



The Relationship between Corporate Strategy, Strategic Leadership and Sustainable Organisational Performance: Proposing a Conceptual Framework for the South African Aviation Industry

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Abstract

The aviation industry is one of the main supporters of the growth of the tourism and hospitality sectors in most countries. Specifically, it is crucial in linking clients/ customers to touristic destinations. Some of the African aviation companies have emerged at the frontier of global markets, even though evidence suggests that the majority are essentially uncompetitive. Their failure is not merely on market share dominance in the global aviation marketplace but also on leadership. The lack of an efficient and effective aviation service could adversely affect and hinder the growth of the tourism industry. It is therefore high time for the aviation industry to be robust and become highly competitive in nature so as enhance the tourism sector and eventually the country's economy. In South Africa, there has been a total collapse of 'fair' competition due to anti-competitive behaviours associated with some airline companies. The economic conditions and the nature of competition have resulted in the creation of a hindrance for a new entrant to penetrate the market. In addition, most of the airlines have limitations in gaining and sustaining competitive advantages. This could be attributed to challenges the industry faces with regards to its leaderships. There is a need for the airlines to have strategic leaders who are effective in designing and implementing strategies. In view of the above, this article critically reviews pertinent literature, then conceptualises and proposes a framework that clearly indicates the relationships between corporate strategy, strategic leadership, and sustainable organisational performance. Moreover, the paper tends to contribute to the need to guide corporate strategic leadership in order to gain a sustainable competitive advantage in South Africa's struggling aviation sector.

Keywords: Corporate strategy, strategic leadership, sustainability, competitive advantage, organisational performance

Introduction

The aviation industry is an essential part of the new global economy and the demand for aviation services is growing continuously (Eriksson & Steenhuis, 2015). Over the past four decades, air travel has increased rapidly as per scheduled revenue passenger kilometres and has grown three



times as compared to the world's gross domestic product (GDP) (Garefalakis, Mantalis, Lemonakis & Vassakis, 2016). In the view of Steyn and Mhlanga (2016), the aviation industry contributes about 3.1 per cent to South Africa's GDP through travel and tourism in the country. The growth and performance of the travel and tourism industry in many countries is almost exclusively reliant on the aviation sector to provide a convenient means of transport for travellers visiting tourist destinations (Zajac, 2016).

Recent work by Kwan, Rutherford and Zeinali (2014), suggests the United States of America (USA) as the largest aviation industry in the world. However, despite its leadership in the sector, the evidence suggests that domestic passenger operations slowed down and showed no significant improvement. In contrast, China has become the world's second-largest aviation industry after the USA, with extraordinarily faster passenger growth in size and profitability (Wang, FanFu & Zhou, 2014). Nevertheless, despite its growth strategy, Chinese airlines face both financial challenges and management turmoil which prompted some passenger services to be suspended. The deregulation efforts and developments contributed to the competitiveness and productivity of Chinese Airlines (FuLei, Wang & Yan, 2015). In addition, despite its economic challenges, the India aviation industry gained its competitiveness since being deregulated in 1990. The Indian government permitted private airline companies to compete in domestic operations (Williams, 2017). As the world's third largest aviation market, India has postured itself to be the second largest aviation industry with over 300 million users by 2020 (Jain & Natarajan, 2015).

Most of the African aviation companies have emerged at the frontier of global market, even though evidence suggests that majority are essentially uncompetitive (Barkhuizen, Welby-Cooke, Schutte & Stanz, 2014). Their failure is not merely on market share dominance in the global aviation marketplace but leadership failure. They have gone bankrupt and withdrawn from their business operation (Amankwah-Amoah & Debrah, 2017). Clark, Dunn and Kingsley-Jones (2015) affirm that there is limited competitiveness due to the globalisation of the aviation industry and market saturation and, as a result, numerous national airlines have ceased business including among others, Ghana Airways, the Nigeria Airways and Air Afrique which subsided a few years ago. They further concluded that many African airlines are improvised to compete globally and has become a reality that requires further scholarly attention.

In South Africa, the deregulation of the airspace during the early 1990s had a wide-reaching impact on regional and domestic marketplaces. According to Henama, Acha-Anyi & Sifolo (2016), the low-cost carriers have experienced tough market conditions which have required them to discover new markets besides penetrating the existing markets. They further indicated that the new market entrants should have undertaken detailed research to understand the gaps and opportunities in the sector. The domestic aviation sector has been characterised by the collapse of many locally owned airlines such as African Airline Investments, Velvet Sky, African International Airways, Air Quarius Aviation, 1Time Airline, and Skywise while others ran into funding restrictions such as Blue Crane Airline (Mhlanga, 2017). The deregulation of air transport by most governments has created major global effects on the domestic air transport industry. This had effects stretching from stimulation, the variations in the structure and the functioning of market performance.

Additionally, the projected sales in the aviation industry have been threatened by unanticipated competitive market conditions (Bilotkach & Gaggero, 2015). This is aggravated by the industry's facing rapidly changing and aggressive competition worldwide, which is driven by several factors that need to be considered when competing for product excellence and customer satisfaction. As indicated by Shaw (2016) and Aggarwal and Schenone (2017), the aviation industry operates in



an environment with high market turbulence which is characterised by fluctuations in the value chain of the new market entrants. It has become a norm for strategic leaders to experience difficulties continuing with traditional business logic. According to Lee and Puranam (2016), market uncertainty is a common buzzword of role players in the business globally. In this regard, leadership plays a pivotal role in the realisation of leading competitive corporate organisations that are sustainable. Specifically, corporate strategic leaders should understand and interpret market turbulences in order to exploit opportunities faster than their rivals (Kwan et al, 2014).

In most cases, organisations face unprecedented leadership challenges and uncertainty in this hyper-competitive industry. Barends, Rousseau & Briner (2014) stated that there is no job that is more dynamic than that of the business leader. Business leaders determine whether organisations serve their markets well or whether they squander employee talents and organisational resources. Northouse (2018) asserted that from creation, every person has been born with explicit personalities which may complement durable leadership abilities. Therefore, the overarching intention of this paper is to determine the factors that influence corporate strategic leadership and organisational performances in the South African aviation industry by proposing a conceptual framework that will be tested empirically in the forthcoming research.

Research Methodology

The study employed a mixed methods approach. Saunders and Lewis (2016) postulated that a mixed methods research is an approach to an inquiry which encompasses the collection of both quantitative and qualitative data. The target population of this study comprised all (9358) employees within the selected domestic aviation airline in South Africa. The sampling technique for this study was based on a stratified random sample. The anticipated sample size for the quantitative study was 370 participants which was guided by the sample size calculator (Raosoft, 2018). For the qualitative study, the sample size was 15 of the senior executive's team selected purposively. The quantitative data was collected using questionnaires while face-to-face semi-structured interviews were used to collect the qualitative data but in some instances, where the respondent were busy, a telephone interview was conducted.

Literature Review

The Notion of Strategy

In this life “everyone needs a strategy”; this was asserted by Freedman (2015). He further stated that in every business there are opponents, and it is an effective company strategy that permits one business to grow more than others in order to become a success. David (2011) indicated that “an organisation without a strategy is like a ship without a rudder, going around in circles”. They further indicated that every organisation needs more than just a vision and mission to be efficient; business leaders should be eloquent in translating the vision and mission of an organisation into active reality.

What then is strategy? The term strategy descends from the Greek word “*strategos*”; it was referring to an elected war general in ancient days (González, 2017). The concept of strategy originated from the military and is based on the intent to conquer the enemy through some competitive advantage (Osanloo & Grant, 2016). The use of strategy was on-going for centuries. This is reconfirmed by, Antonakis and Day (2017) by stating that strategy originated from military battles and the effective practice of a superior strategy allowed troops to defeat the others.



Strategists were mostly military leaders with shared political and military authority. In military literature, strategy involves the attainment of a victory while utilising available resources in the most effective and cost-effective way with minimum loss, cost and impairment (Durmaz & Ilhan, 2015). According to Freedman (2017), strategy is everything achieved by a commander, characterised by foresight, advantage, enterprise and resolution. The definition of strategy, therefore, is a plan to reflect on the tomorrows, the controlling facets of the future, by making choices and assimilating those choices in a unified way as a formalised procedure (Thompson, Strickland III & Gamble, 2007).

A large and growing body of literature has investigated the use of strategy as it has gained prominence in organisations, nevertheless, in management its uses have increased rapidly. Strategy sets the path and the scope of a firm over a long-term, by achieving a competitive advantage in a volatile environment through its utilisation of resources and proficiencies in order to achieve the stakeholder prospects (Angwin, Johnson, Whittington, Regner & Scholes, 2015). In another way, a strategy is a plan to reflect about the future, the controlling facets of the future, making choices by assimilating those choices in a unified way as a formalised procedure (Thompson et al., 2007). It is necessary here to clarify exactly what Pitelis and Wagner (2018) have defined strategy as the long-term path and scope of a firm that achieves competitive advantage through the best use of resources in order to fulfil stakeholder expectations. In the quest for dealing with a competitive advantage, strategy is defined as the way in which an organisation attempts to realise its strategic objectives by using resources and the necessary expertise to assist in gaining a competitive advantage (Grant, 2016). These resources and capabilities of a firm long-term strategy depend on the internal resources and competencies to provide a specific strategy and are a primary source of profit for the firm (Khan, Serafeim & Yoon, 2016).

Additionally, in order to understand the corporate strategy, Wheelen, HungerHoffman and Bamford (2017) outlined the three levels of strategy that are typically used by organisations, namely corporate, business, and functional level of strategies. The term corporate strategy is generally understood to entail the initiatives that a firm uses to establish business positions in various industries. It is a means of capturing cross-business synergies and turning them into competitive advantages (Thompson et al., 2013). The corporate level strategy should involve the choice of business in which a company ought to be defined as a comprehensive master plan on how the organisation will achieve its mission and objectives (Rugman & Verbeke, 2017).

The globalised organisation requires strategic thinking and worthy corporate strategies in order to become strategically competitive (Augier & Marshall, 2017). In view of JohnsonScholes & Whittington (2008), corporate level strategy determines the range of business that is included in strategic decisions. Corporate strategy depicts the direction of the organisation regarding its management and diverse productions and business lines to gain a competitive advantage in the environment (Angwin et al., 2015). In other words, it helps guide the objectives and relates them to the resources of the organisation to be utilised. Secondly, the main focus of a business strategy is to improve a distractive competitive advantage of its products and services in a particular industry (Wheelen et al., 2017). Other studies have also looked at it as the existing and new opportunities that are aligned to the organisational objectives. On a daily basis, corporate entities are facing stimulating and dynamic challenges in the 21st century. (Rahman et al., 2018).

Finally, the functional level strategy is also referred to as the operational strategy of a firm. It focuses on the various sections within an organisation in order to deliver effective corporate and the business-level strategy by utilising resources, continually improving the processes and



personnel involved (Cokins, 2017). Purce (2014), makes an interesting contribution with regard to a functional level strategy that it is concerned with how various components of an organisation successfully deliver on the corporate and business level strategy. The functional level strategy integrates operational decisions in order to successfully implement business strategy through decisions made at the operational level (Rahman et al., 2018).

Competitive Advantage Strategies

Nasri and Ikra (2017) indicated that the advantages of competition are the results of realising strategy by using various resources of an organisation. Uniqueness is regarded as a source of competitive advantage within an organisation. There is a general consensus that organisation that continuously develop the skills of its employees will have a higher place in a competitive world making it difficult to be imitated by its competitors (Coulson-Thomas, 2017). In other words, corporate strategy is required in order to run a business operation. However, observations have indicated that the worst mistake in strategy is to compete with rivals on the same dimensions (Tanwar, 2013). Porter maintains that in order to achieve a competitive advantage an organisation should ensure that its strategic choice is in line with the nature and scope of the competition (Porter, 2012).

Considering Nowicka (2017), competitive advantage is created based on the framework and organisation design that is able to fulfil the organisation's strategic objectives in a specific environmental framework. A firm's strategic positioning may limit its profitability as compared to the rest of the industry. Accordingly, competitive advantage can be categorised in two ways, namely, the differentiation strategy and the cost-leadership strategy (Porter, 2012). The research by Tanwar (2013), established that that cost leadership and the differentiation strategy pursue the competitive advantage strategy through comprehensive choices of relevant market segment, while the focus strategy aims mainly to improve cost advantage or differentiation in a narrow segment. They further highlighted that in order to achieve a durable and above-average performance, a firm's value will be dependent on differentiation as compared to the low-cost strategy.

Competitive advantage may develop from an organisational ability to create value that exceeds the buyers' expectations over its cost of creating it (Bertozzi, Ali & Gul, 2017). The ability of a firm to discover and exploit all sources of cost advantage in its market segment is said to be chasing a sustainable cost leadership strategy (Menon, 2015). Cost leadership strategy allows companies to lower the costs of production in order to attain a competitive price so that they may be able to raise their profits. The organisation seeking to be different from the rest of the industry along with some dimensions of its product or service that are widely valued by customers' needs to follow a differentiation strategy. For a firm to succeed through a differentiation strategy, its activities ought to facilitate charging a premium price that exceeds the additional cost of being unique. It necessitates the organisation to carefully select activities that make it truly exclusive in order to receive a premium price (Tanwar, 2013).

Contextualising Strategic Leadership

Strategic leaders are those leaders who are effective decision makers. In most cases, the most performing companies are purposefully strategic in their leadership planning (Serfontein & Hough, 2011). The study by Sichone (2004), alluded that strategic leadership has become a vital driving force behind the accomplishment of the vision and mission of an organisation. Alam, Ahmed, Mollah, Tareq and Alam (2015) stated that "people are born with specific traits and some traits



aligned with strong leadership”. Accordingly, they stated that “people with the right traits would become the best leaders”. Leaders in an organization should have the ability to inspire and impress followers by providing them with guidelines to fight for the same purpose. It is imperative to understand that leaders can make a significant difference in their organisations through the role they play which is critical. Expressed differently, strategic leadership may vary across entrepreneurial contexts and may give rise to a diverse strategic leadership alignment and composition (Simsek, Jansen, Minichilli & Escriba-Esteve, 2015).

Pitelis and Wagner (2018) outlined strategic leadership as the capacity to anticipate, envisage, the ability to think strategically and capacity to work with fellow colleagues in order to initiate changes aimed at creating a viable future of the organisation. In the view of Thompson et al (2007), the fundamental attribute of a strategic leader is based on his own thinking, and that of his advisers, about the future. The fundamental focus of a strategic leader in an organisation is to create excitement for the future and the capability to enhance a better understanding of the business environment, both in the current context as well as in the future (Simsek et al, 2015). One of the main tasks of a strategic leader is to create a plan that is aligned with the organisation’s vision (Bailey, Mankin, Kelliher & Garavan, 2018). The business environment is changing every day more hastily and intensely than ever before; therefore organisations need competent leaders with well-developed strategic leadership abilities and acumen (Rumelt, 2012). Strategic leaders should use their attributes and skills to establish the lasting course of an organisation in their everyday working life (Alam et al, 2015). It is somewhat believed that strategic leadership is the absolute responsibility and reflection of top management teams (Hambrick, 2016).

In view of all that has been mentioned so far, one may suppose that strategic leadership is a vital driving force behind the accomplishment of the vision and mission of an organisation. Overall, the study by Carter and Greer (2013) suggested that strategic leaders should be able to encourage team members to willingly execute everyday organisational decisions and enhance their competitive edge. For an organisation to succeed in today’s competitive world, Freedman (2015) suggested that it should have a robust leadership team in place with a clear strategic process. Leaders within an organisation should transform to be able to take strategic decisions in order to survive in the knowledge economy (Drucker, 2002). It is widely agreed that unmatched performing companies are purposefully strategic in their leadership planning (Serfontein & Hough, 2011). In particular, corporate leaders should be able to think and act strategically.

Strategic Planning

According to Johnson et al (2008), strategic planning should entail strategic analysis, strategic choice and strategic implementation. Strategic planning involves making corporate strategy decisions about the market in which the company operates and competitive strategic decisions about how the company is to compete within the markets (Wheelen et al, 2017). Grant (2016) postulated that every organisation should look at the industry environment to augment its understanding of competitive forces and success factors for its sources of profitability. Every firm should devise a mechanism of identifying and understanding its competitive environment as the foundation of outmanoeuvring and beating its competitors (Schaltegger & Wagner, 2011).

The strategic planning should assess the macro-environmental factors of the business which include the political, economic, social, technological, environmental and legal conditions of market positions and future business direction to be realised (Perreault & McCarthy, 2001). The foundation of the strategic plan is the vision, mission, activities and values of the organisation. In articulating strategic planning, Wheelen et al (2017) provide a framework for identifying strategic goals. In reviewing the literature it has been found that scholars and practitioners, that there is a



lack of strategic thinking by leadership in most organisations (Babafemi, 2015; Bailey et al, 2018; Carter & Greer, 2013; David, 2011; Davies & Davies 2004; Homkes & Sull, 2015; Johnson et al, 2008; Thompson & Strickland, 2015).

There is general consensus regarding strategic thinking that it is significant for the direction and sustainability of an organisation (Mahdinezhad & Suandi, 2013). Notwithstanding the need for strategic thinking, Zahra and Nambisan (2012) alluded to the fact that there is inadequate literature on what organisations may do in order to help its leaders, superiors and general employees to develop their ability to think strategically. Every employee involved in strategic thinking should understand how and why they do it and the degree to which their efforts are effective (Alam et al, 2015). The strategic leaders use their attributes and skills to establish the lasting course of an organisation in their everyday working life (Alam et al, 2015). It has conclusively been proposed by Carter and Greer (2013), that corporate leaders should be able to think and act strategically.

A strategic leader should be able to envisage and uphold flexibility across the organisation and be able to empower others in order to create strategic change as necessary. This, therefore, means that they should be empowered to have expertise in mutual management of the internal and external business environment so that they can engage in complex information processing (Deeboonmee & Ariratana, 2014). This was supported by Northouse (2018), who suggested that organisations should identify and nurture prospective leaders with the necessary capacity to think strategically. A strategic leader should be able to encourage team members to willingly execute everyday organisational decisions that enhance the lasting relevance of the organisation and its offerings (Tefera & Mutambara, 2014).

Emergent Strategic Leadership Traits

According to Taylor, Cornelius and Colvin (2014), the leadership theory denotes leaders at any level in the organisation. Previous research on the leadership trait theory has indicated that successful leaders are those who are born with certain inherent aptitudes to distinguish them from non-leaders (Antonakis & Day, 2017). The style of leadership adopted is somewhat consistent with the pattern of behaviour that characterises a leader. The role of leadership within an organisation and performance were explored by scholars and researchers, but the empirical basis of leadership styles is still much limited (Mahdinezhad & Suandi, 2013). Notwithstanding these limitations, leadership style can be a key determinant of the triumph of any organisation (Carter & Greer, 2013).

As regards a visionary leader, Coulson-Thomas (2017) indicated that these are people with the ability to create an eloquent vision by providing a meaningful leadership to the organisation. The effective communication of organisational vision empowers individuals to perform (Tefera & Mutambara, 2014). It is therefore understood that people do not perform well if they do not know the vision or if it has not been clearly communicated by all individuals within an organisation, as they may spend much of their time speculating about which direction to follow and eventually resist the change (Taylor et al, 2014). It has been emphasised by Babcock-Roberson and Strickland (2010), that a charismatic leader is perceived in an organisation as an encouragement to others. They further claim that a charismatic leader will provide a direction when the situation seems blurred and can resolve limitations by inspiring change when articulating new vision and mission.

Another emerging theory emphasised by Pieterse, Van Knippenberg, Schippers and Stam (2010), is the transformational leader who is gifted in transforming the cohorts to rise above their



selfishness and alter employees' self-confidence, morals, and principles, to perform better than they initially expected. Transformational leaders should demonstrate the behaviour and characteristics which seek to garner a commitment from the follower. According to Taylor et al (2014), transformational leaders focus on a vision for the future. Transformational leaders look for ways to transform their organisations beyond the status quo. Transformational leadership underscores satisfying basic needs and meeting higher desires though inspiring followers to provide new solutions and create a better workplace while showing how to better each individual's performance within an organisation (McCull-Kennedy & Anderson, 2002).

Sustainable Organisational Performance

Moving on now to consider Cokins (2017), the term performance management is widely accepted as referring to organisational performance as a whole rather than an individual. He further asserted that performance management is the process of managing the execution of an organisations strategy. In support of Van Dooren, Bouckaert and Halligan (2015), performance management enables an organisation to deliver a predictable contribution to sustained value creation, and Wang Lin and Chu (2011) quantified that it is vital to establish an inclusive clear vision and goals to all corporate members. In order to turn the organisational strategy into a great performance, Mankins and Steele (2005) suggested that organisations should continuously monitor performance at all times and specifically when the environment is volatile and uncertain. Another significant aspect of organisational performance to be adequate when the enterprise is able to deliver the same benefits as their competitors or achieving more Wang et al (2011). In essence, the degree to which an organisation may protect its resources from imitation by competitors determines the sustainability of its competitive advantage. According to Lee (2017), a precise strategy should make the most efficient use of resources and capabilities within an organisation.

In addition, it is important to understand the emphasis on the importance of sustainable developments and environment as an essential part of the development process. The definition of corporate sustainability has been a matter of ongoing discussion among scholars however, it is a development that addresses the present generation without conceding the ability of future generations to meet their own needs (Siew, 2015). The concept of corporate sustainability according to Van Marrewijk (2003), includes social and environmental concerns in business operations and in interactions with stakeholders. Corporate sustainability according to Csikszentmihalyi and Larson (2014) is a concept that has gained its prominence across the globe, mostly in the context of environmental governance (Siew, 2015). The concept of sustainability initiated in the insight of industrialisation and economic development are the main causes of destroying the natural environment.

According to Van Marrewijk (2003), corporate sustainability is a multidimensional concept which embraces business strategies, financial returns, customers' satisfaction, stakeholders' interests, internal process and the human factor. In the words by Drucker (2002), "It is not possible to manage what you cannot control and you cannot control what you cannot measure". He further indicated that the identification of key performance indicators for the maintenance of function and metrics is vital for the performance of an organisation.

When it comes to performance management, Maletič, Dahlgaard-Park and Gomišček (2016) characterised it as the record of results delivered on a predetermined activity capacity or action in a predefined timeframe. Cokins (2017), explained it is a continuous process of identifying, measuring, and developing the performance of individuals and teams and aligning their performance with the strategic goals of the organisation. The main purpose of performance



management is to implement the organisational strategy; mostly is it used as a vehicle for culture change and to provide input on human resource systems such as human development and remuneration (Van Dooren & Van de Walle, 2016).

A further definition is given by Madanchian, Hussein, Noordin & Taherdoost (2016), who describe the organisational performance as a process of converting inputs (resources) into tangible outcomes. It embraces the objectives of an organisation as compared to its output. In most cases, organisations often enhance employees' technical skills to increase performance, while in the quest of realising organisational objectives, it remains as the main challenge that organisations fail to sustain their performance (Grobler & Du Plessis, 2016). Siew (2015) postulated that a firm should master how to maintain sustainable performance during difficult times. Leadership plays a vital role in achieving sustainable organisational performance.

Sustainable Competitive Advantage

Sustainable competitive advantage (SCA) is related to the firm's efforts in establishing and maintaining advantages for a long-term period. An organisation can achieve an SCA by attracting and ensuring that customers will prefer their durable product and services over what is being offered by competitors (Lev, 2017). Sustainable competitive advantage is realised when an organisation is in a position to implement a value-creating strategy which competitors are unable to duplicate or to imitate the benefits (Delery & Roumpi, 2017). Corporate strategy includes the commitments, decisions and actions required for a firm to achieve strategic competitiveness and earn above-average returns.

According to the view by Thompson and Strickland (2015), competitive strategy is concerned with how a company can gain an SCA through a distinctive way of competing. Every organisation that is competitive is said to have a better advantage over its competitors, which allows the organisation to add more value than competitors in the same market (Kumar & Pansari, 2016). Thompson et al (2007) asserted that a company strategy should detail activities and approaches that corporate leaders employ in order to grow the business and customers need in order to realise organisational performance. They further suggested that a company's most reliable ticket for earning above-average profits is a creative and distinctive strategy that sets the company apart from rivals and yields competitive advantage.

Proposed Conceptual Framework

The objective of this study is to advocate a framework or a model for the aviation industry to add value to business competitiveness in South Africa. There are various models available globally which may be used by corporate strategic leadership in their organisations to implement strategy and measuring organisational performance, among these the Balanced Scorecard (BSC), Porter's Five Forces, Sustainability Key Performance Indicators (KPI) framework, the Political, Economic, Social, Technological, Legal and Environmental (PESTLE) framework and Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis (Indiatsy, Mwangi, Mandere, Bichanga & George, 2014; Johnson, Whittington & Scholes, 2011; Parmenter, 2015; Taylor, 2005; Valmohammadi & Ahmadi, 2015; Wang et al, 2011).



Figure 1: The Balanced Scorecard
Source: Constandache & Chiru (2016)

The conceptual framework of the BSC has been introduced by Kaplan and Norton with its purpose of assessing the organisational performance (Martello, Watson & Fischer, 2011). The main focus of BSC rest upon its outcome measures, performance indicators, the financial and non-financial performances. It provides an organisation with internal and external business outcomes that makes provision for continuous improvement of strategic performance and results. From the previous discussion, it can be seen that the BSC is not able to answer what competitors are doing (Akkermans & Van Oorschot, 2018). The following conclusions can be drawn from the BSC model that is well suited to an environment where revenue is not the primary objective (Maletič et al, 2016).

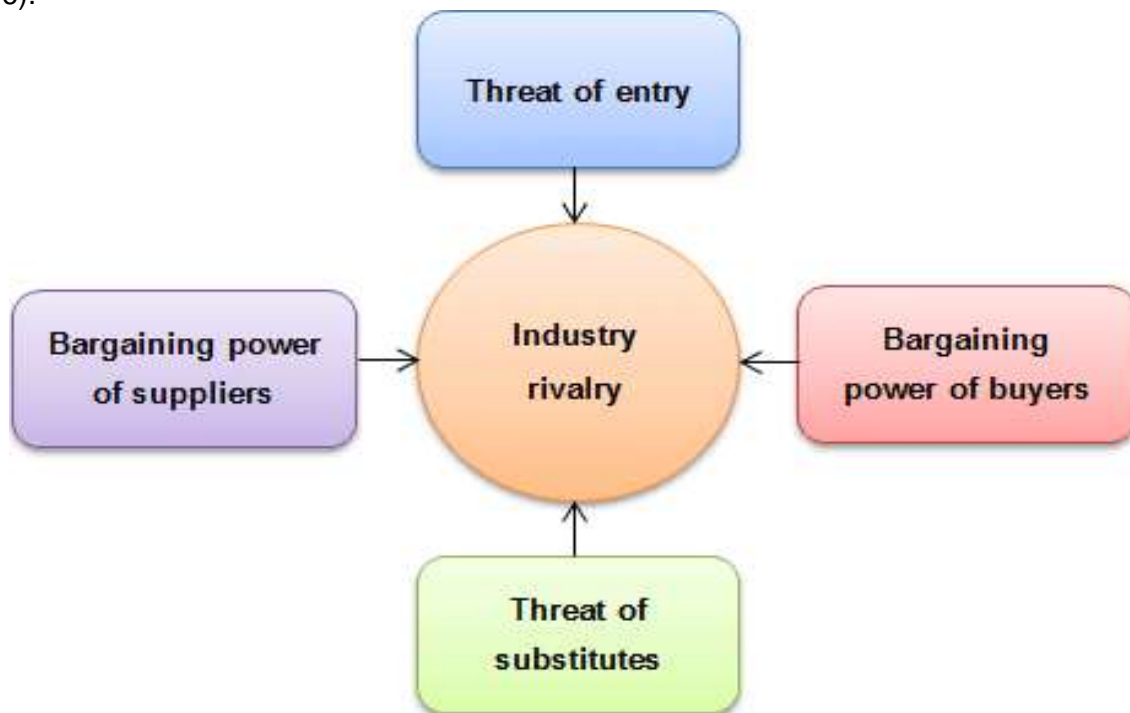


Figure 2: Porter's Five Forces
Source: Phipps (2012)

Porter’s Five Forces model is a tool for analysing the industry environment and its competitiveness. Its main goal is to assess the industry profitability while comprehending the underpinnings competition and the root causes of profitability (Afonina, 2015). The Five Forces model is static and does not consider time, which makes it more challenging to determine markets with higher competition dynamics. Accordingly, Dälken (2014), suggests that industry factors should be able to justify business performance variations.

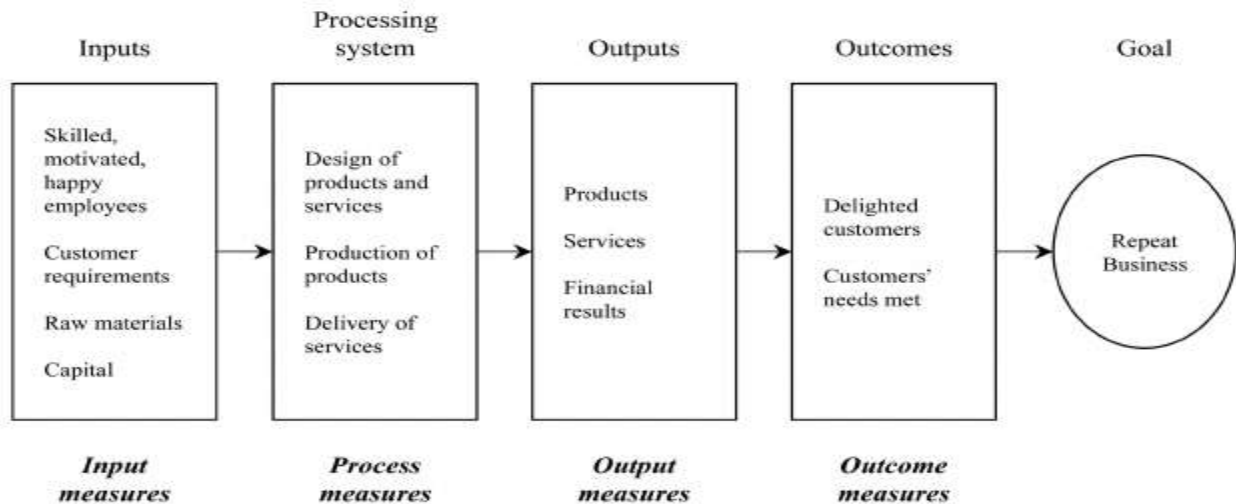


Figure 3: Strategic Key Performance Indicators (KPI) Framework
 Source: Wiraeus & Creelman (2019)

Key Performance Indicator (KPI) entails the economic, social and environmental aspects of organisational activity (Oshika & Saka, 2017). According to DissanayakeTilt and Xydias-Lobo (2016), KPI allows better connections to be made between sustainability efforts and performance outcomes. KPI augments the transparency of the internal processes which stakeholders may comprehend with different approaches to sustainable value. This, therefore, means sustainability KPIs is an inherent component of sustainability reporting (Dissanayake et al, 2016).

All the models explained above are currently disengaged and there is not a unified model to combine them. For an organisation to survive competition, the aspects impacting on an organisation’s sustainability ought to be recognised by everyone involved in leadership. Consequently, the model below, as depicted in Figure 4, suggests a diagrammatic conceptual framework with constructs and relationships put together. The model synthesises theoretical issues related to corporate strategy, strategic leadership, Porter’s Five Forces, BSC, Strategic KPI framework and sustainable organisational performance as the main constructs of this study. More importantly, this model, firstly, explains that there are relationships between corporate strategy, strategic leadership and sustainable organisational performance as reported in the literature. Secondly, the model suggests that corporate strategy and strategic leadership may reciprocally influence one another. Finally, the model suggests that Porter’s Five Forces, Balanced Scorecard and Strategic KPI framework influence the sustainable organisational performance.

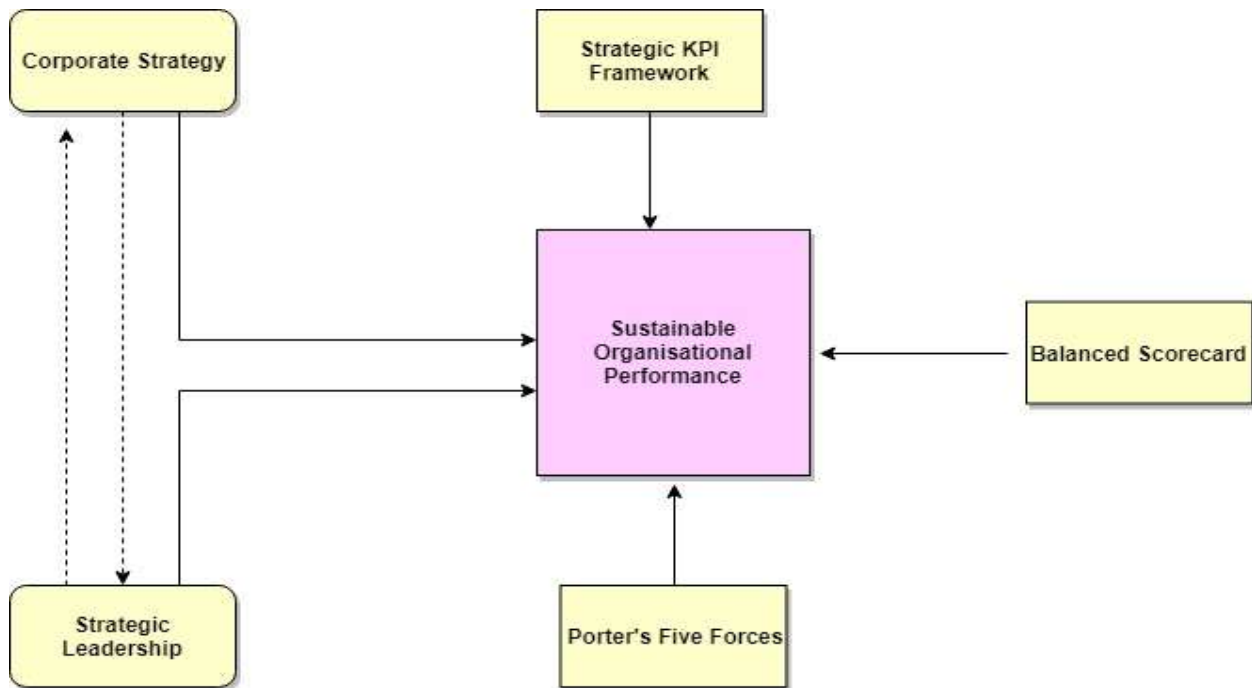


Figure 4. Conceptual Framework: Relationship between corporate strategy, strategic leadership and sustainable organisational performance

Conclusion

This study set out to determine a critical review of pertinent literature, conceptualising and synthesising it and then proposed a conceptual framework. The literature reviewed suggests that there are possible relationships between corporate strategy, strategic leadership, and sustainable organisational performance. This work contributes to existing knowledge on corporate strategy by providing an insight into relationships among corporate strategy, strategic leadership and sustainable organisational performance. Those who could benefit from the proposed conceptual framework are corporate strategic leaders, organisational strategy practitioners, policymakers, scholars and students. The following conclusion can be drawn from the present study that there is a need to use this study as a base for future studies. Whilst this study did not confirm the conceptual framework or model empirically, it did partially substantiate the empirical testing of the proposed conceptual framework.

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