INTRAPRENEURSHIP AS AN ALTERNATIVE STRATEGY TO FIRMS' COMPETITIVENESS: THE CASE OF HARARE BASED MANUFACTURERS

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The introduction of the multi-currency system in Zimbabwe in 2009 had two major contradictory effects on the country's economy. On one hand the system tamed the country's hyperinflation and revived the country's manufacturing sector that had dropped its capacity utilisation from over 80% in 2000 to 5% in 2008. On the other hand the multi-currency system liberalised the economy opening it up to foreign players who brought cheaper and better quality products to compete against local products. This resulted in local consumers preferring imports over locally produced products leading to local business closures, retrenchments and a decline in local manufacturers' capacity utilisation. Faced with stiff competition from external manufacturers, local manufacturers sought government's protection via import barriers like tariffs, import quotas, etc. to no avail. The argument given by the local manufacturers is that they are not as competitive as external manufacturers because of the unfavourable economic environment prevailing in Zimbabwe. However this researcher proposes that a firm's competiveness is not only a result of exogenous factors but also a result of endogenous factors one of them being the firm's culture (way of doing things). Thus management practices in organisations can build and enhance a firm's competitiveness or vice versa. The study used a qualitative approach to gather data from selected sample of proportionately stratified manufacturing firms based in Harare. The findings show that there is need for managers to cultivate a culture that creates and improves an organisation's competitiveness through relevant management practices.

Key words: Intrapreneurship; competitiveness; culture; employees;

1.0 Introduction

Morris, Kuratko and Covin (2012) acknowledge that the business environment in the 21st century has been characterized by a high turbulence mainly driven by rapid technological improvements. These improvements have seen customer tastes rapidly changing in any given period of time; markets being fragmented and competition in industries intensifying as firms jockey for market share and preference from suppliers of both inputs and labour. Morris, Kuratko and Covin (ibid) argue that survival and growth in this era is based on the firms' and their managers' ability to develop competitive advantage based on their ability to adapt to change, rather than acquisitions and mergers as was previously the trend. The authors identified five key capabilities namely: adaptability; flexibility; speed; aggression; and innovation, as key enablers for firms to survive the turbulence. These competencies can only be found

This study sought to establish the extent to which Harare's manufacturing firms do possess the above mentioned capabilities.

1.1 Background to the Study

At the beginning of 2009 the Government of Zimbabwe (GoZ) adopted the multi-currency system as a way of arresting its decade long economic decline characterised by hyperinflation, price controls, shortages of basic commodities and low industry capacity utilisation (Makochekanwa, 2007). Besada and Moyo (2008) posit that inflation rate in Zimbabwe peaked at 231million percent in July 2008, while the Zimbabwe Industrial Development Policy (ZIDP, 2012) asserts that during the period 1997-2008 the manufacturing sector's capacity utilisation dropped to about 5 percent from over 80 percent.

The adoption of the multi-currency system had two major effects on the Zimbabwean economy (RBZ, 2014). The first effect was that it enabled Zimbabwean manufacturers to resume operations resulting in industry capacity utilization rising to 32.3 percent in 2009 from a low of 5 percent in 2008 (CZI, 2009).While capacity utilisation by local firms rose almost six fold with the introduction of the multi-currency regime, in real terms it remained weak at about 30% (CZI, ibid.) leaving unfulfilled domestic demand. This resulted in market opportunities for foreign firms as they quickly stepped in to fill the void left by the local manufacturing sector.Zimstat

(2014) states that by June 2014 Zimbabwe's imports stood at $2, 99 billion, against exports of $1.5 billion.

Weak local industry performance as shown by low capacity utilisation also resulted in unemployment as local firms' products were not selling due to fierce foreign competition which was further compounded by constant outages of utilities like electricity and water, (CZI,2014). The Confederation of Zimbabwe Industries survey report (CZI, 2013) indicates that 14% of 300 surveyed firms had downsized operations and retrenched their employees.The National Social Security Authority (2013) stated that between June 2012 and July 2013 711 firms had closed down in Zimbabwe resulting in 8000 employees losing their jobs.

Secondly, the multi-currency system saw an influx of cheap imported foreign manufactured goods, particularly from South Africa and China. The main driver of these imported goods was that foreign firms viewed the Zimbabwean market as extremely lucrative as it retailed in hard currencies, hence there were no foreign exchange formalities or currency risks, (RBZ, 2014).
The effects of these two developments were that by the end of 2013 Zimbabwean manufacturers had lost their competitiveness and the Zimbabwean economy was experiencing a competitiveness gap (Zimbabwe Budget Statement, 2013). This assertion is also supported by Zimstat (2014) which reflects that Zimbabwe's imports from Zambia now account for 2% of the country's total imports. This is against the background that in previous years Zimbabwe was the net exporter to Zambia.

1.2 Statement of the problem

The local manufacturing sector has since 2009 been experiencing stiff competition from imported products. This has resulted in a huge decline in the performance of the firms in the sector, characterised by low capacity utilisation, firm closures, employee retrenchments and an increase in imported goods. The weak performance of the manufacturing sector has resulted in the country losing its competitiveness against other industrializing countries like South Africa, China, and Zambia.

1.3 Study's proposition

The study proposes that firms in Zimbabwe's manufacturing sector lack an intrapreneurial approach (culture) in carrying out their operations hence their failure to be competitive.

1.4 Study objectives

This study sought:

a. to investigate if managers in Harare's manufacturing sector possess entrepreneurial skills;
b. to establish if in Harare's manufacturers business practices encourage/develop intrapreneurship; and
c. to recommend how manufacturing firms in Harare can cultivate intrapreneurship.

1.5 Study Delimitations

The study is limited to manufacturers based in Harare due to the fact that the harsh economic conditions prevailing in the country have seen many firms relocating to Harare. Thus most manufacturing activities have been concentrated to Harare.

1.6 Study Justification

The findings of this study will greatly assist other Zimbabwean manufacturers and other firms in general who are losing or have lost their competitiveness.

2.0 Literature review

2.1 Definition of Intrapreneurship

Stopford and Baden-Fuller (1994 p 221) acknowledge that Intrapreneurship/Corporate entrepreneurship is still an ill-defined term but has greatly generated interest in scholars as they seek to establish the connections among managerial entrepreneurship, business renewal and industry leadership. However, they do concede that corporate entrepreneurship has to do with behaviour of individuals associated with entrepreneurship and its effect on an enterprise as a whole. The position proffered by Stopford and Baden-Fuller (ibid) makes it clear that there is no one standard way of defining corporate entrepreneurship but that it is a behavioural phenomenon in enterprises/organisations. An analysis of corporate entrepreneurship definitions by other scholars tends to confirm this assertion as they tend to draw their definitions from broadly two perspectives namely: what the researcher terms the process perspective and the characteristics perspectives. The process definitions focus on what corporate entrepreneurship involves while the characteristics definitions look at what firms involved in corporate entrepreneurship look like. The following definitions are some of those that attempt to define corporate entrepreneurship from a process perspective.

Wolcott and Lippitz (2010 p 21) define corporate entrepreneurship as a process by which teams within an established business conceive, foster, launch and manage a new business that is different from but leverages the company's current assets, markets and capabilities.

On the other hand, Burgleman (1983 p 1349) posits that corporate entrepreneurship is a process whereby firms engage in diversification through internal development. He further argues that for this diversification to occur, the firm requires new resource combinations that will enable it to extend its activities into domains unrelated to its current activities or those marginally related to its existing competences or opportunity set. Burgelman (ibid p 1349) concludes his definition by saying that it is typically a result of the interlocking entrepreneurial activities of multiple participants.

Thus while the above definitions differ in their construct their import remains under- pinned on the following:it is a process championed by employees of an organisation aimed at seeking internal business growth;it is about opportunity identification;development of offerings to meet the identified opportunity (innovation);investing in a new venture (business) to manage the new offering; andimplied in the latter two activities is risk-taking.

On the other hand the characteristics definition preferred by other authors among them Van Aardt and Van Aardt (2012) cite the following as characteristics of organisations that are entrepreneurial: risk taking; creative and innovative;pro-active- opportunity identification and exploitation;driven by organisational employees; andimplied in the definition is the process of mobilising resources (investment) to exploit the opportunities.

A close analysis of the definition of corporate entrepreneurship from the characteristics perspective, confirms what the entrepreneurial process definition identifies as key elements of corporate entrepreneurship.

While Sarkar, Echambadi and Harrison (2001 p 702) and Lumpkin and Dess (1976) acknowledge that the above listed elements constitute corporate entrepreneurship, they make an interesting observation that these elements should not be viewed as covarying but as independent, thus this study will review each of the elements in the sub-sections that follow.

2.2 Elements of Intrapreneurship

2.2.1 Proactiveness and Opportunity Identification

Sarkar, Echambadi and Harrison (2001 p 702) argue that the proactive approach considers that individuals and organisations shape their environments through their actions. This implies that proactiveness is a process of continuously scanning the environment for opportunities and taking pre-emptive action against the perceived opportunity so that a business shapes its environment. On the other hand Van Aardt and Van Aardt (2012) define an opportunity as the difference between the desired and the prevailing situation.

Barringer and Bluedorn (1999 p 423) define environmental scanning as the managerial activity of learning about events and trends in the organisation's environment. They argue that scanning is important for managers in that it helps them identify opportunities, assists managers in developing and maintaining successful innovation strategies and facilitates risk taking as it lowers uncertainty in the eyes of management.Porter () argues that effective scanning of the environment requires that firms collect information from both the external (outside the organisation) and internal (inside the organisation) environments. This means that firm managers need not rely solely on internal sources when scanning the environment but that they should also make use of external sources.

Barringer and Bluedorn, (1999) provide another dimension to opportunity identification when they posit that locus of planning greatly contributes to the process. Locus of planning refers to the extent to which managers involve lower level employees in the planning process, a process that inherently requires scanning the environment. The authors argue that firms that involve lower levels (deep locus of control) tend to be effective in opportunity identification than those that have a shallow locus of control (only involve management). Shane (2000) justifies this effectiveness in opportunity identification to information asymmetry which posits that people at any given point in time, do not possess the same information. Including people from different backgrounds enhances analysis of given scenarios thereby identifying opportunities that may easily be overlooked by people sharing the same background.

2.2.2 Creativity and Innovation

Zimmerer, Scarborough and Wilson (2011 p 43) define creativity as the ability to develop new ideas and new ways of looking at problems and opportunities. Hisrich, Peters and Shepherd (2010 p 99) define creativity as thinking outside the box to find solutions to a problem or opportunity facing an organisation. Both definitions imply that the creative process requires that one goes outside the normal paradigm in his thought process as a way of generating ideas on how to solve a problem or exploit an opportunity that could be facing them or their organisation. Van Aardt and Van Aardt (2012 p 32-36) while agreeing with Zimmerer, Scarborough and Wilson (2011) and Hisrich, Peters and Shepherd (2010 p 99) on the definition of creativity, they go on to explain that creativity is a process hence has a pattern that it follows. The process starts with identifying the opportunity or problem. This is achieved through the environmental scanning process that has been discussed above. Opportunity identification is then followed by generating solutions to exploit the opportunity which can be done through observing the environment, brainstorming, accumulation of knowledge, etc. the next step is to select the idea or ideas that can be transformed into a business venture. Van Aardt and Van Aardt (ibid) suggest that the last step in the creativity process is idea screening to pick out potentially successful business ideas.Kuratko and Hodgetts (2012) suggest the use of feasibility studies as a way of screening ideas. Feasibility studies involve carrying out a thorough analysis of an idea via carrying out a product or service feasibility. This involves assessing the technical aspects of the idea to establish if the idea can be transformed into a tangible product or service. Feasibility studies are important in that they help organisations in anticipating the nature of their competition and customers thereby assisting them to develop appropriate competitive and marketing strategies to gain market acceptance and penetration (Zimmerer, Scarborough and Wilson, 2011).

Having settled for the most feasible idea, Van Aardt and Van Aardt (2012) suggest that the creative process is taken to a higher level which is transforming it into a business idea or commercialising the idea.Zimmerer, Scarborough and Wilson (2011 p 43) concur when they define innovation as the ability to apply creative solutions to problems and opportunities to enhance people’s lives. This definition implies that innovation is meant to improve people’s lives by introducing better ways of doing things or through provision of better products. The definition also brings out the fact that innovation must be accepted (embraced) by the people if it is to be judged as successful. Therefore, in situations where new and better ways of doing things or new products are introduced to people and they are not accepted, it would not qualify as innovation. Thus an idea that is translated into profit for the firm is innovative while the opposite is not.

Schumpeter cited in Fagerberg (2003) classifies innovation into five types namely; new products, new methods of production, new sources of supply, exploitation of new markets and new ways to organize business. However Edquist, Hommen and McKelvey, (2001) argue that Schumpeter’s categories can be compressed into two categories namely; product and process innovation with the latter being divided into technological process innovations and organisational process innovations. Edquist, Hommen and McKelvey, (ibid) in their categorisation define product innovations as new or improved products being offered to the market; process innovations as new or improved technologies while organisational innovations refer to new ways of organizing production processes including any reorganisations that might occur within a firm or its industry e.g. distribution channels, sourcing of raw materials or sources/types of raw materials.

2.2.3 Risk-Taking

Risk is defined by Berglund (2007) as making a choice among alternatives under uncertainty but with probabilistic outcomes. Hellriegel, Jackson and Slocum (2002) agree with Berglund when they define a decision as a choice among alternatives. The authors go on to explain the three conditions under which decisions are made namely: certainty; uncertainty and turbulence. Under uncertainty managers or decision makers can attach probability to the outcomes but under turbulence no probability to the outcome can be attached. Under certainty the outcome is known by the decision maker. Wegner (2012) defines probability as the chance or likelihood that a particular event will occur.

Analysis of the foregoing statements brings out the argument that risk-taking is a result of having assessed the situation to determine the outcomes and then select the action that is most likely to yield the desired outcome. This argument is supported by Barringer and Bluedorn (1999 p 423) who posit that scanning the environment is also a way of absorbing uncertainty.

2.2.4 Investment

Reilly and Brown (2002) define investment as current commitment of dollars for a period of time to derive future payments that will compensate for the time that the funds are committed, the expected rate of inflation and the uncertainty of future payments. This definition takes a narrow perspective of investment as it confines itself to monetary investment. However the definition makes an important observation of investment which is that investment is associated with uncertainty of future benefits (returns) and that investment is foregoing current consumption in the hope of consuming more in the future- which is referred to by McConnell (2006) as the postponing consumption for future gains.

Bodie, Kane and Marcus (2007) define investment as the current commitment of money or other resources in the expectation of reaping future benefits. This definition is broader and acknowledges that investment is not only confined to money but that any other resource that is committed for purposes of yielding returns in the future is considered an investment. For instance managers who commit human resources, time and finances in the process of opportunity identification, organisational learning and development of innovative solutions to the established opportunities and commercialising them, would have made an investment.

2.2.5 Employee Participation

It is commonly referred to in management literature, as employee involvement. This act is defined by Lussier and Achua (2007 p 272) as openly accepting ideas of others and recognizing how others feel about a proposal. The same authors further assert that employee involvement allows organisation members to actively question, experiment and create dialogue that enables managers in control of organisational outcomes.

Stopford and Baden-Fuller (1999) view employee involvement as creation of vertical teams in organisations. Vertical teams refer to involvement of top, middle and lower level managers and employees to work together. Stopford and Baden-Fuller (1994 p 523) define it as working across traditional organisational boundaries.Hellriegel, Jackson and Slocum (2002) cite the benefits of employee involvement as:it makes opportunity identification easier as those people closest to the customer are involved in the planning process; involvement of middle and lower level managers ensures that good ideas are not overlooked; it maximizes diversity of viewpoints thus stimulating creativity, a crucial ingredient of innovation and it allows for team learning. Kreitner and Kinicki (2010) define team learning as the process where managers and employees view new possibilities which allow them to create options for the organisation and avoid fixation with past practices.

2.3 Significance of Intrapreneurship

Corporate entrepreneurship has gained a lot of attention in recent years because of the many benefits it yields to both individual firms in this constantly changing environment. Hitt et al. (2001) argue that change is the only constant in this new economy which is driven by the digital revolution and only firms that are capable of adapting themselves to the change will survive.

Morris, Kuratko and Covin (2008) also argue that organisations that have an entrepreneurial culture survive the dynamic environment as this culture enables them to develop the following:

2.3.1 Competitiveness- Thompson, Strickland and Gamble define competitiveness as the different way an organisation performs activities from its rivals in the industry. Ahuja and Lampert (ibid) argue that organisations that are entrepreneurial provide reliable and high-quality outputs in an efficient and predictable fashion compared to their counterparts who are not. Sarkar, Echambadi and Harrison (2001) buttress the argument by postulating that, corporate entrepreneurship creates value through access relationships to resources and capabilities that are critical to competitiveness and performance.

2.3.2 Corporate renewal- this refers to the process through which organisations re-engineer their affiliations and undertake structural changes (Sarkar, Echambadi and Harrison, ibid p 704) with the aim of enhancing their competitiveness in the market. Covin and Miles (1999) use the term corporate rejuvenation which they posit as the process that organisations adopt to ensure that they fit with the changes taking place in their environments. Therefore from the above explanations of corporate renewal, one can conclude that, at the very least, it is the process that ensures firms remain relevant in the ever-changing business environment. At the best, organisational renewal allows organisations to achieve better and sustainable overall economic performance, (Stopford and Baden-Fuller, 1994). The same authors further argue that organisation renewal can be from a legal or economic perspective. The legal perspective involves the firm transforming itself through acquisitions, mergers or any other strategic alliances with suppliers, distributors, etc. The perspective refers to new products or services, new production process or new resource combinations that a firm may adopt to be competitive. Ahuja and Lampert (2001) concur with Stopford and Baden-Fuller (ibid) in their assertion that organisational renewal may result in firms creating a new competitive environment/industry that is completely different from what it previously was.

2.3.3 Wealth creation-corporate entrepreneurship is associated with innovation. Innovation is considered successful if the product is accepted by the market. Minkes and Foxall (1982 p 42) agree with this position in their postulation that enterprises can only be considered entrepreneurial when they produce products that are bought in sufficient quantities by the market that the firm is able to achieve a profit of its minimum accepted return on investment.

2.3.4 Creation or expansion into new markets- this is closely related to wealth creation achieved through market share growth. In this instance, however, firms deliberately seek new markets as a way of avoiding competitive pressures in their" normal" market. This argument is accepted by Thompson and Strickland (2012) when they argue that firms that are in mature markets are faced with intense competition from rivals who seek to get their market share and strategies they can adopt include developing new markets- through going into hitherto unexplored markets or opt to export, commonly known as going international.

2.3.5 Organisational learning- is the process that facilitates the exchange and flow of knowledge among and within an organisation. This implies that organisational learning is equivalent to organisational members learning from each other. Bantel and Jackson (1989) agree with Burgelman's (ibid) definition but add that organisational learning is a result of top and middle managers building teams or coalitions to support innovative and creative individuals. These teams are referred to by Wooldridge and Floyd (1990) and Stopford and Baden-Fuller (1999) as vertical teams because they comprise of both management and employees of all levels in the organisation. This has the benefit of allowing teams to learn from individual members.

However Janis (1982) and Mullins (2010) argue against over reliance on teamwork as it develops group think a situation where the team members will want to conform to the team's norms hence deliberately avoiding coming up with new ideas that go against group values.

3.0 Research Methodology

Leedy (2010 p 41) posits that designing a research is influenced by how it seeks to acquire knowledge. Thomas (2012 p 1) posits that research can assume a quantitative or qualitative approach depending on what the study seeks to establish.

Glesne and Peshkin (2010 p 6) define quantitative research as seeking explanations and predictions that will generalise to other persons and places.

Denzin and Lincoln (2012 p 2) define qualitative approach as multi-method in focus, involving an interpretive and naturalistic approach to its subject matter. They assert that qualitative researchers study things in their natural settings, attempting to make sense of, or interpret phenomena in terms of meanings people bring to them. The authors affirm that the approach uses a variety of empirical materials like case study, personal experience, introspective, life story, interview, observation, historical, interactional, and visual texts that describe routine and problematic moments and meanings in people's lives.

This study's objective is to establish if Harare based manufactures have created an intrapreneurial culture as a way of fending off stiff competition from imports, thus making it a case study which is a qualitative approach.

Study population

Population is defined by Shajahan (2009 p 244) as the group of individuals under study. Thus the population of this study is the manufacturers in Harare. According to the Confederation of Zimbabwe Industries (2012), this population is made up of 16 sub sectors (strata) namely: Bakers; Battery; Plastic, Packaging and Rubber; Pharmaceuticals; Chemicals; Leather and

Allied; Car Assemblers; Building (including Construction); Grain Millers and Tobacco; Electric Appliances Manufacturers; Engineering and Steel; Printing and Publishing; Textiles and Clothing; Paints and inks; Timber Processors (Including Furniture) and Food, Dairy and Beverages.

Sampling and sample size

Shajahan (2009 p 244) defines a sample as a finite sub-set selected from the entire population. Kumar (2012 p 164) argues that at times it is difficult, if not impossible, to investigate all elements in a population, hence the need to identify elements that are representative enough of the population (sample). The process of arriving at a sample is referred to as sampling design (Shajahan, ibid and Kumar, ibid) which requires the researcher to identify the population, the sampling unit or where the sample is drawn from (for example geographically) and the sampling frame or source lists (where each sample element is identified).

68 sample elements were selected using the proportionate stratified random sampling method from the CZI register of Harare manufacturers. Kumar (2012 p 175) defines proportionate stratified random sampling as a process of selecting elements from each population stratum in relation to its proportion to the total population. This sampling method has the advantage of ensuring that the sample is the reflection of the population; hence avoid particular population strata, with more elements than others, influencing the study findings.

Table 1.1 below shows the sample size of each sector used in the study.

Table 1.1 Sector Sample Sizes

Sector	Population	Harare's Sample Size
Bakers	8	4
Battery	3	2
Plastic, Packaging and Rubber	13	6
Pharmaceuticals	7	3
Chemicals	11	5
Leather and Allied	4	2
Car Assemblers	2	1

Building (including construction)	8	4
Electric Appliances Manufacturers	5	3
Grain Millers and Tobacco	5	3
Engineering and Steel	18	8
Printing and Publishing	6	3
Textiles and Clothing	6	3
Paints and Inks	10	5
Timber Processors (including Furniture)	7	3
Food, Dairy and Beverages	29	13
TOTAL	142	68

3.1 Data collection instruments

Data collection instruments, unlike research methods which focus on how data are collected, are the tools that one uses in the collection of research data (Shajahan, 2009 p 57). This study uses structured and semi-structured interviews, and recorded observations. Open and closed ended questions were used in interviews in the study to ensure that respondents freely expressed their opinions (Shajahan, 2009).

3.2 Data processing and analysis

Kothari (2012 p 18) posits that after collecting research data, there is need to bring order and meaning through coding, tabulating and editing. Thomas (2009 p 57-59) explains that data can be processed using content analysis which is the systematic process of searching through one or more communications to answer questions brought up by the researcher. He further acknowledges that the method is the "only appropriate" method to use in qualitative research as it answers most research questions through searching for insights in situations, settings, styles, images, meanings and nuances.

This study used content analysis to analyse data from the findings.

3.3 Ethical Considerations

Ethics in research are important as they assist in according a study the validity, reliability and objectivity it deserves (Kumar, 2012 p 210), as its responses and results are not fraudulently derived. This study observed ethical behaviour in data collection, analysis and presentation.

4.0 Respondents Profile

Respondents in this study were senior managers in the sampled firms that are in the manufacturing sector. 67% of the senior managers from Harare said that they had been senior managers for a period of five (5) or less years while 21% of them said they had occupied the senior management position for a period between 5-10 years. However 12% of the respondents said they had been in that position for a period of more than ten years.

The above findings reflect that the majority of senior managers in Harare are fairly new in their positions.This could be explained by the period 2005-2008 which was characterised by hyperinflation, shortage of basic goods and political instability which led to many professionals migrating to neighbouring countries and overseas (World Bank, 2008). Manufacturing firms in Harare could have experienced high levels of brain drain among their senior managers hence the coming in of many new managers to fill in the vacancies created.

4.1 Strategic management practices

This section sought to establish the strategic management practices in the sampled manufacturing firms drawn from Harare.

Respondents were asked if their firms had strategic plan documents. Figure 4.1 on the next page shows that 22% of the respondents stated that they did not have strategic plan documents, while 78% stated that they had the documents.

Strategic plan documents are an important indicator of whether organisations are pro-actively engaging in scanning the environment in which they are operating. The findings reflect that the majority of Harare manufacturers are pro-active in searching for opportunities.

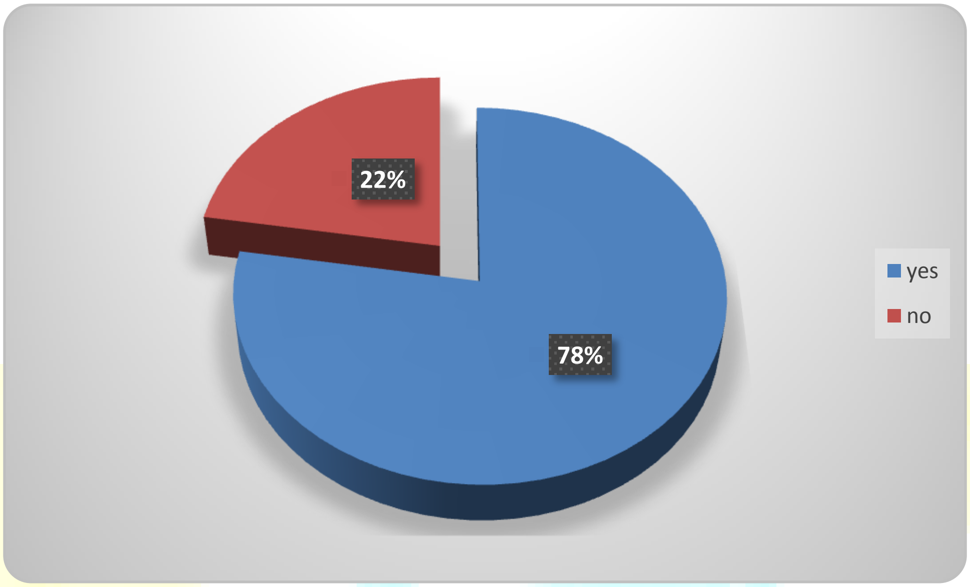

Figure 4.1: Existence of a strategic plan

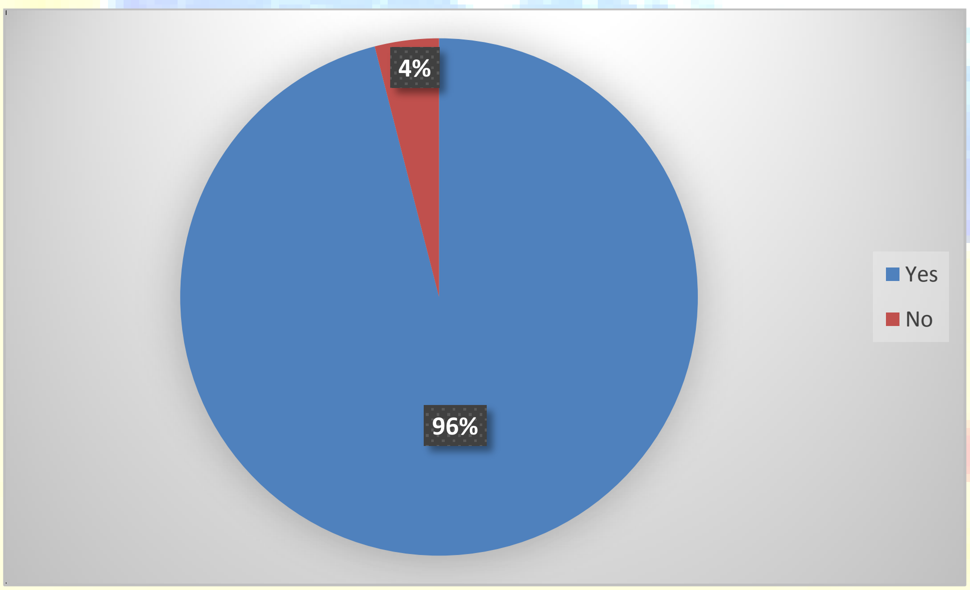

Figure 4.2: Does organisation hold formal strategic planning

Respondents who said they had strategic plans were asked if they held formal strategic planning sessions. Figure 4.2 above shows that 4% of the respondents said that they did not hold formal strategic planning sessions while 96% stated that they did hold formal strategic planning sessions.

Formal planning sessions are important in that they allow participants to be aware of the organisation's expectations and intentions, secure buy-in from participants hence their commitment and most importantly for the plan to be as objective as possible. The findings reflect that a significant number of those firmsthat pro-actively seek opportunities do so formally. Thus they they are able to objectively get commitment and buy-in from those who participate in the process.

Figure 4.3: Who participates

Respondents were asked on who participates in the strategic planning sessions. Figure 4.3 above shows that:16% of the respondents stated that only senior executives participated in the strategic planning sessions;49% of the respondents said that senior executives and middle manangers participated in the strategic planning sessions;18% of the respondents stated that all management levels save employees, participated in the strategic planning sessions; and another 18% said that both managers and employees participated in the process.

The majority of firms surveyed (65%) show that they engage top managers, while aminority of 18% engage all management levels while only 18% said they engaged both management and employees.

This goes against the spitrit of intrapreneurship whichBarringer and Bluedorn, (1999) and Stopford and Baden-Fuller (1999) argue can only be achieved through deep locus of planning and by creating vertical teams respectively.

On being asked about the sources of market information used in developing strategic plans, figure 4.4on the next page shows that 5% of the respondents said that they only used internal sources in gathering information for use in developing strategic plans while 50% of the respondents stated that they only used external sources. However 45% of the respondents said that they used both internal and external sources.

The findings reflect that a small majority of firms in Harare (55%) are not seeking opportnities effectively. As with who participates in the strategic planning process, where market information is sourced is critical in determining the quality of the opportunity seeking process.Confining oneself to internal sources is the worst error that one can commit in scanning for opportunities or threats. These reside outside the organisation hence will never be identified through internal focus. Similarly an exclusive external focus will facilitate noting of developments in the external environment but will not enable distinction of threats from opportunities. Opportunities and threats can only be assessed through matching internal capabilities (strengths) or internal deficiencies (weaknesses) to the external environmental trends. half of the respondents use

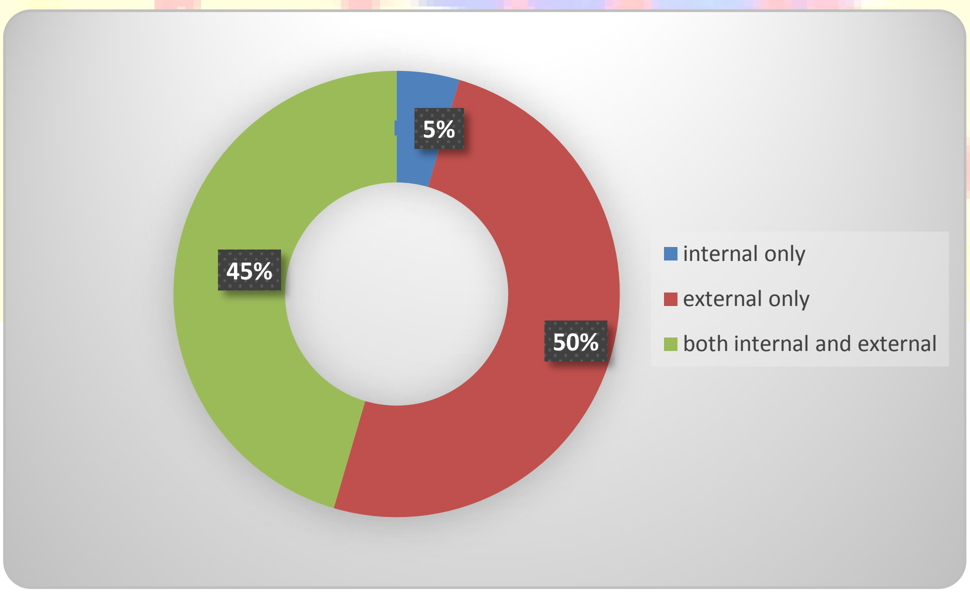

Figure 4.4: Sources of market information

Employee Participation

This section sought to establish the extent to which employee initiative was encouraged, the level of employee participation (involvement) in organisational matters and the extent to which that involvement and participation was valued by the sampled organisations.

On being asked if employee initiatives and participation were encouraged, 84% of the respondents said that their organisations encouraged employee initiatives and participation while 16 % disagreed. The findings reflect that the majority of firms in Harare do encourage employee initiatives and participation.

Encouraging employee initiatives and participation is an important element of bringing in new and improved ways of performing tasks. Employees are the people who are on the ground and possess knowledge about the problems that they are encountering. In most cases they have clear solutions to the problems, most often they would have tried out and perfected the solutions informally. The purpose of bringing the suggestions to management's attention is mainly to have those solutions formalized and incorporated in the organisation's procedures and processes. Therefore organisations that do not encourage employee initiatives and participation effectively reject innovations, creativity and discourage employees the opportunity to improve organisational performance.

Those who said they encouraged employee initiatives and participation were asked if their organisations had formal policies in place to support employee initiatives and participation.An analysis of responses on this question shows that, 47% of the respondents from Harare said that they did have formal policies to encourage employee initiatives and participation while 53% said that those policies did not exist. Thus a slight majority of surveyed Harare firms do encourage employee initiatives and participation.

Formal policies are important in organisations as they act as an open declaration by the organisation on what is accepted and not accepted in the organisation, thus they are the basis of creating a culture of creativity and innovation. Over and above the said benefit of policies, they also serve as an instrument of standardizing management attitudes towards employee initiatives and participation thereby, providing employees with a shield against management penalties should anything go wrong in their quest for innovation and creativity.

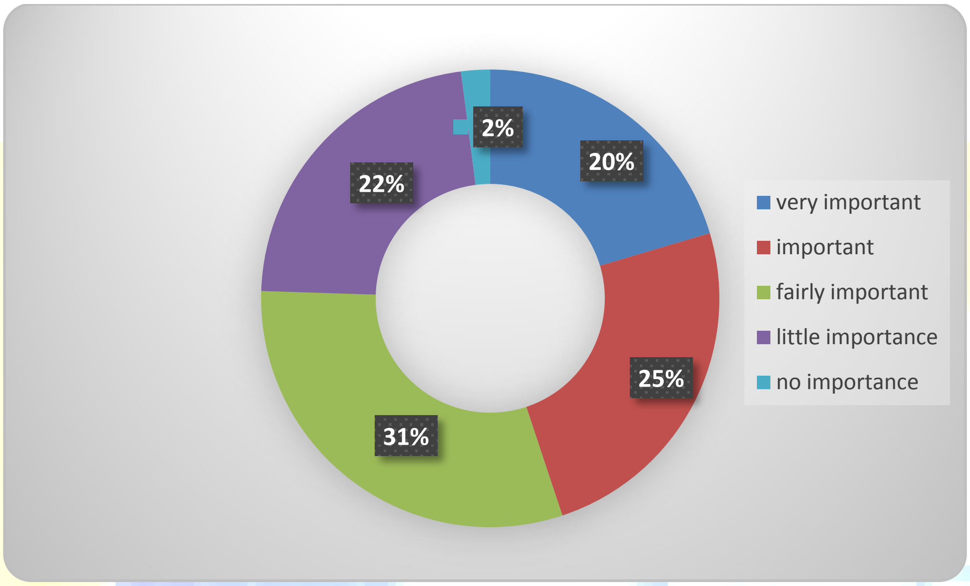

Figure 4.5: Value attached to employee initiatives

The researcher sought to establish if the organisations attached any value to employee initiatives and participation. Figure 4.5 above reflects that:20% of the respondents said that they regarded employee initiatives and participation as very important;while 25% of the respondents said that they regarded employee initiatives and participation only as important; 31% of the respondents said that their organisations viewed employee initiatives and participation as fairly important;22% of the respondents said that employee initiatives and participation was of little importance; and2% of the respondents stated that employee initiatives were of no importance at all. The findings reflect that the majority (76%) of Harare manufacturers have a positive disposition towards employee initiatives and participation.

Of those who said that they encouraged employee initiatives and participation, 47% of them said they had formal policies in place tosupport the initiatives and participation while 53% said they did not. This shows that a small majority of Harare's manufacturing firms have not formalised employee initiatives and participation.

Formal policies are important in organisations as they act as an open declaration by the organisation on what is accepted and not accepted in the organisation, thus they are the basis of creating a culture of creativity and innovation. Over and above the said benefit of policies, they also serve as an instrument of standardizing management attitudes towards employee initiatives and participation thereby, providing employees with a shield against management penalties should anything go wrong in their quest for innovation and creativity.

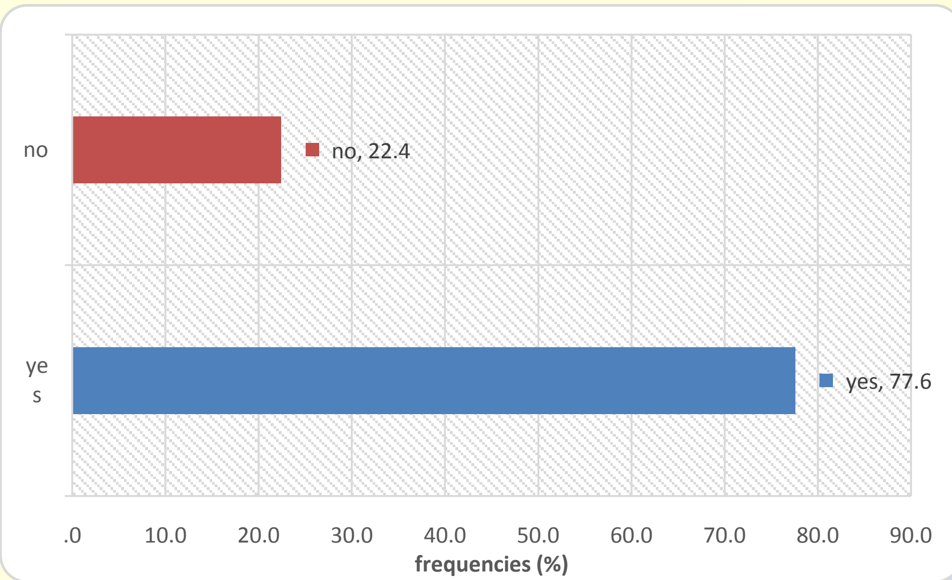

Figure 4.6: Do employee teams exist

The respondents were asked if their organisations had employee teams. Figure 4.6 above shows that 78% of the respondents said that they had employee teams, while 22% of the respondents said that they did not. On cross functionality of the teams, 90% of the respondents agreed that their organisations' teams were cross functional while 10% of the respondents disagreed.

The findings trflect that the majority of Harare based manufacturers have cross funtional employee teams.

Employee teams play an important function in organisations as they are the basis for organisational learning. They act as platforms that allow employees to learn from one another an informal way of transferring knowledge and skills among employees. Informal learning in organisations is very effective and in some instances more effective than formal learning. On the other hand cross functional teams allow employees to develop multi-skills as they learn new skills from their counterparts from other departments. Cross functional teams also enhance inter-departmental co-ordination through eliminating creation of “informational silos” whereby each organisational department operates as independent of others.

Last but not least of all, cross functional teams are a source of innovation and creativity as employees from different departments exchange diverse views on solving particular organisational problems.

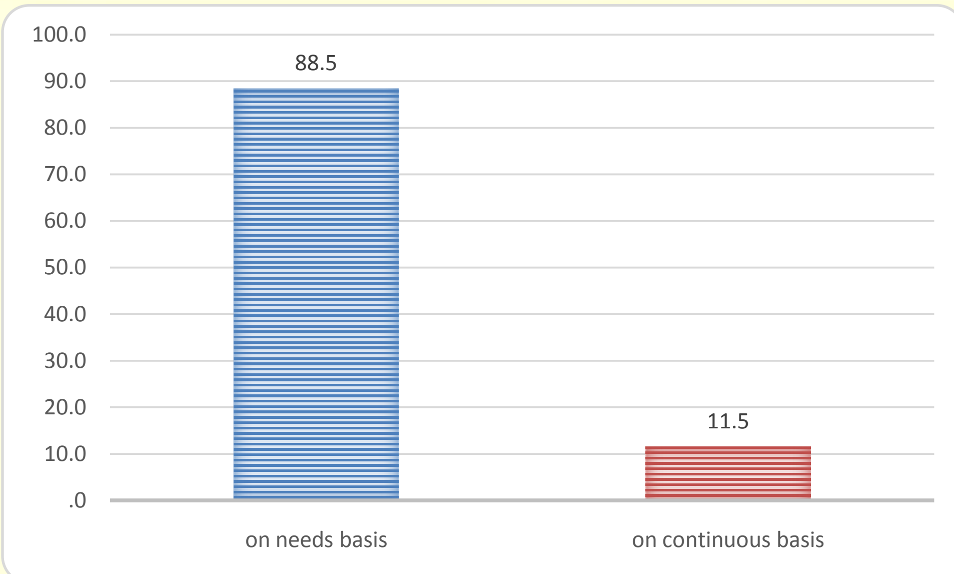

Figure 4.7: When do cross functional teams arise?

The researcher sought to establish if the cross-functional teams in the organisations operated on an ad-hoc or permanent basis. Figure 4.7 above shows that 89% of the respondents said that teams in their organisations were on an ad-hoc basis while 11% of them stated that they operated on a permanent basis.

Lussier and Achua’s (2007) and Berglund (2007)argue that employee teams’ effectiveness in organisations is a function of their interaction frequency. The more they interact the more effective tey become.

The findings reflect that the majority (89%) of the firms’ cross functional teams work on an ad-hoc basis. In this case the surveyed Harare based manufacturers are reaping most of the benefits of cross-functional teams discussed above.

Creativity and Innovation

This section sought to establish the extent of creativity and innovation in the sampled firms and the extent to which the firms were actively involved in stimulating creativity and innovation.

Respondents were asked if they had a research and development department in their organisations. Figure 4.8 on the next page shows that 50% of the respondents agreed that their organisations had a research and development department while another 50% disagreed.

Respondents who had a research and development department were asked if they had budgets for the departments and all respondents said that they had. However, when they were asked if their organisations met all the departments' budgetary requirements, they said that they did not do so most of the times.

The findings reflect that all surveyed firms are weak on research and development as having the department without the necessary resources does not allow the organisation to be effective in the area.

Research and development is an important part of any organisation more so in the manufacturing sector where customer tastes are constantly changing due to effects of globalization. Firms in such sectors need to keep track of the changing trends and developing ways of ensuring their products are up to date.

Customer tastes are not the only changing variable but production methods and technologies. Therefore, organisations that do not research and develop find it difficult to develop the cutting edge to being competitive.

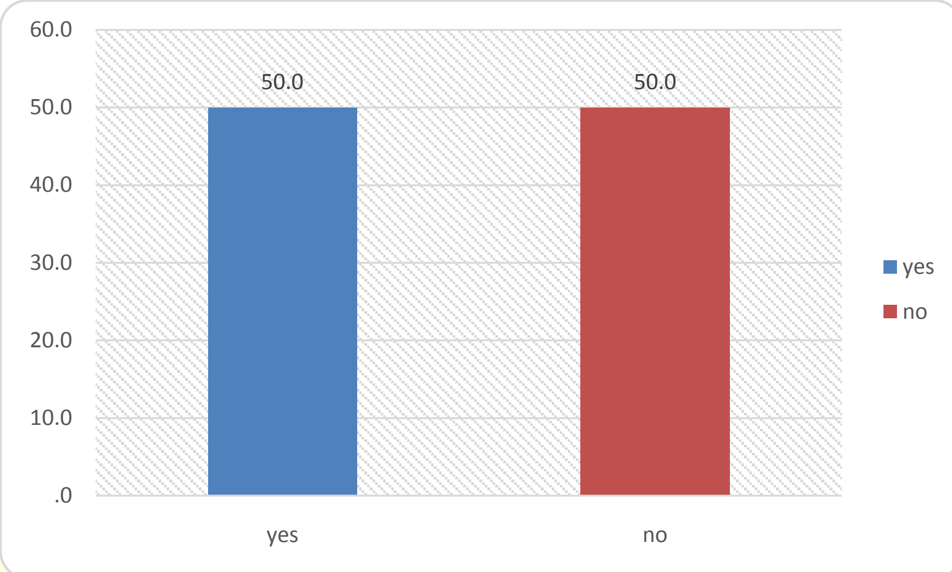

Figure 4.8: Existence of R & D

Conclusions and Recommendations

The following conclusions can be drawn from the study:

- Harare based manufacturers are pro-active in seeking opportunities but they tend to concentrate the responsibility to top managers and are to a great extent sourcing market information from ineffective sources;
- the concerned firms encourage and support employee initiatives. They also have a positive disposition towards the initiatives, however the majority of the firms do not have policies to foster employee initiatives and participation;
- the surveyed Harare based manufacturers have employee teams that are also cross-functional but they work on an ad-hoc basis. This has resulted in the teams being ineffective; and
- the surveyed firms are weak on research and development, thus there is little creativity and innovation in the concerned firms.

Therefore the surveyed Harare based manufacturers show weak practices towards creating corporate entrepreneurship/ intrapreneurship culture. However there is evidence that organisations are informally practicing it, there is need for the organisations to formalise the culture by adopting the recommendations below.

5.0 Conclusions and Recommendations

a) Adopting Total Quality Management (TQM) principles.

TQM is defined by Thompson, Strickland and Gamble (2010 p 364) as a management approach that emphasises 100% accuracy in executing all business tasks, continuous improvement in all business phases, benchmarking all business activities against the best international organisations, involvement and empowerment of employees at all levels, team-based work design and total customer satisfaction.

The management approach will allow the sampled Zimbabwe manufacturers to formally build strong inter-and intra-departmental teams create and adequately resource research and development units in their organisations and most importantly, create trust in both management and employees.

Through benchmarking against international organisations, the manufacturers will cultivate networks that yield benefits in organisational processes, technologies and products.

b) Adopting Stringent Budget Practices

Budgeting is the process of allocating resources to an organisation's activities. This process requires that organisations use rational methods of arriving at the amount that will be made available to each activity. One approach to achieve this is zero based budgeting. The approach assumes that organisations' needs change hence the need to identify those needs and estimate how much will be required to finance the needs. This approach is recommended by the researcher as it allows organisations to identify and prioritise their needs based on their key strategic objectives, thus allowing the organisations to allocate resources on a high priority needs basis.

c) Adopting the Strategic Human Resources Management Approach

Strategic human resources management is defined by Armstrong (2008) as a management practice that acknowledges that employees are the key resource in achieving organisational strategic objectives. Therefore organisations must align their human resources management practices to their strategic objectives. This process compels organisations to involve employees in the strategic planning process thus allowing employees to give input in the whole process.

The researcher's study focused on management practices and how they impact on an organisation's competitiveness, however an organisation's competitiveness is a function of many factors among them the technology being used. This study therefore recommends further studies be carried out on Zimbabwe manufacturers' technologies and their impact on the outputs' competitiveness.

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