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EFFECT OF STRATEGIC INTENTION ON ORGANISATIONAL PERFORMANCE IN NIGERIA

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ABSTRACT

This study was on strategic intent and organizational performance in Ekiti State University, Ado Ekiti. The purpose was to identify how strategic intent and its dimensions relates with organizational performance. The design of the study was survey design. A close ended research questionnaire was used for data collection. Three hundred and thirty-eight respondents make up the study sample but two hundred and twenty-six were returned and used for the research work. Multiple regression analysis was used for the study. The finding revealed that Organizational objectives of strategic intention were found positively related with organizational performance but not significant while organisational mission of strategic intention were found significant and positive relationship with organizational performance of Ekiti State University, Ado Ekiti at 5% level of significant. It is recommended that academic environment should be critically analyzed and internal competences or business opportunities from where appropriate strategies should be craft out to facilitate a fit and success of the institution.

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INTRODUCTION

Over time the concept and practice of strategic intention has been embraced worldwide and across sectors because of its perceived contribution to organizational effectiveness. Today organizations from both the private and public sectors have taken the practice of strategic intention seriously as a tool that can be utilized to fast track organisational performances (Robert and Peter, 2012). Strategic intent is about taking a step ahead of competitors and winning the market. It symbolizes and expresses a process of achieving comparative advantage (Brand, 2003). This is so because for an organization to be a dominant force in the market, it must process certain capability that others do not have or cannot easily and promptly imitate. To realize strategic intent, some level of activities (strategic plans and actions) and behaviour is required. Such activities comprise all level of management focusing the attention of the organization on the essence of winning, motivating people by communicating the value of the target, leaving room for individual and team contribution, sustaining enthusiasm by

providing new operational definition as circumstances changes and using intent consistently to guide resources allocation (Hamel and Prahalad, 1989). Strategic intent involves statement of direction and intention by which organization largely expresses its intention, is mission, vision and objective statements. In order to achieve their goals and objectives, organizations develop strategies to compete in highly competitive markets and to increase their performance. Nevertheless, just a few organizations consider the human capital as being their main asset, capable of leading them to success or if not managed properly, to decline. If the employees are not satisfied with their jobs and not motivated to fulfill their tasks and achieve their goals, the organization cannot attain success (Ovidiu, 2013). In measuring organizational performance, the intent of all level of management is a critical factor. Organizational performance is the ability of an organisation to meet its financial responsibilities, attained its goal, acquired the needed resources, functions with minimum strains and meets the needs and expectations of its stakeholders (Nwanzu, 2013). However, review clearly shows some gap in strategic intent and organizational performance relationship - there is shortage of study on the research discussed in the Nigeria context. Thus, the need to investigate strategic intent in the university

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environment is obvious. The university environment is very competitive, and on a daily basis university springs up across the federation at large and conceptually strategic intent was proposed to enhance comparative advantage. This study, thus seeks to address these gaps by examining the degree of strategic intent and the relationship between strategic intent and organizational performance in the university community using Universities in Ekiti State as a focal point.

LITERATURE REVIEW

Strategy

Organizational strategy exists in three level, corporate (corporate strategy), operational (competitive strategy) and functional (operative strategy) (Monroe, 2012). Corporate strategy is concern with the broader issues of what industries the organization wants to compete in and its long term target. The corporate strategy is being handled by the top level managers. It deals with mergers and acquisitions, and allocates resources between the organization’s strategic units. Competitive strategy refers to those functional level strategy created to implement and execute competitive advantage. The Operational strategy likewise is being designed and carried out by the middle level managers it deals with decisions according to functional lines such as Research and Development, marketing and finance. It is concern with how the component parts of the organization in terms of resources, processes, people and their skills effectively deliver the corporate- and business-level strategic direction. Operative strategy is concerned with the day to day activities of an organisation. The implementation of the operative strategy is being carried out by the low level managers (Grant, 2002; Johnson and Schole, 1999). Strategy refers to methods employed by organisations on how to determine and implement strategic policies in order to compete favourably in its market, aimed to secure sustainable competitive advantage. In other words, it is strategy that operates at the business level. Strategies are planned actions that require management decisions and large amounts of the firm’s financial and non-financial resources.it has an implication on the long run objective of an organisation. Strategy has a multi-dimensional consequence which requires the full participatory of every player involved. Strategy could be intended or emergent. Intended strategy is the strategy that an organization hopes to execute. Intended strategies are usually described in detail within an organization’s strategic plan. An emergent strategy is an unplanned strategy that arises in response to unexpected opportunities and challenges (Anthony and Adams, 2015).

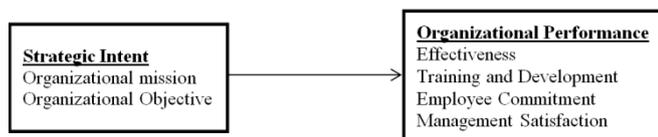
performance is the dependent variable which gives an insight to factors that determines the possibility of an organisation achieving its stated purpose. Kamalian, Yaghoubi, and Moloudi (2010) suggested organizational performance is attributable to how employees are being treated which allows him/her to aligned with the organizational policies and pattern his/her efforts in that direction. In addition, these organizations are more successful, as their employees continuously look for ways to improve their work. Getting the employees to reach their full potential at work under stressful conditions is a tough challenge, but this can be achieved by finding a motivating factor such as employee Effectiveness, Training and Development, Employee Commitment and Management Satisfaction.

Strategic Intent

Strategic intent is the planned direction to be pursued by the organization. It is a short, succinct, and inspiring statement of what the organization intends to become and to achieve at some point in the future, often stated in competitive terms. It refers to the category of intentions that are broad, all-inclusive and forward thinking. It is the image that an organization must have of its goals before it sets out to reach them. It describes aspirations for the future, without specifying the means that will be used to achieve those desired ends. It is stable over time, and set goals that deserve personal effort and commitment. It is a vision that defines the desired leadership position for the organization and grounds the objectives by which success will be assessed. It is the heart of all strategy (Anthony and Adams, 2015). The concept of strategic intent has been recognized as an important concept in strategic management literature (Sneddon, and Mazzarol, 2002). Hamel and Prahalad (1989) introduce the concept strategic intent into the literature and defined it as an obsession of winning at all levels of the organization and that is sustained for a long period of time. It is an obsession for winning that undermines limitations imposed by available resources and capabilities. Hamel and Prahalad (1989) viewed strategic intent as critical to the long-term survival of the firm, especially for those wishing to obtain global leadership. To realize strategic intent, some level of activities (strategic action) and behaviour are required. Such activities comprise management focusing the attention of the organization on the essence of winning, motivating people by communicating the value of the target , leaving room for individual and team contribution , sustaining enthusiasm by providing new operational definition as circumstances changes and using intent consistently to guide resources allocation. Strategic intent should also create an internal firm wide tension, inspiring and compelling all employees to be dedicated to the specified future direction (Hamel and Prahalid, 1994).

Organisational Performance

The concept of organizational performance is based upon the idea that an organization is a voluntary association of productive assists, including human, physical, and capital resource, for the purpose of achieving a shared purpose. Those providing the assets will only commit them to the organization so long they are satisfied with the value they received in exchange, relative to alternative uses of the assets (Carton, 2004). It is also often assumed that organizational performance is relatively stable, predictable, determinable, and controllable (Monroe, 2012). Organizational performance is a highly sort



Source: Author’s, (2016)

Table 1. Conceptual Framework: Strategic Intent and Performance

Researchers have delved on financial performance as the only basis of measuring organizational performance without looking into the non-financial aspect which itself is a motivating factor towards achieving organizational mission statement and organizational objectives. The Strategic intent is the independent variable which discusses extensively the operation of an organisation while the organizational

and research variable, but difficult to conceptualized. The treatment of performance in research setting is perhaps one of the thorniest issues confronting academic research today (Mavondo, Gunasekaran and Yamin, 1999). The definitional problem arises largely because the organization has multiple stakeholders (shareholder, employees, customers, suppliers, community, and regulatory government agency) with varied and sometimes incompatible needs and expectations. This has resulted in a number of indicators on organizational performance. For instance, Steer (1975) identified 15 different indicators that have been used by one or more analysts in the measurement of organizational performance. These include adaptability-flexibility, productivity, satisfaction, profitability, resource acquisition, absence of strain, control over environment, development, efficiency, employee retention, growth, integration, open communication and survival. Consequently, organizational performance is a multi-dimensional concept, reflecting both financial and non-financial indicators. Scott (1992) grouped these indicators into three - outcomes, processes and structure. Outcomes measures focus on materials or objects on which the organization has performed some operation. Process measures assess efforts rather than effect. Structural measures assess the capacity of the organization for performance.

Challenges to achieving more effective Organizational performance

PWC (2014) opined that there are potential strategic risk challenging organizational performance which can negatively impact on overall intention, these include:

- Adverse risk culture (as defined by the tone at the top and the example set by management) that drives inappropriate determination of strategic tradeoffs and/ or inappropriate management behaviors.
- Lack of clarity or inconsistent understanding of risk appetite that leads to misinterpretation and the possibility that managers within the organization are accepting too much risk (creating exposure) or too little risk (resulting in under performance).
- Lack of (or inconsistent) appreciation for risks associated with strategic objectives and priorities resulting in misleading and/or incomplete perspectives on the risk landscape.
- Lack of (or insufficient access to) relevant or timely risk related information (through the use of monitoring and reporting mechanisms, risk modeling and analysis techniques, and key risk indicators) that leads to sub-optimal business decision making and limited performance.
- Unclear or inconsistent understanding of risk oversight roles and responsibilities that drives a lack of accountability for risk management and exposure to unmitigated risk events that negatively impact strategic priorities.
- Lack of effective business process integration for strategic risk related practices that reduces the relevance of strategic risk management to operational execution and lowers both real and perceived value of risk governance.

RESEARCH METHODS

Research Design: This study used a descriptive survey research design. Primary data was used for this study. Data

were collected through questionnaire that was administered to selected respondents.

Population of the study: The population of the study was made-up of the entire academic staff and non-academics staff of Ekiti State University, Ado Ekiti as at 13th August, 2016 as shown below.

Table 3.1. Population of the study

Ekiti State University staff	No of Staff
Non-Academic	1,565
Academic	625
Total	2,190

Source: Bursary Department; EKSU, 2016

From table 1, the total population of academic staff and non-academic staff of Ekiti State University, Ado Ekiti is two thousand one hundred and ninety (2190).

Sample and Sampling Techniques

The statistical formula applied to determine the sample size from the population of the study as formulated by Muo (2000) cited in Isreal (2009) is stated as follows:

$$\frac{N}{1 + N(e)^2}$$

Where n = Sample size to be tested
 N = Total population size
 e = acceptable error term (0.05)

Therefore, the total sample size is calculated thus:

The sample size for Academic staff is:

$$n = \frac{2190}{1 + 2190(0.05)^2} = 338$$

The total sample was 338 and it was further divided among the academic staff, and non-academic staff of the three Universities in Ekiti State. For effective coverage, stratified sampling technique was used to select the participating academic staff and non-academic because not all members of the population have an equal chance of selection. The population was grouped into two strata based on the population of an academic staff in each institution. Taro formula by Muo (2000) cited in Israel (2009) model shall be used to calculate the sample size of each stratum as below:

$$n = \frac{N_i n_1}{N}$$

Where:

n = Number of respondents from each academic staff of Universities in Ekiti State
 n_i = total sample size
 N_i = number in each group
 N = population size of the study

Therefore:

Table 3.2. Sample

S/N	Staff	Population	Sample size
1	Non-Academic	1,565	$\frac{(1565)(338)}{2190} = 241$
2	Academic	626	$\frac{(625)(338)}{2190} = 96$
	Total	2190	338

Method of Data Analysis

Data to be gathered would be based on sorting, coded and analyzed using descriptive and inferential statistics. The descriptive statistic will be mainly percentage and frequency table. Inferential statistics to be used regression analysis.

RESULTS AND DISCUSSION

The marital status of the respondents revealed that four (1.7%) of the respondents are single while two hundred and twenty-two (98.3%) are married which means they have adequate experience on how to settle dispute. Age distribution of the respondents showed that fourteen (6.2%) of the respondents are between the ages of 21-30 years, eighty (35.4%) are between the ages of 31-41 years, nineteen (8.4%) of the respondents are between the ages of 41-50 years, while one hundred and thirteen (50%) of the respondents are between 51 years and above.

4.1. Demographic Distribution of Respondents

Variable	Frequency	Percent
Sex Distribution		
Male	145	64.2
Female	81	35.8
Total	226	100.0
Marital Status		
Single	4	1.7
Married	222	98.3
Total	226	100.0
Age Distribution		
21-30Years	14	6.2
31-40 Years	80	35.4
41-50 Years	19	8.4
51 Years & Above	113	50
Total	226	100.0
Educational Qualification		
B.Sc./HND	135	59.7
Master	73	32.3
Ph.D	18	8
Total	226	100.0
Work Experience		
0-5Years	94	41.6
6-10 Years	53	23.5
11-15 Years	61	27
16 Years & Above	18	8
Total	226	100.0

Source: Field Survey, (2016)

This implies that the age's ranges between 51years and above are more than the ages among the Ekiti State University Staff. Educational qualification of the respondents, it shows that one hundred and thirty-five representing 59.7% are Bachelor degree holder; seventy-three are Master degree holder representing 32.3% are while eighteen are with Doctorate degree representing 8% of the population.

Table 4.2. Estimated effect of Strategic intention on organizational performance

Variables	Coeff.	Std Err.	t value
Organisational Objective	0.121	0.079	1.528
Organisational Mission	1.064	0.056	18.953*
Constant	-0.152	0.055	-2.747*
N	= 226		
R square	= 0.857		
F(0.000)	= 666.503		

The work experience of the staff under investigation showed that ninety-four have work with the institution between 0-5Years (41.6%), fifty-three (23.5%) have work for the ranges of 6-10Years, sixty-one (27%) out of the two hundred and twenty-six revealed that they have worked for between 11-15Years in the organisation while eighteen (8%) have work between the ranges of 16Years and above in the organisation. The value of R square from the estimated model is given by 0.857. This showed that an 85.7% systematic variability in organizational performance is explained by organizational objectives and organizational mission while 14.3% is left unexplained and captured by the adjusted coefficient of determination (0.85.5%) which takes into consideration degrees of freedom. This shows that the model has a high goodness of fit represented by the co-efficient of determination value of 0.857 and a high predictive power of the model with a high Adjusted co-efficient of determinant of 0.855. The overall goodness of fit of the model represented by the F-statistics is 0.000 with a p-value of 0.000 is observed to be significant at 5% level.

This validates the hypothesis that there actually exists a significant linear relationship between the explanatory variables (organisational objectives and organizational mission of the strategic intention) and the dependent variable (organizational performance). The under standardized and standardized beta co-efficient of organizational objectives are 0.121 and 0.079 with $t= 1.528$ and ($p= 0.128 > 0.05$). The result showed a positive relationship between organizational objectives of the strategic intention and organizational performance and is not significant while the under standardized and standardized beta co-efficient of organizational mission are 1.064 and 0.867 with $t= 18.953$ and ($p= 0.000 < 0.05$). The result showed a positive relationship between organizational mission of the strategic intention and organizational performance and is significant. The findings is in line the work of Oditia and Bello (2015) who found out that the founders of, and those who formulate policy and strategy for organizations reflect strategic intent in the organizational mission, vision and objectives.

Conclusion and Recommendation

Based on the findings it is concluded that organizational objectives of strategic intent is not significant and positively related with organizational performance in Ekiti State University, Ado Ekiti. It could be also concluded that organisational mission of strategic intent has a significant and positive relationship with organisational performance in Ekiti State University, Ado Ekiti. Overall, based on both objective and mission of strategic intent contribute positively to organizational performance, but in varied degree. Mission of strategic intent contributes most, followed by objectives in that order. It therefore recommended that every step in the strategic intention of the institution is important. If the academic business or purpose is not clear, how will the workers know that they are on the right track? Or if the academic environment has not been critically analyzed, how will the institution understand its internal competences or business opportunities from where appropriate strategies are crafted to facilitate a fit and success. In a nutshell what we are saying is that the process of strategic intention should be given its deserved attention in terms of all the prescribed steps within the existing literature.

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