Constraints to Strategy Implementation and their Influence on Business Performance: the Case of a Waste Management Logistics Company

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Abstract: Waste management companies in developing countries often have to contend with a plethora of factors that inhibit their business performance. The primary objective of this study was to investigate the influence of constraints to strategy implementation on the business performance of a waste management logistics company in South Africa. The study was triggered by the lack of previous research focusing on constraints to strategy implementation in the waste management sector. The study employed a quantitative approach using the cross sectional survey design in which data were collected from 309 employees of a waste management logistics company based in Gauteng Province. Seven constraints to strategy implementation; namely, management practices, human resource capabilities, customer service, external orientation, internal communication, innovation and employee motivation were identified through Exploratory Factor Analysis. Pearson correlations showed that business performance is negatively affected as and when each constraint becomes more prevalent. Regression analysis showed that all constraints were statistically significant. To academics, the study provides current insights on factors impacting on business performance in waste management organisations. Management practitioners may improve the levels of business performance through structural adjustments of the seven constraints identified in this study. The study may be used as a reference point in the diagnosis of business performance related challenges in companies operating within the waste management sector.

Keywords: Strategy implementation; waste management logistics; management practices; human resource capabilities; customer service

JEL Classification: M –Business Administration and Business Economics

1. Introduction and Background

The purpose of this study was to examine the influence of constraints to strategy implementation on the business performance of a waste management logistics company based in Gauteng Province, South Africa. According to Trois and Simelane (2010), the transformation of Johannesburg, which is the largest city and economic hub of South Africa into a world-class city would begin with presenting a clean and hygienic environment to all city residents and visitors. Traditionally, South Africa

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followed an "end of pipe" waste management philosophy that resulted in a small percentage of waste being recycled, with the remaining bulk of the waste stream being disposed of at landfill sites (Bhagwandin, 2013). However, with urban real estate at a premium, and the natural resource base facing growing pressure, a new national waste management strategy was needed (Bernstad, Jansen & Aspegren, 2012). This strategy emerged in the form of the new integrated Waste Management Policy and the National Waste Management Strategy, which sought to minimise the waste stream going to landfills, while extracting maximum value from the waste stream at all stages of the collection and disposal process (Worku & Muchie, 2012). The strategy also introduced various rigorous environmental regulations, designed to bring South Africa's waste management in line with the Best Environmental Practices in the world (Bhagwandin, 2013). Thus, it was envisaged that this initiative would be a lasting solution to waste management challenges facing most parts of South Africa.

One of the solutions originating from the new waste management strategies in South Africa was the founding of the waste management logistics company in January 2001, with the City of Johannesburg as its sole shareholder (Swanepoel, 2008). This company easily took its place in a society recovering from the mistakes of the past but energised by hope for the future (Nahman, 2009). It was an era of comprehensive change at all levels of national and local government, and not least in the waste management sector (Swilling & Hutt, 2004). The company grew to be the biggest waste management company in Africa, and not only operates entirely within the strict new regulations stipulated by law, but has managed to formulate and commence the implementation of its own sustainable integrated waste management strategy to turn Johannesburg into one of the cleanest cities in the world (Swanepoel, 2008). Current world Best Practice standards dictate that only 10% of the waste stream should end up in landfills (Worku & Muchie, 2012). In light of this, the broad goal of the waste management company's business strategy is to support the national vision of "Zero waste to landfills by 2022" (Nahman & Godfrey, 2010). While it is a practically unattainable goal since some waste will always have to be disposed of at landfills, it nevertheless remains an ideal and focused goal.

A cursory glance at the numbers reveals the enormity of the challenge facing the waste management company. According to Fuggle and Rabbie (2009) the company's services are restricted to the geographical area of the City of Johannesburg. The 1625 square kilometre area of the City of Johannesburg is home to 2, 8 million people and approximately 787 000 residences, with the city generating a total of 1, 4 million tons of waste per annum (Institute of Waste Management of Southern Africa, 2015). Apart from collecting and disposing of the domestic refuse generated by the residents of Johannesburg, the waste management company also offers commercial services to some 17 000 businesses in the city and litter picks and sweeps approximately 9 000 kilometres of streets within Johannesburg's eleven regions (Statistics South

Africa, 2012). In order to meet Johannesburg's waste collection and disposal demands, the company employees approximately 2 700 people, operating from 12 depots, with its fleet of around 350 vehicles that facilitate logistical operations, its five landfill sites, incinerator and 52 garden refuse sites across the city. The waste management company managed to modernise and improve waste collection systems by constantly upgrading its fleet and also delivering 472 000 new 240 litre wheeled bins in the phased replacement of the old refuse bag system (Snyman & Vorster, 2011). Yet the challenge lies not just in the mere act of collecting and disposing of the city's waste, but also in how this is accomplished (Lauridsen, 2008).

It is against the aforementioned background that this study investigated and undertook an empirical exercise within the waste management logistics company. The aim of the study was to investigate how constraints to strategy implementation influence the business performance of the company. The company has been facing an avalanche of operational problems that include, *inter alia*; 1) entrenched lack of proper planning by management teams, 2) the failure by management to generate and develop proper management operating systems to ensure uniformity and efficiency in the running of the company, 3) the absence of guidelines on most of the procedures within the company, which has supposedly led to the creation of a negative company culture, leading to a low morale among employees at the company, and 4) general instability as different administrations generated different strategies within the short period of the company's existence (Institute of Waste Management of Southern Africa, 2015). By 2015, the company had been posting massive financial losses for several years and had employed six successive managing directors since it was formed (Olivier & Patten, 2015). These negative developments serve as the enduring indicators of the challenges that the company faces. It is important that these challenges are addressed, lest the company will not be able to sustain its operations any longer. It also appears that currently, there is scant evidence of empirical studies that have focused on the operational challenges at the waste management company. This study was intended to occupy this gap.

2. Theoretical Considerations

2.1. Business Performance

Generally, the concept of performance describes how individuals as well as groups reach a conclusion to achieve an aim (Wales, Plarida & Patel, 2013). The notion of business performance is demonstrated through the fulfilment of tasks by an organisation's prominent employees (Shin, Lee, Kim & Rhim, 2015). This explains why organisational success is directly proportional to collective employee performance (Ledwith & O'Dwyer, 2014). Business performance describes the level of fulfilled tasks of the business's aims or targets as determined by outputs obtained at the end of a particular business period (Yıldız, 2010). Business performance can be measured by either subjective or objective scales (Darwish & Singh, 2013). However, in most previous studies, both subjective and objective methods were used in combinations in order to offset the shortcomings of either method (Muduli, 2015). It has become evident that while profitability, sales and market share are the most used criteria in subjective criteria, Return On Assets (ROA) and return on earnings (ROE) are the most used ones in objective method (Yıldız & Karakas, 2012). Although various measurement methods of business performance have been developed by scholars and practitioners, there is still no single universal valid method that is applicable in all contexts.

2.2. Constraints to Business Strategy

In this study, business strategy is considered to be the unfreezing of an organisation's assets, both tangible as well as intangible, re-aligning and refocusing these assets to a methodology used to realise the future goals set by that organisation (Mullaly, 2006). In view of this, business strategy may be considered to be related to actions, tactics, methodologies, plans as well as steps that are utilised to accomplish organisational goals (Acquaah & Yasai-Ardekani, 2008). As argued by Aned and Alya (2013) the implementation of business strategy is hindered by various constraints or bottlenecks. To a large extent, success in strategy implementation depends on the ability of management to deal effectively with these constraints (Zhang & Lin, 2012). Constraints to strategy implementation at all levels in the organisation can be classified into numerous categories, and no single category is superior to others (Ainon Nisa, Wan Mohd Naim & Noraini, 2012). Some constraints are discrete, while others stem from either the behaviour of organisational members or from the lack of resources (van Donselaar, 2012).

Ineffective implementation of strategy is a major constraint in itself, and is a major failure of most companies (Platt & Platt, 2012). In agreement, Harrison, Bosse and Phillips (2010) advocate that the conventional functional mentality that was prevalent during the industrial revolution is still manifested in many organisations today and tends to promote counterproductive mind-sets and attitudes that inhibit strategy implementation in the present- day business environment. In addition, factors such as organisational culture, power and politics, employee motivation, organisational structure, learning organisations and management and leadership typically influence the success of strategy implementation (Gavetti & Rivkin, 2007). Wang and Wong (2012) acknowledge that top managers face challenges related to internal critical issues such as the need to cut complexity; poor cultural as well as structural adjustment. Blettner, Chaddad and Bettis (2012) further identifies organisational structure, power and politics, whether the organisation is learning or is stagnant, organisational culture and employee motivation as critical internal concerns. Still, scores of businesses with good and practical strategies fail to implement these strategies due to a deficit in the available resources (Seibert, Wang & Courtright, 2011). Thus, strategic capability is strengthened by the available resources (personnel, working capital, management information systems and intellectual resources) since it is these resources that are employed into the activities of the organisation to create competency (Ployhart & Moliterno, 2011).

2.3. Research Hypotheses

Based on the review of literature, the following propositions are put forward for testing in this study;

H_0: The strength and quantity of constraints to strategy implementation exert no influence on business performance at the waste management company

H_1: The higher the strength and quantity of constraints to strategy implementation, the lesser the business performance at the waste management company

3. Methods

3.1. Sample

Since this study was within the cause and effect paradigm, a quantitative approach using the cross sectional survey design was adopted in order to test the hypotheses. A total of 309 employees were conveniently recruited from 12 deports of the waste management logistics company in Gauteng Province, South Africa. The demographic profile of the final sample is reported in Table 1.

Table 1. Demographic Profile of Respondents

Variable	Categories	N	n	%
Gender	Males	309	222	72.0
	Females	309	87	28.0
Number of years employed	Less than 2 years	309	137	44.0
	2 -5 years	309	95	31.0
	6-9 years	309	53	17.0
	More than 9 years	309	24	8.0
Age group	18-25 years	309	26	9.0
	26-35 years	309	153	49.0
	36-45 years	309	86	28.0
	46-55 years	309	33	11.0
	Over 56 years	309	11	3.0
Race	Black	309	137	44.0
	White	309	95	31.0
	Indian	309	53	17.0
	Mixed Race	309	24	8.0
Type of Employment	Permanent	309	104	33.66
	Contract	309	148	48.89
	Part-time	309	57	18.45

Highest Academic qualification	Matric (Senior certificate)	309	138	44.7
	Certificate	309	87	28.2
	Diploma/professional qualification	309	54	17.5
	First degree	309	21	6.8
	Postgraduate	309	9	2.9
Current position	Executive Manager	309	4	1.29
	Senior Manager	309	23	7.44
	Middle Manager	309	29	9.39
	Line Manager	309	53	17.15
	Specialist	309	79	25.57
	Clerical/Admin	309	75	24.27
	Other, e.g. general duty, security/trainees	309 309	46	14.89

Source: Author

As indicated in table 1, a majority of the respondents (72%; n=222) were male. A greater number of respondents (75%; n= 232) had been employed in the department for less than five years. After collapsing the age groups, at least 58% (n= 179) of the respondents were less than 35 years of age. With respect to racial distribution, the largest group of respondents (44%; n=137) were blacks. Most respondents (82%; n= 252) were either employed permanently or on a contract basis. With regard to academic qualifications, all respondents had passed through the Senior Certificate level, which is the highpoint of secondary education in South Africa. The majority of respondents (50%; n=154) were employed in either a specialist or clerical/administration positions.

3.2. Instrumentation

Measurement scales were operationalised using previous scholarly literature (Delarue, Van Hootegem, Procter & Burridhe, 2008; De Jong & Hartog, 2007; Harrison, Bosse & Phillips, 2010; Mafini & Pooe 2013, Palcic & Reeves, 2010; Saa-Pere & Garcia-Falcon, 2002). Response options were presented in the Likert Scale configuration anchored by 1=Strongly Disagree and 5= Strongly Agree.

3.3. Statistical Analysis Procedures

Data were analysed using the Statistical Packages for the Social Sciences (SPSS version 23.0). The demographic characteristics of respondents were analysed using descriptive statistics. Pearson's correlation coefficient was used to analyse the association between constructs. Multiple regression analysis using the enter method was used to test predictions between dependant and independent constructs.

4. Research Results

The results section is divided into four sub-sections: namely, reliability and validity, factor analysis, correlation analysis and multiple regression analysis.

4.1. Reliability and Validity

In this study, reliability was examined using the Cronbach alpha coefficient. The reliabilities of all the constructs used in this study ranged from 0.722 and 0.922 (Table 2). The scales were considered to be reliable, since these values were greater the 0.7 minimum acceptable alpha value (Malhotra, 2010). Measurement scales were tested for face, content, convergent and predictive validity. In order to determine face validity, the physical appeal of the questionnaire, word ordering, clarity of the questions and time demand, the first version of the questionnaire was examined by a panel of faculty members whose line of expertise lies in strategic management. Minor adjustments were made to the questionnaire, based on the feedback from the panel of experts, after which a pre-test was conducted using 20 conveniently selected respondents in order to assess reliability and content validity. After further modifications, the final instrument was deemed more appropriate to be administered to respondents because all questions were clearer and accurately captured the required data. Convergent validity was ascertained through the computation of Pearson's correlations. The existence of positive correlations between the dependant and independent variables (Table 3) ascertained that convergent validity was adequate in the study. Predictive validity was measured through multiple regression analysis. The results of the study indicate that all seven independent constructs were statistically significant, which illustrates that predictive validity was satisfactory.

4.2. Factor Analysis

The aim of this study was to determine the influence of constraints to strategy implementation on the business performance at a South African waste management logistics company. The constraints to business strategy identified in the study consisted of seven factors that were extracted through the factor analysis procedure. In accordance with the recommendations by Malhotra (2010), it was deemed necessary to conduct two tests first; namely the Bartlett's test of Sphericity and the Keiser-Meyer-Olkin (KMO) measure of sampling adequacy in order to establish whether the available data were suitable for a factor analysis procedure. The results of the two tests were acceptable at p=0.001;<0.05 for the Bartlet's test and 0.912 for the KMO, which gave the green light for factor analysis. In the extraction of the factors, constant reference to the percentage of variance explained, the scree plot and eigen values of the items in the measurement scale was made, as prescribed by Bradley (2010). Consequently, seven constraints to strategy implementation were extracted; namely, management practices, human resource capabilities, customer service, external orientation, internal communication, innovation and employee motivation. A summary of the factors, their operational definitions and the accumulative percentage of variance is reported in Table 2.

Table 2. Constraints to strategy implementation dimensions and their description

Factor	Label	Percentage of Variance Explained	Cronbach Alpha	Description
CO1	Management Practices	41.812	0.736	This pertains to the manner in which company authorities initiate and implement the key activities of planning, directing, organising, and controlling
CO2	Human Resource Capabilities	6.386	0.812	This relates to the availability of people who have the right skills in the company
CO3	Customer Service	4.113	0.790	This refers to the advice and assistance provided by a company to people who purchase its products or services, in order to meet their needs
CO4	External Orientation	3.771	0.764	This involves interactions with external stakeholders such as government, the community, customers, competitors and suppliers
CO5	Internal Communication	2.658	0.891	This refers to the existence of open multi-lateral and vertical communication in the company
CO6	Innovation	3.962	0.876	This refers to the creation of more effective products,

				services, processes and technologies as well as or new (fresh) ways of operating
CO7	Employee Motivation	3.347	0.727	This refers to the inclination by individuals to exert high levels of effort toward organisational goals, as conditioned by that individual's desire to satisfy some internal or external need
	Business performance	N/A	0.922	This refers to level of fulfilled tasks of the business's aims or targets as determined by outputs obtained at the end of a particular business period

Source: Author

As indicated in Table 2 the seven factors accounted at least 66% of the explained variance in constraints to strategy implementation. The value of explained variance was considered to be adequate because it exceeds the 60% minimum threshold prescribed by Malhotra (2011). By implication, approximately 34% of the total variance explained is accounted for by other extraneous factors (constraints) that were not included in this study. Amongst the seven factors, management practices made the highest contribution of nearly 42% of the variance explained, whilst internal communication made the lowermost contribution of approximately 2.7% to the variance explained.

4.3. Correlation analysis: constraints to strategy implementation and business performance

The degree of association between the seven constraints to strategy implementation and business performance was measured using Person's Correlation Coefficient. The results of the correlation analysis are reported in Table 3.

Table 3. Correlation Analysis, Means and Mean-Score Ranking: Constraints to Strategy Implementation and Business Performance

CONSTRUCT	CO1	CO2	CO3	CO4	C05	CO6	CO7	BP
BP	-0.782**	-0.734**	-0.650**	-0.611**	-0.473**	-0.647**	-0.568**	1.000
Mean	3.91	3.65	3.57	3.48	3.23	3.52	3.29	3.64
Mean Ranking	1	2	3	5	7	4	6	N/A
Note: ** Correlation is significant at the 0.01 level: * Correlation is significant at the 0.05 level. CO= Constraints to Strategy Implementation: BP= Business Performance								

Source: Research results

Table 3 reports that mean score values computed for all constructs ranged between 3.23 and 3.91, which represents and leaning towards the 'Agree' position on the Likert Scale. This result implies that in general, respondents generally acknowledged the existence and impact of the seven constraints at the waste management company. In tandem with the each constraint's contribution to the percentage of variance explained management practices ($\bar{x}$ =3.91) emerged as the most dominant constraint while internal communication ($\bar{x}$ = 3.23) emerged as the weakest constraint to business performance.

With reference to correlation analysis, Table 3 reveals significant negative relationships between business performance and constraints to strategy implementation, with resultant coefficients ranging between r= -0.473 and r= -0.782 (all with p-values <0.01). All seven constraints to strategy implantation were factors of market orientation were negatively and significantly correlated with business performance. Based on these results, the decisions reported in Table 4, as regards the proposed hypotheses were made:

Table 4. Hypotheses Tests Results

Hypothesis	Description	Decision
H_0	The strength and quantity of constraints to strategy implementation exert no influence on business performance at the waste management company	Rejected
H_1	The higher the strength and quantity of constraints to strategy implementation, the lesser the business performance at the waste management company	Accepted

Source: Author

Decisions were made to reject the null hypothesis (H_0) and to accept the alternative hypothesis (H_1), given that there were significant negative correlations between all constraints to strategy implementation and business performance. Thus, it can be deducted that business performance decreases as each constraint becomes more extensive, and improves as each constraint weakens.

4.4. Multiple Regression Analysis

Multiple regression analysis using the enter method was conducted to determine prediction between business performance and constraints to business performance. Constraints to strategy implementation were entered into the regression model as the independent variables while business performance was entered as the dependant variable. The results are reported in Table 5.

Table 5. Regression Analysis: Constraints to Strategy Implementation and Business Performance

Independent Variable: Constraints to Strategy Implementation	**Dependent variable: Business Performance**				
	Beta	T	Sig	Collinearity Statistics	
				Tolerance	VIF
C01	-0.355	5.373	0.000	0.851	5.874
C02	-0.434	0.488	0.004	0.723	2.279
C03	-0.394	5.102	0.001	0.715	6.163
C04	-0.291	2.649	0.073	0.543	3.482
C05	-0.131	0.444	0.003	0.623	2.647
C06	-0.208	4.317	0.000	0.727	4.281
C07	-0.227	1.992	0.046	0.587	3.235
R= 0.714 Adjusted R^2 = 0.517 F=75.284					

Source: Research Results

The regression model reveals that the seven constraints to strategy implementation (adjusted R^2 = 0.517) explained approximately 51% of the total variance explained. Multicollinearity statistics did not signal any significant risk, since all Variance Inflation Factor (VIF) values were less than the recommended maximum threshold of 10 (Field, 2005) and all tolerance values were less than the recommended minimum of 0.5 (Dennis, 2011).

5. Discussion

The discussion focuses on the interaction between each extracted constraint and business performance.

5.1. Management Practices and Business Performance

An analysis of the correlation matrix reveals a significant and strong negative correlation (r = -0.782; p < 0.01) between management practices and business performance while the regression model indicates that management practices were statistically significant (β = -0.355; t=5.373; p=0.000). The result of the correlation analysis depicts that the more widespread the constraints arising from management practices, the poorer the performance of the company, and vice versa. The result of the regression analysis demonstrates that constraints originating from management practices predict business performance, *albeit* negatively. As suggested by Snowden and Boone (2007), management is all about influence and leadership in the sense that it involves mobilising the entire human element for shared organisational aspirations. The modern business world requires managers who are able to keep internal focus, alter the status quo and centres of gravity, help the employees and the company to adapt to the changing times and to perform well while concurrently sustaining the importance of customers and external perspective (Hè, 2009). This implies that management style is instrumental in shaping the implementation of programs and their intended outcomes. Therefore, management malpractices are breaking the waste management company apart and should be monitored and adjusted consistently in order to ensure that they are aligned to the mission and vision of the company.

5.2. Human Resource Capabilities and Business Performance

In the correlation analysis, there was a significant negative association between human resource capabilities and business performance (r = -0.734; $p < 0.01$). In the regression analysis, human resource capabilities were statistically significant, although in the negative direction (β = -0.434; t=-0.488; p=0.004). The results of the study indicate that more commonplace the constraints emanating from human resource capabilities become, the lesser the business performance. Human resource capabilities perform an important role in the functions of every department in an organisation in the sense that it influences all the people working there. As stated by Bernadin (2007) companies that perform well are characterised by effective human resource practices that include selective hiring of talent, extensive training, self-managed teams, decentralised decision making and reduced status distinction. Changes in pay and promotion policies can be used to improve employee perceptions of reward orientation and possibly of equity and fairness (Combs, Liu, Hall & Ketchen, 2006). As suggested by Mani (2010) human resource practices foster employee's wellbeing and motivation and this in turn leads to enhanced performance since organisational performance is influenced through a favourable work climate which is the atmosphere in an organisation. In addition, Unite, Sullivan, Brookman, Majadillas, and Taningco (2008) suggest that properly trained employees are ready to meet requirements for their jobs and that healthy practices can enable the organisation to maintain good relations with labour unions. Therefore, contrary to what is happening at the waste management company, human resource capabilities have to be prioritised in order to stimulate superior business performance.

5.3. Customer Service and Business Performance

The results of the correlation analysis reveals a significant negative association (r = -0.650; $p < 0.01$) between customer service constraints and business performance. As regards regression analysis, customer service constraints significantly predicted business performance (β = -0.394; t=-5.102; p=0.001). By implication, the more dominant the customer service constraints become, the lesser the business performance, while the reverse is also true. Disgruntled customers usually respond to poor service by switching to alternative service providers. Customers frequently deliberate upon and scrutinise the type of service delivered to them. As a result, the understanding of customer service becomes an essential priority for service providers (Tahir & Baker, 2007). It therefore becomes obligatory for companies such as the waste management company that operate in the service industry consider the views of customers in terms of standards of products and services and consistency in their provision.

5.4. External Orientation and Business Performance

In the correlation analysis, there was a significant negative association (r = -0.611; $p < 0.01$) between external orientation constraints and business performance. With reference to regression analysis, external orientation constraints significantly predicted business performance (β = -0.291; t=-2.649; p=0.0073). These results demonstrate that ineffective interactions between a company and its strategic constituencies in the external environment have a detrimental effect on the business performance of that company. As mentioned before, external orientation is concerned with the extent to which the company establishes linkages with various strategic constituencies in its external environment with the intent to reach a desired common goal (Kim, Ryoo & Jung, 2011). These formal arrangements with stakeholders across organisational, industry and national boundaries are important in that they bring together resources or assets, both tangible and intangible with the result being mutually added value (Craighead, Patterson, Roth & Segars, 2006). This implies that both inputs and outputs are formally shared by the different independent partners involved in the relationship (Ranaei, Zareei & Alikhani, 2010). This makes it pragmatic for business entities such as the waste management company to expedite their environmental orientation in order to reap the benefits associated with such activities.

5.5. Internal Communication and Business Performance

The results of the correlation analysis indicate a moderate negative correlation between internal communication and business performance (r = -0.473; $p < 0.01$). In terms of regression analysis, internal communication was statistically significant (β = -0.131; t=-0.444; p=0.003). These results illustrate that ineffective communication within the organisation has a negative impact on business performance. There is evidence in previous studies which reiterates the influence of organisational communication processes on the implementation of operational strategy. For instance, a study conducted by Koza and Dant (2007) found that financial performance in a company is influenced by the type of communication strategy adopted by that company. In support, Paulraj, Lado and Chen (2008) found higher levels of gross revenues, net operating income and extensive growth in net revenues amongst companies that emphasised strong internal communication. A previous study by Sinickas (2001) found that communication is a strategic mechanism that promotes supportive and effective dispute resolution behaviours in addition to enabling organisations to interact effectively. In another study conducted by Rapert, Velliquette and Garretson (2002) it was discovered that frequent two-way vertical communication has the effect of improving both strategic consensus as well as organisational performance. Furthermore, effective internal communication also stimulates information asymmetry and greater behavioural transparency, both of which are important in lowering costs associated with transactions and enhancing transaction value (Kotler, 2004). Smircich and Calas (2007) also suggest that there exists a positive connection between effective communication and organisational performance. Thus, it is best that communication be considered as a strategic tool in terms of its implications for business performance at the waste management company.

5.6. Innovation and Business Performance

The association between innovation and business performance was significant and negative (r = -0.647; p< 0.01). Regression analysis showed that innovation significantly predicted business performance (β = -0.208; t=-4.317; p=0.000). These results imply that limited innovation in a company inhibits business performance while unrestricted innovation promotes improved business performance. When innovation improves in the organisation, overall performance of the organisation itself is bound to improve**.** As shown in a study by Jiménez-Jiménez and Sanz-Valle (2011) organisational innovation tends to contribute positively to business performance depending on the size as well as age of the firm, industry and stability in the environment. Camisón and Villar-López (2012) further validate that innovation in organisations leads to the development of technological capabilities and that both organisational innovation in addition to technological capabilities for products, services and processes lead to superior company performance. Additionally, García-Morales, Jiménez-Barrionuevo and Gutiérrez-Gutiérrez (2012) support that organisational innovation affects organisational performance positively, as determined by the type of leadership style in that organisation. Innovation is also one of the primary approaches to differentiate a company's product from the offering of the competition (Autant-Bernard, Fadairo & Massard, 2013). For example, if the waste management company cannot compete on price, it can create innovative services or products and ideas that enable it to outperform its competition. When a company is failing to innovate and transform as needed, its customers, employees and the community at large will all be affected (Noruzy, Dalfard, Azhdari, Nazari-Shirkouhi & Rezazadeh, 2013). As such, the ability to promote and manage innovation and change should be regarded as an essential part of the competencies of every manager and employee at the waste management company. Therefore, it is important to develop and maintain a culture of innovation in order to optimise business performance in the company.

5.7. Employee Motivation and Business Performance

In the study, employee motivation significantly and negatively correlated business performance (r = -0.568; p< 0.01), while regression analysis exhibited that employee motivation significantly predicted business performance (β = -0.227; t=-4.317; p=0.000). These results validate that typically, business performance will be depressed when the morale of employees is low and is likely to flourish when the morale of employees is high. It is important for organisations to ensure that their employees are motivated. According to Du and Choi (2013) highly motivated employees positively influence organisational performance through increasing the quality of products and services. McGregor and Cutcher-Gershenfeld (2006) advocate that in organisations with a focus on motivating their human capital, the quality of their outcomes is much higher than in organisations without a progressive human resource management policy. In agreement, Stumpf and Tymon (2012) state that motivation is an important driver of service quality in the service industry where the products are intangible, inseparable and highly dependent on the employees that deliver. Ryan and Haslam (2007) uphold that motivated employees are highly committed to the organisation and are likely to exhibit organisational citizenship behaviours. Wagner and Harter (2008) noted that there is lower absenteeism, employee turnover and incidences of industrial action in organisations that are committed to motivating their employees. Mani (2010) further stresses that in modern day organisations, motivated employees tend to be more loyal to the organisation than those who with a low morale. In addition, Ambrose and Schminke (2009) argue that knowledge is practically used to a maximum in organisations that possess the ability to motivate their employees. It is evident that it is better for the waste management company to ensure that its employees are motivated, as this is associated with a wide array of benefits. Without motivated employees, it is unlikely that the company will be able to turnaround its business performance.

6. Limitations and Implications for Future Research

Although this study provides some valuable information about the influence of constraints to strategy implementation and business performance, caution is warranted when considering the results because the study has some inherent limitations. Firstly, the findings of the study are based on one organisation, which is based in a single geographic location (Gauteng Province) and a small sample

(N=309) was used. This makes it difficult to generalise the results of the study to other contexts. Future studies on similar topics could be could be conducted using an amplified geographic scope and sample size. Secondly, since a structured questionnaire was used, it was possible that the depth of information that was received from respondents was restricted to what was asked in the questionnaire. In view of this, a mixed method approach could be used in future studies, in order to capture those insights that were excluded from this study. Finally, the study was susceptible to common method bias since all the response items were assessed using a single instrument that was administered to respondents in the same period of time. In the future, data could be collected at different time periods so that variations in responses can be captured.

7. Conclusions and Managerial Implications

The aim of this study was to investigate the influence of constraints to strategy implementation on business performance, using data collected from a sample of employees in a waste management company based in Johannesburg, South Africa. The study identified seven constraints; namely, management practices, human resource capabilities, customer service, external orientation, internal communication, innovation and employee motivation, that obstruct strategy implementation. Among these constraints, management practices emerged as the most dominant while internal communication emerged as the weakest. The study found that business performance is likely to decrease as each constraint becomes more prevalent. All constraints significantly predicted business performance, suggesting that business performance is dependent upon the strength and volume of constraints to strategy implementation.

The study has theoretical and managerial implications. Theoretically, the study provides current insights on constraints to the implementation of strategy and their impact on business performance within the context of publicly-owned waste management companies in developing countries such as South Africa. In view of this, the study becomes an important source of literature for future scholars who intend to conduct similar researches. To management practitioners the study acts as a diagnostic mechanism for business performance-related issues within the waste management industry. More precisely, structural adjustment of each of the seven independent factors considered in this study can lead to significant improvements in business performance.

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