

# Leadership Diagnostic: Unlocking Human Competence for Effective Strategy Execution

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**Abstract:** Despite unprecedented technological advancement, people remain the most important resource for businesses to execute strategy. Yet, research reports that not all businesses ensure the optimum functioning of their people. This is evident from reports on (a) low levels of employee engagement, (b) deployed positions do not utilise peoples' 'competence', (c) leadership lacks information linking employees to strategy execution and resultant business performance, (d) measuring employees' contribution to business performance more readily at the tactical and operational levels than the strategic level of measurement, and (e) failure of strategy execution. Neglecting people is an enigma as leadership has long honed tools to make the most of their employees. One such tool is people analytics and another is strategy shaping. Consequently, we explored businesses use of people analytics in strategy execution, the vehicle ensuring business performance. This paper reports on the study. A literature review integrated strategy and people analytics culminating in a diagnostic which leadership can use to unlock human competence. An empirical study followed. Limited empirical evidence on the topic justified an exploratory survey which utilised an online questionnaire to collect vast amounts of standardised data from a purposively selected sample as best fit, which is uncommon. The data were descriptively analysed. The findings (a) showed that strategic level measurement is present at all levels of strategy shaping, and (b) overlooked at the business operational level where strategy is translated and executed, (c) revealed that these overlooked measurements are consequential for unlocking human competence, and (d) illustrated how people link to strategy execution. These findings provide preliminary evidence necessitating further descriptive and explanatory studies. This diagnostic provides requisite information enabling leadership to optimise the functioning of their employees by deploying suitably competent people in appropriate positions, rendering them available to perform, resulting in higher engagement levels, enhancing effective strategy execution, and improving business performance. This study contributes knowledge by demonstrating how people link to strategy execution, enabling leadership to make better decisions by discerning and selecting the critical people measures ensuring strategy execution and thus, business performance.

**Keywords:** Leadership diagnostic, human competence, people analytics, strategy execution, business performance

## 1. Reconsidering People's Role in Strategy Execution

*"However hard it is to devise a smart strategy, it's ten times harder to get people to execute that strategy. And, a poorly executed strategy, no matter how clever, is worthless."* (Bregman, 2017: n.p.).

Despite unprecedented technological advancement, people remain the most important resource for businesses to achieve their goals. This is due to their competence to execute strategy in pursuit of business performance (Fayol, 1916; Barney, 1991; CIPD, 2018; Hogan et al, 2021). Competence refers to people's inborn need to master their environment. Competence is associated with peoples' desire to learn and grow and is attained via 'training' opportunities (Hogan and Sherman, 2020; White, 1959). However, they should deem these training opportunities necessary for, and meaningful in, task execution (White, 1959). The satisfaction of the need for competence causes autonomy – to be one's authentic self by experiencing free-willed and self-endorsing behaviour (deCharms, 1996; Hogan and Sherman, 2020). Autonomy implies time to think, experiment, and learn, which involves risk-taking and innovative behaviours, enabling people to proactively adapt to change. Autonomy in turn fosters relatedness – to form and maintain a few sincere relationships which produce behaviour, emotion and thought (cf. Baumeister and Leary, 1995; Hogan and Sherman, 2020). These three inborn human needs - competence, autonomy, and relatedness - are experienced as the ability to get ahead, find meaning, and belong and serve as motivational levers ensuring the *optimum* functioning of people (Hogan and Sherman, 2020) thus, influencing employees' willingness to execute strategy.

Research spanning decades confirms that strategy execution failure is the primary cause of the gap between planned and realised performance (Bourgeois and Brodwin, 1984; de Oliveira, Carneiro and Esteves, 2019; Mintzberg, 1994). Yet undeterred by knowledge of the essential role people play in strategy execution, research reports that not all businesses ensure the *optimum* functioning of their employees. This transpires from abundant reports on (a) low levels of employee engagement (Harter, 2020), (b) people being deployed in positions that do not utilise their competence (CIPD, 2018), (c) leadership lacking information linking employees to business performance (Boudreau and Cascio, 2017; Levenson, 2018), and (d) measuring employees' contribution to business performance more frequently at the tactical and operational level than the strategic level of measurement, while the latter matters most in strategy execution (Angrave et al, 2016; Hamilton and Sodeman, 2020; Schiemann, Seibert and Blankenship, 2018).

Businesses failing to optimise the functioning of their employees is puzzling since leadership has access to sound tools to maximise employee competence. One such tool is *people analytics* and another is *strategy shaping*. People analytics is the data-driven measuring, analysing, and reporting of employees' impact on business performance in support of evidence-based decisions (CIPD, 2016; Margherita, 2021). Strategy shaping aims to deliver 'value' and is the tool leadership uses to attain business goals or performance (Pearce, Robinson and Mital, 2018). People play a vital role in strategy execution by performing their daily activities (Barney, 1991; CIPD, 2018).

Research recurrently cites the physical and/or psychological unavailability of people as a top-ranked reason for the strategy execution breakdown (Harter, 2020; Mankins and Steele, 2005; Mintzberg, 1994). This hints that some businesses ineffectively use people analytics and strategy shaping. Consequently, scholars argue for the use of an integrated people analytics model that reinforces value creation while contingent on the business strategy and guided by business leadership (Angrave et al, 2016; CIPD, 2016; Hamilton and Sodeman, 2020; Levenson, 2018; Marler and Boudreau, 2017; Nienaber and Sewdass, 2016; Schiemann et al, 2018). Accordingly, this study explored businesses use of people analytics in strategy execution for ensuring business performance. The research question was: "What is the state of the use of people analytics in strategy implementation." This paper reports on a part of the larger study.

We address the research question in five parts. First, we review the literature on strategy and people analytics. Second, we present a diagnostic (Figure 1) derived from the literature review that leadership can use to unlock human competence for successful strategy execution. Third, follows an explication of our research methodology. Fourth, findings are presented and discussed. Finally, the paper closes with conclusions, contributions, limitations, and recommendations for future research.

## **2. Review the Literature on Strategy and People Analytics**

Successful business performance depends among others on customer support, which derives from positive, albeit subjective, judgments of *value* obtained. Business performance is a derivative of the attainment of goals – simultaneously for both the organisation, intermediated by their fulfilling employee resources and mandatory customer support. The business wants performance and often opaquely understands that it is manifested by delivering value to targeted customers through its employees, processes and other resources. Value can be either one or a combination of (a) economic value – the price or cost to acquire or use the product or service, (b) functional value – the solution to a problem or satisfaction of a need, or (c) psychological value – such as experience or risk reduction (cf. Morkel, Nienaber and McNeill, 2021). Customer support – the result of business performance – is embodied in *competitive advantage*, the quintessential element of a sound strategy.

## **3. Competitive advantage**

Competitive advantage enables businesses to attain superior financial returns in comparison to a benchmark, typically an industry average. Attaining competitive advantage results from outperforming rivals in offering customer value by executing value-creating activities better or differently from rivals (Porter, 1985; Sheehan and Foss, 2017). Competitive advantage comprises three interconnected dimensions: the chosen competitive arena, customer value, and the availability of resources, for delivering customer value in the selected arenas (Morkel et al, 2021; Nienaber and Sewdass, 2016). People are the most consequential resource because of their competence to execute value-creating activities efficaciously (Barney, 1991; CIPD, 2018). Therefore, leadership must ensure that people can perform productively. This is achieved by deploying appropriately competent people in suitable positions and providing them with the requisite resources, including training opportunities so

that they can fruitfully execute strategy to secure business performance (Barney, 1991; Harter, 2020; Schiemann et al, 2018). Enabling people to perform productively requires an understanding of human competence and unlocking such competence as exemplified by the structural dimensions of organisation for executing strategy.

### 3.1 Structural dimensions of organisation for executing strategy

Structural dimensions of organisation for executing strategy enable coordination and cooperation and are integral to leadership (Fayol, 1916; Skivington and Daft, 1991). This reality is reflected in the definition: “Leadership is employees’ perception of the capacity of their hierarchical superiors to direct their subordinates’ activities and behaviours to pursue a desired outcome (like a business goal) in an (intended) coordinated system of cooperation in conjunction with other resources, all of which are interlinked” (cf. Morkel et al, 2021:26). Coordination synchronises all activities within the business to facilitate its efficient functioning. Cooperation entails spurring people to optimise their competence willingly in pursuit of business performance via strategy execution. Coordination and cooperation impact employees’ motivational needs for competence, autonomy, and relatedness. Coordination and cooperation interact because coordination partly regulates cooperation and cooperation also impacts coordination. Coordination and cooperation derive, respectively, from the *framework* and *processes* structural dimensions of organisation for executing strategy (Nienaber, 2019; Skivington and Daft, 1991) as illustrated in Figure 1.

*Framework* is relatively stable and methodically links activities and resources of the business through *structure* and *systems*. *Structure* represents the formal arrangement of roles and responsibilities and is reflected in job design. It also specifies authority, policies, procedures, culture, and leadership. *Systems* allocate resources through budgets, management information, training/learning and development, and operational controls (Skivington and Daft, 1991). Research highlights the framework dimension of organisation for executing strategy as contributing to either the successful strategy execution or its failure (de Oliveira et al, 2019; Mankins and Steele, 2005; Mintzberg, 1994; Morkel et al, 2021).

*Processes* are fleeting and involve individual behaviours or actions and reflect the relationships between business members. Processes comprise *interaction* – specifically communication on the one hand and *sanctions* – explicitly power and rewards, on the other. Interaction and sanctions continuously create roles in the minds of business members and may or may not correspond to the formal roles specified by the framework. Thus, relationships between business members create meaning and consensus while governing behaviour including employees’ willing pursuit of business performance (Skivington and Daft, 1991). Research validates the *processes* dimension of organisation for executing strategy as either facilitating or hindering strategy execution (de Oliveira et al, 2019; Mankins and Steele, 2005; Mintzberg, 1994; Morkel et al, 2021).

Leadership can use the *structural dimensions of organisation* (see Figure 1) to execute strategy by changing the framework, the processes, or both dimensions. Therefore, leadership creates an environment conducive to strategy execution and thus business performance (Barney, 1991; de Oliveira et al, 2019). Leadership’s decisions influence employees’ motivational needs for competence, autonomy, and relatedness. These decisions satisfy or frustrate the motivational needs, affecting the willingness or unwillingness (availability/unavailability) of employees to execute strategy. Leadership can use people analytics to mobilise human competence to effectively execute strategy.

### 3.2 People Analytics: Mobilising Human Competence

Effective *people analytics* provides quality information for making evidence-based decisions to mobilise human competence in performing value-creating activities. Well-designed people analytics offers an integrated measurement system for analysing business performance and effectually create and deliver value (CIPD, 2016; Levenson, 2018; Schiemann et al, 2018).

An integrated measurement system (see Figure 1) reflects inputs feeding into activities, leading to outputs, and culminating in business outcomes or performance. Such a system would account for measurement at the tactical (input), operational (activity), and strategic (output and outcomes) levels, all of which are central to the strategy of the business (Boudreau and Cascio, 2017; CIPD, 2016; Hamilton and Sodeman, 2020; Levenson, 2018). Each level of measurement contains several measures for determining value (cf. CIPD, 2016) and reflected in Figure 1. Businesses generally use some of these measures according to their judgment.

### 3.3 Input level measurement

Input level measurement represents the basic building blocks and provides essential data about employees that the business relies upon as a source of differentiation. Input measures include *regulatory compliance* such as *health and safety regulations*.

### 3.4 Activity level measurement

Activity level measurement represents the next level of measurement and shows the transformation of inputs, through processes, to outputs, which constitutes value creation (Porter, 1985; Sheehan and Foss, 2017). People are central in transforming resources into products and services valued by customers. Activity measures include *employee welfare* such as *employee satisfaction* and *job satisfaction* surveys.

### 3.5 Output level measurement

Investments in the activity level result in outputs, which provide the means for assessing the impact of employees, their development, their management, and how to improve these investments to meet business needs. Output level measurement indicates quantifiable value-add to the business, resulting from effective human resource practices. At this level, data are less tangible and difficult to measure. Output measures include *employee engagement and well-being* such as *climate* surveys.

### 3.6 Outcome level measurement

Finally, outcome level measurement mirrors the quality of outputs, resulting from combining inputs and activities, and their subsequent business impact. Outcome level measurement reflects value delivery to the business and its stakeholders. Given the complexity of this level of measurement, many of the measures are indirect. Outcome measures include *business performance* indicating how well the realised performance compared to the planned performance expressed in *financial and non-financial terms* such as *return on investment (ROI)* and *customer satisfaction*.

## 4. A Leadership Diagnostic Derived from the Literature Review

Figure 1 illustrates a leadership diagnostic for unlocking human competence to successfully execute strategy,

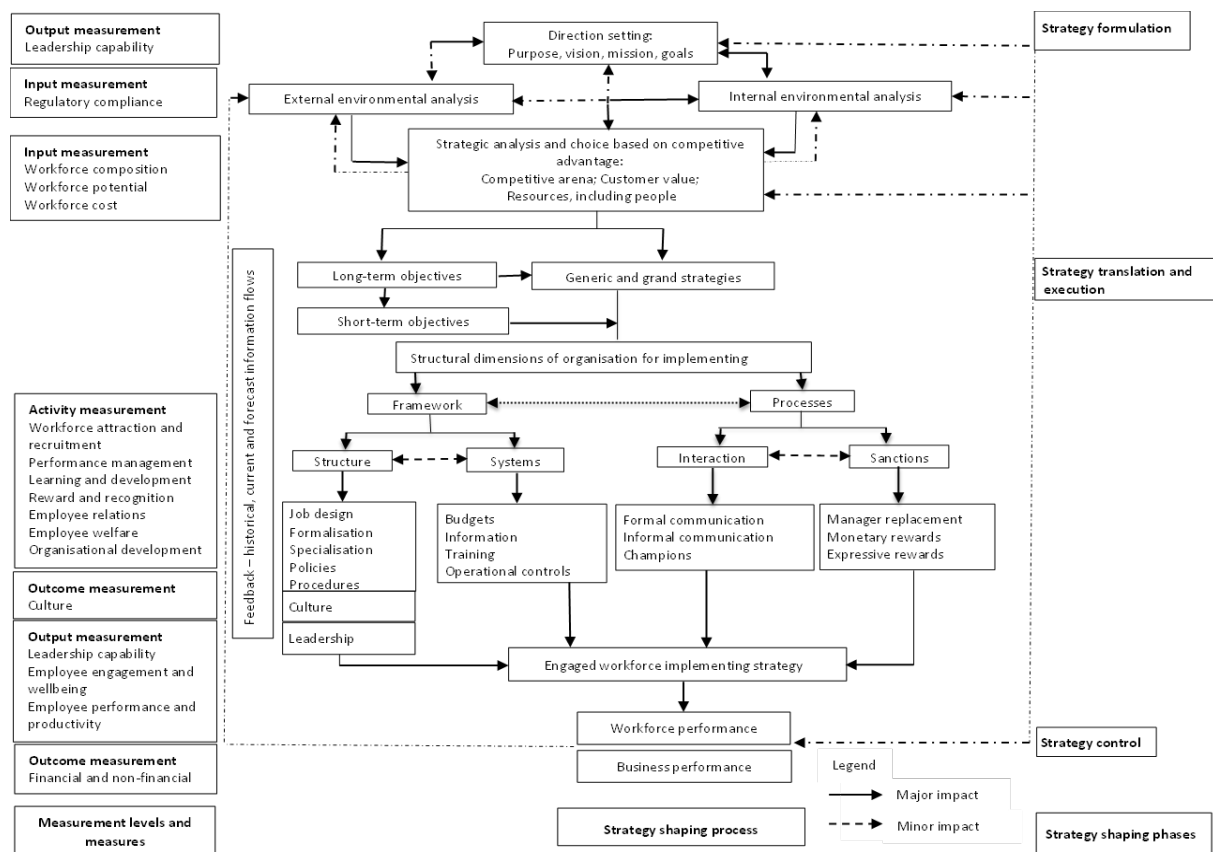


Figure 1: Leadership diagnostic to unlock human competence for successful strategy execution

**Source:** Adapted from CIPD (2016), Nienaber (2019), Pearce et al (2018), Skivington and Daft (1991)

which is derived from the literature review. Figure 1 necessitates a few brief observations:

- Illustrating measurement levels comprising people analytics against the strategy shaping process is unprecedented. It reflects the business entity as a total system. It displays the core business components which are integral to its functioning – people analytics, inputs, activities, outputs, and outcomes, and impacted by the external business environment as well as by performance feedback loops.
- Measurement levels and examples of measures are on the left-hand side, the strategy shaping process in the middle, and the strategy shaping phases on the right-hand side.
- Measurement levels do not build sequentially on each other, as one may expect.
- Strategy shaping is an intertwined process: formulation is at the strategic level of the business and relies on measurement at both strategic (output) and tactical (input) levels; translation and execution is at the operational level of the business and relies on measurement at both the operational (activity) and strategic (output and outcome) levels; and strategy control is at the strategic level of the business and relies on measurement at the strategic level (output and outcomes). The vast majority of measures (both activity and strategic) are at the operational level of the business where strategy is translated and executed – the core of a business. Notably, strategic level measurement (output and outcomes) is present at each strategy shaping phase and provides measures that can assist leadership in bridging the formulation-implementation divide, without abdicating the execution responsibility to lower hierarchical levels and overlooking strategic issues.
- It visually shows how people link to strategy execution and thus, business performance. It confirms that a holistic approach is required to ensure all performance variables impacting the functioning of a business are accounted for to ensure performance effectiveness by optimising resources, particularly people. Moreover, people analytics data are dispersed throughout the business and provide information about the total system. Thus, all stakeholders in the business should partner to collate, analyse, and report on the impact of people on business performance to ensure evidence-based decision-making in support of strategy execution and thus business performance.
- It suggests that leadership's influence permeates the entire business and ultimately impacts employee motivation and consequently business performance. It demonstrates that people analytics can provide information about:
  - leadership's ability to set the direction of the business and choose an appropriate strategy for pursuing the direction as impacted by environmental variables, while executing it through the framework and processes structural dimensions of organisation;
  - the structure, specifically job design that impacts the fit between roles and employee competence and whether the right person is deployed in the appropriate position to attain the business' goals or performance;
  - the conduciveness of policies, procedures, and culture to support goal achievement;
  - the effectiveness and efficiency of systems in endowing employees, swiftly, with the requisite financial and non-financial resources for executing value-creating activities in a way that creates competitive advantage;
  - the impact of the framework structural dimension of organisation on the processes structural dimension of organisation, as well as the alignment between the processes structural dimension of organisation and the framework structural dimension of organisation; and
  - the impact of interaction and sanctions on goal achievement or business performance.

## **5. An Explication of Research Methodology**

The methodology is exploratory and conducted by a survey. This approach was guided by the purpose of the research and the limited empirical evidence on the use of people analytics in business performance, and studies integrating strategy (execution) and people analytics (Jann and Hinz, 2017; Jansen, 2010; Lavrakas, 2008; Margherita, 2021; Marler and Boudreau, 2017; Nienaber and Sewdass, 2016; O'Leary, 2021; Tursunbayeva, Di Laura and Pagliani, 2018). The exploratory nature of the study and the kind of data required to solve the research problem justified an exploratory survey *as best fit* with the research question (Jann and Hinz, 2017; Jansen, 2010).

Survey research, whether exploratory, descriptive, or explanatory, is a systematic method for collecting large amounts of standardised factual data about a social reality, such as behaviours and trends or opinions, at a

relatively low cost, in a short period, from a purposively selected sample of respondents, with a wide variety of views, using an instrument, such as a self-report questionnaire, consisting of structured closed-ended and/or open-ended questions, to provide a record of a social reality at a specific time (Jann and Hinz, 2017; Lavrakas, 2008; O'Leary, 2021).

Exploratory surveys aim at *understanding* a social reality and should be used as a basis for developing a more detailed, systematic descriptive, or explanatory survey (Forza, 2016; Jann and Hinz, 2017). Exploratory surveys use small samples/number of responses as the focus is on uncovering insights from a diverse sample to understand a social reality as opposed to conclusive analyses and generalising (Forza, 2016; Jann and Hinz, 2017; Jansen, 2010; Lavrakas, 2008). However, these scholars do not specifically numerically clarify a *small* sample. Daniel (2012) concurs with these scholars and advises that (a) sample size should be adequate to satisfy the objectives of the study and return useful results with scientific and practical value, (b) to be ethical one should consider the burden on participants and use the smallest possible sample necessary to satisfy the objectives of the study, and (c) typical samples or 'rule of thumb' for exploratory research, pilot studies and pretesting range from 20 to 150.

### **5.1 Instrument**

We developed an online self-report questionnaire following the literature review. We enhanced trustworthiness by attending to construct identification, linked the questions to the study objectives, and followed basic design rules: selecting the appropriate data collection method, attention to flow, layout and the wording of questions, and the pre-test of the questionnaire with experts (Human Resource professionals) before the main study (Forza, 2016; O'Leary, 2021). After the pre-test, we adjusted the wording of a few questions to improve readability. The questionnaire contained two sections: one collecting demographic variables and the other involving perceptions of respondents regarding the use of people analytics to execute strategy for business performance. The questionnaire consisted of 16 questions (14 closed- and 2 open-ended). Examples of questions include: "The following is most descriptive of my firm's performance"; "My firm employs the following number of persons"; "My organisation uses the following metrics (accompanied by a short description of the metric to ensure shared meaning) to manage organisational performance"; "In your view explain how ... ." The study was conducted following ethical research principles: Ethical clearance was granted by the university and voluntary participation ensued from informed consent, and safeguarding anonymity and confidentiality. Participants could withdraw at any stage without negative consequences.

### **5.2 Population and Sample**

Survey participants were members of the South African Board for People Practices (SABPP). The SABPP was purposively selected for this study because of its diverse members (Jansen, 2010; Lavrakas, 2008; O'Leary, 2021) in terms of economic activity, size of business, and potential use of people analytics in ensuring business performance. Thus, SABPP members would be the best source of information to solve the problem investigated (Jann and Hinz, 2017; O'Leary, 2021).

An online, cross-sectional survey link was distributed in June 2018 by the SABPP to their members inviting their participation on a voluntary, anonymous, and confidential basis. The invitation stated the purpose and objectives of the survey, and why it was important to participate in the survey. It also explained that aggregated, anonymised survey results would be shared with the SABPP along with individual respondents interested in the results. The survey closed in September 2018.

## **6. Discussion of Research Findings**

### **6.1 Respondents**

We received 61 completed surveys matching Daniel's (2012) numerical rule of thumb - discussed above - and trends in survey research (Jansen, 2010; Mayer, 2021). These responses could be used, as progress cannot be made without empirical information on this topic (Daniel, 2012; Forza, 2016; Lavrakas, 2008).

A diverse sample was achieved (Jansen, 2010; Lavrakas, 2008; O'Leary, 2021). Respondents varied in terms of hierarchical positions, business size, and economic activity. Hierarchical positions ranged from frontline staff (12/61) to HR specialists (23/61) and top management (26/61), reflecting views from all hierarchical levels. Business size in terms of employment ranged from two to more than 500 persons and represented all standard industrial classification sectors. Since the vast majority (53/61) of respondents had more than 10 years work

experience, they may well have had an understanding of their businesses and were thus appropriate respondents.

## **6.2 People analytics used**

Respondents reported the use of input, activity, output, and outcome measures, representing the tactical, operational, and strategic levels of measurement and corresponding to the discussed literature. Consistent with previous research (Boudreau and Cascio, 2017; Levenson, 2018; Schiemann et al, 2018), activity (operational) level of measurement dominated, followed by input (tactical), while output and outcome (strategic) levels lagged. This observation seems unsurprising as activity level measurement reflects the operational level of the business, where inputs are transformed through processes into outputs, which constitutes value creation (Porter, 1985; Sheehan and Foss, 2017). This transformation amounts to translating strategy into action – the core of a business. The observation that activity level measurement dominates at the operational level of the business coincides with Figure 1. However, Figure 1 also illustrates the presence of output and outcome or strategic level measurement at the operational level of the business. Hence, the infrequent use of strategic level measurement, especially at the operational level of the business, is unexpected and warranted further examination.

We used frequency counts, which are either neglected or ambiguously used (e.g. some, most, few) in exploratory research, as coding to be precise, thus enhancing trustworthiness (Fife, 2020; Hannah and Lautsch, 2011; Maxwell, 2010; Sandelowski, 2001; Seale and Silverman, 1997). These frequency counts directed our attention to those measures and measurement levels that were neglected. Some respondents regardless of hierarchical position, size of business, economic activity, and perception of business performance reported the infrequent use of:

- *activity measures*, specifically (a) attraction and recruitment measures (rate of retention of recruits (35/61), turnover and termination (48/61)), (b) employee welfare (employee satisfaction (38/61) and job satisfaction (28/61) surveys), and (c) workforce planning (42/61);
- *output measures*, specifically (d) leadership capability (36/61), (e) employee productivity and performance measures (45/61), (f) employee engagement and well-being measures (engagement (38/61), organisational commitment (31/61) and climate (33/61) surveys), (g) did not report the use of business models; and
- *outcome measures*, specifically (h) alignment measures that form part of culture (37/61).

The significance of these neglected measures (a-h) is evident from the interpretation i.e. these measures are designed to (a) provide the business with vital data regarding available employees to execute strategy; (b) create a healthy and happy workforce; (c) continually align changing business needs and priorities with the workforce to meet compliance, customer value and business imperatives; (d) promote leadership capacity to set direction and ensure a shared understanding of the direction while empowering the workforce to unify their efforts by asserting their competence autonomously in pursuit of strategy execution/business performance; (e) reflect the quality of individuals performing against role-based objectives to produce outputs and outcomes; (f) are aimed at creating an environment that is conducive to employees asserting their competence autonomously, which nurtures relatedness; (g) deliver value; and (h) gauge the alignment of employee, team, and functional objectives with business goals. These measures are consequential for unlocking human competence to effectively execute strategy for business performance.

These neglected measures imply that leadership lacks the capacity to: set direction, choose an appropriate strategy to pursue the direction, and execute the strategy via the structural dimensions of organisation to achieve business performance. Notably, all of these neglected measurements pertain to the structural dimensions of organisation for executing strategy, which activate the levers of motivation which in turn unlock human competence, as illustrated in Figure 1. Thus, these responses suggest leadership fails to create an environment in which suitably competent employees can perform productively in pursuit of business performance. This observation further suggests that leadership may not know how people link to strategy execution and supports the literature (CIPD, 2016; Levenson, 2018; Margherita, 2021; Marler and Boudreau, 2017; Schiemann et al, 2018). This observation raises the question of whether the respondents' reported measures used are the most appropriate, comprehensive, or relevant in linking employees to business performance. This is consistent with the literature (Boudreau and Cascio, 2017; Levenson, 2018). In summary, these responses indicate that leadership renders people physically and/or psychologically unavailable to execute

strategy and consequently jeopardises business performance. These results are consistent with Hogan et al (2021).

The survey responses verify that the strategic (output and outcome) level of measurement is primarily overlooked (Angrave et al, 2016; Boudreau and Cascio, 2017; Hamilton and Sodeman, 2020; Levenson, 2018; Maxwell, 2010; Schiemann et al, 2018). These responses build on previous research and provide new insights. The overlooked strategic level of measurement is present at the operational level of the business (Figure 1). This mirrors the structural dimensions of organisation, where strategy is translated and executed. The overlooked measures are consequential for unlocking human competence to execute strategy in pursuit of business performance.

### **6.3 Business performance**

The respondents indicated that they use a variety of strategies to achieve business performance. They also indicated that they were generally satisfied with strategy results. However, regardless of hierarchical position, size of business, and economic activity, 46 respondents reported a discrepancy between planned and realised performance. The reasons offered for the ineffectiveness of strategies were: inappropriate strategies for achieving the business' goals (10/61), inappropriate business goals (8/61), and external and internal environmental factors. Their reasons offered concur with previous research (Mankins and Steele, 2005; Mintzberg, 1994; Morkel et al, 2021). Moreover, these reasons suggest that there are many points involving people where strategy shaping can fail. This is consistent with the reported neglected people measurement and Figure 1.

## **7. Conclusions, Contributions, Limitations, and Recommendations for Future Research**

This study answered the research question and the results can be accepted as contributing to knowledge as the study meets discussed trustworthiness requirements (Forza, 2016; O'Leary, 2021). The findings concur with previous research, namely, some businesses do not optimise the functioning of their employees. Thus, some leader decisions destroy instead of creating value. Additionally, this study extends previous research. It provides details on neglected people analytics. Specifically, operational and strategic people measurement at the operational level of the business, where strategy is translated and executed, are overlooked. It revealed that these overlooked people measurements are consequential for unlocking human competence and thus render people unavailable to execute strategy to the detriment of business performance.

The leadership diagnostic (Figure 1) illustrates how people link to strategy execution and business performance. Leadership can use the diagnostic to optimise the functioning of their employees by deploying suitably competent people in appropriate positions, rendering them available to perform, resulting in increased engagement levels, enhance strategy execution, and business performance.

This study contributes to theory, practise, and methodology. It provides information on understudied areas of research that are significant in business performance (de Oliveira et al, 2019; Margherita, 2021). The reported infrequent use of measures at the operational (activity) and strategic (output and outcome) levels of measurement is consequential in unlocking human competence, which is the cornerstone of competitive advantage and the quintessential element of a sound strategy. The neglected measures are present at the operational level of the business, mirroring the structural dimensions of organisation where strategy is translated into action, thus aiding strategy execution to realise business performance. Thus, some respondents' use of people analytics does not unlock human competence to execute strategy and, thus it exposes a lack of competitive advantage. Ultimately, these responses reveal ineffective strategy shaping, which jeopardises business performance.

The diagnostic has utility for practitioners. It revealed many points where strategy shaping can go wrong. All of these points impact people requirements to execute strategy and are aggravated by the abstractness of especially strategic level measures that matter most in strategy execution. The diagnostic can assist leadership in running their businesses systematically and systemically while linking people to strategy execution. Thus, it provides actionable insights enabling leadership to make better decisions based on evidence to modify business conditions, such as the direction of the business, the strategy to arrive at the direction, and the structure, systems, interaction, and sanctions, to successfully execute strategy. Thus, the diagnostic enhances understanding of how each component, particularly people, in this intertwined process impacts business performance. It provides the required information to assess the business' functioning, specifically about people.

The successful use of people analytics can minimise, if not prevent, the strategy execution breakdown while ensuring effective strategy shaping, which ensues from leadership capacity as shown in Figure 1. The diagnostic, therefore, presents a properly signposted route linking people to business performance. Businesses can embrace this diagnostic for success.

This study contributes methodologically by employing an exploratory survey using an online questionnaire to collect data and frequency counting as part of data analysis, which should not be misconstrued as statistical analyses (Fife, 2020; Hannah and Lautsch, 2011; Maxwell, 2010; Sandelowski, 2001; Seale and Silverman, 1997). Counting improved precision and directed attention to the neglected people measures and levels of measurement. However, the interpretation of these neglected measures provides insights that can ameliorate the use of people analytics enhancing strategy execution and business performance. Furthermore, the study augments the literature, specifically the theoretical studies and viewpoints (Angrave et al, 2016; Margherita, 2021; Marler and Boudreau, 2017; Nienaber and Sewdass, 2016; Tursunbayeva et al, 2018), with empirical evidence.

There are some limitations, specifically the cross-sectional nature of the study and the preliminary evidence that needs further scrutiny. Consequently, future descriptive and explanatory studies are recommended.

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