

“Insights and challenges of strategy and its financial component execution in the public sector”

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Insights and challenges of strategy and its financial component execution in the public sector

Abstract

There is a growing need to understand how leaders can initiate changes that address the problems of strategy execution. The current article attempts to address the issues that concern strategy implementation. As such, a study was carried out in a local municipality. The results of the study highlighted several important factors: the difficulty of understanding the organizational strategy, the detriment of the strategy and operations gap, as well as the financial challenges faced during the implementation of the strategy. It was, therefore, recommended that the leadership should ensure effective communication of the organizational strategy. Furthermore, there is a need for bridging the strategy and the operational divide.

Keywords: strategy and operational implementation, municipality, vision, municipal financial challenges and effective communication.

JEL Classification: E6, L21, L80.

Introduction

Despite the massive increases in successive budgets, quality and service standards have not always improved. The South African public sector, including municipalities, experiences several challenges and frequent service delivery protests from the citizens (Rose & Cray, 2010; Sapa, 2009 and IOL, 2009), even though some of the municipalities have invested significant resources and effort into infrastructure service delivery (Integrated Development Plan, 2014). The Integrated Development Plan (2014, p. 23) indicated that 33.3% of the residents residing in the municipality were not satisfied with the level of infrastructure service delivery (Municipal Service and Living Condition Survey, 2013/2014). The main reasons for the dissatisfaction included: no services, infrastructure was not being developed, where there were services, the services were not reliable and were not being maintained (Integrated Development Plan, 2013). Nonetheless, the National Development Plan highlights the need for good quality public service in order to raise the living standards (such as addressing the challenges of inadequate infrastructure) to the minimum required level (Commission, 2013). The strategies and actions required in this plan are over and above business as usual.

Although many experienced leaders are well aware of the strategy implementation challenges, some of the most brilliant strategies still fail. About 60 to 80 per cent of all companies fail to meet their strategic targets (Baum & Vlok, 2013). Strategy implementation can be defined as transforming the strategy into action (Kuye, 2014 and

Cocks, 2010). Strategy implementation is praised for its significance in the field of effective operational management (Bigler & Williams, 2013). Leadership in strategy implementation is essential in putting strategy into action (Kuye, 2014 and Biahova & Knapkova, 2011). Consultants, decision makers, strategy analysts and CEOs particularly appreciate strategy implementation, given that there is a correlation between successful strategy execution and high performance (Bigler & Williams, 2013). Yet, strategy implementation does not receive the management attention and respect it deserves (Cocks, 2010, p. 260). Further to that, it is known by most experienced executives that without effective strategy execution, the well-crafted strategy is useless (Cocks, 2010). Successful strategy implementation relies on applying all the 'know-hows' techniques, actions and behaviors to ensure strategy operations are successful. Strategy execution, thus, requires every manager to think through the answer (Hough et al., 2011, p. 247) and requires that organizations identify the strategic resources, in addition to evaluating their strategies. In the South African public sector, developing and implementing strategy successfully is extremely important, given the limited financial resources. There is a strong focus on service delivery and performance in the South African governmental organizations, emanating from domestic pressures created by the country's apartheid system (Baskin, 2006 and Lund-Thompson, 2005).

The next section briefly introduces the factors that influence strategy implementation, before showing the qualitative research method that was adopted. The process of data collection, data analysis and presentation of findings for the strategy implementation in the public sector is outlined. The findings and discussion section elaborates on the lessons from the analysis. The paper ends with a brief conclusion.

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1. Literature review

1.1. Factors that influence strategy execution.

Good strategy execution is paramount to the success of any organization. The following section reviews the literature on the factors that influence the implementation of the strategy.

1.2. Workforce recruitment, retention and training.

It is essential that the staffing of the organization has the needed experience, technical skills and intellectual capital to perform the required tasks from top management to junior staff members (Hough et al., 2011, p. 251). Singh and Sharma (2014) indicated that one of the challenges faced by most organizations is having a skills gap, particularly of knowledge workers – people with high level expertise. This has led successful companies to lean towards identifying, cultivating, and leveraging their talent base to gain a competitive advantage (Santhoshkumar & Rajasekar, 2012).

One of the important factors of an organization is its dynamic capabilities (Breznik & Robert, 2014). This is defined as the organization's ability to integrate, develop and reconfigure internal and external competencies to deal with the dynamic environment. This idea is based on the notion that an organization needs to be able to modify the resource base in order to allow for constant adaptation to change (Breznik & Robert, 2014).

Zheng, Yang and Mc Lean (2010) state that knowledge management plays an interceding role in connecting organizational context and strategy with the organizational effectiveness. The knowledge-based view holds that an organization's capability to create and utilize knowledge is the most important factor to ensure its competitive advantage. Whilst the crafting phase of strategy involves identifying the desired competencies and capabilities, good strategy execution requires acquiring the desired competencies and capabilities within the organization, developing them as needed and modifying them as the market changes. Building and strengthening the core competencies and capabilities is thus essential (Hough et al., 2011, p. 259).

Rungi (2014) suggests that capabilities are overwhelming elements in organizational life, but their effect on performance is mostly assumed. Organizations should be wary of aligning their projects with strategy alone and should put more focus on teamwork threats, as these have the most negative impact on outcomes. On the other hand, Breznik & Hisrich (2014) suggest that innovation capability is the most important asset an organization can possess. An innovation capability can be defined as the ability to constantly transform knowledge and ideas into new

systems, processes and products. For firms to be able to achieve this, they must be flexible and improve their established patterns.

As part of the development process, training of employees is a vital tool to improve performance. Employee development is often ignored due to cost factors and time off from work. However, when employees get the opportunity to develop their skills, it builds loyalty and loyal employees are more engaged, while engaged employees are more productive, resulting in organizational success (Lipman, 2013).

1.3. Organizational culture.

An understanding of organizational culture is critical, as it may contribute to the strategic capabilities of the organization (Johnson et al., 2011). Organizational culture influences what people do and how they respond to the issues they face. Speroff et al. (2014) mentioned that an organizational culture that enhances teamwork and innovation has been associated with quality improvement, which is in contrast to the bureaucratic, hierarchical cultures which normally resist change and are less suited for quality improvements. Committed employees create a positive atmosphere which would enhance performance. According to Shiu and Yu (2014), organizations should view their employees as internal customers, thereby prompting the concept of internal marketing. The internal marketing approach enables an organization to overcome organizational resistance to change and to align, motivate and integrate employees towards effective execution of strategies in order to deliver customer satisfaction through a process of creating customer-oriented employees.

Strategy execution in the public sector is most certainly accompanied by transformation and change, which often has a bearing on culture (Alpha, Vincent & Ergis, 2012). Making decisions goes hand in hand with transparency and accountability. The value of transparency is crucial in the implementation of a strategy and would lead to increased organizational output. Outputs need to be monitored to ensure that they are in line with the overall strategy. A fundamental factor of accountability is the reporting of well-documented performance information (Kluvert & Tippert, 2010). In order to promote accountability in the public sector, it is imperative that they become more transparent and understandable. This would enhance accountability of decision makers, since it allows one to frame the impact of policies on performance (Bianchi, 2010).

1.4. Alignment of strategy. Organizations that are likely to succeed are the ones that can align their operating model with their strategy (Price Waterhouse Coopers, 2013). The considerations should

include strategic priorities and trade-offs, strategic risks, performance drivers and critical behaviors. Myler (2012) supports the notion of strategic alignment and further mentions that alignment and strategy execution are challenging due to the enormous change and innovation required to bridge the knowing/doing gap. Hence, organizations need to support their workforce through altered alignment behaviors. These include introducing innovative ways that are responsive to the market that you serve. It also involves a customer-centric approach that must be at the core of alignment. Secondly, it is also important to improve the efficiencies through reducing the operating costs whilst increasing sales to ensure sustainability. Thirdly, it involves acknowledging and incentivising those who engage in new behaviors and decision-making approaches, based on strategic approaches.

Often, strategies are crafted without much consideration of the resources and, as a consequence, the implementation process becomes very problematic. The reasons being that the whole process is deprived of due diligence and detailed evaluations. Tools such as the Balanced Scorecard and strategic map should be used for formulation, implementation, monitoring and evaluation (Abdel Al & McLellan, 2013).

1.5. Effective communication. Organizational values must be communicated and embedded through the design and execution of the strategy (Hough et al., 2011). Senior managers need to decide how they would send out the relevant messages to all the stakeholders. Increasing the communication channels entails greater transparency of strategic priorities (Johnson et al., 2011). Getz and Lee (2011) concur with the notion of communication playing a key role in strategy implementation. This would ensure that there is sustained commitment from all involved in the execution of strategy.

1.6. Challenges faced in strategy implementation. Most organizations develop great strategies and increase resources with the hope of improving organizational performance. However, the reality is that, on average, only 63% of strategic financial plans are achieved (Baum & Vlok, 2013). Some of the obstacles that organizations face include: the lack of financial resources and technical know-how. Cater & Pucko (2010) suggested that there are four main factors that influence the successful implementation of the strategy: change management, organizational culture, organizational power structure and leadership. These factors affect each other and if synchronised, they can bring about positive outcomes to strategy execution (Cater & Puko, 2010). These factors are prevalent in both the private and public sector. However, the public sector faces additional distinct challenges which include the unique cycles

of leadership change, multifaceted internal and external challenges, as well as the wide range of stakeholders who have diverse definitions of success and failure (Rose & Cray, 2010).

The cycle of leadership changes presents challenges for strategy formulation and implementation. Government has a stipulated period of its term to implement changes due to the normal five year election cycle changes. As the 5 year period comes close to its end, government becomes reluctant to take on controversial action as part of strategy execution. In addition, the private sector generally includes common standards such as revenue, profit and return on investment, whereas, in the public sector, measures vary from program to program and department to department. The design of audit programs ensures the effective use of public funds on the objectives of the department rather than the overall measures of the success of the organization. It becomes difficult to measure the success of the outcomes in certain areas that are not easy to quantify (e.g., improved education). This is due to the different stakeholder-perspectives on what constitutes success. Furthermore, the government faces bureaucratic structures where people resist change and have high levels of pessimism. The middle and senior management personnel are often members of the public service long enough to experience the frustrations in the change of policy, lack of resources and this usually leads to demotivated individuals who are resistant to strategic change (Rose & Cray, 2010).

To sum up, it is important to note that successful strategy execution relies on several factors such as communication and organizational culture. Human resources can be a valuable asset to the organization, hence, it is imperative that all personnel understand the role they play in strategy implementation. In addition to diagnosing the obstacles to strategy implementation, it is essential to bridge the strategy and operations divide. The next sections outline the process of data collection, data analysis and presentation of findings.

1.7. The research setting. The research setting for this study is a municipality. The municipality is one of the 11 municipalities situated in KwaZulu-Natal (KZN), a South African province, as shown in Figure 1 (see Appendix). The KZN province has the second largest provincial economy in South Africa after Gauteng. The province contributes about R206.8 billion (16.5%) towards the country's Gross Domestic Product (GDP).

The municipality's budget has grown from R31.7 billion in 2011 to R41.6 billion in 2016 (National Treasury, 2016). The increase in the financial budget was aimed at supporting the municipality's objec-

tive of being the continent's premium sustainable city that is caring and, indeed, liveable. The municipality is rated category "A" municipality Municipal Structures Act, 1998 (Act No. 117 of 1998). The core values of the municipality is in line with the government commitment in broadening service delivery, attracting investors and expanding infrastructure. In addition, a planning commission (the first of its kind in the country) was established provide guidance to the municipality on its long term growth and development strategy. However, in spite of the increase in the financial budget and governmental support, there are instances where the municipality has failed to provide basic services and that has negatively impacted on the living standards of citizens (Tshishonga, 2011). As a result, the local community embark on strike actions to voice out their frustrations with poor service delivery.

1.8. Rationale for conducting the research. Literature points to the notion that even some of the most brilliant strategies fail because of strategy implementation challenges which include insufficient financial resources and other important resources to initiate changes that would address the problems (Pella et al., 2013 and Schaap, 2012). The research on strategy execution is fragmented, which makes it challenging to place particular initiatives in perspective (Biahova & Knapkova, 2011). Therefore, more research is needed in this field in order to close the gap (Schaap, 2012).

The present article aims to make a contribution by providing advice regarding the strategy implementation and, thus, seeks to assist researchers and practitioners with strategy implementation. The paper also intends to identify the challenges faced by the public sector in strategy implementation and to encourage practitioners to share their experiences of strategy implementation. By describing the requirements of strategy implementation, the article seeks to address the criticism that it is difficult to formulate strategy and implement it competently in a turbulent environment. As such, a study was carried out in one of the local municipalities¹.

2. Research methodology

As mentioned, the province was selected for analysis for the sake of convenience and because it has the second largest provincial economy in South Africa after Gauteng. In order to get an in-depth understanding of the context, one department (unit) of the largest municipality was chosen. The unit was chosen, because it plays a very crucial role in strategy implementation. The targeted population consisted of the whole management team, not just a few senior man-

agers. The reason for doing this was that the research is dependent upon the understanding and experiences of role players within the municipality.

A purposive judgemental sampling strategy was employed to ensure that the study respondents who could contribute meaningfully to the study were selected (Henning, van Rensburg & Smit, 2004; Neuman, 2011). The research participants were carefully chosen from the junior, middle and top level management. As such, seven participants were purposively drawn from the population. With their leadership roles within the organization, these participants were responsible for driving strategy execution within their department. Another characteristic of the participants was that they should have been employed by the municipality for no less than 3 years within the unit. This enabled the researcher to ascertain that the participants have had considerable experience in strategy implementation within the unit. The study was, thus, conducted at the municipality's premises and this was deemed convenient for the participants.

Considering the number of participants and the kind of information sought, in-depth, face-to-face interviews were identified to be the most feasible, efficient method of collecting data in this study. This method of data collection provides rich data, offers the opportunity to establish rapport with the participants and it helps to understand complex matters. On that note, a semi-structured interview guide was constructed using a funnelling technique, where, initially, open ended questions are asked from another perspective of a broad concept which forms an impression about a situation. There was a transition from the broad to narrow themes that were imbedded in the questions (Sekeran & Bougie, 2013). The topics were arranged in a logical sequence, particularly focusing on the important themes within the subject matter based on literature and ultimately, responding to the research question (Doody & Noonan, 2013).

Prior to collecting data, permission was obtained from the municipality to perform the research, on the condition that the name of the municipality, unit and the participants is not used in the study. The participants were contacted via telephone and email to schedule the appointments for the interviews. The respondents were told that participation was voluntary and confidentiality was guaranteed at all the time. The interviews took approximately 45 minutes with each of the seven participants. Voice recordings were used for effective data collection, while important words and phrases emerging from the participants were also written down.

2.1. Reliability and validity. There were various measures taken to ensure the integrity of the empirical research. This includes actions taken to ensure

¹ The municipality and the unit wishes to remain anonymous.

validity and reliability of this study. Recordings were done to ensure that the information captured was accurate. Consideration was also given to the design of the questions prepared for the interview in order to acquire maximum information on the objectives set for the study. The questions were clear and avoided ambiguous words. The level of expertise and wealth of experience of the selected respondents strengthens the reliability and validity aspects of the study.

2.2. Data analysis. Data were analyzed through thematic analysis. The analysis of qualitative data is focused on formulating valid inferences from the often overwhelming amount of collected data (Seke-*ran & Bougie, 2013*). This entails selecting, coding and grouping data based on emerging themes. On that note, emergent cognate themes were grouped together in accordance with their relatedness, which was determined on the basis of similar responses whose messages carried the same meaning.

3. Findings and discussion

Out of the seven participants selected for the study sample all seven took part in the interview sessions giving a response rate of 100%. The demographic information of the respondents is presented in Table 1. The respondents were predominantly males (86%). Approximately 57% of the participants were aged between 41 and 50, while about 28% of the participants were aged between 50 and 60. Also most respondents (71%) had a first degree and the other two had a Master's degree. The respondents collectively had 110 years of experience in the municipality, ranging from 9 to 25 years. The next section presents the findings.

Table 1. Demographics of respondents

Gender	Percentage (%)
Male	86%
Female	14%
Total	100%
Age	Percentage (%)
18-30	0%
31-40	15%
41-50	57%
51-60	28%
Total	100%
Academic Level	Percentage (%)
Undergrad	71%
Honours	0%
Masters	29%
PHD	0%
Total	100%

3.1. Participants' understanding of the organizational strategy and its implementation. A question was aimed at finding out the participants' understanding of the corporate strategy, as well as the relationship between this and the functional strategic

goals of the unit. The ideas from the various participants included their understanding of the Integrated Development Plan as the strategic document of the city that focuses on service delivery. The respondents had very diverse views about what the corporate strategy of the organization and the functional strategic objectives of the unit were. Some respondents mentioned that as a unit, they are responding to Point Plan 3 of the IDP which speaks to "Creating Quality Living Environments" (IDP Review, 2013/14). They pointed out that the wording of this document is so broad that different readers could arrive at different interpretations of its meaning. A similar comment was made with regards to the vision. However, some respondents interpreted it as job creation, promotion of equity within the organization.

A lack of understanding of the strategy is precarious for the organization when it comes to aligning the strategic goals with the operational goals. In that respect, Berkeley & McGregor (2014) suggested that a good strategy provides aspiration and clarity. Whether it is for business or for a function within an organization, it helps to inspire change. It creates a sense of purpose, improves operations and encourages maximum value to be delivered to the overall organization. It is vital for the management to have a clear understanding of the strategy of their organization.

On the other side, most respondents were of the view that the unit has done so well in terms of strategy implementation, considering all the challenges which include lack of technical capacity, insufficient financial resources and the political interference the unit faced. The municipality can be commended for the achievements it has made with regards to infrastructure development, of which the unit has played a critical role.

Despite the progress, there are major infrastructure backlogs. Nonetheless, it should be acknowledged that infrastructure development is long-term in nature and most of the projects such as the construction of roads can take a couple of years from planning to the execution stage. The implementation of strategy can be improved with an integrated approach to planning, a more efficient way of doing business.

It was also noted that the unit does not have a functional strategy which clarifies the strategic goals of the unit. It is of utmost importance for the unit to clearly understand and clarify how it is going to achieve the organizational vision from the financial to the human resources required within specific time frames. There is a need for the unit to investigate the benefits of having a strategic plan. The absence of such investigations could be the reason why there were such diverse views when the participants re-

sponded to the question of organizational strategy. The following responses from the participants support the claims presented above:

“... Most livable and caring city, so I often look into that to determine how we are doing as the unit’.

“The element of the strategy if we’re referring to the IDP is the sort of document to improve the quality of life...To provide services that are in line with the IDP’...”

“We have to provide services to the community in a cost effective way ...”

“We have to provide basic services in terms of road infrastructure and look at various strategic infrastructure developments for economic development...”

“Sometimes there is a conflict of goals between the politicians and the goals of the unit and expectations are created in the public that the unit can’t meet. It’s, therefore, critical that there is political endorsement of our projects, so that there is no delay in their implementation. We do experience delays due to conflicting goals...”

3.2. Challenges in strategy implementation. The respondents stated that they face multiple challenges in service delivery and infrastructure development. Some of the obstacles include the lack of both financial and human resources; the ageing skilled workforce, lack of technical capabilities of the unit; negative political influence, among other factors. Similar to Brown (2010), the unit is affected by a combination of multifaceted policy and programmatic challenges, highly institutionalized settings and administration systems that are rule-bound can be very limiting to the managerial discretion required to develop and implement strategy. This clearly shows that necessary resources are required, from human to the financial resources, in order to successfully implement the strategy.

One of the most important resources in an organization is the human resources. One of the main concerns within the unit and the organization at large is the lack of implementation of the succession plan. This provides evidence that there is no formalized implementation plan in terms of succession. This lack of succession planning highlights the lack of clear human resources practices and policies on the part of the organizations, whose representatives indicated as such. It also shows the lack of the culture of talent management in the organization, a situation which is detrimental to strategy implementation and organizational performance. This observation is line with Workforce (2013) which states that making succession plan a priority needs to come from the leadership team, but implementation

is the role of the human resources (HR) department. In addition, the HR role is to identify people who fit the culture of the organization and develop the skills to lead the organization in the right direction.

Another area of concern was the additional pressure to retain the most valued employees with the technical capability. The valued employees were exiting the organization due to various reasons. In addition, there is a lot of political interference when it comes to the appointment of the senior personnel, which often results in the depletion of the moral of the public service employees. There is lack of clear growth career paths to ensure skills retention. This raises questions as to where the next generation of public servants will come from and how the specialist professional skills would be reproduced. This resonates with The National Development Plan (2011) which states that the government faces challenges in terms of building its professional capacity. Workforce recruitment, retention and training can be more closely aligned to operational realities with transparent human resources practices and rewarding systems.

Overcoming the challenges of strategy implementation required concerted efforts within the team. The effective implementation of the strategy is disrupted by the above mentioned challenges that the unit faces on a daily basis. There is a need for more proactive interventions to equip the employees to operate effectively in this agile environment. Some of the participants had this to say in support of the claims presented above:

“... Having competent people within your organization is one of the key factors to success... some of the municipalities failed to deliver as a result of the lack of technical capacity...”

“... Some highly skilled professionals leave the municipality due to frustrations and no longer have the motivation to stay and mentor upcoming leaders...”

“There are limitations to financial resources due to the major infrastructure backlogs and to the extent of the needs of the people... financial resources are a critical factor, as strategies cannot be carried out without sufficient budget ...”

“... The strategy needs to be endorsed politically to gain support from important stakeholders ... external parties also have their own interests can also stall a project. All stakeholders are important and you cannot resume unless all issues have been addressed... if a community is not happy with the project about to be implemented, they will stop the project. Finances are also never enough ...”

3.3. Alignment of strategy and operational execution. Various facets of alignment were investigated, from the performance management system, to the

leadership, the alignment of people, structure and the culture of the organization. However, there were mixed responses from the respondents. Some of the respondents were of the view that the strategic priorities were not aligned to operational priorities (i.e., if there is a gap) and they felt that there was a great need for bridging the divide. It is quite evident that the unit and the municipality have a lot of plans that require integration. This shows that to realize greater performance from strategic implementation, effective communication of the strategy is required. Effective communication of the strategy is very important to both internal and external stakeholders. Every member of the organization needs to understand where they fit into the strategy. It is the responsibility of the leader to ensure that there is an endorsement of the strategy from all stakeholders.

The respondents also revealed that there was a need for alignment of personnel to the organizational strategy such as leadership development. This is in line with O'Rielly et al., (2010) who suggested that in order to execute new strategic initiatives, leaders at the subordinate levels must reinforce it.

On the one hand, the respondents indicated that their efforts were frustrated by both the internal and external influences. Some of the respondents were of the view that there is a need for a more decentralized approach. Indeed, the bureaucratic environment reduces the pace of service delivery. The results support Sperof et al.'s (2010) notion that an organizational culture that promotes teamwork and innovation is more aligned to quality improvements, as opposed to the bureaucratic and hierarchical cultures that integrally promote stability and resistance of change, which does not promote quality improvements. Creating a positive culture in an organization is essential for greater performance. A positive culture includes open communication, encouraging innovation, various initiatives to motivate employees by rewarding performance.

On the other hand, the respondents clearly pointed out that the strategies should be devoid of political basis. It is quite evident that the employees get to a certain level of frustration when there is too much political interference, with the abrupt projects initiated from the political stakeholders that they have not thoroughly planned. Although political stakeholders are an important element of the local government, stakeholder engagement is very important to ensure that there is clear understanding from all parties on the strategic projects that need to be done. Good communication and leadership are important factors required when an organization is working with a variety of stakeholders. Leadership that is required should have a systems view on what needs to be done to enhance service quality and quality of life for the citizens.

Another area of concern for most respondents was the evaluation of the individual performance and the bonus issues. This process can be quite subjective and toxic if it is done haphazardly. It is, therefore important that the unit aligns its business activities to the vision and strategy of the organization, evaluating the unit's performance against strategic objectives and in the process, improves internal and external communication (Stella Leadership, 2014). This would assist the unit to ensure that the targets get aligned to the vision of the organization. The following participants' responses support the claims presented above:

"Everybody works in silos and there isn't freedom to assist people in what they're doing across departments...."

"The systems existing were effective however they were also fragmented, duplicated and not aligned, there's nothing that pulls it all together ..."

"... You need people that have the passion and the drive to carry out the strategies ..."

"We have good IT systems that are not integrated. We have now started to look at various technology systems to promote integration ..."

Conclusion and recommendations

The study has broadened our insights with regards to strategy implementation in the South African public sphere. In particular, the article revealed that municipalities are faced with several challenges. One of the challenges which was highlighted in the study is the lack of understanding of the municipality strategy and its inextricable link to long-term development and growth. A lack of understanding of the strategy is precarious for the organization when it comes to strategy implementation.

Also, the study highlighted lack of skilled human resources; the ageing skilled workforce, lack of technical capabilities of the unit; negative political influence, among other obstacles to strategy implementation.

Moreover, the study revealed that the municipality is challenged by allegations of political influence which might lead to corruption and inefficiency. For successful strategy implementation, the whole process should be devoid of political influence. Financial resources should be allocated on merit and in line with the organizational values and objectives.

Furthermore, the study highlighted that despite the increase in successive financial budget, one of the major obstacles that the municipality faces is lack of finance. The limited financial resources had created a major infrastructure backlog in the implementation process.

Drawing from the findings of the study, the following recommendations are important for different stakeholders, especially for the management and the policy makers in the public sector. Effective strategy communication is imperative on the part of the organization. Prior to implementing strategy, it is essential to identify whether there is common understanding of the vision, values and the desired goals of the organizational strategy, in order to maximize employee and organizational efforts. This would also inform the communication approaches and content that is most relevant to operational managers. It also implies the need to sufficiently budget for strategy implementation. In the evaluation of performance activities, it is also important to engage the employees themselves in order to get feedback from them even in decision making processes. Eventually, the effectiveness of the strategy implementation should tally with the organizational goals.

In addition, the organization should align its stakeholder engagement processes more closely to stakeholder expectations. This requires constant communication with all stakeholders to keep them in the loop with the latest developments regarding projects, as well as with information on future projects. All political stakeholders need to buy-in to the strategy and future strategic projects and understand the reasons behind selecting various strategic projects. This would be undertaken to gain their full support.

The strategies and actions required in the public sector are over and above, business as usual. The leadership should ensure that aligning human capital management to strategic and operational goals is important for future success. There is a need for recruiting practices that are based on academic credentials, experience and personality traits. That is, the organization's recruiting and retention efforts should accurately reflect on the current or updated strategic goals. Furthermore, organizations' training and development programs should be aligned with strategic goals, not just to meet the training targets. There has to be promotion of long-term studies for people to develop their skills and build a learning organization. The succession plan and clear growth and talent management should be transparent to ensure retention of valuable employees.

All in all, despite the massive increases in successive budgets, quality and service standards have not always improved. This shows that financial resources are one of the critical factors in successful strategy implementations. Therefore, public organizations and municipalities in particular, should have a clear understanding of the strategy and all the factors that are fundamental in socioeconomic growth and development. However, it is important to note that the situation is not unique to only this municipality, but is a challenge to public organizations in general. Nevertheless, the study is limited to the public sector of the South African economy and, as a result, is not a true reflection of international public sector strategy execution.

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Appendix

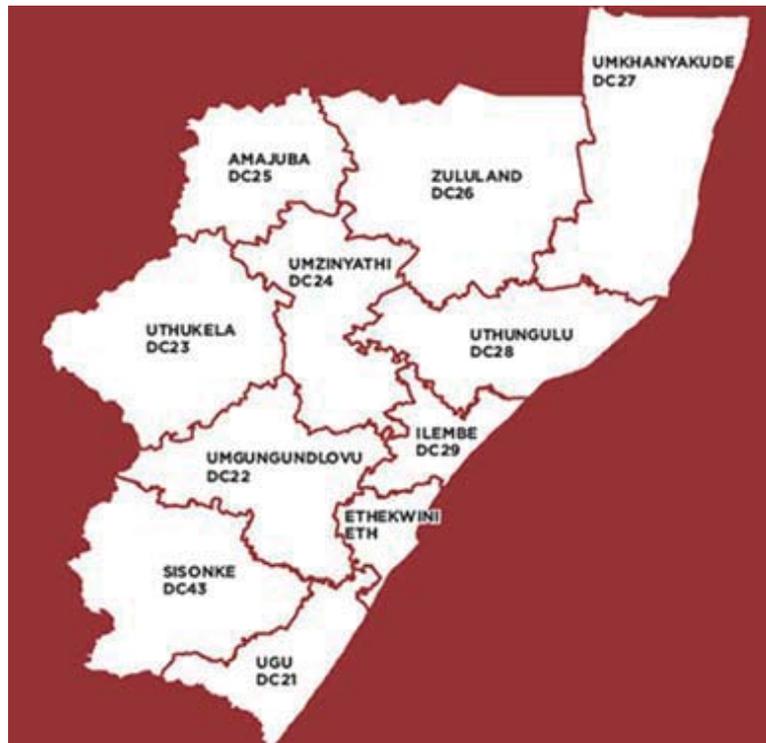


Fig. 1. KwaZulu-Natal map

Source: adapted from Google Map (2015).