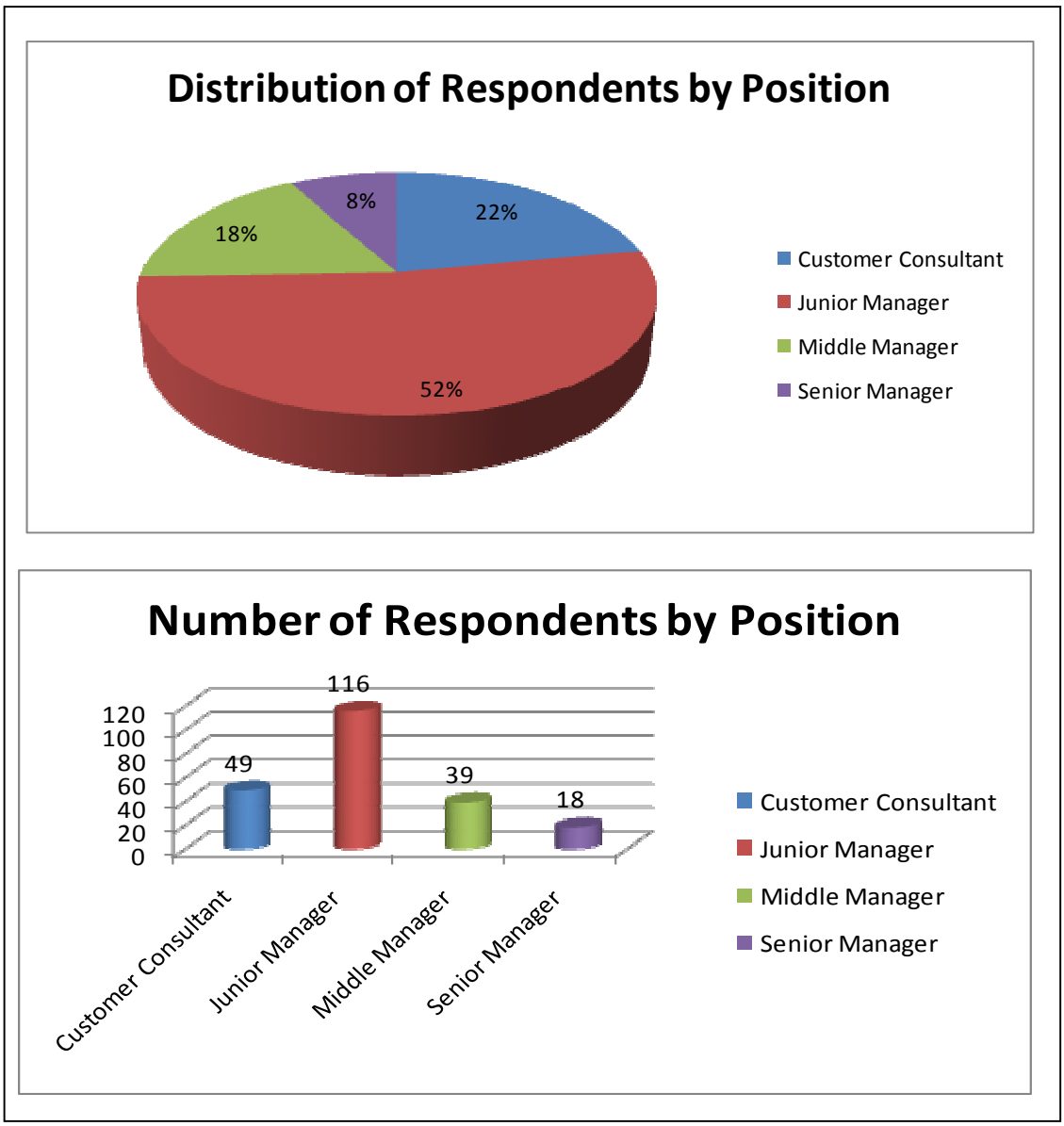


Figure 4.1: Distribution of Respondents by Position in the Organisation

The spread of respondents' positions in the organisation is predominantly in favour of junior manager (52%), with a closer spread between customer consultants and middle managers at 22% and 18% respectively. Eight per cent of senior managers were represented in the respondents.

b) Location

Figure 4.2 shows the location distribution of the respondents.

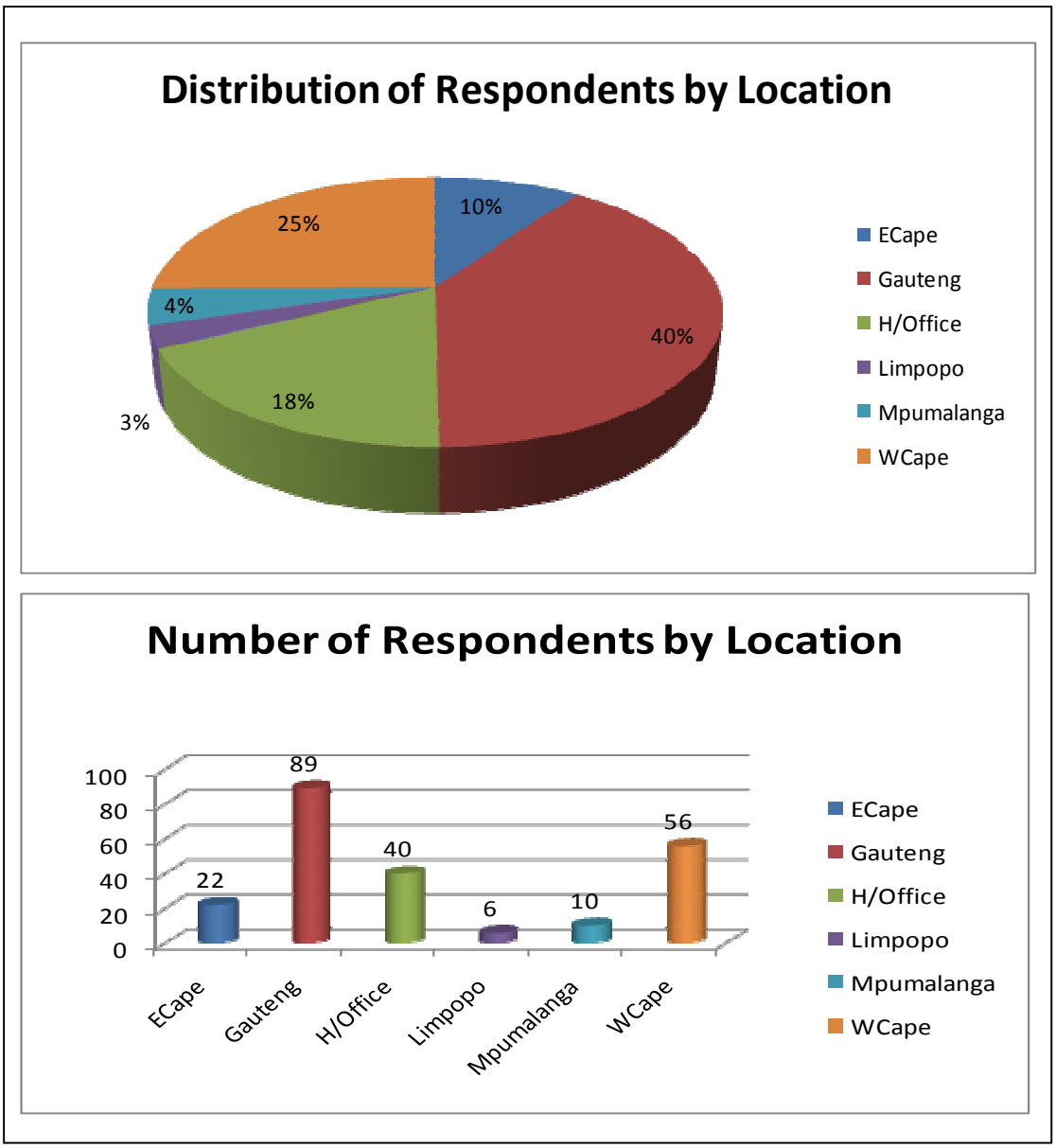


Figure 4.2: Distribution of Respondents by Location in the Organisation

The Gauteng Province is the predominant location of respondents (40%), followed by Western Cape (25%), Head Office (18%), Eastern Cape (10%), Mpumalanga (4%), and lastly Limpopo (3%).

c) Gender

Figure 4.3 shows the gender distribution of the respondents.

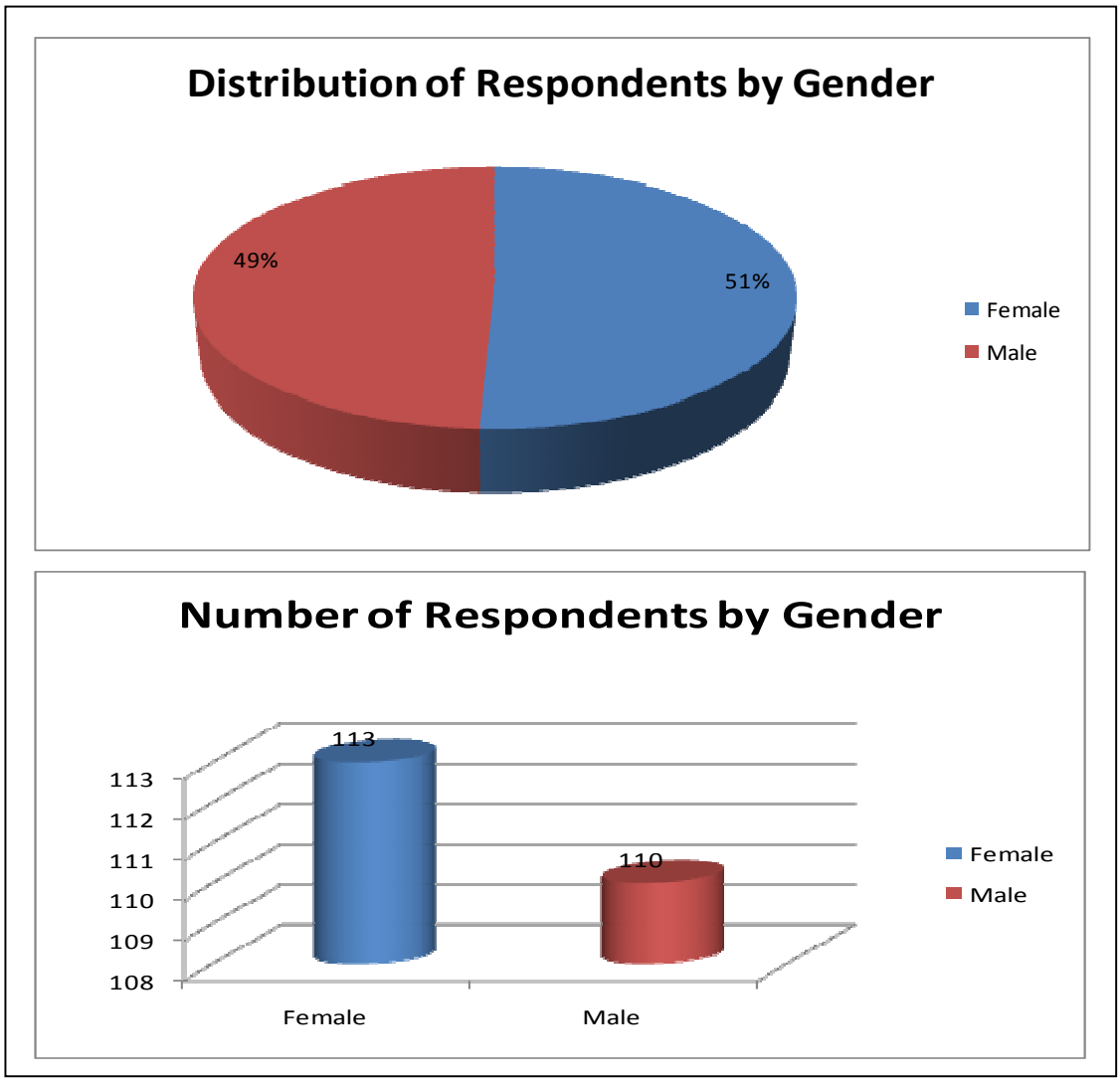


Figure 4.3: Distribution of Respondents by Gender in the Organisation

The respondents are almost equally spread with regard to gender, with the number of female respondents (51%) slightly higher than male respondents (49%).

d) Tenure

Figure 4.4 shows the tenure distribution of the respondents.

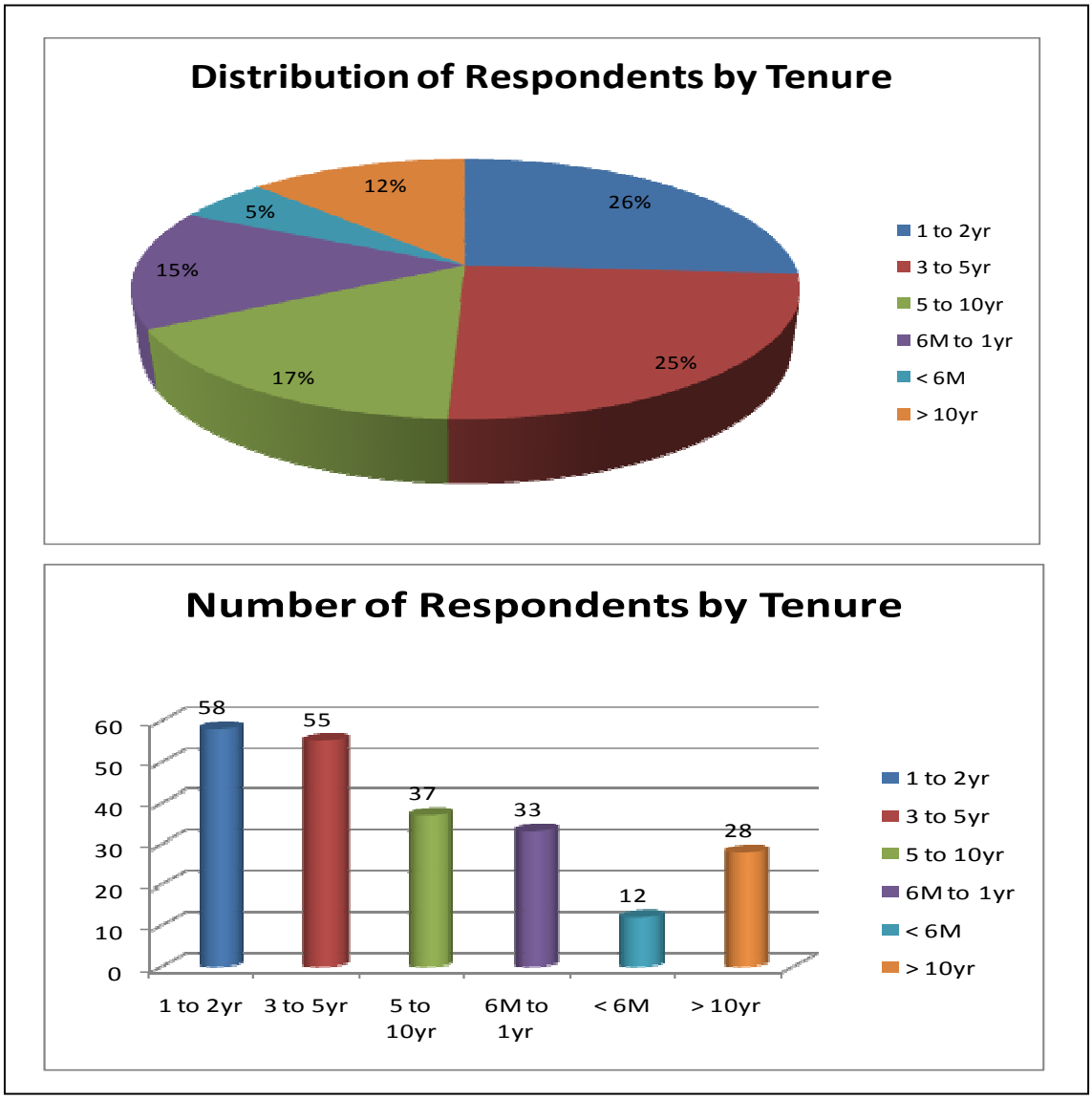


Figure 4.4: Distribution of Respondents by Tenure in the Organisation

There is a reasonably even spread of respondents who have been in the organisation for one to two years (26%) and three to five years (25%), with five to ten years (17%) following closely.

A greater number of respondents (54%) has been with the organisation for three or more years while, of the 46% that have been in the banking organisation for two or fewer years, 26% have been with the organisation for between one and two years.

4.3 Results of Descriptive Statistics

The statistical means were of the 31 variables in the questionnaire ranked to determine which variables have the highest and lowest levels of agreement with the statements respectively.

The variables in the top ten ranking of agreement (see Table 4.1) have the highest levels of agreement.

Table 4.1: Ranking of Variable Means – Top Ten Variables

Variable	Questionnaire Statement	Mean	Rank of Agreement
Q3	I prefer to get the information I want directly from the source.	8.837838	1
Q25	I find it easy communicating face-to-face with my manager.	8.536036	2
Q22	Good relationship between the head office and the network is important for the effective performance of my job.	8.468469	3
Q14	Face-to-face communication improves the clarity of issues being discussed.	8.427928	4
Q24	Face-to-face communication is an important part of my job.	8.310811	5
Q31	The involvement of all levels of managers in the strategy-making process will improve the commitment to execute the strategies.	8.274775	6
Q18	Face-to-face communication is important in building relationships between the head office and the network.	8.265766	7
Q20	Face-to-face communication improves ownership of issues.	8.22973	8
Q30	The involvement of all levels of managers in the strategy-making process will bring more relevant customer insights to the process.	8.058558	9
Q16	The predominant use of face-to-face communication will create an environment of trust between the head office and the network.	7.954955	10

The areas of importance common to these ten variables can be summarised as the following:

- Need for fast and dynamic structures and processes;
- Need for participative management;
- Need for personal communication;
- Need for relationship building; and
- Need for message clarity.

The variables in the bottom ten ranking of agreement (see Table 4.2) are deemed to have the lowest levels of agreement.

Table 4.2: Ranking of Variable Means – Bottom Ten Variables

Variable	Questionnaire Statement	Mean	Rank of Agreement
Q4	I trust the communication between the head office and the network.	6.707207	22
Q26	I participate in regular meetings that reinforce the Personal and Business Banking (PBB) strategy.	6.626126	23
Q13	I prefer the Personal and Business Banking (PBB) strategy to be communicated to me electronically.	6.202703	24
Q11	I receive communication about the Personal and Business Banking (PBB) strategy through face-to-face medium.	5.725225	25
Q8	I feel that the structure of the bank makes the communication between the head office and the network more effective.	5.495495	26
Q7	I feel we cannot change the current communication processes without changing the structure of the bank.	5.472973	27
Q2	I am comfortable with going through numerous reporting lines to get the information I want.	4.522522	28
Q15	I have no preference on the medium the Personal and Business Banking (PBB) strategy is communicated to me.	4.328829	29
Q12	I rarely receive any information about the Personal and Business Banking (PBB) strategy.	3.95045	30
Q19	I find it difficult communicating face-to-face with my manager.	2.36036	31

The areas of importance common to these ten variables can be summarised as the following:

- Trust;
- Employee participation;
- Communication of strategy;
- Structures and processes; and
- Communication channels.

4.4 Results of Factor Analysis

Respondents were asked to indicate their level of agreement on an 11-point Line Marking Scale (0 to 10) with Likert agreement. “0” denotes completely disagree while “10” denotes completely agree. Factor Analysis with Varimax rotation was performed on the responses to this survey questionnaire.

The objective of the factor analysis was to examine the whole set of interdependent relationships between variables (Henson and Roberts 2006) in order to identify underlying dimensions or factors.

Factors that make up part of the factor solution have Eigenvalues of greater than one (see Appendix D) and variables with factor loadings of greater than 0.40 were included in the selected factors. A five-factor solution, which accounted for 98.46% of the total variation, was selected.

The factor structure (see Appendix D) shows the variables that make up each factor, and these were used to describe the factors. The five factors are presented in tables 4.3 to 4.7 for factor one through five. Each table contains a variable number, the factor loadings for the variables, the questionnaire statement associated with the variables, and the ranking of agreement of the variables.

Table 4.3: Factor one

	Factor description	Interpersonal Communication	
	Eigenvalue	3.873119	
	Percent variation	26.85	
	Factor mean	7.990348	
Variable	Factor Loading	Questionnaire Statement	Rank of Agreement
Q23	-0.803921	I prefer the strategy of the Personal and Business Banking (PBB) to be communicated to me face-to-face.	15
Q16	-0.787943	The predominant use of face-to-face communication will create an environment of trust between the head office and the network.	10
Q14	-0.719396	Face-to-face communication improves the clarity of issues being discussed.	4
Q18	-0.70911	Face-to-face communication is important in building relationships between the head office and the network.	7
Q17	-0.668819	Face-to-face communication is more honest than electronic communication.	17
Q24	-0.541273	Face-to-face communication is an important part of my job.	5
Q20	-0.519839	Face-to-face communication improves ownership of issues.	8

Factor one is named **"Interpersonal Communication"** because of the variables that load onto this factor. These variables relate to the need for communication between individuals through a human medium – face-to-face. They also relate to the attributes of this medium of communication that make it desirable.

This factor accounts for 26.85% of the variation in the data and has the highest factor mean of 7.99. All the variables within this factor are loaded in the same direction and five of the seven variables that form the factor structure are in the top ten variables ranking of agreement.

Table 4.4: Factor two

	Factor description	Change and Improvement	
	Eigenvalue	2.499593	
	Percent variation	17.33	
	Factor mean	7.568694	
Variable	Factor Loading	Questionnaire Statement	Rank of Agreement
Q5	-0.71033	I feel that the communication between the head office and the network loses its clarity due to the numerous reporting lines.	21
Q6	-0.703703	I feel that the communication between the head office and the network goes through too many reporting lines.	19
Q9	-0.677024	I feel that there is need for more effective communication between the head office and the network.	16
Q3	-0.435223	I prefer to get the information I want directly from the source.	1

Factor two is named **"Change and Improvement"** owing to the general tone of dissatisfaction with the status quo associated with the variables that form the factor structure.

This factor accounts for 17.33% of the variation in the data and has a factor mean of 7.57. All the variables within this factor are loaded in the same direction and one of the variables is ranked among the top ten variables ranking of agreement.

Table 4.5: Factor three

	Factor description	Employee Involvement in Strategy Formulation	
	Eigenvalue	4.325397	
	Percent variation	29.98	
	Factor mean	7.905405	
Variable	Factor Loading	Questionnaire Statement	Rank of Agreement
Q28	0.891039	The involvement of all levels of managers in the strategy-making process makes it easy to communicate the strategy.	12
Q30	0.888588	The involvement of all levels of managers in the strategy-making process will bring more relevant customer insights to the process.	9
Q27	0.862406	I feel that the strategy-making process should involve all levels of managers across the head office and the network.	13
Q29	0.837897	The involvement of all levels of managers in the strategy-making process improves face-to-face communication of strategy.	14
Q31	0.808315	The involvement of all levels of managers in the strategy-making process will improve the commitment to execute the strategies.	6

Factor three is named **"Employee Involvement in Strategy Formulation"** because all the variables that load onto this factor relate to the involvement of all levels of managers in the strategy-formulation process and the benefits of such involvement.

This factor accounts for 29.98% of the variation in the data and has the second highest factor mean of 7.91. All variables load in the same direction and two of the five variables are ranked among the top ten variables ranking of agreement.

Table 4.6: Factor four

	Factor description	Stability	
	Eigenvalue	1.916043	
	Percent variation	13.28	
	Factor mean	5.575075	
Variable	Factor Loading	Questionnaire Statement	Rank of Agreement
Q4	-0.571357	I trust the communication between the head office and the network.	22
Q8	-0.528657	I feel that the structure of the bank makes the communication between the head office and the network more effective.	26
Q2	-0.489579	I am comfortable with going through numerous reporting lines to get the information I want.	28

Factor four is named **"Stability"** because of the support of the variables for the status quo. There is a low level of agreement with the variables as all three variables that make up this factor are among the bottom ten variables ranking of agreement.

This factor accounts for 13.28% of the variation in the data, with a factor mean of 5.58. All variables load in the same direction.

Table 4.7: Factor five

	Factor description	Vertical Communication	
	Eigenvalue	1.58886	
	Percent variation	11.01	
	Factor mean	4.948949	
Variable	Factor Loading	Questionnaire Statement	Rank of Agreement
Q19	-0.695277	I find it difficult communicating face-to-face with my manager.	31
Q25	0.507678	I find it easy communicating face-to-face with my manager.	2
Q12	-0.467286	I rarely receive any information about the Personal and Business Banking (PBB) strategy.	30

Factor five is named "**Vertical Communication**" because the variables relate to upward and downward communication. The variables load in opposite directions because variables Q19 and Q25 are opposite ends of the same construct. For the same reason, these variables rank among the bottom ten and top ten variables in the ranking of agreement.

This factor accounts for 11.01% of the variation in the data and has a factor mean of 4.95.

4.5 Results of Cluster Analysis

Cluster Analysis was performed on the factor scores generated from the Factor Analysis in order to classify responses into relatively homogenous groups.

The Cluster Analysis Bar Chart of Per cent (see Appendix E) and frequency plot (see Figure 4.5) identified six clusters, which accounted for 50.18% of the variance in the data.

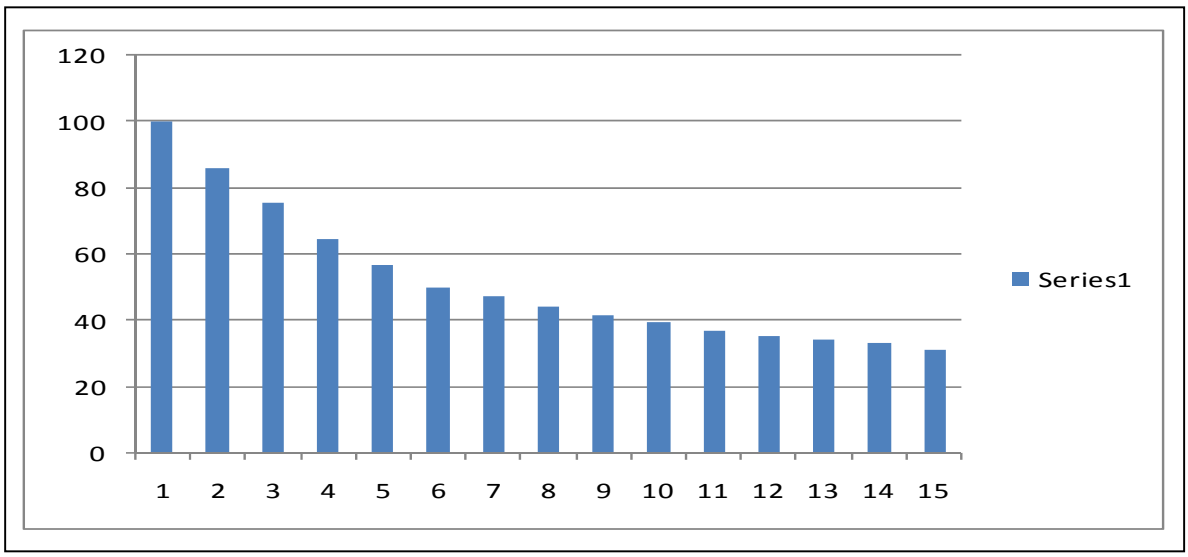


Figure 4.5: Cluster Frequency Plot

The sample size (n) of each cluster is given in Table 4.8.

Table 4.8: Number of Respondents in the Clusters

Cluster	Size of sample (n)
1	52
2	58
3	23
4	23
5	43
6	23
Total	222

The probability level in the F-Ratio section of the cluster report (see Appendix E) shows that all the factors are significant in the clusters.

4.5.1 Cluster Description

The description of the clusters was based on the analysis of the cluster means (see Appendix E) against the factor loadings of the variables that constitute the factors. Further characteristics of the clusters were determined by the analysis of the Deviation from Independence section of the cross tabulation report (see Appendix F).

Table 4.9 presents the summary of the degree of association between the clusters and the factors, the cluster labels and the characteristics of the clusters.

Table 4.9: Cluster Description and Characteristics

Factors	**Cluster one** (n = 52)	**Cluster two** (n = 58)	**Cluster three** (n = 23)	**Cluster four** (n = 23)	**Cluster five** (n = 43)	**Cluster six** (n = 23)
Interpersonal Communication	Mild association	Strong association	Neutral	Very mild association	Mild dissociation	Extreme dissociation
Change and Improvement	Very strong association	Very strong association	Neutral	Extreme dissociation	Strong dissociation	Very strong association
Employee Involvement in Strategy Formulation	Very mild association	Mild association	Extreme dissociation	Extreme association	Mild dissociation	Mild association
Stability	Extreme association	Very strong dissociation	Very mild association	Very strong association	Mild dissociation	Neutral
Vertical Communication	Strong association with the negative construct	Strong association with the positive construct	Strong association with the positive construct	Strong association with the positive construct	Extreme association with the negative construct	Mild association with the positive construct
Cluster Label	**"Best of both worlds"**	**"Specialists"**	**"Elitists"**	**" Bureaucrats"**	**"Salesmen"**	**"Ostriches"**
Further Characteristics	Mostly Non-metro	Mostly Head Office	Mostly Metro	Mostly Non-metro	Mostly Head Office	Mostly Metro
	Six months to one year	One to two years	Greater than ten years	Greater than ten years	Less than six months	One to two years
	Slightly more Female	Slightly more Male	Slightly more Female	Slightly more Male	Slightly more Male	Slightly more Female
	Customer Consultants	Middle Managers	Senior Managers	Junior Managers	Customer Consultants	Junior Managers

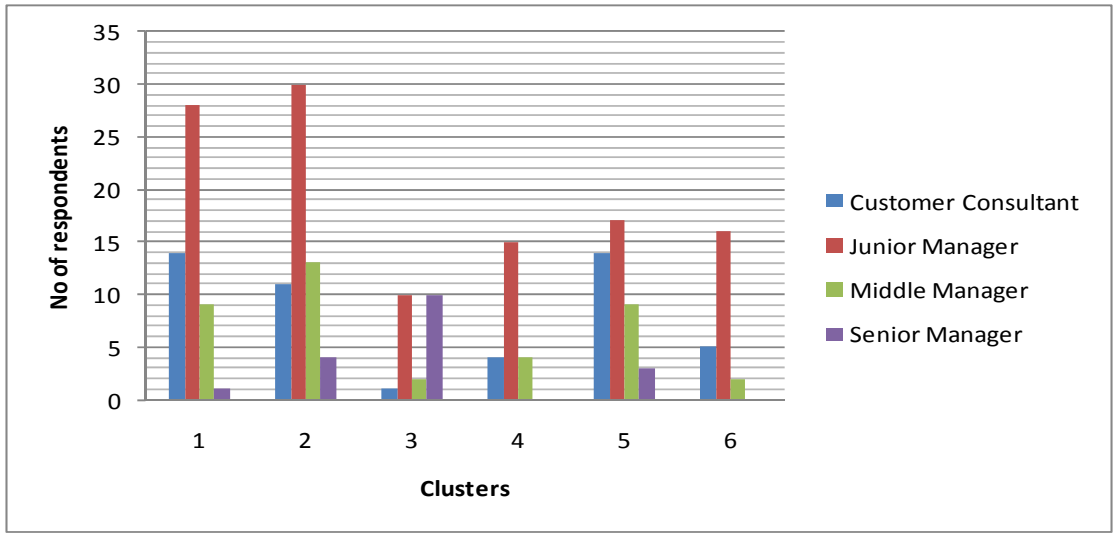
4.5.2 Cluster Demographics

The demographic characteristics of the clusters and the result of the Chi-Square statistics for each categorical variable are presented in this section.

a) Position

The chart of position categorical variable for the clusters (see Figure 4.6) shows that all the clusters, except cluster three, have more junior manager respondents than the rest of the positions.

The result of the Chi-Square statistics for this categorical variable is Reject H_O. Hence, it can be concluded that there are significant positional differences across the clusters.



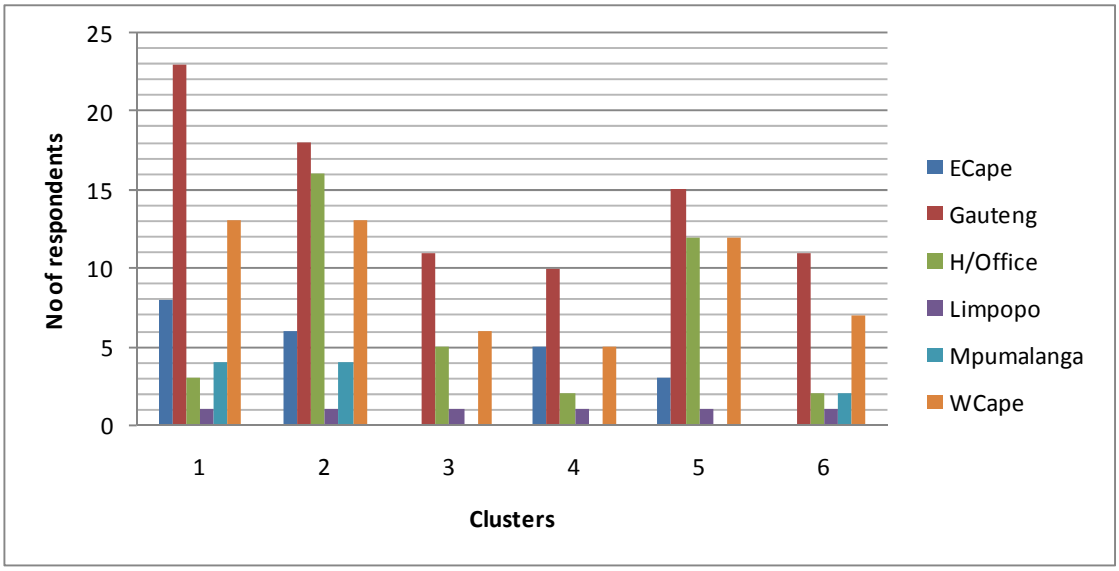
Chi-Square Statistics Section		
Chi-Square	55.170273	
Degrees of Freedom	15	
Probability Level	0.000002	Reject Ho

Figure 4.6: Distribution of Position Variable in the Clusters

b) Location

The chart of the location categorical variable for the clusters (see Figure 4.7) shows that all the clusters have more respondents from Gauteng Province. Limpopo and Mpumalanga provinces have fewer or no respondents in all the clusters.

The result of the Chi-Square statistics for this categorical variable is Accept $H_{O.}$ Hence, it can be concluded that there are no significant location differences across the clusters.



Chi-Square Statistics Section

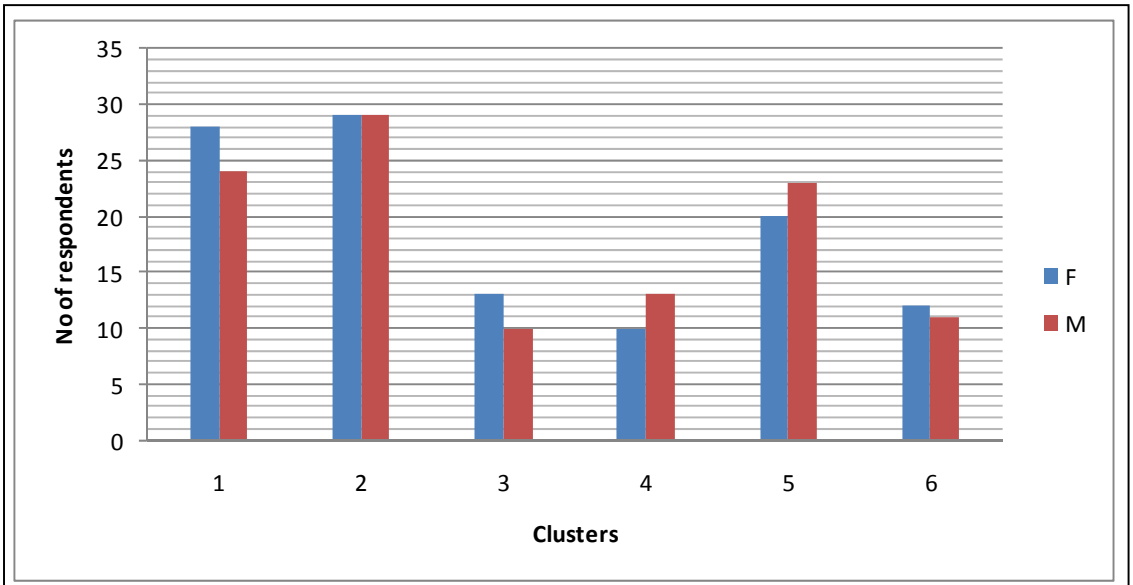
Chi-Square	32.760312	
Degrees of Freedom	25	
Probability Level	0.137170	Accept Ho

Figure 4.7: Distribution of Location Variable in the Clusters

c) Gender

The chart of the gender categorical variable for the clusters (see Figure 4.8 below) shows that all the clusters have a reasonably even spread of male and female respondents.

The result of the Chi-Square statistics for this categorical variable is Accept $H_{O.}$ Hence, it can be concluded that there are no significant gender differences across the clusters.



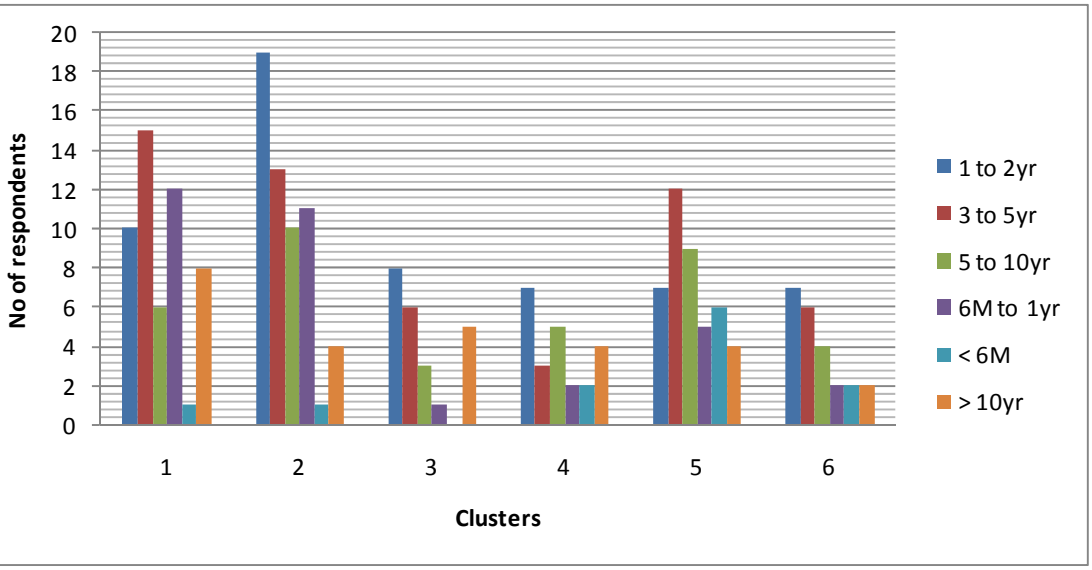
Chi-Square	1.325171	
Degrees of Freedom	5	
Probability Level	0.93232	Accept Ho

Figure 4.8: Distribution of Gender Variable in the Clusters

d) Tenure

The chart of the tenure categorical variable for the clusters (see Figure 4.9 below) shows that there is no one tenure division that is predominant in all the clusters.

The result of the Chi-Square statistics for this categorical variable is Accept $H_{O.}$ Hence, it can be concluded that there are no significant tenure differences across the clusters.



Chi-Square	29.647745	
Degrees of Freedom	25	
Probability Level	0.23775	Accept Ho

Figure 4.9: Distribution of Tenure Variable in the Clusters

4.6 Results of Analysis of Variance (ANOVA)

One-way Analysis of Variance (ANOVA) was performed on the factor scores from the factor analysis to determine if there were significant differences in each categorical variable's responses relating to the factors (see Appendix H).

The Kruskal-Wallis method was used and the hypothesis that is tested at the 5% level of significance is as stated below:

Ho: All medians are equal.
Ha: At least two medians are different.

a) Position

The result of the Kruskal-Wallis test shows that the null hypothesis is accepted for factors one, two and four while it is rejected for factors three and five. It can be concluded that there are no significant positional differences in the responses to factors one, two and four while there are significant positional differences in the responses to factors three and five.

Table 4.10: Summary of ANOVA Result for Position Variable

Factors	Mean	T_Value	P_Value	Decision
Interpersonal Communication	7.99	6.682139	0.08275	Accept Ho
Change and Improvement	7.57	0.656845	0.88330	Accept Ho
Employee Involvement in Strategy Formulation	7.90	23.81023	0.000027	Reject Ho
Stability	5.58	2.568917	0.462965	Accept Ho
Vertical Communication	4.95	12.94544	0.004756	Reject Ho

b) Location

The result of the Kruskal-Wallis test shows that the null hypothesis is accepted for all the factors apart from factor four. It can be concluded that there are significant location differences in the responses to factor four while there are no significant location differences in the responses to the other four factors.

Table 4.11: Summary of ANOVA Result for Location Variable

Factors	Mean	T_Value	P_Value	Decision
Interpersonal Communication	7.99	1.119033	0.952405	Accept Ho
Change and Improvement	7.57	3.22011	0.666093	Accept Ho
Employee Involvement in Strategy Formulation	7.90	9.837235	0.079981	Accept Ho
Stability	5.58	17.79892	0.003209	Reject Ho
Vertical Communication	4.95	0.6082132	0.987624	Accept Ho

c) Gender

The result of the Two-sample T-Test for the gender variable shows that the null hypothesis is accepted for all the factors. Hence, there are no gender differences in responses to the factors.

Table 4.12: Summary of ANOVA Result for Gender Variable

Factors	Mean	T_Value	P_Value	Decision
Interpersonal Communication	7.99	-0.2753	0.783347	Accept Ho
Change and Improvement	7.57	-0.1542	0.877583	Accept Ho
Employee Involvement in Strategy Formulation	7.90	-0.5625	0.574322	Accept Ho
Stability	5.58	-0.678	0.498477	Accept Ho
Vertical Communication	4.95	-1.2129	0.226452	Accept Ho

d) Tenure

The result of the Kruskal-Wallis test for the tenure variable shows that the null hypothesis is accepted for all the factors. Hence, there are no tenure differences in responses to the factors.

Table 4.13: Summary of ANOVA Result for Tenure Variable

Factors	Mean	T_Value	P_Value	Decision
Interpersonal Communication	7.99	4.269742	0.511269	Accept Ho
Change and Improvement	7.57	5.496264	0.358356	Accept Ho
Employee Involvement in Strategy Formulation	7.90	8.168604	0.147185	Accept Ho
Stability	5.58	3.561632	0.614083	Accept Ho
Vertical Communication	4.95	4.938647	0.423414	Accept Ho

4.7 Results Pertaining to Proposition 1

Proposition 1: The communication processes between the head office and the network go through too many reporting lines owing to the hierarchical structure of the banking organisation.

The ten questionnaire variables set out in Section B of the questionnaire relate to Proposition 1. Results pertaining to this section are shown in the following sub-sections.

a) Descriptive Statistics

The statistical means of the ten variables in Section B of the questionnaire were ranked to determine which variables have the highest and lowest levels of agreement with the statements. The section ranking was compared to the overall questionnaire ranking to determine how similar it is to the overall ranking as shown in Table 4.14.

The highest ranked variable in Section B is also the highest ranked variable in the overall questionnaire, and the top five variables in Section B fall outside the bottom ten variables, indicating reasonably high levels of agreement with these variables.

Table 4.14: Section B Ranking of Variable Means

Variable	Questionnaire Statement	Mean	Rank of Agreement (Section B)	Rank of Agreement (Total Questionnaire)
Q3	I prefer to get the information I want directly from the source.	8.837838	1	1
Q10	I prefer the communication between the head office and the network not to go through too many reporting lines.	7.891892	2	11
Q9	I feel that there is need for more effective communication between the head office and the network.	7.504505	3	16
Q1	I know the people to contact if I require information from the head office or network.	7.135135	4	18
Q6	I feel that the communication between the head office and the network goes through too many reporting lines.	7.036036	5	19
Q5	I feel that the communication between the head office and the network loses its clarity due to the numerous reporting lines.	6.896396	6	21
Q4	I trust the communication between the head office and the network.	6.707207	7	22
Q8	I feel that the structure of the bank makes the communication between the head office and the network more effective.	5.495495	8	26
Q7	I feel we cannot change the current communication processes without changing the structure of the bank.	5.472973	9	27
Q2	I am comfortable with going through numerous reporting lines to get the information I want.	4.522522	10	28

b) Factor Analysis

Two of the five factors identified from factor analysis are relevant to Section B, and hence Proposition 1, as shown in Table 4.15. The questionnaire variables that loaded onto these factors are Section B variables and the factors were named:

Factor two – Change and Improvement (see Table 4.4)
Factor four – Stability (see Table 4.6)

Table 4.15: Factor Structure Summary after Varimax Rotation – Section B

Factor Structure Summary after Varimax Rotation				
Factors				
Factor1	**Factor2**	**Factor3**	**Factor4**	**Factor5**
Q23	Q5	Q28	Q4	Q19
Q16	Q6	Q30	Q8	Q25
Q14	Q9	Q27	Q2	Q12
Q18	Q3	Q29		
Q17		Q31		
Q24				
Q20				

c) Cluster Analysis

The result of the cluster analysis pertaining to Section B was analysed using the clusters that show association or dissociation with factors two ("Change and Improvement") and four ("Stability") as shown in Table 4.9.

- Cluster one (“Best of both worlds”) is associated with both factors two and four;
- Cluster two (“Specialists”) is associated with factor two but dissociated with factor four;
- Cluster three (“Elitists”) is neutral to factor two and very mildly associated with factor four;
- Cluster four (“Bureaucrats”) is dissociated with factor two but associated with factor four;
- Cluster five (“Salesmen”) is dissociated with both factors; and
- Cluster six (“Ostriches”) is associated with factor two but neutral to factor four.

d) One-way Analysis of Variance (ANOVA)

The results of Kruskal-Wallis One-way Analysis of Variance, at 5% level of significance, pertaining to Proposition 1 show that the null hypothesis (Ho: All medians are equal) is accepted for factor two across all the four categorical variables (position, location, gender, tenure). It can be concluded that there are no significant differences in responses across these variables for factor two.

The null hypothesis (Ho: All medians are equal) is accepted for factor four in three out of the four categorical variables. The null hypothesis is rejected for factor four for the variable – location. It can be concluded that there are significant differences in responses within the location variable for factor four.

4.8 Results Pertaining to Proposition 2

Proposition 2: The predominant use of face-to-face communication will improve the effectiveness of strategy communication between the head office and the network.

The 16 questionnaire variables in Section C of the questionnaire relate to Proposition 2. Results pertaining to this section are shown in the following sub-sections.

a) Descriptive Statistics

The means of the 16 variables in Section C of the questionnaire were ranked to determine which variables have the highest and lowest levels of agreement with the statements. The section ranking was compared to the overall questionnaire ranking to determine how similar it is to the overall ranking as shown in Table 4.16.

Seven of the top ten variables in Section C are ranked in the top ten of the overall questionnaire ranking. The lowly ranked bottom six variables in Section C are constructed such that a low ranking will support proposition 2 while a high ranking will not support proposition 2.

Table 4.16: Section C Ranking of Variable Means

Variable	Questionnaire Statement	Mean	Rank of Agreement (Section C)	Rank of Agreement (Total Questionnaire)
Q25	I find it easy communicating face-to-face with my manager.	8.536036	1	2
Q22	Good relationship between the head office and the network is important for the effective performance of my job.	8.468469	2	3
Q14	Face-to-face communication improves the clarity of issues being discussed.	8.427928	3	4
Q24	Face-to-face communication is an important part of my job.	8.310811	4	5
Q18	Face-to-face communication is important in building relationships between the head office and the network.	8.265766	5	7
Q20	Face-to-face communication improves ownership of issues.	8.22973	6	8
Q16	The predominant use of face-to-face communication will create an environment of trust between the head office and the network.	7.954955	7	10
Q23	I prefer the strategy of the Personal and Business Banking (PBB) to be communicated to me face-to-face.	7.518018	8	15
Q17	Face-to-face communication is more honest than electronic communication.	7.225225	9	17
Q21	I receive communication about the Personal and Business Banking (PBB) strategy through electronic media.	7.036036	10	20
Q26	I participate in regular meetings that reinforce the Personal and Business Banking (PBB) strategy.	6.626126	11	23
Q13	I prefer the Personal and Business Banking (PBB) strategy to be communicated to me electronically.	6.202703	12	24
Q11	I receive communication about the Personal and Business Banking (PBB) strategy through face-to-face medium.	5.725225	13	25
Q15	I have no preference on the medium the Personal and Business Banking (PBB) strategy is communicated to me.	4.328829	14	29
Q12	I rarely receive any information about the Personal and Business Banking (PBB) strategy.	3.95045	15	30
Q19	I find it difficult communicating face-to-face with my manager.	2.36036	16	31

b) Factor Analysis

Two of the five factors identified from factor analysis are relevant to Section C, and hence proposition 2, as shown in Table 4.17. The questionnaire variables that loaded onto these factors are Section C variables and the factors were named:
Factor one – Interpersonal Communication (see Table 4.3)

Factor five – Vertical Communication (see Table 4.7)

Table 4.17: Factor Structure Summary after Varimax Rotation – Section C

Factor Structure Summary after Varimax Rotation				
Factors				
Factor1	**Factor2**	**Factor3**	**Factor4**	**Factor5**
Q23	Q5	Q28	Q4	Q19
Q16	Q6	Q30	Q8	Q25
Q14	Q9	Q27	Q2	Q12
Q18	Q3	Q29		
Q17		Q31		
Q24				
Q20				

c) Cluster Analysis

The result of the cluster analysis pertaining to Section C was analysed using the clusters that show association or dissociation with factors one ("Interpersonal Communication") and five ("Vertical Communication") as shown in Table 5.9.

- Cluster one ("Best of both worlds") is mildly associated with factor one and strongly associated with the negative construct of factor five;
- Cluster two ("Specialists") is strongly associated with both factors one and five;
- Cluster three ("Elitists") is neutral to factor one and strongly associated with the positive construct of factor five;

- Cluster four (“Bureaucrats”) is very mildly associated with factor one and strongly associated with the positive construct of factor five;
- Cluster five (“Salesmen”) is mildly dissociated with factor one and extremely associated with the negative construct of factor five; and
- Cluster six (“Ostriches”) is extremely dissociated with factor one but mildly associated with the positive construct of factor five.

d) One-Way Analysis of Variance (ANOVA)

The results of Kruskal-Wallis One-way Analysis of Variance, at 5% level of significance, pertaining to Proposition 2 show that the null hypothesis (Ho: All medians are equal) is accepted for factor one across all the four categorical variables (position, location, gender, tenure). It can be concluded that there are no significant differences in responses across these variables for factor one.

The null hypothesis (Ho: All medians are equal) is accepted for factor five in three out of the four categorical variables. The null hypothesis is rejected for factor five for the variable – position. It can be concluded that there are significant differences in responses within the position variable for factor five.

4.9 Results Pertaining to Proposition 3

Proposition 3: An organisation-wide approach to strategy formulation will result in more effective communication of strategy.

The five questionnaire variables in Section D of the questionnaire relate to Proposition 3. Results pertaining to this section are shown in the following sub-sections.

a) Descriptive Statistics

The means of the five variables in Section D of the questionnaire were ranked to determine which variables have the highest and lowest levels of agreement with the statements. The section ranking was compared to the overall questionnaire ranking to determine how similar it is to the overall ranking as shown in Table 5.18.

The top two variables of Section D are ranked in the top ten of the overall questionnaire ranking. The remaining three variables are ranked in the middle, away from the bottom ten, which indicates a high level of agreement with the variables.

Table 4.18: Section D Ranking of Variable Means

Variable	Questionnaire Statement	Mean	Rank of Agreement (Section D)	Rank of Agreement (Total Questionnaire)
Q31	The involvement of all levels of managers in the strategy-making process will improve the commitment to execute the strategies.	8.274775	1	6
Q30	The involvement of all levels of managers in the strategy-making process will bring more relevant customer insights to the process.	8.058558	2	9
Q28	The involvement of all levels of managers in the strategy-making process makes it easy to communicate the strategy.	7.774775	3	12
Q27	I feel that the strategy-making process should involve all levels of managers across the head office and the network.	7.738739	4	13
Q29	The involvement of all levels of managers in the strategy-making process improves face-to-face communication of strategy.	7.680180	5	14

b) Factor Analysis

One of the five factors identified from factor analysis is relevant to Section D, and hence proposition 3, as shown in Table 4.19 below. The questionnaire variables that loaded onto these factors are Section D variables and the factor was named:

Factor three – Employee Involvement in Strategy Formulation (see Table 4.5)

Table 4.19: Factor Structure Summary after Varimax Rotation – Section D

Factor Structure Summary after Varimax Rotation				
Factors				
Factor1	**Factor2**	**Factor3**	**Factor4**	**Factor5**
Q23	Q5	Q28	Q4	Q19
Q16	Q6	Q30	Q8	Q25
Q14	Q9	Q27	Q2	Q12
Q18	Q3	Q29		
Q17		Q31		
Q24				
Q20				

c) Cluster Analysis

The result of the cluster analysis pertaining to Section D was analysed using the clusters that show association or dissociation with factor three ("Employee Involvement in Strategy Formulation") as shown in Table 4.9.

- Cluster one ("Best of both worlds") is very mildly associated with factor three;
- Cluster two ("Specialists") is mildly associated with factor three;
- Cluster three ("Elitists") is extremely dissociated with factor three;
- Cluster four ("Bureaucrats") extremely associated with factor three;
- Cluster five ("Salesmen") is mildly dissociated with factor three; and
- Cluster six ("Ostriches") is mildly associated with factor three.

d) One-way Analysis of Variance (ANOVA)

The results of Kruskal-Wallis One-way Analysis of Variance, at 5% level of significance, pertaining to Proposition 3 show that the null hypothesis (Ho: All medians are equal) is accepted for factor three across three of the four categorical variables (location, gender, tenure).

The null hypothesis is rejected for factor three for the variable – position. It can be concluded that there are significant differences in responses within the position variable for factor three.

CHAPTER 5: INTERPRETATION OF RESULTS

5.1 Introduction

The purpose of this chapter is to interpret the results presented in Chapter 4. The results are interpreted and evaluated against the research propositions formulated in the literature review and outlined in Chapter 2.

5.2 Interpretation of Demographic Profiles of Respondents

The demographic distributions of the respondents for the four categorical variables (position, location, gender and tenure) are interpreted in this section. These distributions are evaluated and interpreted for possible bias or skewness that might affect the integrity of the conclusions drawn from this study, which would compromise the internal validity.

a) Interpretation of the Position Distribution

The predominance of the “Junior Manager” category, at 52%, is expected as the structure of the banking organisation is such that there are more staff at lower management levels and the numbers get smaller as one moves up to top management.

The “Customer Consultant” category is expected to have responded better than the 22% revealed but this low response can be attributed to the fact that most of the customer consultants have no access to the electronic medium required for them to fill out and return the questionnaire. This view is supported by the fact that almost all the questionnaires returned in hard copy belonged to this category.

However, the 22% return for this category is deemed adequate for this study and is not expected to adversely affect the result of the study.

The remaining categories are in line with the expected return rate and hence do not bias the results of the study.

b) Interpretation of the Location Distribution

The location distribution is also in line with the expected outcome because the Gauteng Province, Western Cape Province and Head Office have a greater concentration of managers than the smaller provinces of Eastern Cape, Mpumalanga and Limpopo. The significance of using the smaller provinces in the sample is that it enables a view of Non-metro provinces so that the results of the study can be applicable to both Metro and Non-metro areas.

c) Interpretation of the Gender Distribution

The gender distribution of respondents is almost even at 51% “female” and 49% “male” respondents. There was no expectation as to how the gender split would pan out as there was no way to determine the gender return rate in advance. However, the even gender response lends more credibility to the results of the study as the possibility of gender bias, or the study being skewed because of the predominance of one gender, is eliminated.

d) Tenure

The tenure demographics show that only 5% of the respondents can be considered “new” in the banking organisation. These are the respondents that have been in the organisation for six months or less. Ninety-five per cent of the respondents

have been in the bank for more than six months and, of those, only 12% have been in the bank for more than ten years. These respondents can be considered to be "old" in the banking organisation.

The tenure distribution of respondents who have been in the bank for six months or more and less than ten years allows for an objective and knowledgeable response from the respondents, as well as a fresh perspective on the workings of the bank. This distribution is considered credible and returns a mix of responses that makes the results of the study robust and meaningful. Figure 5.1 below shows the distributions of the demographic variables.

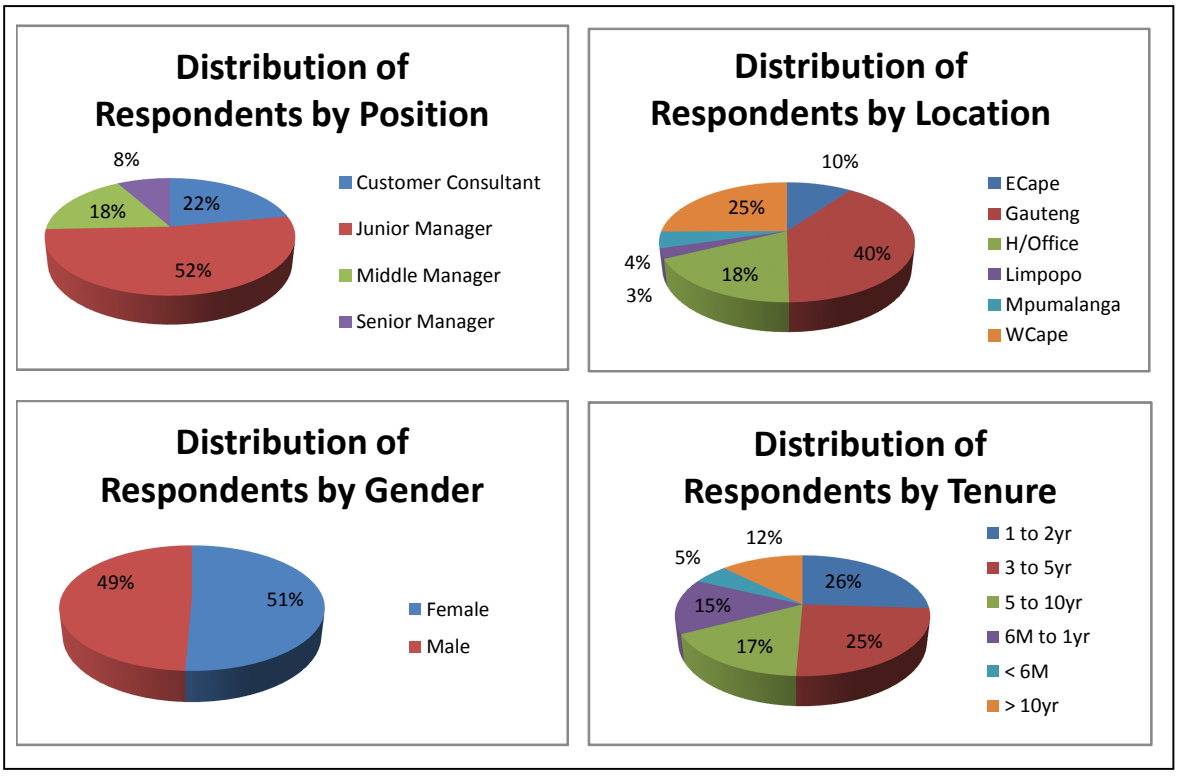


Figure 5.1: Demographic Distribution of Respondents

5.3 Interpretation of Results of Descriptive Statistics

The variables ranked as the top ten have the highest level of agreement and have common areas of importance summarised as:

- Need for fast and dynamic structures and processes;
- Need for participative management;
- Need for personal communication;
- Need for relationship building; and
- Need for message clarity.

These common areas of importance align with the propositions formulated from the literature review of this study. The need for fast and dynamic structures and processes, message clarity and getting information directly from the source agrees with the first proposition that the banking organisation is hierarchical in nature (Holtzhausen 2002a). In the study conducted by (Holtzhausen 2002b) in a South African banking organisation, the hierarchical attributes were minimised by the introduction of workplace democracy. These needs also align with Miller's attributes of a hierarchical organisation (Miller 1999) while contrasting with Cheney's view of a democratic workplace (Cheney 1995).

The need for personal communication agrees with the second proposition that the predominant use of the face-to-face (Interpersonal communication) medium for the communication of strategy will improve the effectiveness of strategy communication. This is aligned with the literature (Gillis 2006) on the superior media richness of face-to-face communication. There is also support in the literature for the effectiveness of vertical communication (Kelly 2000) and two-way communication (Bridget and Jaesub 2002).

The need for participative management and relationship building agrees with the third proposition that the involvement of managers at all levels will improve the

communication of strategy. These needs are supported by Forrester's argument on participative management (Forrester 2007:67). In addition to improving the effectiveness of strategy communication, the involvement of managers at all levels improves commitment (Mintzberg 1990) and job satisfaction and involvement (Oswald, Mossholder, and Harris 1994). This involvement, especially through the face-to-face medium, fosters relationships (Pfeffer 1994), which improves the organisational trust (De Ridder 2004). Although cultural inertia, increased politics and more constrained strategy (Nardine *et al.* 2004) were seen as the negative effects of employee involvement in strategy communication, the level of agreement for employee involvement in this study implied that the positive effects outweighed the negative effects.

The variables ranked as the bottom ten have the least level of agreement and have common areas of importance summarised as:

- Trust;
- Employee participation;
- Communication of strategy;
- Structures and processes; and
- Communication channels.

The questionnaire construct for the bottom ten variables asserts that there is organisational trust, employee participation, strategy communication using the face-to-face medium, and effective structures and processes. Hence, the low level of agreement with these statements is aligned to the common areas of the top ten variables and the literature that supports these common areas. In addition to the supporting literature for the top ten variables, there is support for the preferred use of the face-to-face medium (channel) in communicating strategy (Gillis 2006).

5.4 Interpretation of Results of Factor Analysis

The five-factor solution for this study includes the following factors:

- Interpersonal Communication;
- Change and Improvement;
- Employee Involvement in Strategy Formulation;
- Stability; and
- Vertical Communication.

Interpersonal Communication is ranked as the factor with the most significant influence on the effectiveness of strategy communication, and specifically through the use of the face-to-face medium, by virtue of its factor mean. The variable with the highest factor loading for this factor relates to the preference of the face-to-face medium for the communication of strategy. This confirms the study on the medium of preference for the communication of strategy (Gillis 2006). Other variables that load onto this factor are aligned with literature on face-to-face communication (Kelly 2000; Bridget and Jaesub 2002), and the relationship formed (Pfeffer 1994), and trust developed (De Ridder 2004), through this medium of communication.

Change and Improvement is ranked third by virtue of its factor mean. The variable with the highest factor loading for this factor relates to the ineffectiveness of “too many reporting lines” inherent in the structure of the organisation. This confirms the assertion that the South African banking industry is inherently hierarchical and bureaucratic (Holtzhausen 2002a). Other variables that load onto this factor relate to dissatisfaction with the structural aspect of the organisation and the effectiveness of strategy communication. This factor confirmed the hierarchical attributes of the organisation (Miller 1999) and the benefits of minimising these hierarchical attributes (Cheney 1995; Holtzhausen 2002a).

Employee Involvement in Strategy Formulation is ranked second on having significant influence on the effectiveness of strategy communication. The variable with the highest factor loading for this factor agrees with Proposition 3 that the involvement of all levels of managers in the strategy-formulation process leads to effective communication of strategy. The literature support for this factor includes other benefits of employee involvement such as commitment (Mintzberg 1990), job satisfaction and involvement (Oswald, Mossholder, and Harris 1994).

Stability is not thought to have significant influence owing to its factor mean. This factor relates to maintaining the status quo in terms of the organisation's structure and communication processes and seemed to be the odd one out because maintaining the status quo will not improve the effectiveness of strategy communication. But the low level of agreement associated with the variables that load onto this factor confirm that the positive effects of stability in this organisation's hierarchical structure have little or no influence on the effectiveness of strategy communication. The study by (Holtzhausen 2002a) confirmed that minimising these hierarchical attributes (Miller 1999) improves communication effectiveness.

Vertical Communication has the lowest factor mean but is considered important owing to the ranking of one of its three variables in the top ten. This is the only factor whose variables did not load in the same direction. The literature review supports the benefits of vertical communication (Kelly 2000; Bridget and Jaesub 2002). Ineffective vertical communication in which instructions, rather than communication, move downward was seen as an attribute of a hierarchical organisation (Miller 1999) in the literature.

5.5 Interpretation of Results of Cluster Analysis

The cluster analysis of the factor scores resulted in six clusters as listed below:

- Best of both worlds;
- Specialists;
- Elitists;
- Bureaucrats;
- Salesmen; and
- Ostriches.

The description and characterisation of these clusters show differences in their association with the five factors. These differences are mostly associated with position and tenure. The Chi-Square statistics test of significant differences among the clusters with regard to the four categorical variables accepted the null hypotheses for location, gender and tenure while rejecting the null hypothesis for position. This means that there are significant positional differences across the clusters. This is aligned with the literature on the “status problem” (Nichols 1965) in hierarchical organisations, which arises from status differences and task and organisational structure requirements (Kelly 2000).

The Middle Manager cluster (Specialists) is most associated with the factors of effective strategy communication, apart from “Stability”, and is thought to be the cluster best suited to policies related to effective strategy communication. In addition, the study showed that the ideal tenure of employees entrusted with strategy communication policies is between six months and two years. Employees that are too “new” (less than six months) or too “old” (more than ten years) in the organisation are unsuitable for overseeing policies related to effective strategy communication. As the tenure of employees was not covered in the literature review, this has been suggested as an area for further research.

5.6 Interpretation of Results of Analysis of Variance (ANOVA)

The results of the Kruskal_Wallis One-way Analysis of Variance (ANOVA) on the factor scores show that significant differences exist in position and location variable responses relating to the factors. While the null hypothesis was accepted for all factors for gender and tenure, the null hypothesis was rejected for “Stability” for the location variable and “Employee Involvement in Strategy Formulation” and “Vertical Communication” for the position variable.

The head office, in the location variable, differs from the other five provinces by scoring higher on maintaining the status quo than the other provinces. The alignment of the strategic and operational units is a requirement for effective communication (Gasser 1989) and the predominance of the leadership at the head office makes this alignment an imperative (Gillis 2006). The misalignment, shown by the results of this study, is interpreted as a possible source of problem for the effectiveness of strategy communication between the head office and the network.

The senior managers, in the position variable, are not favourably disposed towards the involvement of all levels of managers in strategy formulation in comparison to the customer consultants, junior and middle managers who all advocated involvement at all levels of management. This can either be interpreted as being a result of the “status problem” (Nichols 1965) or of the awareness of the negative aspects of employee involvement in strategy formulation (Nardine, Francis, and Steven 2004) by the senior managers. The uncertainty in this interpretation led to the suggestion of this topic for further research in Chapter 6.

The customer consultants, in the position variable, found vertical communication difficult compared to the managerial respondents. This also could be a result of the “status problem” (Nichols 1965) or the fact that upward communication is not in their frame of reference as the organisation’s structure (Holtzhausen 2002a) only allows them to take instructions from the higher hierarchy (Miller 1999).

5.7 Interpretation of Results Pertaining to Proposition 1

Proposition 1: The communication processes between the head office and the network go through too many reporting lines owing to the hierarchical structure of the banking organisation.

The discussion of results pertaining to this section will be in reference to proposition 1 as stated above.

a) Interpretation of Results of Descriptive Statistics

The Section B descriptive statistics (see Table 4.14) show that the highest ranked variable, in terms of agreement, relates to preference for getting information directly from the source. This is re-enforced by the least ranking variable being preference for going through numerous reporting lines to get information.

Furthermore, the top five variables in Section B include statements:

- Of disapproval of going through numerous reporting lines;
- Of the need for more effective communication between the head office and the network; and
- Of agreement that the communication between the head office and the network does go through too many reporting lines.

The attributes implied in these statements are in contrast to the attributes of a democratic workplace as demonstrated in the study conducted by (Holtzhausen 2002b) on "*The effects of workplace democracy on employee communication behaviour: Implications for competitive advantage*". The results of the current study confirm that the communication process is in line with communication characteristics of bureaucracies (Miller 1999) and support the fact that South

African banking organisations are generally structurally hierarchical and bureaucratic (Holtzhausen 2002b).

b) Interpretation of Results of Factor Analysis

The result of the factor analysis includes two factors that are loaded from Section B variables. These are:

- Change and Improvement; and
- Stability.

The questionnaire variables that load onto “Change and Improvement” ranked in the top end of Section B while those that load onto “Stability” ranked in the bottom end of the Section B rank of agreement. The factor mean of 7.57 for “Change and Improvement” makes it the third most important factor from the factor analysis as compared to “Stability” with a factor mean of 5.58. Hence, “Change and Improvement” has a significant influence on the effectiveness of strategy communication between the head office and the network.

The preference for face-to-face communication of strategy (Gillis 2006), as demonstrated in a study conducted by the Communications Effectiveness Consortium (CEC) on best practices in employee communications, is undermined by hierarchical structure and too many reporting lines. The fact that “Change and Improvement” is a significant factor from this section points to the fact that the strategy communication processes are indeed not predominantly face-to-face and goes through too many reporting lines.

c) Interpretation of Results of Cluster Analysis

The discussion of the results of the cluster analysis for proposition 1 will be based on the relationship of the clusters with the two factors that are related to Proposition 1 – "Change and Improvement" and "Stability".

1) "Change and Improvement"

The analysis of clusters that have an association with "Change and Improvement" shows that three clusters ("Best of both worlds", "Specialists" and "Ostriches") have a clear association with "Change and Improvement" while two clusters ("Bureaucrats" and "Salesmen") show clear dissociation. One cluster ("Elitists") is neutral to "Change and Improvement".

The defining characteristics of these clusters that show association are:

- They are made up of respondents from across head office, Metro and Non-metro areas;
- They have spent between six months and two years in the bank;
- They are not biased towards any gender; and
- They are predominantly customer consultants, junior managers and middle managers.

On the other hand, the defining characteristics of clusters that show dissociation with "Change and Improvement" are:

- They are predominantly non-metro and head office respondents;
- They have spent either less than six months or more than ten years in the bank;
- They are slightly biased towards males; and
- They consist of customer consultants and junior managers.

The defining characteristics of the cluster that is neutral to “Change and Improvement” are:

- The respondents are mostly from metro areas;
- They have been in the bank for more than ten years;
- They are biased towards female; and
- They are predominantly senior managers.

The above results were interpreted thus: Given the fact that both customer consultants and junior managers are predominant in clusters that show association as well as those that show dissociation, middle managers are deemed to be in the best position to drive policies related to “Change and Improvement”. This is supported by the fact that senior managers are neutral to “Change and Improvement”.

2) “Stability”

The factor “Stability” is associated with “Best of both worlds” and “Bureaucrats”, while it is dissociated with “Specialists”. The rest of the clusters are mildly associated / dissociated or neutral.

The defining characteristics of the associated clusters are:

- The respondents are predominantly from non-metro areas;
- They have been in the bank for less than six months or more than ten years;
- They have no gender bias; and
- They are predominantly customer consultants and junior managers.

The defining characteristics of the dissociated cluster are:

- The respondents are mostly from the head office;

- They have been in the bank for one to two years;
- They are biased towards males; and
- They are mostly middle managers.

There is a clear pattern that shows that respondents that have been in the bank for less than six months or more than ten years are more likely to oppose change and improvement and support stability and maintaining the status quo.

The middle managers that have been in the bank for one to two years are more likely to support change and improvement, as well as oppose maintaining the status quo. Hence, the "Specialists" are the most suitable choice for implementing policies related to Proposition 1.

d) Interpretation of Results of One-way Analysis of Variance (ANOVA)

The results of Kruskal-Wallis One-way Analysis of Variance, at 5% level of significance, pertaining to Proposition 1 show that the null hypothesis (Ho: All medians are equal) is accepted for "Change and Improvement" across all four categorical variables (position, location, gender and tenure). It can be concluded that there are no significant differences in responses across these variables for "Change and Improvement".

The null hypothesis (Ho: All medians are equal) is accepted for "Stability" in three out of the four categorical variables. The null hypothesis is rejected for "Stability" for the variable – location. It can be concluded that there are significant differences in responses within the location variable for "Stability". The ANOVA report of location for "Stability" (see Figure 5.2) shows that the head office scores higher than the rest of the sample provinces in wanting to maintain the status quo and the stability that comes with it. This might be one of the most significant reasons for the ineffective strategy communication being experienced in the banking industry. The

misalignment of the head office view with the rest of the sample provinces has probably created a “them” versus “us” scenario, which exacerbates the communication problem.

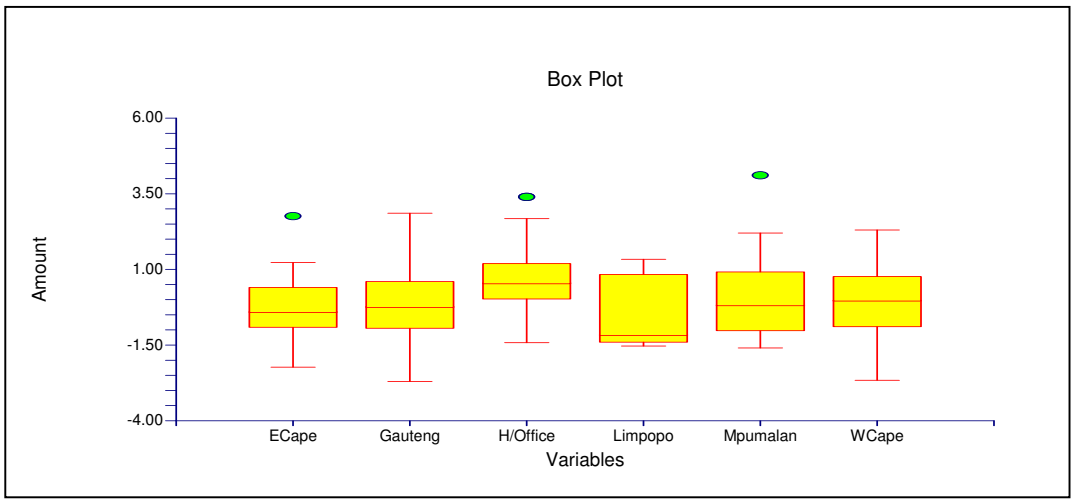


Figure 5.2: Box Plot of Location Variable for Factor Four

Summary of Results Pertaining to Proposition 1

The results discussion for Proposition 1 supports the proposition that the communication processes go through too many reporting lines. Hence, research Proposition 1 is accepted.

5.8 Interpretation of Results Pertaining to Proposition 2

Proposition 2: The predominant use of face-to-face communication will improve the effectiveness of strategy communication between the head office and the network.

a) Interpretation of Results of Descriptive Statistics

The descriptive statistics for Section C of the questionnaire show that seven of the top ten variables in Section C are ranked in the top ten of the overall questionnaire ranking. The lowly ranked bottom six variables in Section C are constructed such that a low ranking will support while a high ranking will not support Proposition 2.

The highest ranked questionnaire variable, in terms of agreement, agrees with the ease of vertical communication through the face-to-face medium and the top ten variables in this section are in agreement that the predominant use of face-to-face communication:

- Will improve the good relationship between the head office and the network and this improvement in relationship is important for effective performance;
- Will improve ownership of issues;
- Will create an environment of trust;
- Is preferred as the medium of strategy communication between the head office and the network;
- Is an important part of the respondents' jobs; and
- Is seen as being more honest than electronic communication.

These attributes confirm the results of earlier studies on employee involvement and productivity (Greenbaum 1974; Hellweg and Philips 1982); on employee involvement and organisational trust (Bartolomé 1989; Gillis 2006); on stakeholder relationships (Foster and Jonker 2005); on engagement of employees in the strategy process and firm performance (Tegarden *et al.* 2005); and on preferred medium of strategy communication (Gillis 2006).

Also among the top ten variables is an agreement that the communication of strategy between the head office and the network is currently conducted through the electronic medium. There is disagreement for the variable that states that

strategy is currently communicated through the face-to-face medium, and hence this ranked among the last in agreement.

The least ranked variables in this section disagree with the statements that:

- Respondents participate in meetings where strategy is re-enforced;
- There is preference for electronic communication of strategy;
- Strategy is presently communicated through the face-to-face medium;
- There is no preference for the medium of communication of strategy;
- Strategy is rarely communicated; and
- There is difficulty with vertical communication.

The low rank of agreement for these variables supports the top variables' confirmation that the predominant use of face-to-face communication will improve the effectiveness of strategy communication between the head office and the network.

b) Interpretation of Results of Factor Analysis

The result of the factor analysis includes two factors that are loaded from section C variables. These are:

- Interpersonal Communication; and
- Vertical Communication.

The variables that load onto "Interpersonal Communication" are ranked among the top ten variables of section C while the highest ranked variable in this section loads onto "Vertical Communication", in addition to the two least ranked variables. The reason for this is that two of the variables that load onto "Vertical Communication" are opposite ends of the same construct.

The factor mean of 7.99 for “Interpersonal Communication” makes it the factor that most significantly influences the effectiveness of strategy communication between the head office and the network.

Current approaches to strategy communication place emphasis on face-to-face or two-way symmetrical communication, which encourages relationship building and improves morale and job satisfaction in organisations (Holtzhausen 2002a). This is also seen as the essential building-block of stakeholder relationships (Foster and Jonker 2005) and the work of a number of other scholars (Gasser 1989; Zetterquist and Quirke 2007) agrees with this line of thinking which emphasises the people component of organisational communication – Interpersonal Communication.

The factor mean of 4.95 for “Vertical Communication” makes it the factor with the least significant influence in terms of ranking of the factor means. However, the highest ranking for one of the variables that loads onto this factor in Section C makes it an important factor in determining the effectiveness of strategy communication.

Two-way (face-to-face) communication not only builds trust (Bartolomé 1989), but helps to avoid the problem of vertical communication usually associated with hierarchical organisations (Kelly 2000). This was evident in the earlier work of (Nichols and Stevens 1957) regarding the availability of several avenues for downward communication as opposed to upward communication. (Nichols 1965) was also of the opinion that in a hierarchical organisation vertical communication is ineffective, whether upward or downward, owing to the “status problem.”

The inclusion of factors one and five in the five-factor solution for this study confirms the literature review on proposition 2. In addition, the results of the cluster analysis show that managers find vertical communication easy while customer consultants find it difficult, which points to a possible problem area for strategy communication effectiveness.

c) Interpretation of Results of Cluster Analysis

The discussion of the results of the Cluster Analysis for Proposition 2 is based on the relationship of the clusters with the two factors that are related to Proposition 2 – "Interpersonal Communication" and "Vertical Communication".

1) "Interpersonal Communication"

The analysis of clusters that have association with "Interpersonal Communication" shows that one cluster ("Specialists") has clear association with "Interpersonal Communication" while another cluster ("Ostriches") shows clear dissociation. The rest of the clusters are mildly associated / dissociated or neutral.

The defining characteristics of the associated cluster are:

- The respondents are mostly from the head office;
- They have been in the bank for one to two years;
- They are biased towards males; and
- They are mostly middle managers

On the other hand, the defining characteristics of the cluster that show dissociation with "Interpersonal Communication" are:

- They are predominantly metro respondents;
- They have been in the bank for one to two years;
- They are slightly biased towards females; and
- They consist of junior managers.

The defining characteristics of the cluster that is neutral to "Interpersonal Communication" are:

- The respondents are mostly from metro areas;
- They have been in the bank for more than ten years;
- They are biased towards female; and
- They are predominantly senior managers.

The middle manager cluster is favourably disposed towards "Interpersonal Communication" as opposed to the junior manager cluster with the same number of years in the bank and biased towards females. The senior manager cluster is neutral to "Interpersonal Communication" while the customer consultants' clusters are mildly associated or dissociated.

2) "Vertical Communication"

The factor "Vertical Communication" has two variables that are the opposites of the same construct. Hence, the clusters are described in terms of association with the positive or negative construct.

Three clusters ("Specialists", "Elitists" and "Bureaucrats") are associated with the positive construct of "Vertical Communication" while two factors ("Best of both worlds" and "Salesmen") show association with the negative construct of "Vertical Communication". The "Ostriches" show mild association with the positive construct of "Vertical Communication".

The defining characteristics of the clusters associated with the positive construct of "Vertical Communication" are:

- The respondents cut across head office, metro and non-metro areas;
- They have been in the bank for one to two years or more than ten years;
- They have no gender bias; and
- They include junior, middle and senior managers.

The defining characteristics of the clusters associated with the negative construct of “Vertical Communication” are:

- The respondents are mostly from the head office and non-metro areas;
- They have been in the bank for one year or less;
- They have no gender bias; and
- They are mostly customer consultants.

The managerial rank (junior, middle and senior) is more favourably inclined to vertical communication than are the customer consultants. This can either be related to the “status problem” of a hierarchical organisation (Nichols 1965) or to the fact that vertical communication might not be in the frame of reference of customer consultants.

d) Interpretation of Results of One-way Analysis of Variance (ANOVA)

The results of Kruskal-Wallis One-way Analysis of Variance, at 5% level of significance, pertaining to Proposition 2 show that the null hypothesis (Ho: All medians are equal) is accepted for “Interpersonal Communication” across all the four categorical variables (position, location, gender, tenure). It can be concluded that there are no significant differences in responses across these variables for “Interpersonal Communication”.

The null hypothesis (Ho: All medians are equal) is accepted for “Vertical Communication” in three out of the four categorical variables. The null hypothesis is rejected for “Vertical Communication” for the variable – position. It can be concluded that there are significant differences in responses within the position variable for “Vertical Communication”. The ANOVA report of position for “Vertical Communication” (see Figure 5.3) shows that the Customer Consultant category is not in favour of vertical communication while the rest of the positional categories

are in favour of this type of communication. This might be as a result of positional alienation, the “status problem” (Nichols 1965), or vertical communication may not be in the customer consultants’ frame of reference.

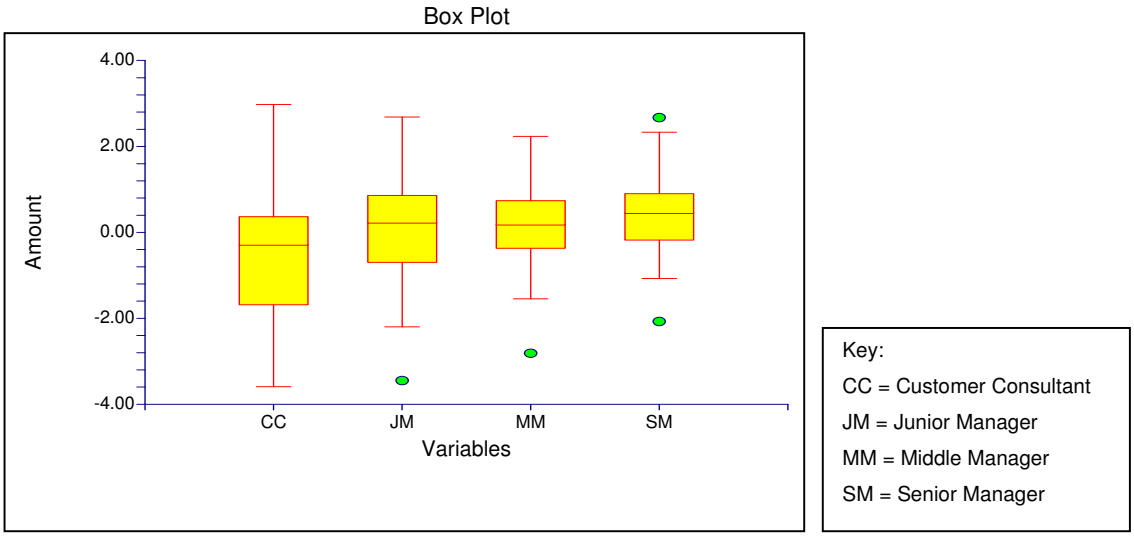


Figure 5.3: Box Plot of Position Variable for Factor Five

Summary of Results Pertaining to Proposition 2

The results discussion for Proposition 2 supports the proposition that the predominant use of face-to-face communication will improve the effectiveness of strategy communication between the head office and the network. Hence, research Proposition 2 is accepted.

5.9 Interpretation of Results Pertaining to Proposition 3

Proposition 3: An organisation-wide approach to strategy formulation will result in more effective communication of strategy.

a) Interpretation of Results of Descriptive Statistics

The top two variables of Section D of the questionnaire are ranked in the top ten of the overall agreement ranking. The remaining three variables are ranked in the middle, away from the bottom ten, which indicates high level of agreement with the variables.

The top three variables in Section D have above average to high levels of agreement with the statements that the involvement of all levels of managers in the strategy formulation process would:

- Improve the commitment to execute the strategies;
- Enrich the process with more relevant customer insights; and
- Make it easy to communicate the strategy.

These statements are similar to the findings (Oswald, Mossholder, and Harris 1994) relating to organisational commitment and job involvement; and the findings (Tegarden *et al.* 2005) on employee commitment to the achievement of strategic goals and the effectiveness of strategy communication.

The two least ranked variables in Section D have above-average ranking of agreement and cannot be considered to be disagreements with the statements. The respondents were in agreement that:

- The strategy formulation process should involve all levels of managers across the head office and the network; and
- The involvement of all levels of managers in the process improves face-to-face communication of strategy.

These statements also confirm the literature review findings of (Tegarden *et al.* 2005) on employee engagement.

The comparison of the least ranked with the top ranked variables shows that the benefits of an inclusive approach to strategy formulation seem to be more important to respondents than the actual involvement of all levels of managers. Furthermore, the improvement of face-to-face communication is not seen as the sole benefit of an inclusive approach but as one of the benefits. Hence, there is an agreement that an organisation-wide approach to strategy formulation will result in more effective communication of strategy.

b) Interpretation of Results of Factor Analysis

The result of the factor analysis includes one factor that is loaded from Section D variables. This is:

- Employee Involvement in Strategy Formulation

All the variables in Section D load onto this factor and a factor mean of 7.91 makes it the second most important factor in significantly influencing the effectiveness of strategy communication.

The work of (Tegarden *et al.* 2005) on engagement of employees investigated whether involving employees in the strategy-making process leads to a higher achievement of strategic goals and subsequently increased financial performance.

Hypothesis 1a of this study states that:

The use of multi-level strategy processes is positively related to the achievement of strategic goals.

The result showed that the use of multi-level strategy processes was significantly related to strategic goals and, hence, the hypothesis was supported.

In addition to improved strategy communication and achievement of strategic goals, employee involvement in the strategy-formulation process was shown to positively influence the feelings of job satisfaction, organisational commitment and job involvement (Oswald, Mossholder, and Harris 1994). All of these improve the effectiveness of strategy communication (Tegarden *et al.* 2005). Successful implementation of the strategy also requires the commitment and involvement of managers of all levels (Mintzberg 1990).

The results of this study confirm the literature on employee involvement in strategy formulation. However, in contrast to the results of the studies reviewed, the strategy-making process of the banking organisations in South Africa is usually carried out at the executive level and excludes the customer-facing staff of the network (Holtzhausen 2002a).

c) Interpretation of Results of Cluster Analysis

The discussion of the results of the cluster analysis for Proposition 3 is based on the relationship of the clusters with the factor that is related to proposition 3 – "Employee Involvement in Strategy Formulation".

1) "Employee Involvement in Strategy Formulation"

The analysis of clusters that have association with "Employee Involvement in Strategy Formulation" shows that one cluster ("Bureaucrats") has a clear association with this factor while another cluster ("Elitists") shows clear dissociation. The rest of the clusters are mildly associated.

The defining characteristics of the associated cluster are:

- The respondents are mostly from non-metro areas;

- They have been at the bank for more than ten years;
- They are biased towards males; and
- They are mostly junior managers.

On the other hand, the defining characteristics of the cluster that show dissociation with “Employee Involvement in Strategy Formulation” are:

- They are predominantly metro respondents;
- They have been at the bank for more than ten years;
- They are slightly biased towards females; and
- They consist of senior managers.

Only respondents who have been at the bank for more than ten years have a definite opinion on “Employee Involvement in Strategy Formulation”. Of these, the junior management is in favour of it while senior management disapproves. The remaining clusters have been in the bank for two years or less and are cautiously (mild association) in favour of “Employee Involvement in Strategy Formulation”. This can be interpreted to be due to the lack of precedence of employee involvement in strategy formulation in the organisation.

d) Interpretation of Results of One-way Analysis of Variance (ANOVA)

The results of the Kruskal-Wallis One-way Analysis of Variance, at 5% level of significance, pertaining to proposition 3 shows that the null hypothesis (Ho: All medians are equal) is accepted for “Employee Involvement in Strategy Formulation” across three of the four categorical variables (location, gender, tenure).

The null hypothesis is rejected for “Employee Involvement in Strategy Formulation” for the variable – position. It can be concluded that there are significant differences

in responses within the position variable for “Employee Involvement in Strategy Formulation”. The ANOVA report of position for “Employee Involvement in Strategy Formulation” (see Figure 5.4 below) shows that the Senior Manager category is not in favour of involving all levels of employees in the strategy-formulation process while the rest of the positional categories are in favour of this.

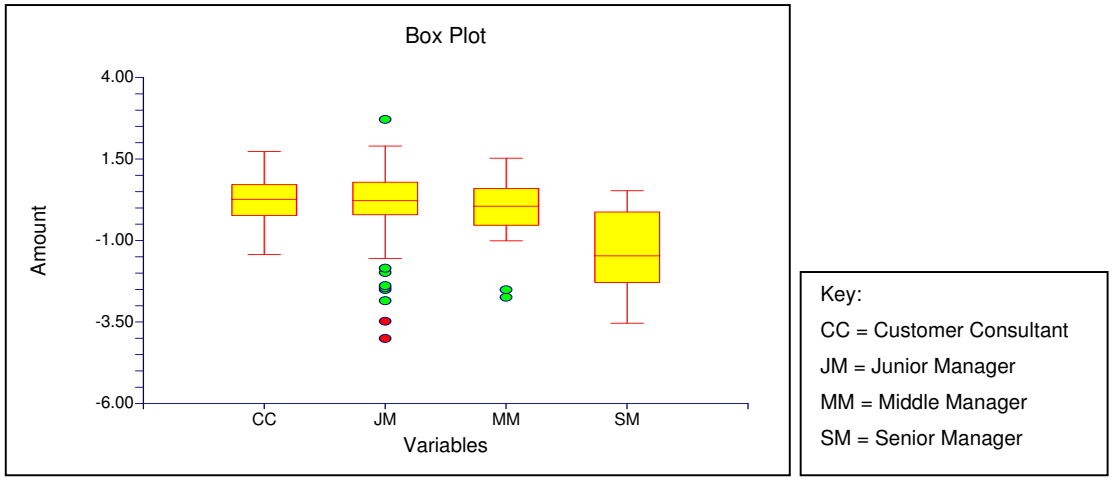


Figure 5.4: Box Plot of Position Variable for Factor Three

The rejection of the null hypothesis for the position variable for “Employee Involvement in Strategy Formulation” may point to the “status problem” experienced in hierarchical organisations (Nichols 1965). This finding is also in support of some of the communication characteristics of bureaucracies (Miller 1999), which include that:

- Vertical communication is prevalent and lateral communication is encouraged only among employees of the same level;
- The content of the communication is typically in the form of orders, rules, and directives and will result in little feedback; and
- Employee inputs, when asked for, are typically not acted upon.

These characteristics are driven by positional differences and the rejection of the null hypothesis for the position variable shows that the sample banking organisation is hierarchical and exhibits the characteristics of a bureaucracy.

Summary of Results Pertaining to Proposition 3

The results discussion for Proposition 3 supports the proposition that an organisation-wide approach to strategy formulation will result in more effective communication of strategy. Hence, research Proposition 3 is accepted.

5.10 Conclusions

The interpretation of the results of the statistical analysis shows logical alignment between the results from Descriptive Statistics, Factor Analysis, Cluster Analysis and One-way Analysis of Variance (ANOVA), which allowed for the interpretation of the results as they apply to the three propositions formulated from the literature.

On the basis of this interpretation, the three propositions were accepted. Accordingly, the results of the study are deemed to be in agreement with the literature base from which the propositions were developed.

The findings of these results were used as a basis for the conclusions drawn and the recommendations given in the next chapter. The suggestions for further research aim for an in-depth research of some of the aspects of the results, which will allow for triangulation, improved robustness, and wider application of the findings.

CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

The summary of the main findings of this research is given in this chapter. Within the confines of the research limitations, this study sought to identify the factors responsible for the improvement of the effectiveness of strategy communication in the South African banking industry, with particular emphasis on strategy communication using the face-to-face medium.

The various questionnaire sections that make up this study were designed to collect demographic information, information relating to the present communication practices in the organisation, respondents' opinions on the predominant use of the face-to-face medium of communication, and respondents' opinions on the involvement of all levels of managers in the strategy-formulation process.

The research aims to accept or reject the research propositions formulated from the literature review. These results will be insightful in understanding the current strategy communication practices in the South African banking industry, identifying factors that are required for the improvement of the effectiveness of strategy communication, and identifying the different respondents' clusters and their affinity with the identified factors.

6.2 Summary of Main Findings

The main findings of this research are summarised below:

The South African banking industry is structurally hierarchical, and strategy communication within this structure goes through too many reporting lines. These multiple levels of reporting introduce multiple sources of noise, which result in message distortion and misinterpretation.

The other possible consequences of this "too many reporting lines" include:

- "Turf wars" are encouraged and silos created;
- Both vertical and horizontal types of communication are undermined;
- Vertical communication tends to be a one-way top-down instruction-giving exercise rather than two-way communication;
- Horizontal communication tends to be of a non-work-related nature and further entrenches positional alienation;
- Deliberate hoarding of information occurs as a means of increasing influence;
- Employee performance is made to be a means of achieving a desired position instead of one's position being a means of achieving the desired performance; and
- Lack of shared vision and common goals exists.

The highest ranked variable for this study is the respondents' preference for getting information directly from the source.

This is an important finding that points to employees' desire for either structural changes to the South Africa banking industry or the improvement of strategy communication processes within this hierarchical structure to eliminate the negative effects of this structure. A previous study conducted by (Holtzhausen

2002b) in the South African banking industry showed that a democratic workplace will improve employee communication, trust and commitment.

This study identified factors necessary for effective strategy communication within the hierarchical structure of the South African banking organisation, given the fact that the nature of the banking industry will probably not allow for the democratisation of the workplace in the near future.

The factor analysis for this study resulted in a five-factor solution. The factors are:

- Interpersonal Communication;
- Change and Improvement;
- Employee Involvement in Strategy Formulation;
- Stability; and
- Vertical Communication.

The first three factors were considered to have significant influence on the strategy communication effectiveness in the South African banking industry, by virtue of their high factor means. These factors also have variables that ranked among the top ten of the questionnaire.

The fourth factor was considered to have little influence on the strategy communication effectiveness and all its variables ranked among the bottom ten of the questionnaire. The implication of this is that what is considered a positive attribute of hierarchy (stability) is not seen to have a significant influence on strategy communication effectiveness.

The fifth factor, although having the lowest factor mean, is unique in that its variables did not load in the same direction. This factor also has a variable ranked in the top ten. Hence, this factor was considered to have important influence on the strategy communication effectiveness.

It was found that two of the factors ("Change and Improvement" and "Stability") were associated with Proposition 1; two factors ("Interpersonal Communication" and "Vertical Communication") with Proposition 2; and one factor ("Employee Involvement in Strategy Formulation") with Proposition 3. The respondents see "Change and Improvement" as the underlying factor required to improve the current "too many reporting lines" inherent in the bank's hierarchical structure.

"Interpersonal Communication" and "Vertical Communication" were considered the most significant factors required for effective strategy communication using the face-to-face medium and there was agreement that the predominant use of face-to-face communication will improve the communication of strategy between the head office and the network.

"Employee Involvement in Strategy Formulation" was considered a significant factor in improving strategy communication through the involvement of all levels of managers in the strategy-formulation process.

The Kruskal-Wallis One-way Analysis of Variance (ANOVA) on the factor scores shows that the position categorical variable is significantly different for "Employee Involvement in Strategy Formulation" and "Vertical Communication" while location categorical variable is significantly different for "Stability". These significant differences show that:

- The Senior Manager category is not in favour of involving all levels of managers in the strategy-formulation process in comparison to the rest of the positional categories;
- The Customer Consultant category is not in favour of vertical communication as compared to managerial employees who are; and
- The head office scores higher than the rest of the sample provinces in wanting stability and to maintain the status quo.

The implications of these significant differences are:

- The entrenchment of the “status problem”;
- Difficulty in establishing meaningful Interpersonal and vertical communication; lack of feedback mechanisms and the consequent low level of insight communication; and
- A fundamental disconnect between the “realities” of the head office and that of the “network” to which it is meant to be aligned.

The cluster analysis showed that the groupings are not a reflection of demographic differences, but a grouping of like-minded individuals. Chi-Square Statistics show that only the position categorical variable is significantly different across the clusters. There are no significant differences across the clusters for the categorical variables location, gender and tenure.

Insights from the six identified clusters show that:

- Respondents that have been employed at the bank for fewer than six months or longer than ten years oppose change and improvement in favour of stability;
- Only respondents that have been employed for more than ten years in the bank have definite opinions on employee involvement in strategy formulation. Those that have spent a lower number of years at the bank are cautiously optimistic;
- The managerial rank (junior, middle and senior) favour vertical communication while the customer consultants find vertical communication difficult; and
- The head office middle managers that have been in the bank for not more than two years, but not less than six months, are best positioned to effect policies related to strategy communication effectiveness.

6.3 Recommendations

On the basis of the findings of this research the following recommendations can be made to the banking industry in South Africa:

1) The formulation of strategy should involve, as far as possible, the managers and customer-facing employees that are expected to implement the strategy.

This will minimise the effects of multiple levels of noise source, which affect the clarity of the message being communicated. The involvement of all levels of managers also reduces the effect of the “status problem” inherent in a hierarchical organisational structure and encourages more face-to-face communication.

2) The strategy so formulated with input from all levels of managers should be predominantly communicated through the face-to-face medium.

The benefits of strategy communication through the face-to-face medium go beyond effective communication of strategy. The relationship formed in the course of this dialogue forms the basis of trust, transparency, ownership, commitment to achieve the organisational goal, shared vision and job satisfaction. All of these can translate the gains of effective communication of strategy into improved financial returns.

3) The stability and discipline inherent in a hierarchical organisational structure should be utilised to positively drive the effectiveness of strategy communication.

This strategy communication effectiveness can be achieved by promoting people-management skills over technical skills in appointing individuals to positions of influence. Those thus appointed to these positions should be measured predominantly on the development of the people and teams under them. This will

minimise the “status problem” associated with hierarchical organisational structure and eliminate positional alienation.

4) Policies related to the improvement of strategy communication should not be overseen by employees who have been in the organisation for less than six months or longer than ten years.

Ideally, these policies should be overseen by employees who are “new” enough in the organisation to be proactive and bring fresh ideas to the table, and “old” enough to understand the organisation’s systems, processes and culture.

5) Policies related to the improvement of strategy communication using the face-to-face medium should be overseen by middle managers.

Contrary to the popular practice of having senior management oversee strategic projects, this study clearly shows that senior managers are not attuned to the factors required to improve face-to-face communication, which will incorporate both horizontal and vertical communication. Senior managers’ support for vertical communication is in terms of one-way top-down communication as they do not support the other factors required for vertical communication to be a two-way process.

6) Any initiative aimed at improving strategy communication should clearly identify, and mitigate, the reasons for the difficulty experienced by customer consultants with vertical communication.

The customer consultants fulfil an important customer-facing function that culminates in the execution of the banks’ strategy. Failure to have an effective communication process at this level will undermine gains achieved at the managerial level.

6.4 Concluding Remarks

The business environment of the South African banking industry is both locally and globally competitive. This competition is happening against a backdrop of skills shortage, high staff attrition, a highly regulated environment, a rise in consumer influence, and a recent economic downturn.

In this environment, informed and committed employees become a source of competitive advantage. More than ever before, the organisation's strategies need to be clearly understood at all levels and effectively implemented. The results of this study have provided insights as to the factors required to achieve this strategy communication effectiveness. Although this study is conducted in the banking industry, the results should be applicable to organisations that implement the "hub and spoke" model.

According to (Hatch 1966), "the cost of inefficiency resulting from poor communication, miscommunication, and the poor motivation that accompanies these failures, is beyond measurement."

6.5 Suggestions for Further Research

The following areas are recommended for further study to further improve the robustness and applicability of initiatives aimed at improving the effectiveness of strategy communication:

- Research in other industries to determine if the factors that influence the effectiveness of strategy communication are specific to the banking industry or applicable to other industries that implement the “hub and spoke” model in South Africa;
- Research to determine the reasons for the difficulties experienced by customer consultants with vertical communication in South African banking industry;
- Research to determine the underlying factors for the apparent unsuitability of senior managers for driving the improvement of strategy communication using face-to-face communication; and
- Research to determine the effect of time spent in an organisation on the suitability of managerial employees for implementing various strategic projects.

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Appendix A: Covering Letter

Dear Respondent,

I am a staff member of Standard Bank in the Customer Strategy Unit (CSU) at the head office, and also an MBA student at WITS business school. This questionnaire is in relation to my MBA research thesis which is set in the context of South African banking organisation.

I am aware that this is a big ask on your time and I really do appreciate your help in completing the questionnaire.

The title of the research is, “Strategy Communication Effectiveness in the South African Banking Industry”

The research will concentrate on:

- The communication processes between the head office and the network;
- The communication of strategy through the use of face-to-face communication; and
- How the strategy-formulation process and its communication affect the execution of head office strategies at an operational level.

The research will help to identify what is important for strategy communication and how we can improve the quality of communication, relationships, buy-in, execution and productivity.

The questionnaire is divided into four sections:

Section A deals with demographic information but excludes names of respondents as the respondents are meant to be anonymous.

Section B deals with the as-is communication processes (communication audit) and the role of the organisational structure in the communication process.

Section C deals with the communication of strategy through the use of face-to-face communication process.

Section D deals with how the strategy-formulation process and its communication affect the execution of head office strategies at an operational level.

A scale of agreement from 0 to 10 is provided for each question where 0 means completely disagree and 10 means completely agree. The numbers 1 to 9 correspond to your level of agreement with the statement and increases as the number increases.

The success of the research is dependent on the accurate and timely completion of the questionnaire and I will be counting on you for that.

My contacts are: Cell: 083 403 2556; Office: 011 631 2957; Email: Manessah.Alagbaoso@standardbank.co.za

I look forward to your help in completing the questionnaire and do thank you in anticipation.

Yours sincerely,

Alagbaoso Manessah

Appendix B: Pilot Survey Questionnaire

Section A: Respondents Demographics

Please tick the appropriate box.

Respondent's position:

Customer Consultant
Junior Manager
Middle Manager
Senior Manager
Director

Respondent's Location:

	Provincial Office	Regional Office	Branch
Head Office			
Gauteng			
Limpopo			
Mpumalanga			
Eastern Cape			
Western Cape			

Respondent's Gender:

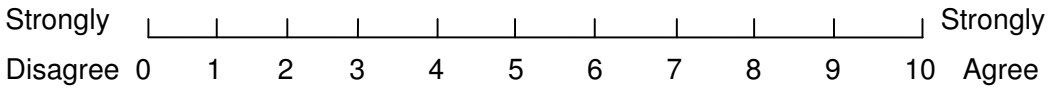
Male
Female

Duration at your position:	Less than 6 months
	Less than 1 year
	1 – 2 years
	3 – 5 years
	5 – 10 years
	More than 10 years

Instructions on completing the rest of the questionnaire (Sections B, C & D):

Please choose the number on the scale that corresponds to your answer to the question. 0 represents “strongly disagree” while 10 represent “strongly agree”. The numbers 1 to 9 corresponds to the degree to which you agree or disagree with the question.

Example:



Question	Statement	Score (according to the scale)
e.g.	I know the people to contact if I require information from the head office or network.	8

The respondent to the example above chooses 8, which tends towards strongly agree. Please answer the rest of the questionnaire using the same scale of 0 to 10 for strongly disagree to strongly agree.

Section B: Questions on Communication Processes and the effect of organisational structure.

Instructions Question	Statement	Score (according to the scale)
1	I know the people to contact if I require information from the head office or network.	
2	I am comfortable with going through numerous reporting lines to get the information I want.	
3	I prefer to get the information I want directly from the source.	
4	I trust the communication between the head office and the network.	
5	I feel that the communication between the head office and the network loses its clarity due to the numerous reporting lines.	
6	I feel that the communication between the head office and the network goes through too many reporting lines.	
7	I feel we cannot change the current communication processes without changing the structure of the bank.	
8	I feel that the structure of the bank makes the communication between the head office and the network more effective.	
9	I feel that there is need for more effective communication between the head office and the network.	
10	I prefer the communication between the head office and the network not to go through too many reporting lines.	

Section C: Questions on the effective communication of strategy through the use of face-to-face communication.

Question	Statement	Score (according to the scale)
11	I receive communication about the Personal and Business Banking (PBB) strategy through face-to-face medium.	
12	I find it easy communicating face-to-face with my subordinates.	
13	I rarely receive any information about the Personal and Business Banking (PBB) strategy.	
14	I prefer the Personal and Business Banking (PBB) strategy to be communicated to me electronically.	
15	Face-to-face communication improves the clarity of issues being discussed.	
16	I have no preference on the medium the Personal and Business Banking (PBB) strategy is communicated to me.	
17	The predominant use of face-to-face communication will create an environment of trust between the head office and the network.	
18	Face-to-face communication is more honest than electronic communication.	
19	Face-to-face communication is important in building relationships between the head office and the network.	
20	I find it difficult communicating face-to-face with my manager.	

21	Face-to-face communication improves ownership of issues.	
22	I receive communication about the Personal and Business Banking (PBB) strategy through electronic media.	
23	Good relationship between the head office and the network is important for the effective performance of my job.	
24	I find it difficult communicating face-to-face with my subordinates.	
25	I prefer the strategy of the Personal and Business Banking (PBB) to be communicated to me face-to-face.	
26	Face-to-face communication is an important part of my job.	
27	I find it easy communicating face-to-face with my manager.	
28	I participate in regular meetings that reinforce the Personal and Business Banking (PBB) strategy.	

Section D: Questions on the effect of organisation-wide strategy-making process on the communication of strategy.

29	I feel that the strategy-making process should involve all levels of managers across the head office and the network.	
30	The involvement of all levels of managers in the strategy-making process makes it easy to communicate the strategy.	

31	The involvement of all levels of managers in the strategy-making process improves face-to-face communication of strategy.	
32	The involvement of all levels of managers in the strategy-making process will bring more relevant customer insights to the process.	
33	The involvement of all levels of managers in the strategy-making process will improve the commitment to execute the strategies.	

Your comments on the questionnaire:

Please indicate if any of the question/s was:

Comment	Question/s number
Ambiguous	
Unclear	
Leading	
Complicated	
Not understood	
More comments on the clarity of the questionnaire; the number of questions in the questionnaire; the length of time taken to complete it etc.	

Appendix C: Survey Questionnaire

Section A: Respondents Demographics

Please tick the appropriate box.

Respondent's position:

Customer Consultant
Junior Manager
Middle Manager
Senior Manager
Director

Respondent's Location:

	Provincial Office	Regional Office	Branch
Head Office			
Gauteng			
Limpopo			
Mpumalanga			
Eastern Cape			
Western Cape			

Respondent's Gender:

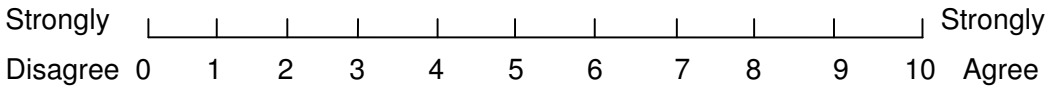
Male
Female

Duration at your position:	Less than 6 months
	6 months - 1 year
	1 – 2 years
	3 – 5 years
	5 – 10 years
	More than 10 years

Instructions on completing the rest of the questionnaire (Sections B, C & D):

Please choose the number on the scale that corresponds to your answer to the question. 0 represents “strongly disagree” while 10 represent “strongly agree”. The numbers 1 to 9 corresponds to the degree to which you agree or disagree with the question.

Example:



Question	Statement	Score (according to the scale)
e.g.	Under-representation of women and the disabled is an issue that should be given priority in management discussions.	8

The respondent to the example above chooses 8, which tends towards strongly agree. Please answer the rest of the questionnaire using the same scale of 0 to 10 for strongly disagree to strongly agree.

Section B: Questions on Communication Processes and the effect of organisational structure.

Instructions Question	Statement	Score (according to the scale)
1	I know the people to contact if I require information from the head office or network.	
2	I am comfortable with going through numerous reporting lines to get the information I want.	
3	I prefer to get the information I want directly from the source.	
4	I trust the communication between the head office and the network.	
5	I feel that the communication between the head office and the network loses its clarity due to the numerous reporting lines.	
6	I feel that the communication between the head office and the network goes through too many reporting lines.	
7	I feel we cannot change the current communication processes without changing the structure of the bank.	
8	I feel that the structure of the bank makes the communication between the head office and the network more effective.	
9	I feel that there is need for more effective communication between the head office and the network.	
10	I prefer the communication between the head office and the network not to go through too many reporting lines.	

Section C: Questions on the effective communication of strategy through the use of face-to-face communication.

Question	Statement	Score (according to the scale)
11	I receive communication about the Personal and Business Banking (PBB) strategy through face-to-face medium.	
12	I rarely receive any information about the Personal and Business Banking (PBB) strategy.	
13	I prefer the Personal and Business Banking (PBB) strategy to be communicated to me electronically.	
14	Face-to-face communication improves the clarity of issues being discussed.	
15	I have no preference on the medium the Personal and Business Banking (PBB) strategy is communicated to me.	
16	The predominant use of face-to-face communication will create an environment of trust between the head office and the network.	
17	Face-to-face communication is more honest than electronic communication.	
18	Face-to-face communication is important in building relationships between the head office and the network.	
19	I find it difficult communicating face-to-face with my manager.	
20	Face-to-face communication improves ownership of issues.	

21	I receive communication about the Personal and Business Banking (PBB) strategy through electronic media.	
22	Good relationship between the head office and the network is important for the effective performance of my job.	
23	I prefer the strategy of the Personal and Business Banking (PBB) to be communicated to me face-to-face.	
24	Face-to-face communication is an important part of my job.	
25	I find it easy communicating face-to-face with my manager.	
26	I participate in regular meetings that reinforce the Personal and Business Banking (PBB) strategy.	

Section D: Questions on the effect of organisation-wide strategy-making process on the communication of strategy.

27	I feel that the strategy-making process should involve all levels of managers across the head office and the network.	
28	The involvement of all levels of managers in the strategy-making process makes it easy to communicate the strategy.	
29	The involvement of all levels of managers in the strategy-making process improves face-to-face communication of strategy.	
30	The involvement of all levels of managers in the strategy-making process will bring more relevant customer insights to the process.	
31	The involvement of all levels of managers in the strategy-making process will improve the commitment to execute the strategies.	

Appendix D: Factor Analysis Report

Factor Analysis Report				
Page/Date/Tim	2 2008-06-18 03:27:44 PM			
Database	C:\Documents and Settings\a1 ... ire responses\Respondents.S0			
Eigenvalues after Varimax Rotation				
		Individual	**Cumulative**	
No.	**Eigenvalue**	**Percent**	**Percent**	**Scree Plot**
1	3.873119	26.85	26.85	||||||
2	2.499593	17.33	44.18	||||
3	4.325397	29.98	74.16	||||||
4	1.916043	13.28	87.44	|||
5	1.58886	11.01	98.46	|||
6	0.777362	5.39	103.85	||
7	0.630708	4.37	108.22	|
8	0.486882	3.38	111.59	|
9	0.296286	2.05	113.65	|
10	0.265477	1.84	115.49	|
11	0.215682	1.5	116.98	|
12	0.130411	0.9	117.89	|
13	0.118747	0.82	118.71	|
14	0.063342	0.44	119.15	|
15	0.03839	0.27	119.41	|
16	0.003459	0.02	119.44	|
17	-0.022675	-0.16	119.28	|
18	-0.039435	-0.27	119.01	|
19	-0.071123	-0.49	118.51	|
20	-0.096237	-0.67	117.85	|
21	-0.120285	-0.83	117.01	|
22	-0.126114	-0.87	116.14	|
23	-0.16117	-1.12	115.02	|
24	-0.17048	-1.18	113.84	|
25	-0.208151	-1.44	112.4	|
26	-0.235504	-1.63	110.77	|
27	-0.244483	-1.69	109.07	|
28	-0.278302	-1.93	107.14	|
29	-0.327605	-2.27	104.87	|
30	-0.333875	-2.31	102.56	|
31	-0.368699	-2.56	100	|

Factor Loadings after Varimax Rotation					
	Factors				
Variables	Factor1	Factor2	Factor3	Factor4	Factor5
Q1	-0.016204	0.151529	-0.033148	-0.359472	0.213837
Q2	-0.09099	0.210736	0.102922	-0.489579	-0.140179
Q3	-0.155415	-0.435223	0.054253	-0.206752	0.141279
Q4	0.068557	0.241663	-0.032656	-0.571357	0.136101
Q5	-0.105474	-0.71033	0.174971	0.197826	-0.214604
Q6	-0.142031	-0.703703	0.224114	0.201548	-0.15974
Q7	-0.057076	-0.327654	0.153355	-0.01059	-0.380028
Q8	0.06169	0.104796	0.067443	-0.528657	-0.175136
Q9	-0.249056	-0.677024	0.010709	0.219766	-0.234242
Q10	-0.184575	-0.344402	0.225095	0.055737	-0.050481
Q11	-0.146106	-0.027621	-0.061862	-0.341051	0.044929
Q12	-0.030763	-0.189704	0.101603	0.294658	-0.467286
Q13	0.227039	-0.36484	0.214526	-0.319001	-0.164766
Q14	-0.719396	-0.13693	0.056703	-0.154572	0.066969
Q15	0.072056	-0.196693	0.058105	-0.156443	-0.293859
Q16	-0.787943	-0.106298	0.147627	-0.024996	-0.083151
Q17	-0.668819	-0.101208	0.217367	0.039486	-0.154821
Q18	-0.70911	-0.14424	0.177115	-0.068808	0.084003
Q19	-0.018648	-0.102764	-0.013452	-0.052328	-0.695277
Q20	-0.519839	-0.24365	0.3007	-0.182388	0.070481
Q21	-0.084291	-0.111635	0.133604	-0.379595	0.080506
Q22	-0.241386	-0.107546	0.315807	-0.148396	0.149121
Q23	-0.803921	0.031571	0.117416	-0.006772	0.074249
Q24	-0.541273	-0.073722	0.234693	-0.113544	0.092683
Q25	-0.17146	-0.104269	0.151737	-0.211924	0.507678
Q26	-0.15407	-0.16341	-0.004909	-0.37624	0.057882
Q27	-0.146377	-0.173048	0.862406	0.005018	-0.051375
Q28	-0.193954	-0.110081	0.891039	-0.009344	-0.062253
Q29	-0.297499	-0.122488	0.837897	-0.008469	-0.071115
Q30	-0.15631	-0.100397	0.888588	-0.056738	-0.026972
Q31	-0.182636	-0.120712	0.808315	-0.045572	0.005466

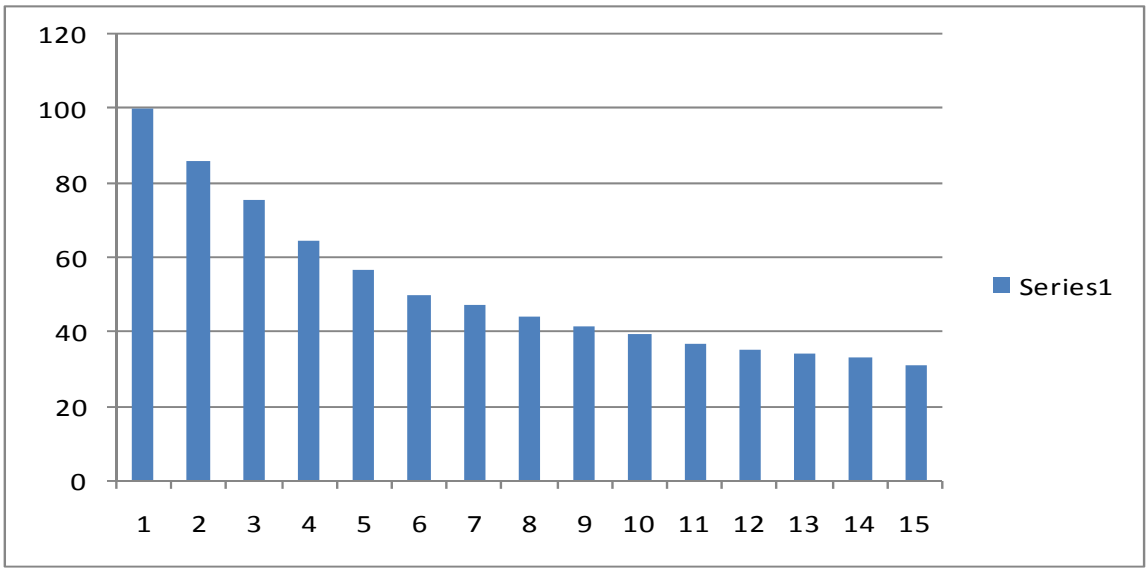
Bar Chart of Absolute Factor Loadings after Varimax Rotation					
	Factors				
Variables	Factor1	Factor2	Factor3	Factor4	Factor5
Q1					
Q2					
Q3					
Q4					
Q5					
Q6					
Q7					
Q8					
Q9					
Q10					
Q11					
Q12					
Q13					
Q14					
Q15					
Q16					
Q17					
Q18					
Q19					
Q20					
Q21					
Q22					
Q23					
Q24					
Q25					
Q26					
Q27					
Q28					
Q29					
Q30					
Q31					

Factor Structure Summary after Varimax Rotation				
Factors				
Factor1	Factor2	Factor3	Factor4	Factor5
Q23	Q5	Q28	Q4	Q19
Q16	Q6	Q30	Q8	Q25
Q14	Q9	Q27	Q2	Q12
Q18	Q3	Q29		
Q17		Q31		
Q24				
Q20				

Appendix E: Cluster Analysis Report

K-Means Cluster Analysis Report			
Page/Date/Time	1 2008-06-18 03:35:47 PM		
Database	C:\Documents and Settings\a1 ... ire responses\Respondents.S0		
Minimum Iteration Section			
Iteration No.	**No. of Clusters**	**Percent of Variation**	**Bar Chart of Percent**
1	2	86.06	||||||||||||||||||||||||||
6	3	75.67	||||||||||||||||||||||||
8	4	64.52	||||||||||||||||||||
11	5	56.63	||||||||||||||||
13	6	50.18	||||||||||||||
18	7	47.4	||||||||||||
21	8	44.1	||||||||||||
24	9	41.92	||||||||||||
27	10	39.86	||||||||||
29	11	36.97	||||||||||
31	12	35.71	||||||||||
35	13	34.59	||||||||||
38	14	33.28	||||||||
41	15	31.46	||||||||

Frequency Plot of Cluster Analysis Report

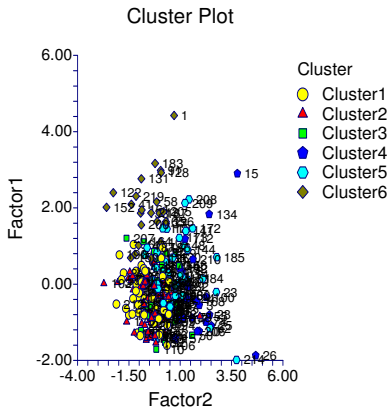


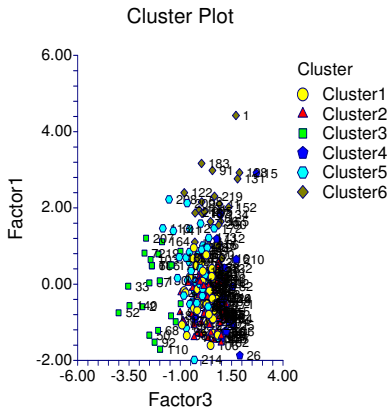
Cluster Means						
Variables	**Cluster1**	**Cluster2**	**Cluster3**	**Cluster4**	**Cluster5**	**Cluster6**
Factor1	-0.3485609	-0.5503766	-0.1112963	-0.2688462	0.3027589	1.990072
Factor2	-0.613156	-0.5472914	0.1279705	1.797884	0.7898353	-0.6361117
Factor3	0.2464413	0.2923265	-2.273461	0.9758737	-0.2648433	0.4983861
Factor4	-1.07306	0.9186605	-0.2230192	-0.6061841	0.5120931	-1.88E-02
Factor5	-0.6836228	0.5475812	0.7954635	1.003254	-1.098904	0.4204815
Count	52	58	23	23	43	23

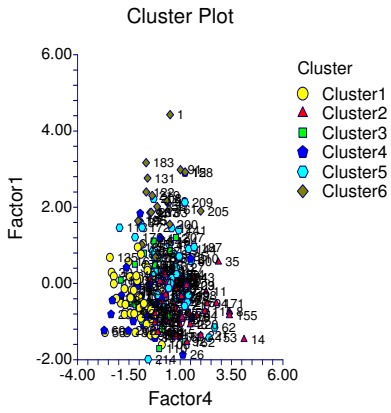
Cluster Standard Deviations						
Variables	**Cluster1**	**Cluster2**	**Cluster3**	**Cluster4**	**Cluster5**	**Cluster6**
Factor1	0.6371092	0.5675622	0.8912784	1.106281	0.8858789	0.8831298
Factor2	0.7069908	0.7264543	0.7719651	0.9650608	0.929136	0.8138726
Factor3	0.4872627	0.5861186	0.7717	0.6949452	0.5696642	0.718686
Factor4	0.7065541	1.000639	0.8258998	1.205911	0.9305675	0.7759154
Factor5	1.050937	0.7542671	0.8627988	0.7117649	0.9504176	1.216152
Count	52	58	23	23	43	23

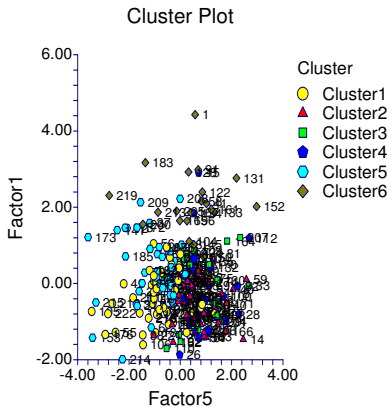
F-Ratio Section						
			Between	**Within**		**Prob**
Variables	**DF1**	**DF2**	**Mean Square**	**Mean Square**	**F-Ratio**	**Level**
Factor1	5	216	24.17289	0.6184387	39.09	0.000000
Factor2	5	216	29.55518	0.6481642	45.60	0.000000
Factor3	5	216	31.5251	0.3722659	84.68	0.000000
Factor4	5	216	25.94081	0.8293862	31.28	0.000000
Factor5	5	216	27.07781	0.8646104	31.32	0.000000

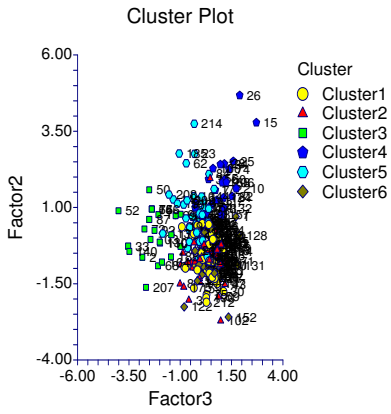
Plots

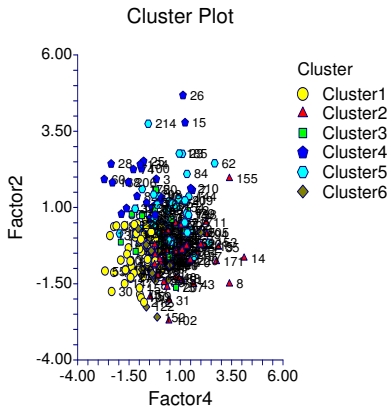

Cluster Plot
Cluster
Cluster1
Cluster2
Cluster3
Cluster4
Cluster5
Cluster6
Factor1
Factor2
6.00
4.00
2.00
0.00
-2.00
-4.00 -1.50 1.00 3.50 6.00

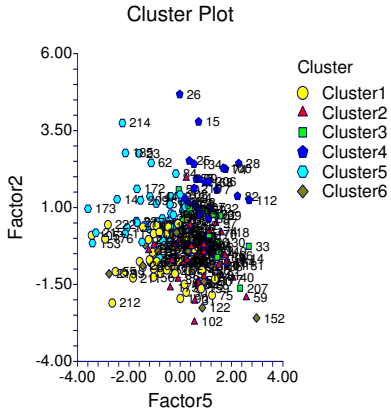

Cluster Plot
Cluster
Cluster1
Cluster2
Cluster3
Cluster4
Cluster5
Cluster6
Factor1
Factor3
6.00
4.00
2.00
0.00
-2.00
-6.00 -3.50 -1.00 1.50 4.00

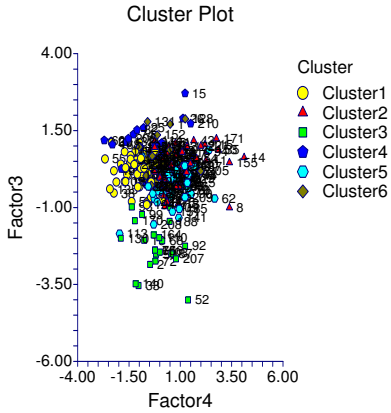

Cluster Plot
Cluster
Cluster1
Cluster2
Cluster3
Cluster4
Cluster5
Cluster6
Factor1
Factor4
6.00
4.00
2.00
0.00
-2.00
-4.00 -1.50 1.00 3.50 6.00

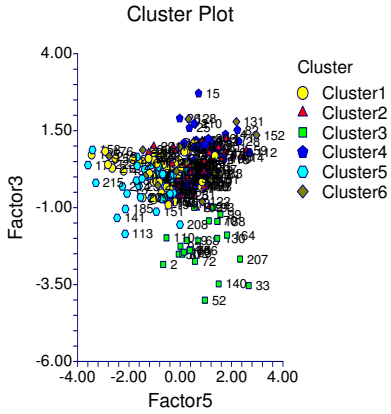

Cluster Plot
Cluster
Cluster1
Cluster2
Cluster3
Cluster4
Cluster5
Cluster6
Factor1
Factor5
6.00
4.00
2.00
0.00
-2.00
-4.00 -2.00 0.00 2.00 4.00

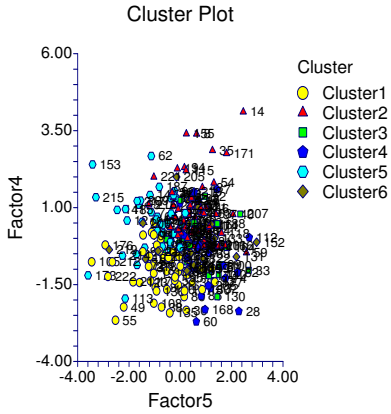

Cluster Plot
Cluster
Cluster1
Cluster2
Cluster3
Cluster4
Cluster5
Cluster6
Factor2
Factor3
6.00
3.50
1.00
-1.50
-4.00
-6.00 -3.50 -1.00 1.50 4.00


Cluster Plot
Cluster
Cluster1
Cluster2
Cluster3
Cluster4
Cluster5
Cluster6
Factor2
Factor4
6.00
3.50
1.00
-1.50
-4.00
-4.00 -1.50 1.00 3.50 6.00


Cluster Plot
Cluster
Cluster1
Cluster2
Cluster3
Cluster4
Cluster5
Cluster6
Factor2
Factor5
6.00
3.50
1.00
-1.50
-4.00
-4.00
-2.00
0.00
2.00
4.00


Cluster Plot
Cluster
Cluster1
Cluster2
Cluster3
Cluster4
Cluster5
Cluster6
Factor3
Factor4
4.00
1.50
-1.00
-3.50
-6.00
-4.00
-1.50
1.00
3.50
6.00


Cluster Plot
Cluster
Cluster1
Cluster2
Cluster3
Cluster4
Cluster5
Cluster6
Factor3
Factor5
4.00
1.50
-1.00
-3.50
-6.00
-4.00
-2.00
0.00
2.00
4.00


Cluster Plot
Cluster
Cluster1
Cluster2
Cluster3
Cluster4
Cluster5
Cluster6
Factor4
Factor5
6.00
3.50
1.00
-1.50
-4.00
-4.00
-2.00
0.00
2.00
4.00

Appendix F: Cluster and Categorical Variables Cross Tabulation Report

Cross Tabulation Report

Page/Date/Time	1 2008-06-18 04:15:18 PM
Database	C:\Documents and Settings\a1 ... ire responses\Respondents.S0

Counts Section

	Position				
Clusters	**CC**	**JM**	**MM**	**SM**	**Total**
1	14	28	9	1	52
2	11	30	13	4	58
3	1	10	2	10	23
4	4	15	4	0	23
5	14	17	9	3	43
6	5	16	2	0	23
Total	49	116	39	18	222

The number of rows with at least one missing value is 0

Deviation from Independence Section

	Position				
Clusters	**CC**	**JM**	**MM**	**SM**	**Total**
1	2.52	0.83	-0.14	-3.22	0
2	-1.8	-0.31	2.81	-0.7	0
3	-4.08	-2.02	-2.04	8.14	0
4	-1.08	2.98	-0.04	-1.86	0
5	4.51	-5.47	1.45	-0.49	0
6	-0.08	3.98	-2.04	-1.86	0
Total	0	0	0	0	0

The number of rows with at least one missing value is 0

Chi-Square Statistics Section

Chi-Square	55.170273	
Degrees of Freedom	15	
Probability Level	0.000002	Reject Ho

WARNING: At least one cell had an expected value less than 5.

Cross Tabulation Report

Page/Date/Time 2 2008-06-18 04:15:18 PM
Database C:\Documents and Settings\a1 ... ire responses\Respondents.S0

Counts Section

	Location						
Clusters	ECape	Gauteng	H/Office	Limpopo	Mpumalanga	WCape	Total
1	8	23	3	1	4	13	52
2	6	18	16	1	4	13	58
3	0	11	5	1	0	6	23
4	5	10	2	1	0	5	23
5	3	15	12	1	0	12	43
6	0	11	2	1	2	7	23
Total	22	88	40	6	10	56	222

The number of rows with at least one missing value is 0

Deviation from Independence Section

	Location						
Clusters	ECape	Gauteng	H/Office	Limpopo	Mpumalanga	WCape	Total
1	2.85	2.39	-6.37	-0.41	1.66	-0.12	0
2	0.25	-4.99	5.55	-0.57	1.39	-1.63	0
3	-2.28	1.88	0.86	0.38	-1.04	0.2	0
4	2.72	0.88	-2.14	0.38	-1.04	-0.8	0
5	-1.26	-2.05	4.25	-0.16	-1.94	1.15	0
6	-2.28	1.88	-2.14	0.38	0.96	1.2	0
Total	0	0	0	0	0	0	0

The number of rows with at least one missing value is 0

Chi-Square Statistics Section

Chi-Square 32.760312
Degrees of Freedom 25
Probability Level 0.13717 Accept Ho
WARNING: At least one cell had an expected value less than 5.

Cross Tabulation Report

Page/Date/Time 3 2008-06-18 04:15:18 PM
Database C:\Documents and Settings\a1 ... ire responses\Respondents.S0

Counts Section

	Gender		
Clusters	**F**	**M**	**Total**
1	28	24	52
2	29	29	58
3	13	10	23
4	10	13	23
5	20	23	43
6	12	11	23
Total	112	110	222

The number of rows with at least one missing value is 0

Deviation from Independence Section

	Gender		
Clusters	**F**	**M**	**Total**
1	1.77	-1.77	0
2	-0.26	0.26	0
3	1.4	-1.4	0
4	-1.6	1.6	0
5	-1.69	1.69	0
6	0.4	-0.4	0
Total	0	0	0

The number of rows with at least one missing value is 0

Chi-Square Statistics Section

Chi-Square 1.325171
Degrees of Freedom 5
Probability Level 0.93232 Accept Ho

Cross Tabulation Report

Page/Date/Time 4 2008-06-18 04:15:18 PM

Database C:\Documents and Settings\a1 ... ire responses\Respondents.S0

Counts Section

	Tenure						
Clusters	1 to 2yr	3 to 5yr	5 to 10yr	6M to 1yr	< 6M	> 10yr	Total
1	10	15	6	12	1	8	52
2	19	13	10	11	1	4	58
3	8	6	3	1	0	5	23
4	7	3	5	2	2	4	23
5	7	12	9	5	6	4	43
6	7	6	4	2	2	2	23
Total	58	55	37	33	12	27	222

The number of rows with at least one missing value is 0

Deviation from Independence Section

	Tenure						
Clusters	1 to 2yr	3 to 5yr	5 to 10yr	6M to 1yr	< 6M	> 10yr	Total
1	-3.59	2.12	-2.67	4.27	-1.81	1.68	0
2	3.85	-1.37	0.33	2.38	-2.14	-3.05	0
3	1.99	0.3	-0.83	-2.42	-1.24	2.2	0
4	0.99	-2.7	1.17	-1.42	0.76	1.2	0
5	-4.23	1.35	1.83	-1.39	3.68	-1.23	0
6	0.99	0.3	0.17	-1.42	0.76	-0.8	0
Total	0	0	0	0	0	0	0

The number of rows with at least one missing value is 0

Chi-Square Statistics Section

Chi-Square 29.647745

Degrees of Freedom 25

Probability Level 0.23775 Accept Ho

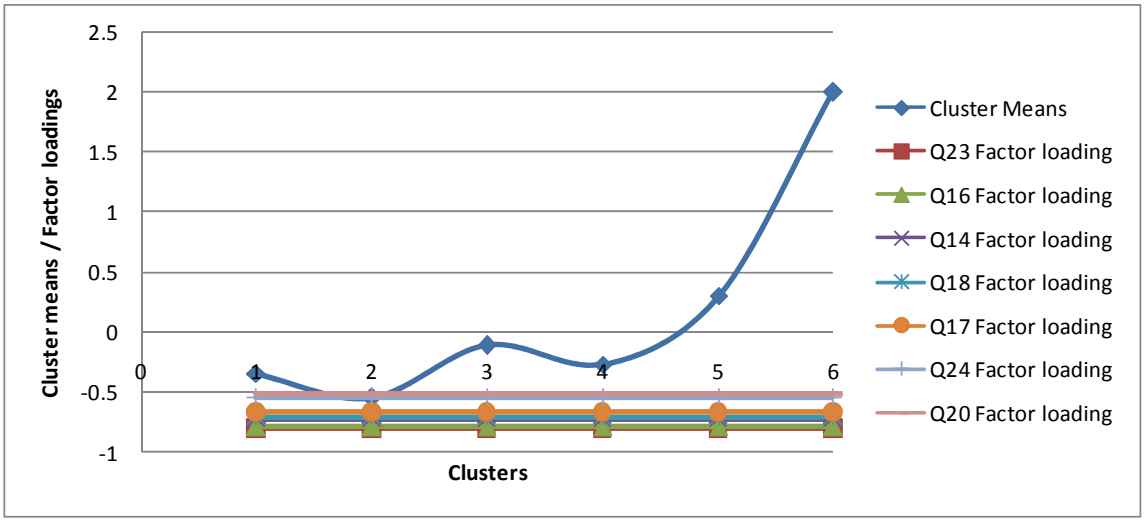
WARNING: At least one cell had an expected value less than 5.

Appendix G: Cluster Description Charts Data

Factor 1 - Inter-Personal Communication

Variable	Factor Loading
Q23	-0.803921
Q16	-0.787943
Q14	-0.719396
Q18	-0.70911
Q17	-0.668819
Q24	-0.541273
Q20	-0.519839

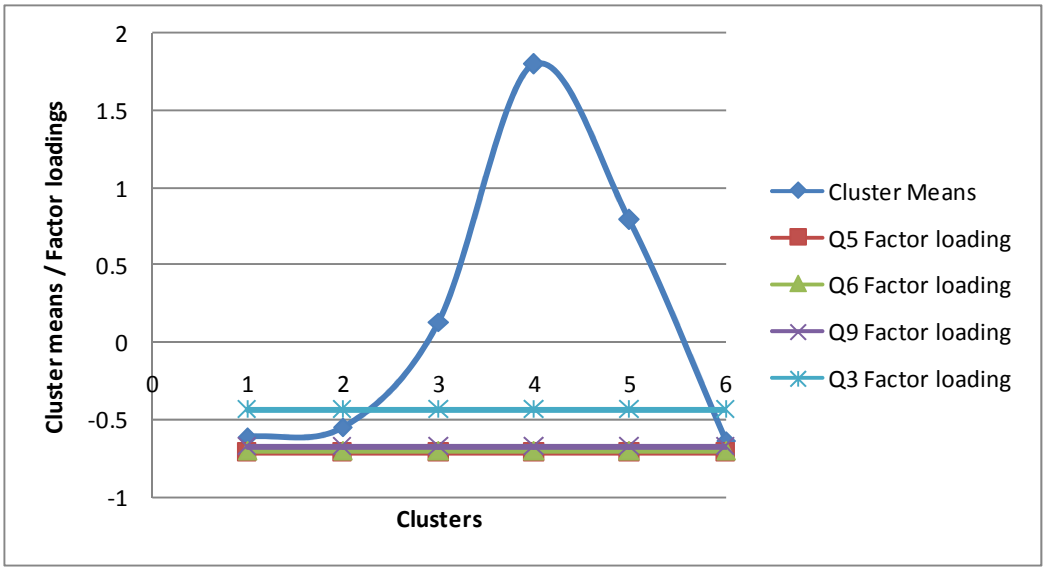
		Factor loadings						
Cluster	Cluster Means	Q23	Q16	Q14	Q18	Q17	Q24	Q20
Cluster 1	-0.3485609	-0.80392	-0.78794	-0.7194	-0.7091	-0.668819	-0.54127	-0.51984
Cluster 2	-0.5503766	-0.80392	-0.78794	-0.7194	-0.7091	-0.668819	-0.54127	-0.51984
Cluster 3	-0.1112963	-0.80392	-0.78794	-0.7194	-0.7091	-0.668819	-0.54127	-0.51984
Cluster 4	-0.2688462	-0.80392	-0.78794	-0.7194	-0.7091	-0.668819	-0.54127	-0.51984
Cluster 5	0.3027589	-0.80392	-0.78794	-0.7194	-0.7091	-0.668819	-0.54127	-0.51984
Cluster 6	1.990072	-0.80392	-0.78794	-0.7194	-0.7091	-0.668819	-0.54127	-0.51984



Factor 2 - Change and Improvement

Variable	Factor Loading
Q5	-0.71033
Q6	-0.703703
Q9	-0.677024
Q3	-0.435223

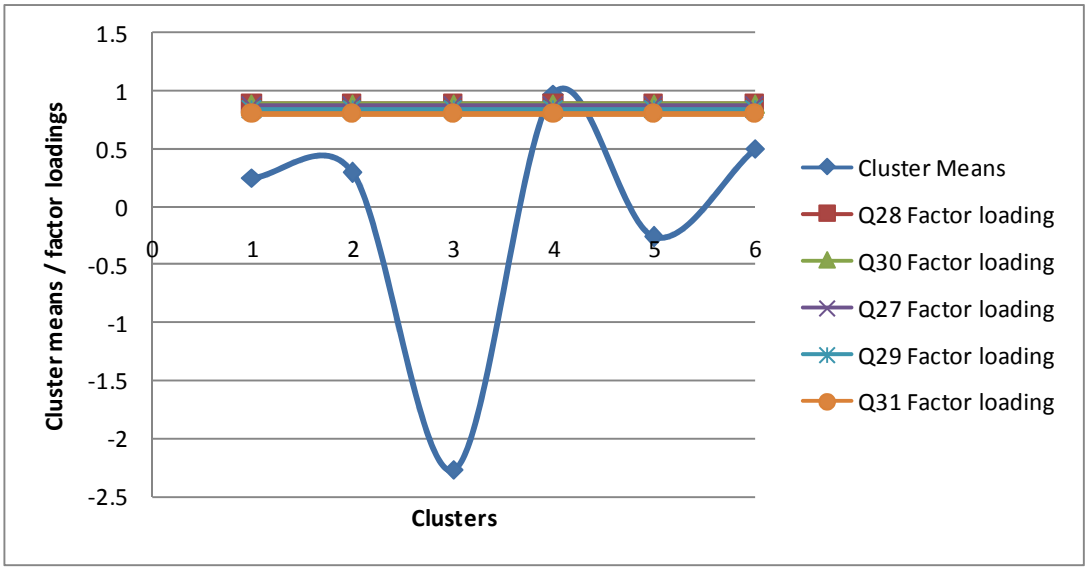
Cluster	Cluster Means	Q5	Q6	Q9	Q3
Cluster 1	-0.613156	-0.71033	-0.703703	-0.677024	-0.435223
Cluster 2	-0.5472914	-0.71033	-0.703703	-0.677024	-0.435223
Cluster 3	0.1279705	-0.71033	-0.703703	-0.677024	-0.435223
Cluster 4	1.797884	-0.71033	-0.703703	-0.677024	-0.435223
Cluster 5	0.7898353	-0.71033	-0.703703	-0.677024	-0.435223
Cluster 6	-0.6361117	-0.71033	-0.703703	-0.677024	-0.435223



Factor 3 - Employee Involvement in Strategy Formulation

Variable	Factor Loading
Q28	0.891039
Q30	0.888588
Q27	0.862406
Q29	0.837897
Q31	0.808315

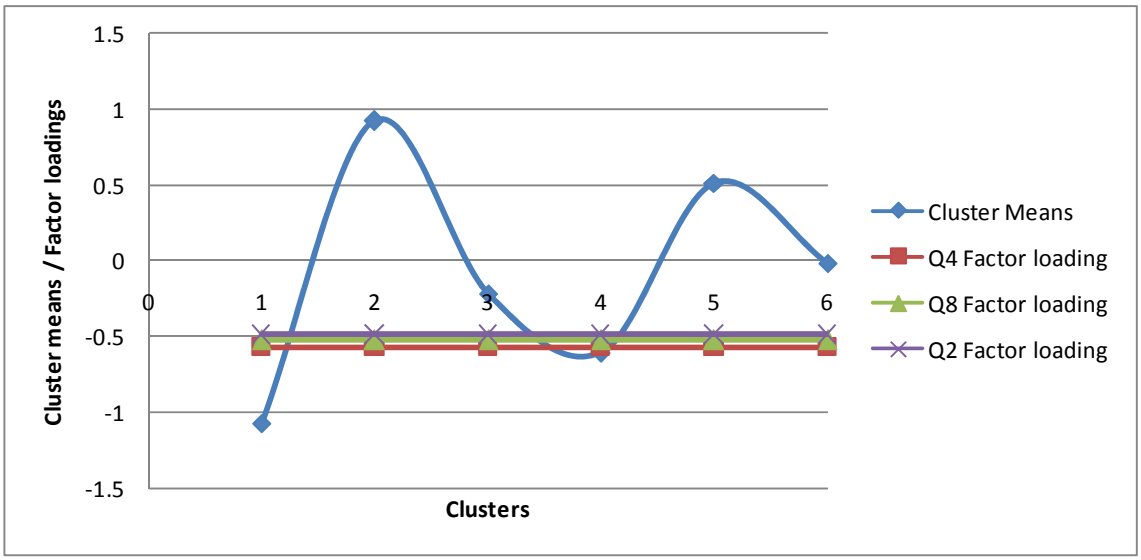
Cluster	Cluster Means	Q28	Q30	Q27	Q29	Q31
Cluster 1	0.2464413	0.89104	0.88859	0.86241	0.8379	0.80832
Cluster 2	0.2923265	0.89104	0.88859	0.86241	0.8379	0.80832
Cluster 3	-2.273461	0.89104	0.88859	0.86241	0.8379	0.80832
Cluster 4	0.9758737	0.89104	0.88859	0.86241	0.8379	0.80832
Cluster 5	-0.2648433	0.89104	0.88859	0.86241	0.8379	0.80832
Cluster 6	0.4983861	0.89104	0.88859	0.86241	0.8379	0.80832



Factor 4 - Stability

Variable	Factor Loading
Q4	-0.571357
Q8	-0.528657
Q2	-0.489579

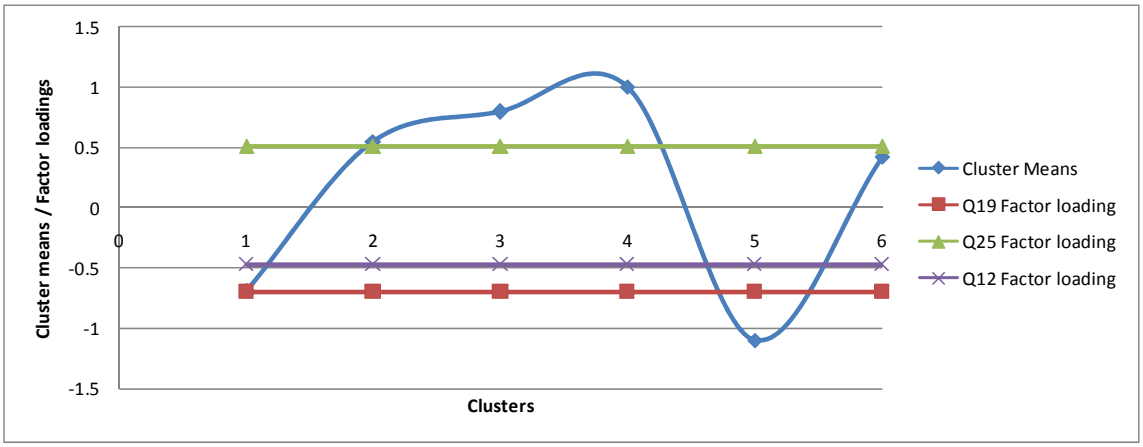
Cluster	Cluster Means	Q4	Q8	Q2
Cluster 1	-1.07306	-0.5714	-0.5287	-0.4896
Cluster 2	0.9186605	-0.5714	-0.5287	-0.4896
Cluster 3	-0.2230192	-0.5714	-0.5287	-0.4896
Cluster 4	-0.6061841	-0.5714	-0.5287	-0.4896
Cluster 5	0.5120931	-0.5714	-0.5287	-0.4896
Cluster 6	-1.88E-02	-0.5714	-0.5287	-0.4896



Factor 5 - Vertical Communication

Variable	Factor Loading
Q19	-0.695277
Q25	0.507678
Q12	-0.467286

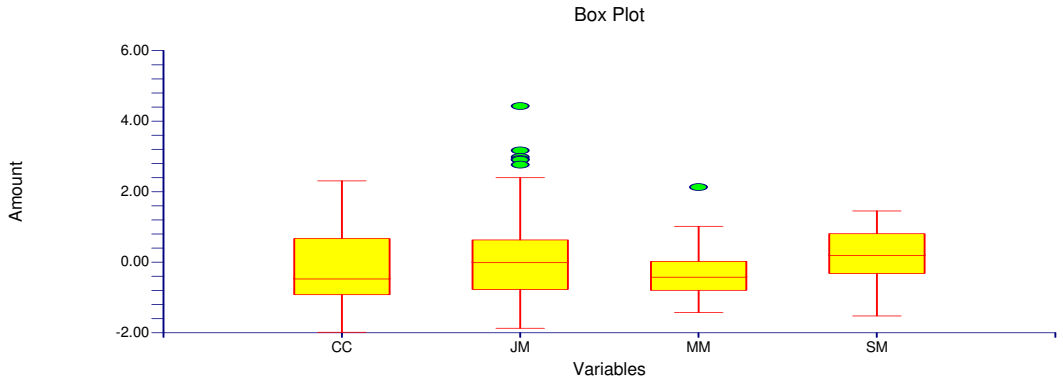
Cluster	Cluster Means	Q19	Q25	Q12
Cluster 1	-0.6836228	-0.6953	0.50768	-0.4673
Cluster 2	0.5475812	-0.6953	0.50768	-0.4673
Cluster 3	0.7954635	-0.6953	0.50768	-0.4673
Cluster 4	1.003254	-0.6953	0.50768	-0.4673
Cluster 5	-1.098904	-0.6953	0.50768	-0.4673
Cluster 6	0.4204815	-0.6953	0.50768	-0.4673



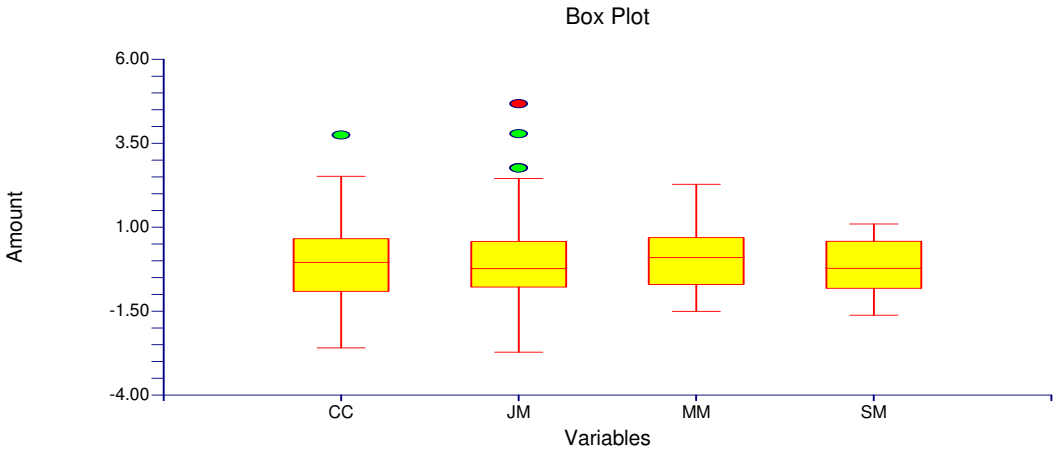
Appendix H: One-way Analysis of Variance (ANOVA) on Factor Scores Report

a) Position

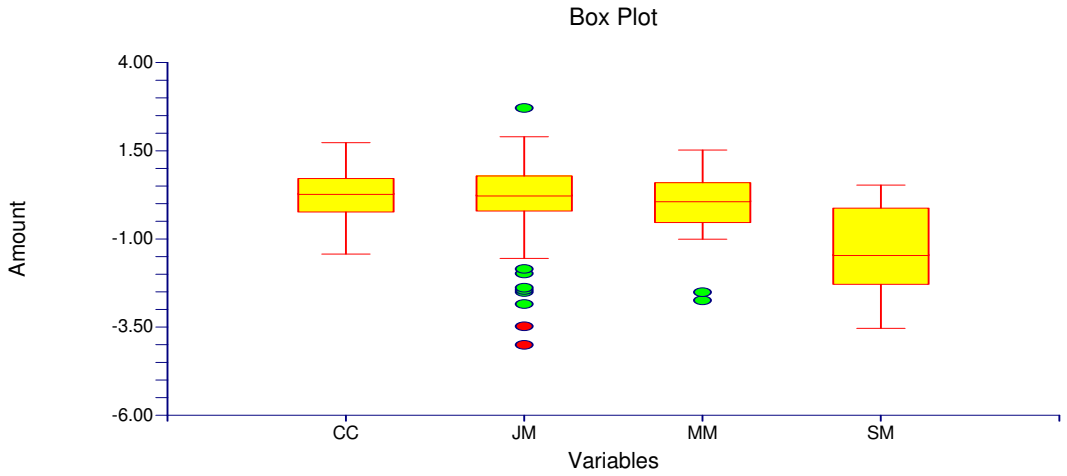
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Page/Date/Time	2 2008-06-18 03:30:21 PM				
Database	C:\Documents and Settings\a1 ... ire responses\Respondents.S0				
Response	Factor1				
Kruskal-Wallis One-Way ANOVA on Ranks					
Hypotheses					
Ho: All medians are equal.					
Ha: At least two medians are different.					
Test Results					
		Chi-Square	**Prob**		
Method	**DF**	**(H)**	**Level**	**Decision(0.05)**	
Not Corrected for Ties	3	6.682139	0.08275	Accept Ho	
Corrected for Ties	3	6.682154	0.082749	Accept Ho	
Number Sets of Ties	1				
Multiplicity Factor	24				
Group Detail					
		Sum of	**Mean**		
Group	**Count**	**Ranks**	**Rank**	**Z-Value**	**Median**
CC	49	5111	104.31	-0.8881	-0.4514789
JM	116	13613	117.35	1.4205	9.45E-03
MM	39	3639	93.31	-1.9482	-0.4049831
SM	18	2390	132.78	1.4662	0.2096263
Means and Effects Section					
			Standard		
Term	**Count**	**Mean**	**Error**	**Effect**	
All	222	-6.60E-16		-0.0340956	
A: Position					
CC	49	-0.1144549	0.1521652	-8.04E-02	
JM	116	0.1299059	9.89E-02	0.1640015	
MM	39	-0.3203709	0.1705615	-0.2862754	
SM	18	0.1685376	0.2510597	0.2026332	



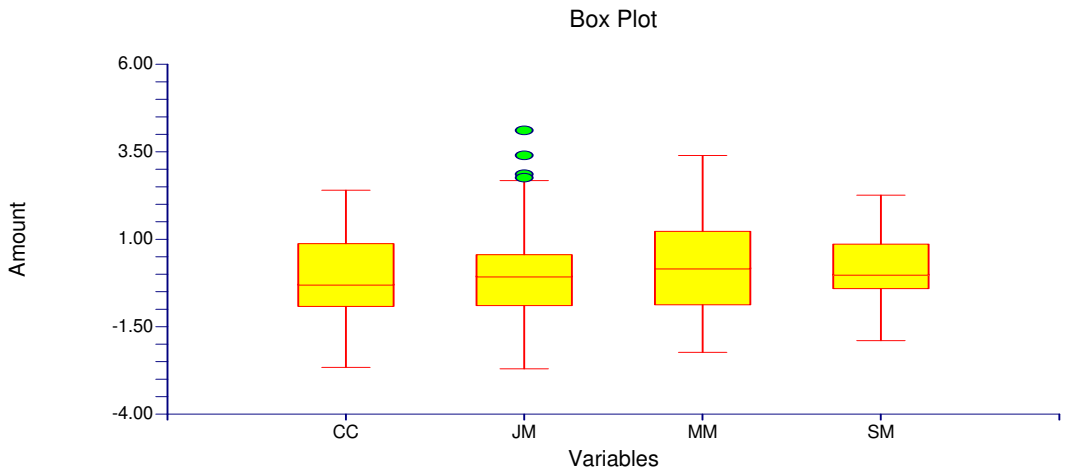
Analysis of Variance Report					
Page/Date/Time	2 2008-06-18 03:30:21 PM				
Database	C:\Documents and Settings\a1 ... ire responses\Respondents.S0				
Response	Factor2				
Kruskal-Wallis One-Way ANOVA on Ranks					
Hypotheses					
Ho: All medians are equal.					
Ha: At least two medians are different.					
Test Results					
		Chi-Square	**Prob**		
Method	**DF**	**(H)**	**Level**	**Decision(0.05)**	
Not Corrected for Ties	3	0.656845	0.883304	Accept Ho	
Corrected for Ties	3	0.6568465	0.883304	Accept Ho	
Number Sets of Ties	1				
Multiplicity Factor	24				
Group Detail					
		Sum of	**Mean**		
Group	**Count**	**Ranks**	**Rank**	**Z-Value**	**Median**
CC	49	5565	113.57	0.2557	-1.96E-02
JM	116	12673	109.25	-0.546	-0.2058615
MM	39	4592	117.74	0.6686	0.1205449
SM	18	1923	106.83	-0.3216	-0.1992233
Means and Effects Section					
			Standard		
Term	**Count**	**Mean**	**Error**	**Effect**	
All	222	-1.63E-15		-1.92E-02	
A: Position					
CC	49	1.75E-03	0.1639355	2.10E-02	
JM	116	-3.92E-03	0.1065472	1.53E-02	
MM	39	8.17E-02	0.1837548	0.1008903	
SM	18	-0.1564083	0.2704797	-0.1371778	



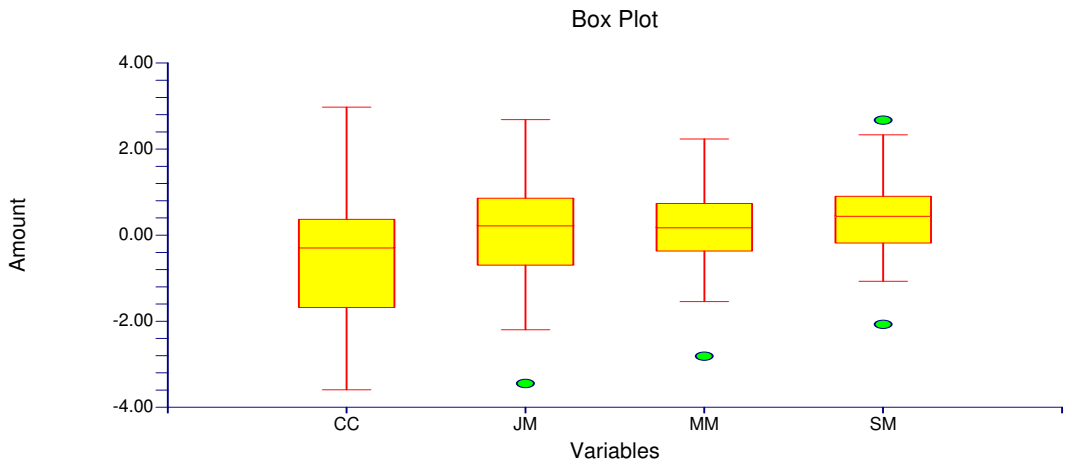
Analysis of Variance Report					
Page/Date/Time	2 2008-06-18 03:30:21 PM				
Database	C:\Documents and Settings\a1 ... ire responses\Respondents.S0				
Response	Factor3				
Kruskal-Wallis One-Way ANOVA on Ranks					
Hypotheses					
Ho: All medians are equal.					
Ha: At least two medians are different.					
Test Results					
		Chi-Square	**Prob**		
Method	**DF**	**(H)**	**Level**	**Decision(0.05)**	
Not Corrected for Ties	3	23.81023	0.000027	Reject Ho	
Corrected for Ties	3	23.81028	0.000027	Reject Ho	
Number Sets of Ties	1				
Multiplicity Factor	24				
Group Detail					
		Sum of	**Mean**		
Group	**Count**	**Ranks**	**Rank**	**Z-Value**	**Median**
CC	49	5925	120.92	1.1628	0.2889363
JM	116	13924	120.03	2.0711	0.2469033
MM	39	4128	105.85	-0.6055	7.98E-02
SM	18	776	43.11	-4.7124	-1.442542
Means and Effects Section					
			Standard		
Term	**Count**	**Mean**	**Error**	**Effect**	
All	222	-1.20E-15		-0.2500166	
A: Position					
CC	49	0.2267611	0.1377331	0.4767777	
JM	116	0.1178206	0.0895174	0.3678372	
MM	39	-2.74E-02	0.1543847	0.2226443	
SM	18	-1.317276	0.2272481	-1.067259	



Analysis of Variance Report					
Page/Date/Time	2 2008-06-18 03:30:21 PM				
Database	C:\Documents and Settings\a1 ... ire responses\Respondents.S0				
Response	Factor4				
Kruskal-Wallis One-Way ANOVA on Ranks					
Hypotheses					
Ho: All medians are equal.					
Ha: At least two medians are different.					
Test Results					
		Chi-Square	**Prob**		
Method	**DF**	**(H)**	**Level**	**Decision(0.05)**	
Not Corrected for Ties	3	2.568917	0.462965	Accept Ho	
Corrected for Ties	3	2.568923	0.462964	Accept Ho	
Number Sets of Ties	1				
Multiplicity Factor	24				
Group Detail					
		Sum of	**Mean**		
Group	**Count**	**Ranks**	**Rank**	**Z-Value**	**Median**
CC	49	5201	106.14	-0.6614	-0.2845811
JM	116	12535	108.06	-0.8347	-5.01E-02
MM	39	4843	124.18	1.3578	0.1793738
SM	18	2174	120.78	0.6393	-3.00E-04
Means and Effects Section					
			Standard		
Term	**Count**	**Mean**	**Error**	**Effect**	
All	222	-8.28E-16		5.02E-02	
A: Position					
CC	49	-0.1138194	0.1690649	-0.1639741	
JM	116	-5.28E-02	0.109881	-0.102924	
MM	39	0.2423169	0.1895043	0.1921622	
SM	18	0.1248906	0.2789429	7.47E-02	

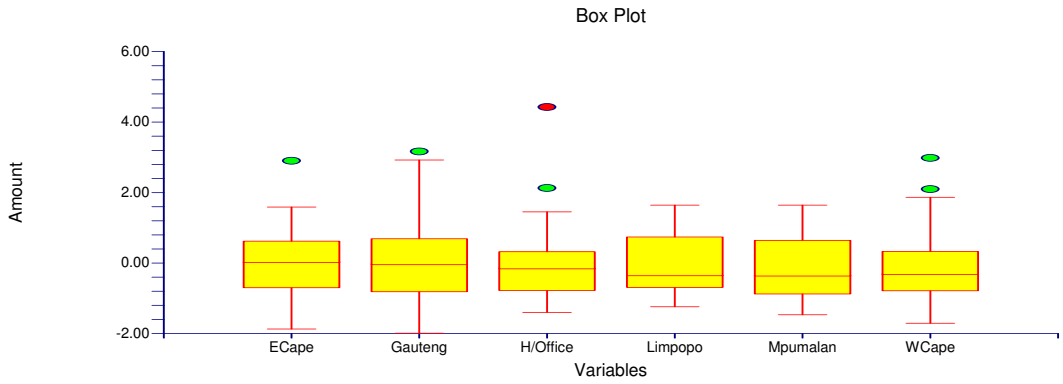


Analysis of Variance Report					
Page/Date/Time	2 2008-06-18 03:30:22 PM				
Database	C:\Documents and Settings\a1 ... ire responses\Respondents.S0				
Response	Factor5				
Kruskal-Wallis One-Way ANOVA on Ranks					
Hypotheses					
Ho: All medians are equal.					
Ha: At least two medians are different.					
Test Results					
		Chi-Square	**Prob**		
Method	**DF**	**(H)**	**Level**	**Decision(0.05)**	
Not Corrected for Ties	3	12.94544	0.004756	Reject Ho	
Corrected for Ties	3	12.94547	0.004756	Reject Ho	
Number Sets of Ties	1				
Multiplicity Factor	24				
Group Detail					
		Sum of	**Mean**		
Group	**Count**	**Ranks**	**Rank**	**Z-Value**	**Median**
CC	49	4105	83.78	-3.4228	-0.2765509
JM	116	13610	117.33	1.4142	0.2363917
MM	39	4604	118.05	0.7016	0.192956
SM	18	2434	135.22	1.6346	0.4585715
Means and Effects Section					
			Standard		
Term	**Count**	**Mean**	**Error**	**Effect**	
All	222	1.59E-15		3.93E-02	
A: Position					
CC	49	-0.6064873	0.166789	-0.6457444	
JM	116	0.1282852	0.1084018	8.90E-02	
MM	39	0.1620305	0.1869533	0.1227734	
SM	18	0.4732	0.2751878	0.4339429	

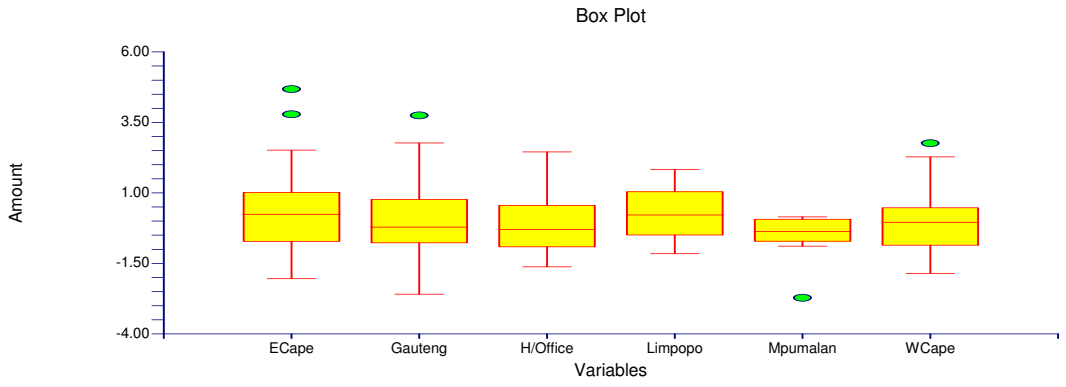


b) Location

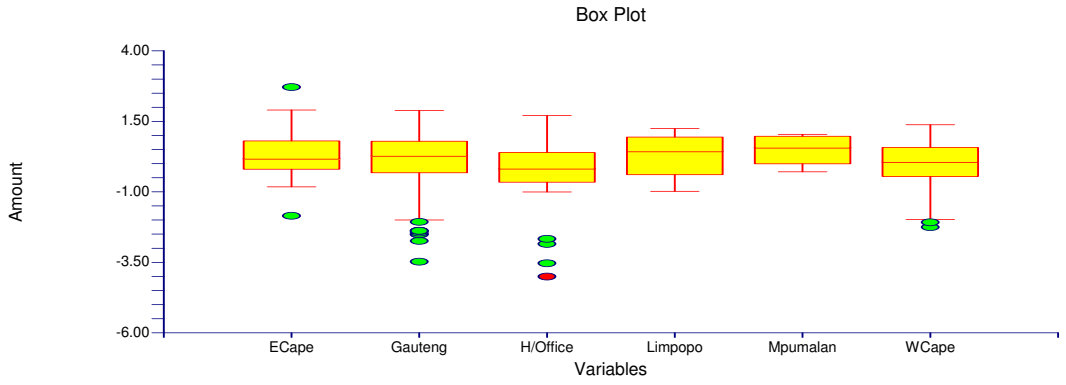
Analysis of Variance Report					
Page/Date/Time	2 2008-06-18 03:29:37 PM				
Database	C:\Documents and Settings\a1 ... ire responses\Respondents.S0				
Response	Factor1				
Kruskal-Wallis One-Way ANOVA on Ranks					
Hypotheses					
Ho: All medians are equal.					
Ha: At least two medians are different.					
Test Results					
		Chi-Square	**Prob**		
Method	**DF**	**(H)**	**Level**	**Decision(0.05)**	
Not Corrected for Ties	5	1.119033	0.952405	Accept Ho	
Corrected for Ties	5	1.119035	0.952405	Accept Ho	
Number Sets of Ties	1				
Multiplicity Factor	24				
Group Detail					
		Sum of	**Mean**		
Group	**Count**	**Ranks**	**Rank**	**Z-Value**	**Median**
ECape	22	2596	118	0.5001	3.61E-02
Gauteng	88	10147	115.31	0.7156	-2.25E-02
H/Office	40	4367	109.18	-0.2528	-0.144117
Limpopo	6	663	110.5	-0.0387	-0.3396353
Mpumalanga	10	1047	104.7	-0.3426	-0.3455218
WCape	56	5933	105.95	-0.7483	-0.3065062
Means and Effects Section					
			Standard		
Term	**Count**	**Mean**	**Error**	**Effect**	
All	222	-6.44E-16		-0.0330819	
A: Location					
ECape	22	5.40E-02	0.2306324	8.71E-02	
Gauteng	88	8.79E-02	0.1153162	0.1210248	
H/Office	40	-0.0237127	0.1710416	0.0093692	
Limpopo	6	-5.87E-02	0.4416274	-2.56E-02	
Mpumalanga	10	-0.1483421	0.3420831	-0.1152602	
WCape	56	-0.1097102	0.1445565	-7.66E-02	



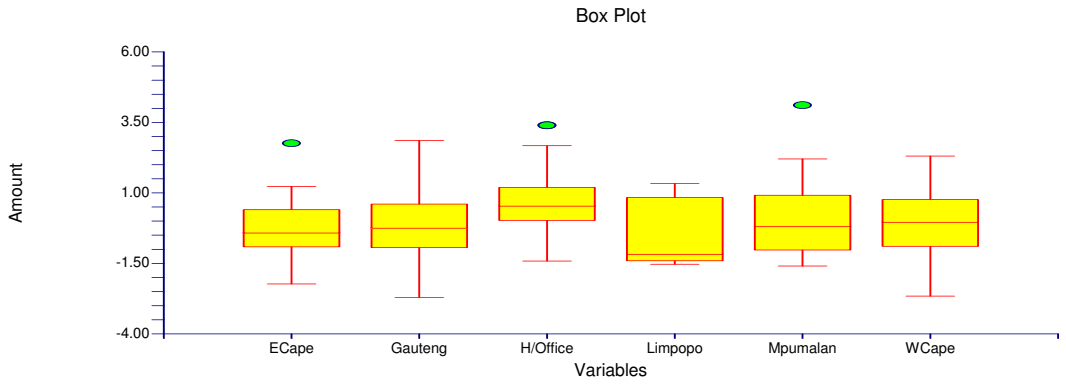
Analysis of Variance Report					
Page/Date/Time	2 2008-06-18 03:29:37 PM				
Database	C:\Documents and Settings\a1 ... ire responses\Respondents.S0				
Response	Factor2				
Kruskal-Wallis One-Way ANOVA on Ranks					
Hypotheses					
Ho: All medians are equal.					
Ha: At least two medians are different.					
Test Results					
		Chi-Square	**Prob**		
Method	**DF**	**(H)**	**Level**	**Decision(0.05)**	
Not Corrected for Ties	5	3.22011	0.666093	Accept Ho	
Corrected for Ties	5	3.220117	0.666092	Accept Ho	
Number Sets of Ties	1				
Multiplicity Factor	24				
Group Detail					
		Sum of	**Mean**		
Group	**Count**	**Ranks**	**Rank**	**Z-Value**	**Median**
ECape	22	2768	125.82	1.1016	0.2660744
Gauteng	88	9723	110.49	-0.1901	-0.1886783
H/Office	40	4413	110.33	-0.1278	-0.269418
Limpopo	6	792	132	0.7926	0.2421825
Mpumalanga	10	869	86.9	-1.2394	-0.3438963
WCape	56	6188	110.5	-0.1347	-1.97E-02
Means and Effects Section					
			Standard		
Term	**Count**	**Mean**	**Error**	**Effect**	
All	222	-1.63E-15		3.85E-03	
A: Location					
ECape	22	0.3503514	0.2434701	0.3464975	
Gauteng	88	-0.0137419	0.1217351	-1.76E-02	
H/Office	40	-2.52E-02	0.1805623	-2.91E-02	
Limpopo	6	0.2764442	0.4662097	0.2725903	
Mpumalanga	10	-0.5320837	0.3611245	-0.5359375	
WCape	56	-3.27E-02	0.152603	-3.65E-02	



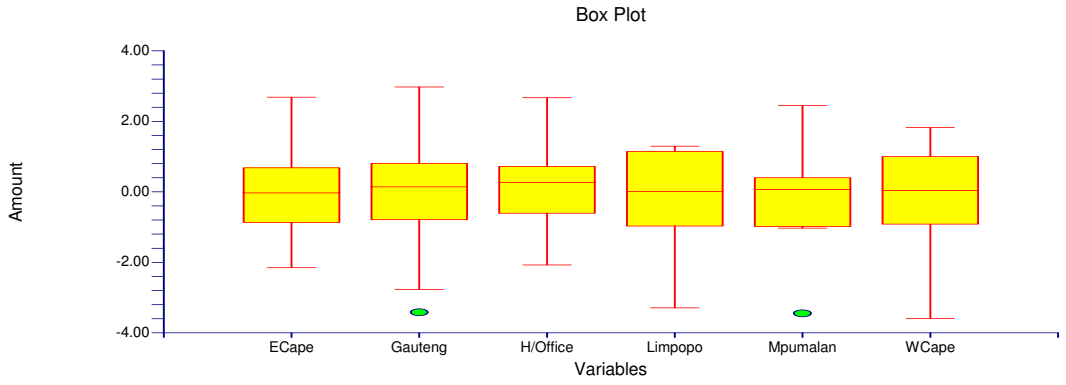
Analysis of Variance Report					
Page/Date/Time	2 2008-06-18 03:29:37 PM				
Database	C:\Documents and Settings\a1 ... ire responses\Respondents.S0				
Response	Factor3				
Kruskal-Wallis One-Way ANOVA on Ranks					
Hypotheses					
Ho: All medians are equal.					
Ha: At least two medians are different.					
Test Results					
		Chi-Square	**Prob**		
Method	**DF**	**(H)**	**Level**	**Decision(0.05)**	
Not Corrected for Ties	5	9.837235	0.079981	Accept Ho	
Corrected for Ties	5	9.837256	0.07998	Accept Ho	
Number Sets of Ties	1				
Multiplicity Factor	24				
Group Detail					
		Sum of	**Mean**		
Group	**Count**	**Ranks**	**Rank**	**Z-Value**	**Median**
ECape	22	2691	122.32	0.8323	0.1823352
Gauteng	88	10277	116.78	0.9933	0.2846265
H/Office	40	3552	88.8	-2.4686	-0.1677273
Limpopo	6	790	131.67	0.7797	0.4449753
Mpumalanga	10	1452	145.2	1.6979	0.5779707
WCape	56	5991	106.98	-0.6087	6.87E-02
Means and Effects Section					
			Standard		
Term	**Count**	**Mean**	**Error**	**Effect**	
All	222	-1.18E-15		0.1263575	
A: Location					
ECape	22	0.3179543	0.2193818	0.1915968	
Gauteng	88	2.83E-03	0.1096909	-0.1235239	
H/Office	40	-0.3261909	0.1626979	-0.4525484	
Limpopo	6	0.2972125	0.4200842	0.1708549	
Mpumalanga	10	0.4803213	0.3253958	0.3539638	
WCape	56	-1.40E-02	0.1375048	-0.1403432	



Analysis of Variance Report					
Page/Date/Time	2 2008-06-18 03:29:37 PM				
Database	C:\Documents and Settings\a1 ... ire responses\Respondents.S0				
Response	Factor4				
Kruskal-Wallis One-Way ANOVA on Ranks					
Hypotheses					
Ho: All medians are equal.					
Ha: At least two medians are different.					
Test Results					
		Chi-Square	**Prob**		
Method	**DF**	**(H)**	**Level**	**Decision(0.05)**	
Not Corrected for Ties	5	17.79892	0.003209	Reject Ho	
Corrected for Ties	5	17.79896	0.003209	Reject Ho	
Number Sets of Ties	1				
Multiplicity Factor	24				
Group Detail					
		Sum of	**Mean**		
Group	**Count**	**Ranks**	**Rank**	**Z-Value**	**Median**
ECape	22	2101	95.5	-1.231	-0.3965586
Gauteng	88	8995	102.22	-1.7453	-0.229396
H/Office	40	5928	148.2	3.9912	0.5533
Limpopo	6	477	79.5	-1.2372	-1.154642
Mpumalanga	10	1086	108.6	-0.1461	-0.1717388
WCape	56	6166	110.11	-0.1877	-1.83E-02
Means and Effects Section					
			Standard		
Term	**Count**	**Mean**	**Error**	**Effect**	
All	222	-9.14E-16		-0.0261296	
A: Location					
ECape	22	-0.2814523	0.2444927	-0.2553227	
Gauteng	88	-0.1814212	0.1222463	-0.1552916	
H/Office	40	0.6639885	0.1813206	0.6901181	
Limpopo	6	-0.5337951	0.4681678	-0.5076656	
Mpumalanga	10	0.2402239	0.3626412	0.2663535	
WCape	56	-6.43E-02	0.1532439	-3.82E-02	

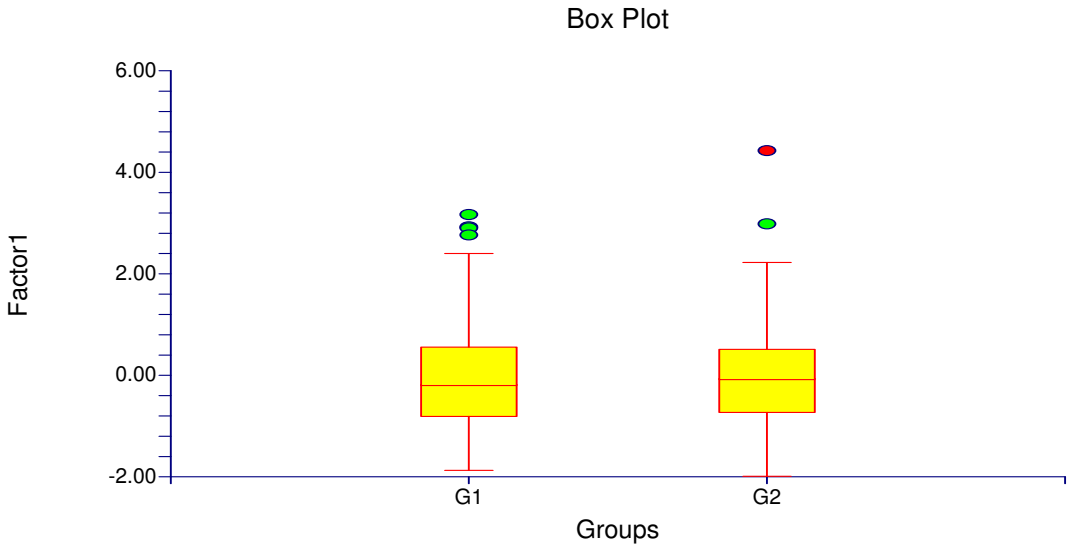


Analysis of Variance Report					
Page/Date/Time	2 2008-06-18 03:29:37 PM				
Database	C:\Documents and Settings\a1 ... ire responses\Respondents.S0				
Response	Factor5				
Kruskal-Wallis One-Way ANOVA on Ranks					
Hypotheses					
Ho: All medians are equal.					
Ha: At least two medians are different.					
Test Results					
		Chi-Square	**Prob**		
Method	**DF**	**(H)**	**Level**	**Decision(0.05)**	
Not Corrected for Ties	5	0.6082132	0.987624	Accept Ho	
Corrected for Ties	5	0.6082146	0.987624	Accept Ho	
Number Sets of Ties	1				
Multiplicity Factor	24				
Group Detail					
		Sum of	**Mean**		
Group	**Count**	**Ranks**	**Rank**	**Z-Value**	**Median**
ECape	22	2406	109.36	-0.1644	-8.21E-03
Gauteng	88	9734	110.61	-0.1666	0.1609946
H/Office	40	4665	116.63	0.5573	0.2899257
Limpopo	6	682	113.67	0.0838	3.27E-02
Mpumalanga	10	1003	100.3	-0.5643	8.50E-02
WCape	56	6263	111.84	0.0457	5.69E-02
Means and Effects Section					
			Standard		
Term	**Count**	**Mean**	**Error**	**Effect**	
All	222	1.65E-15		-3.72E-02	
A: Location					
ECape	22	0.0801819	0.2597436	0.1173994	
Gauteng	88	-2.26E-02	0.1298718	1.46E-02	
H/Office	40	0.1314914	0.192631	0.1687089	
Limpopo	6	-0.1734075	0.497371	-0.13619	
Mpumalanga	10	-0.2040647	0.385262	-0.1668472	
WCape	56	-3.49E-02	0.1628029	2.28E-03	

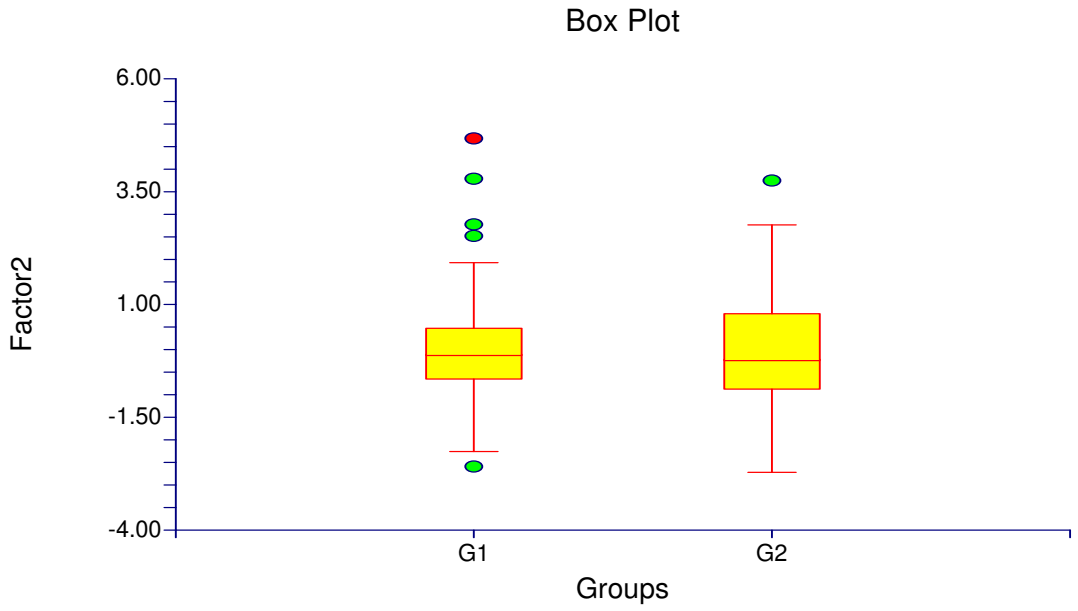


c) Gender

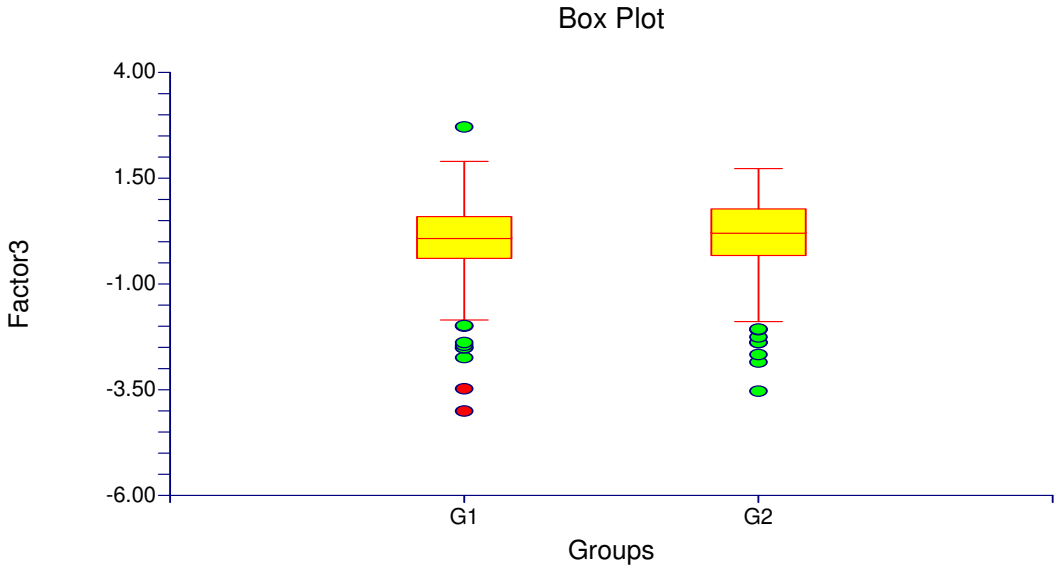
Two-Sample Test Report						
Page/Date/Time	1 2008-06-18 03:30:50 PM					
Database	C:\Documents and Settings\a1 ... ire responses\Respondents.S0					
Variable	Factor1					
Descriptive Statistics Section						
			Standard	**Standard**	**95% LCL**	**95% UCL**
Variable	**Count**	**Mean**	**Deviation**	**Error**	**of Mean**	**of Mean**
Gender=F	112	-1.97E-02	1.111768	0.1050522	-0.2278571	0.188479
Gender=M	110	2.00E-02	1.036757	9.89E-02	-0.1758723	0.2159663
Note: T-alpha (Gender=F) = 1.9816, T-alpha (Gender=M) = 1.9820						
Equal-Variance T-Test Section						
Alternative		**Prob**	**Decision**	**Power**	**Power**	
Hypothesis	**T-Value**	**Level**	**-5%**	**(Alpha=.05)**	**(Alpha=.01)**	
Difference <> 0	-0.2753	0.783347	Accept Ho	0.05865	0.012843	
Difference < 0	-0.2753	0.391673	Accept Ho	0.086361	0.020876	
Difference > 0	-0.2753	0.608327	Accept Ho	0.027911	0.004894	
Difference: (Gender=F)-(Gender=M)						



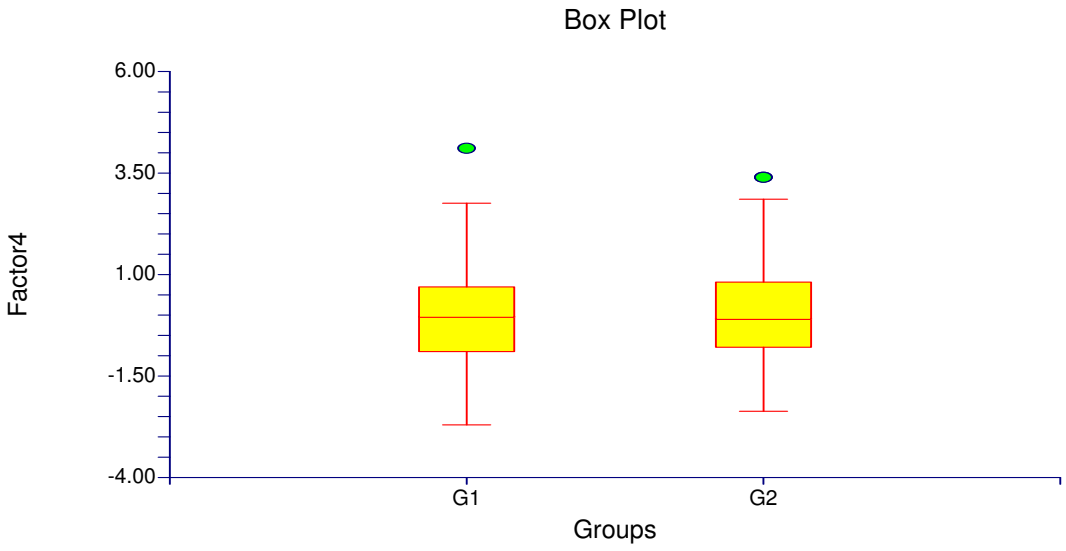
Two-Sample Test Report						
Page/Date/Time	4 2008-06-18 03:30:50 PM					
Database	C:\Documents and Settings\a1 ... ire responses\Respondents.S0					
Variable	Factor2					
Descriptive Statistics Section						
			Standard	**Standard**	**95% LCL**	**95% UCL**
Variable	**Count**	**Mean**	**Deviation**	**Error**	**of Mean**	**of Mean**
Gender=F	112	-1.17E-02	1.076869	0.1017546	-0.2133643	0.1899026
Gender=M	110	1.19E-02	1.207877	0.1151666	-0.2163123	0.2402005
Note: T-alpha (Gender=F) = 1.9816, T-alpha (Gender=M) = 1.9820						
Equal-Variance T-Test Section						
Alternative		**Prob**	**Decision**	**Power**	**Power**	
Hypothesis	**T-Value**	**Level**	**-5%**	**(Alpha=.05)**	**(Alpha=.01)**	
Difference <> 0	-0.1542	0.877583	Accept Ho	0.052705	0.010879	
Difference < 0	-0.1542	0.438791	Accept Ho	0.068875	0.015529	
Difference > 0	-0.1542	0.561209	Accept Ho	0.036589	0.006891	
Difference: (Gender=F)-(Gender=M)						



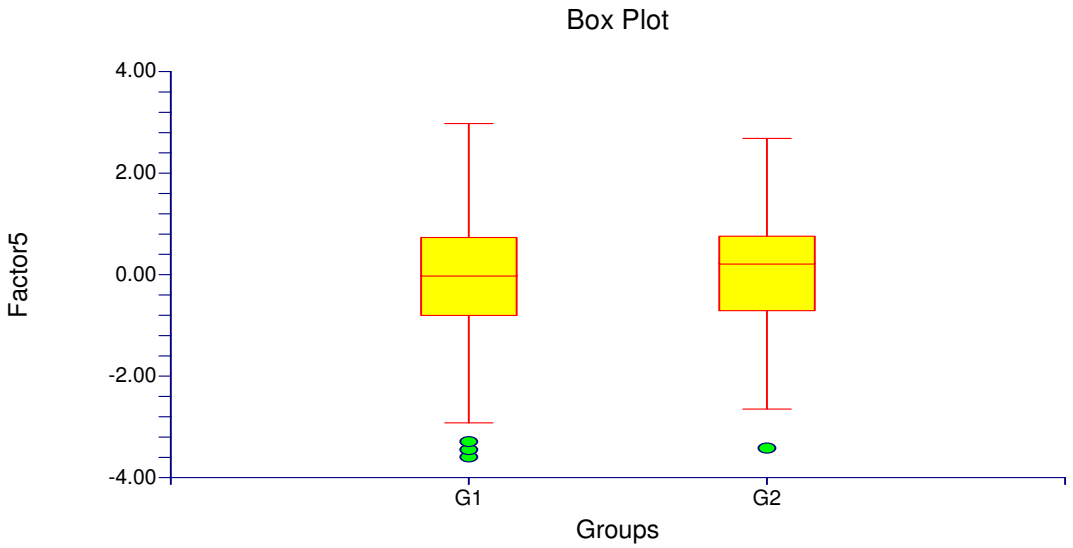
Two-Sample Test Report						
Page/Date/Time	7 2008-06-18 03:30:50 PM					
Database	C:\Documents and Settings\a1 ... ire responses\Respondents.S0					
Variable	Factor3					
Descriptive Statistics Section						
			Standard	Standard	95% LCL	95% UCL
Variable	**Count**	**Mean**	**Deviation**	**Error**	**of Mean**	**of Mean**
Gender=F	112	-3.89E-02	1.091301	0.1031182	-0.2432277	0.1654437
Gender=M	110	3.96E-02	0.983809	9.38E-02	-0.1463144	0.2255127
Note: T-alpha (Gender=F) = 1.9816, T-alpha (Gender=M) = 1.9820						
Equal-Variance T-Test Section						
Alternative		**Prob**	**Decision**	**Power**	**Power**	
Hypothesis	**T-Value**	**Level**	**-5%**	**(Alpha=.05)**	**(Alpha=.01)**	
Difference <> 0	-0.5625	0.574322	Accept Ho	0.086642	0.022683	
Difference < 0	-0.5625	0.287161	Accept Ho	0.140708	0.040019	
Difference > 0	-0.5625	0.712839	Accept Ho	0.013946	0.00206	
Difference: (Gender=F)-(Gender=M)						



Two-Sample Test Report						
Page/Date/Time	10 2008-06-18 03:30:50 PM					
Database	C:\Documents and Settings\a1 ... ire responses\Respondents.S0					
Variable	Factor4					
Descriptive Statistics Section						
			Standard	**Standard**	**95% LCL**	**95% UCL**
Variable	**Count**	**Mean**	**Deviation**	**Error**	**of Mean**	**of Mean**
Gender=F	112	-5.34E-02	1.154199	0.1090615	-0.2694902	0.1627352
Gender=M	110	5.43E-02	1.212837	0.1156395	-0.1748456	0.2835417
Note: T-alpha (Gender=F) = 1.9816, T-alpha (Gender=M) = 1.9820						
Equal-Variance T-Test Section						
Alternative		**Prob**	**Decision**	**Power**	**Power**	
Hypothesis	**T-Value**	**Level**	**-5%**	**(Alpha=.05)**	**(Alpha=.01)**	
Difference <> 0	-0.678	0.498477	Accept Ho	0.103619	0.029106	
Difference < 0	-0.678	0.249238	Accept Ho	0.168019	0.050952	
Difference > 0	-0.678	0.750762	Accept Ho	0.010336	0.001425	
Difference: (Gender=F)-(Gender=M)						

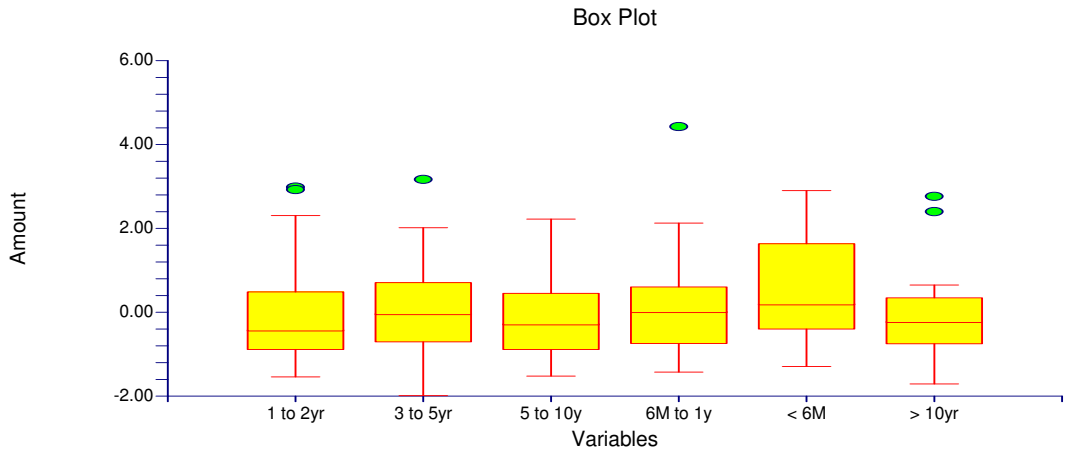


Two-Sample Test Report						
Page/Date/Time	13 2008-06-18 03:30:50 PM					
Database	C:\Documents and Settings\a1 ... ire responses\Respondents.S0					
Variable	Factor5					
Descriptive Statistics Section						
			Standard	Standard	95% LCL	95% UCL
Variable	**Count**	**Mean**	**Deviation**	**Error**	**of Mean**	**of Mean**
Gender=F	112	-0.0973013	1.23722	0.1169063	-0.3289589	0.1343563
Gender=M	110	9.91E-02	1.173467	0.1118857	-0.1226835	0.3208243
Note: T-alpha (Gender=F) = 1.9816, T-alpha (Gender=M) = 1.9820						
Equal-Variance T-Test Section						
Alternative		**Prob**	**Decision**	**Power**	**Power**	
Hypothesis	**T-Value**	**Level**	**-5%**	**(Alpha=.05)**	**(Alpha=.01)**	
Difference <> 0	-1.2129	0.226452	Accept Ho	0.226701	0.08511	
Difference < 0	-1.2129	0.113226	Accept Ho	0.334062	0.134796	
Difference > 0	-1.2129	0.886774	Accept Ho	0.002205	0.00022	
Difference: (Gender=F)-(Gender=M)						

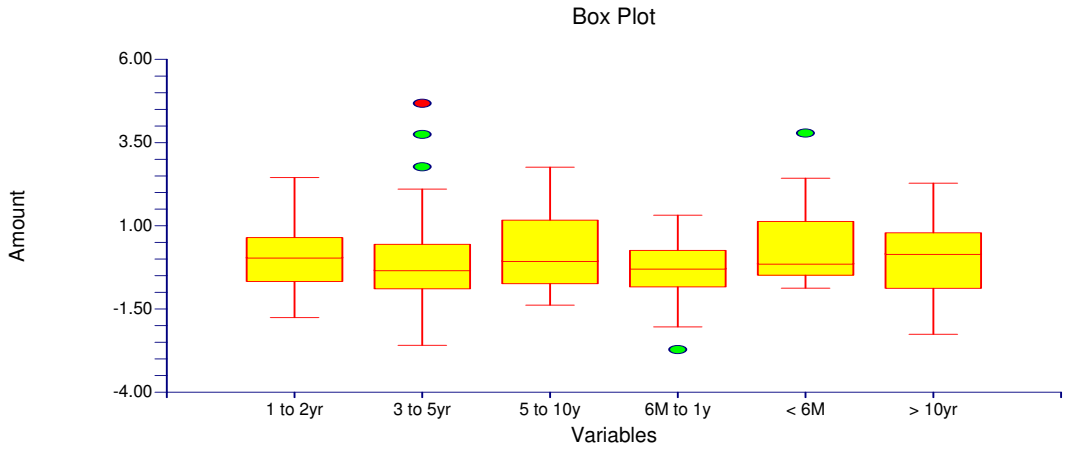


d) Tenure

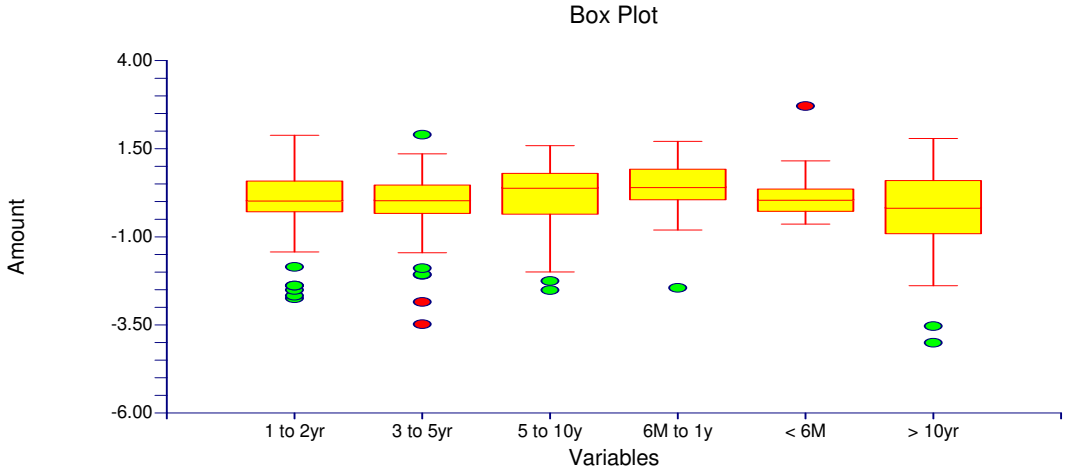
Analysis of Variance Report					
Page/Date/Time	2 2008-06-18 03:29:07 PM				
Database	C:\Documents and Settings\a1 ... ire responses\Respondents.S0				
Response	Factor1				
Kruskal-Wallis One-Way ANOVA on Ranks					
Hypotheses					
Ho: All medians are equal.					
Ha: At least two medians are different.					
Test Results					
		Chi-Square	**Prob**		
Method	**DF**	**(H)**	**Level**	**Decision(0.05)**	
Not Corrected for Ties	5	4.269742	0.511269	Accept Ho	
Corrected for Ties	5	4.269751	0.511267	Accept Ho	
Number Sets of Ties	1				
Multiplicity Factor	24				
Group Detail					
		Sum of	**Mean**		
Group	**Count**	**Ranks**	**Rank**	**Z-Value**	**Median**
1 to 2yr	58	5981	103.12	-1.1559	-0.4234312
3 to 5yr	55	6400	116.36	0.6475	-3.56E-02
5 to 10yr	37	3966	107.19	-0.4472	-0.2772655
6M to 1yr	33	3790	114.85	0.3246	1.47E-02
< 6M	12	1699	141.58	1.6682	0.1971154
> 10yr	27	2917	108.04	-0.2989	-0.2226471
Means and Effects Section					
			Standard		
Term	**Count**	**Mean**	**Error**	**Effect**	
All	222	-6.44E-16		6.29E-02	
A: Tenure					
1 to 2yr	58	-8.79E-02	0.1413388	-0.1508255	
3 to 5yr	55	2.56E-02	0.1451423	-3.73E-02	
5 to 10yr	37	-4.73E-02	0.1769598	-0.11015	
6M to 1yr	33	4.04E-02	0.1873779	-2.25E-02	
< 6M	12	0.5300002	0.3107311	0.4671033	
> 10yr	27	-8.34E-02	0.2071541	-0.1463245	



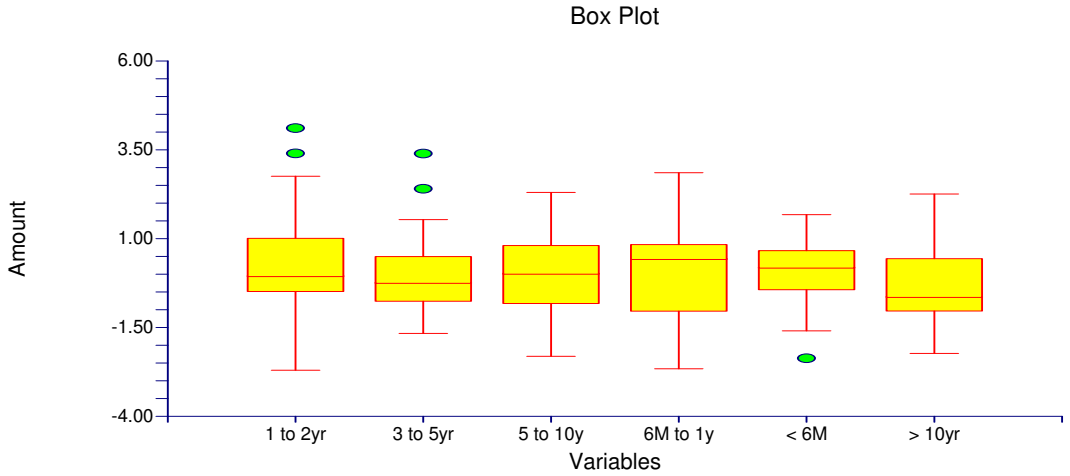
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Response	Factor2				
Kruskal-Wallis One-Way ANOVA on Ranks					
Hypotheses					
Ho: All medians are equal.					
Ha: At least two medians are different.					
Test Results					
		Chi-Square	**Prob**		
Method	**DF**	**(H)**	**Level**	**Decision(0.05)**	
Not Corrected for Ties	5	5.496264	0.358356	Accept Ho	
Corrected for Ties	5	5.496276	0.358354	Accept Ho	
Number Sets of Ties	1				
Multiplicity Factor	24				
Group Detail					
		Sum of	**Mean**		
Group	**Count**	**Ranks**	**Rank**	**Z-Value**	**Median**
1 to 2yr	58	6737	116.16	0.6422	5.75E-02
3 to 5yr	55	5494	99.89	-1.5455	-0.325313
5 to 10yr	37	4547	122.89	1.1818	-4.67E-02
6M to 1yr	33	3263	98.88	-1.2234	-0.2760568
< 6M	12	1518	126.5	0.8318	-0.1259335
> 10yr	27	3194	118.3	0.5866	0.1652059
Means and Effects Section					
			Standard		
Term	**Count**	**Mean**	**Error**	**Effect**	
All	222	-1.63E-15		4.94E-02	
A: Tenure					
1 to 2yr	58	4.60E-02	0.1493805	-3.33E-03	
3 to 5yr	55	-0.1375132	0.1534004	-0.1868703	
5 to 10yr	37	0.2445044	0.1870282	0.1951473	
6M to 1yr	33	-0.2878328	0.1980391	-0.3371899	
< 6M	12	0.4193652	0.3284107	0.3700081	
> 10yr	27	1.16E-02	0.2189405	-3.78E-02	



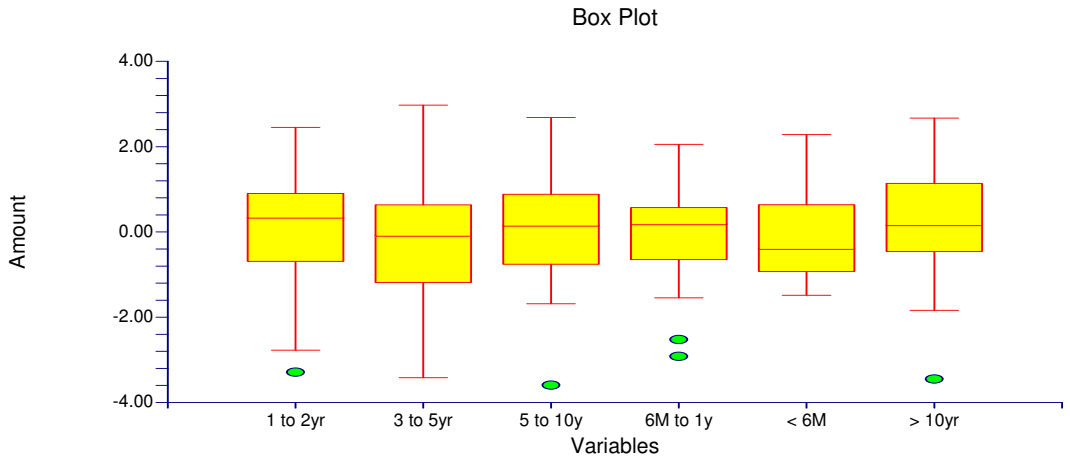
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Response	Factor3				
Kruskal-Wallis One-Way ANOVA on Ranks					
Hypotheses					
Ho: All medians are equal.					
Ha: At least two medians are different.					
Test Results					
		Chi-Square	**Prob**		
Method	**DF**	**(H)**	**Level**	**Decision(0.05)**	
Not Corrected for Ties	5	8.168604	0.147185	Accept Ho	
Corrected for Ties	5	8.168622	0.147184	Accept Ho	
Number Sets of Ties	1				
Multiplicity Factor	24				
Group Detail					
		Sum of	**Mean**		
Group	**Count**	**Ranks**	**Rank**	**Z-Value**	**Median**
1 to 2yr	58	6151	106.05	-0.7516	4.25E-02
3 to 5yr	55	5724	104.07	-0.9888	5.09E-02
5 to 10yr	37	4463	120.62	0.9463	0.4030309
6M to 1yr	33	4488	136	2.3748	0.4226992
< 6M	12	1320	110	-0.0832	6.35E-02
> 10yr	27	2607	96.56	-1.29	-0.1632552
Means and Effects Section					
			Standard		
Term	**Count**	**Mean**	**Error**	**Effect**	
All	222	-1.20E-15		3.69E-02	
A: Tenure					
1 to 2yr	58	-7.39E-02	0.1353469	-0.1107864	
3 to 5yr	55	-9.41E-02	0.1389892	-0.1310432	
5 to 10yr	37	9.30E-02	0.1694578	5.60E-02	
6M to 1yr	33	0.3422228	0.1794343	0.3052981	
< 6M	12	0.2693145	0.2975581	0.2323898	
> 10yr	27	-0.3149713	0.1983721	-0.351896	



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Response	Factor4				
Kruskal-Wallis One-Way ANOVA on Ranks					
Hypotheses					
Ho: All medians are equal.					
Ha: At least two medians are different.					
Test Results					
		Chi-Square	**Prob**		
Method	**DF**	**(H)**	**Level**	**Decision(0.05)**	
Not Corrected for Ties	5	3.561632	0.614083	Accept Ho	
Corrected for Ties	5	3.56164	0.614082	Accept Ho	
Number Sets of Ties	1				
Multiplicity Factor	24				
Group Detail					
		Sum of	**Mean**		
Group	**Count**	**Ranks**	**Rank**	**Z-Value**	**Median**
1 to 2yr	58	6817	117.53	0.8325	-4.21E-02
3 to 5yr	55	5868	106.69	-0.6402	-0.2309649
5 to 10yr	37	4234	114.43	0.3042	2.74E-02
6M to 1yr	33	3914	118.61	0.6888	0.4410889
< 6M	12	1402	116.83	0.2957	0.1977434
> 10yr	27	2518	93.26	-1.5745	-0.6280356
Means and Effects Section					
			Standard		
Term	**Count**	**Mean**	**Error**	**Effect**	
All	222	-8.56E-16		-0.0200976	
A: Tenure					
1 to 2yr	58	0.1195148	0.1560289	0.1396124	
3 to 5yr	55	-4.31E-02	0.1602277	-2.30E-02	
5 to 10yr	37	1.30E-02	0.1953522	3.31E-02	
6M to 1yr	33	0.1008751	0.2068531	0.1209727	
< 6M	12	-1.48E-03	0.3430271	0.0186201	
> 10yr	27	-0.3093899	0.2286847	-0.2892923	



Analysis of Variance Report					
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Response	Factor5				
Kruskal-Wallis One-Way ANOVA on Ranks					
Hypotheses					
Ho: All medians are equal.					
Ha: At least two medians are different.					
Test Results					
		Chi-Square	**Prob**		
Method	**DF**	**(H)**	**Level**	**Decision(0.05)**	
Not Corrected for Ties	5	4.938647	0.423414	Accept Ho	
Corrected for Ties	5	4.938657	0.423412	Accept Ho	
Number Sets of Ties	1				
Multiplicity Factor	24				
Group Detail					
		Sum of	**Mean**		
Group	**Count**	**Ranks**	**Rank**	**Z-Value**	**Median**
1 to 2yr	58	6990	120.52	1.244	0.3452458
3 to 5yr	55	5398	98.15	-1.7778	-7.85E-02
5 to 10yr	37	4241	114.62	0.3238	0.1582553
6M to 1yr	33	3694	111.94	0.0426	0.1895323
< 6M	12	1153	96.08	-0.8549	-0.3871963
> 10yr	27	3277	121.37	0.852	0.1697292
Means and Effects Section					
			Standard		
Term	**Count**	**Mean**	**Error**	**Effect**	
All	222	1.64E-15		2.76E-03	
A: Tenure					
1 to 2yr	58	0.1111259	0.1590825	0.1083701	
3 to 5yr	55	-0.2280746	0.1633635	-0.2308305	
5 to 10yr	37	7.05E-02	0.1991753	6.78E-02	
6M to 1yr	33	-1.63E-02	0.2109014	-1.91E-02	
< 6M	12	-0.1258195	0.3497404	-0.1285753	
> 10yr	27	0.2050875	0.2331603	0.2023317	



Appendix I: The Consistency Matrix

Sub Problem	Proposition	Supporting Literature	Data Collection	Analysis Method
Sub Problem 1 Investigate the communication processes between the head office and the network.	**Proposition 1** The communication processes between the head office and the network go through too many reporting lines owing to the hierarchical structure of the banking organisation.	• Kelly (2000) • Foster and Jonker (2005) • Gasser (1989) • Schonfelder (1998) • Quirke (2007) • Holtzhausen (2002a) • Nichols (1965) • Greenbaum (1974) • Hellweg and Philips (1982) • Téeni *et al.* (2001) • Hatch (1966) • Lee (1997) • Gillis (2006)	• Question 1 • Question 2 • Question 3 • Question 4 • Question 5 • Question 6 • Question 7 • Question 8 • Question 9 • Question 10	• Descriptive Statistics e.g. mean of each question • Factor Analysis to elicit the underlying factors (latent variables) • Cluster Analysis to establish the existence of clusters across demographics • One-Way Analysis of Variance

		• Bridget and Jaesub (2002) • Dolphin (2005) • Bartolomé (1989) • Nichols & Stevens (1957) • De Ridder (2004) • Kalla (2005)		(ANOVA)
Sub-problem Two: Examine the factors responsible for the effective communication of strategy, between the head office and the network, using the face-to-face communication process.	**Proposition 2** The predominant use of face-to-face communication will improve the effectiveness of strategy communication between the head office and the network. **Proposition 3**	• Tegarden *et al.* (2005) • Oswald *et al.* (1994) • Zetterquist & Quirke (2007) • Melcrum publishing (2006a, 2006b) • Gasser (1989) • Holtzhausen (2002b) • Nardine *et al.* (2004) • Gillis (2006)	• Question 11 • Question 12 • Question 13 • Question 14 • Question 15 • Question 16 • Question 17 • Question 18 • Question 19 • Question 20	• Descriptive Statistics e.g. mean of each question • Factor Analysis to elicit the underlying factors (latent variables) • Cluster Analysis to establish the

	An organisation-wide approach to strategy formulation will result in more effective communication of strategy.	• Lee (1997) • Richard (1974) • Pfeffer (1994)	• Question 21 • Question 22 • Question 23 • Question 24 • Question 25 • Question 26 • Question 27 • Question 28 • Question 29 • Question 30 • Question 31 • Question 32 • Question 33	existence of clusters across demographics • One-Way Analysis of Variance (ANOVA)