

Enhancing organisational performance through strategic management



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Strategic direction is a disciplined attack using the rules and procedure of direction to place the corporate aim or mission of any concern. It determines an appropriate mark to fulfill the aim, acknowledge being chances and restraints in the environment, and device a rational practical manner by which aim can be achieved.

Strategic direction is both the procedure and doctrine for finding and commanding the organisational relationship in its dynamic environment. As a procedure, it attempts to specify attacks and techniques to help direction adapt to the moral force of today, through the usage of aims and schemes. Strategic direction enterprise to accomplish effectual and efficient plans to carry through the organisation ' s mission. As a doctrine, it changes how director looks at rivals, clients, markets and even the organisation itself. Its aim is to excite direction ' s consciousness of the strategic deduction of environmental events and internal determination.

Lawrence and William (1988) defined strategic direction as a watercourse of determinations and actions, which leads to the development of an effectual scheme or schemes to assist accomplish corporate aims. The strategic direction procedure is the manner in which strategians determine aims and do strategic determinations.

Strategic direction ' s chief focal point is the accomplishment of organisational ends taking into consideration the internal and external environmental factors.

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Porter (1985) argues that the kernel of explicating comprehensive scheme is associating a company to its environment. Strategic direction permits the systematic direction of alteration. It enables organisation to purposefully mobilise resources towards a coveted hereafter.

Chandler (1962) besides posited that any effectual successful scheme is dependent on construction, therefore to accomplish any effectual economic public presentation the organisation needs to change its construction.

The aim of this paper is to analyze the conceptual and theoretical attack of strategic direction on the public presentation of concern organisation.

The aims of the paper are:

I. To analyze the importance and relevancy of strategic direction in an organisation.

two. To analyze the effectivity of strategic direction.

three. To see how strategic direction influence public presentation of the concern organisation.

Literature Review/ Theoretical Framework

Scheme is the finding of the basic term ends and aims of an endeavor, and the acceptance of class of action and the allotment of resources necessary for transporting out those ends Chandler (1962) .

In Chandler definition of scheme he attempts to see that scheme is every bit much as about specifying ends and aims as it is about supplying the agencies for accomplishing them.

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Ansoff and McDonnell (1990) besides separate end scene (concerned with terminals) from scheme (concerned with agencies) . On the topic of strategic direction they provide the undermentioned definition:

Strategic direction is a systematic attack for pull offing strategic alteration, which consists of the followers:

- a. Placement of the house through scheme and capableness planning.
- b. Real-time strategic response through issue direction.
- c. Systematic direction of opposition during strategic execution.

Scheme and market places are necessary to put waies for a house and to outwit rivals or at least enable it to get the better of baleful environment. A good scheme when adequately implemented can guarantee a topmost place for the weakest house among other superior rivals, but without good schemes.

Strategic planning if good conceptualized and implemented with an organisation should ensue in strategic direction. Strategic direction dainties strategic thought as a permeant construct for running a concern organisation and respects strategic planning as an instrument around which all other control system budgeting, information, wages and organisation can be integrated. Strategic be aftering specifically entails the allotment of resources to programmed activities in such a manner as to accomplish a set of concern ends in a dynamic competitory environment. Glueck and Jauch (1984) posited that strategic direction as a steam of determinations and

actions that lead to the development of effectual schemes to assist accomplish corporate aims.

Mintzberg (1991) sees scheme as 5 P ' s - programs, gambits, forms, place and position. He describes a program as ' some kind of consciously intended class of action ' . In this state of affairs organisations are expected to make up one's mind what they want to make and how they intend to accomplish it. Failure of many organisations in recent clip has been attributed to hapless program.

A gambit is a sub-set of a program, and is a scheme in the sense of a schemes (i. e. a artifice or fast one designed to set a rival company off the sent by masking the existent purpose of the company) .

Mintzberg (1991) describes pattern as the consistent behavior and processes that emerge from strategic thought, due to mean or unintended actions. He sees programs and ploys every bit calculated scheme usage by an organisation, but considers pattern as emergent schemes.

Harmonizing to Mintzberg place is acceptable location for the organisation in an environment. In concern organisation place boils down to its merchandise market place in its chosen market. This is what Nigeria Bottling Company (NBC) has been utilizing over other any soft drink industry. Perspective is looking inside the organisation. Any of concern organisation with high grade of position attack will hold direction that have shared position and vision and do a positive impact on the environment where it operates.

Scheme is needed to concentrate attempt and promote coordination of activities. Without scheme an organisation becomes clump of persons, hence scheme is required to guarantee corporate actions and concentration of attempts towards accomplishing organisational programs and aim.

Johnson and Scholes (1993) position corporate scheme from cultural position, they described it as a scheme based on the experiences, premises and beliefs of direction overtime and which may finally pervade the whole organisation.

Henceforth, scheme can assist in specifying an organisation to both insiders and foreigners. Strategy as program, gambit form, place and perspectives defines the organisation by supplying proper apprehension of the organisation to the people and a manner of distinguishing it from others. One needs to understand that a clearly defined scheme that will take to enthusiasm among assorted stakeholders - stockholders, providers, creditors, clients, booster and employees as a consequence promote committedness that will heighten better public presentation of concern organisation.

Strategy provides consistence and stableness. It deals with abnormality in behavior and reduces uncertainty about the operation of an organisation. It resist alterations thereby guaranting consistence which gives a sense of being in control to the direction and alleviation from the anxiousness created by complexness. This does non intend a inactive or stationary state of affairs but instead it implies an efficient response to the environment to guarantee stableness and continual domination or keeping of market leading by the

concern organisation involved. This assists the organisation to concentrate its resources and work its chances, accomplishment and cognition to the fullest.

Scheme is a wide based formular for how concern is traveling to vie (Porter 1980) , that is, what its end should be, and what policies will be needed to carryout these ends.

An organisation strategic direction has its ultimate aim in the development of its corporate values, managerial capablenesss, organisational duties and operational determination devising at all hierarchal degrees and across all concern and functional lines of authorization.

Harmonizing to Child (1972) strategic determination devising is seen as a important portion of the procedure by which organisation adapt to their environments. It is argued that those determination that really win in making or altering organisations do so via complex iterative procedure, which scheme theoreticians subsume under the construct of scheme execution.

Importance of Strategic Planning

The importance of strategic planning in any concern organisation can non be overemphasized. Most of the organisations late recognized the function of strategic planning to the long scope growing and endurance of their concern organisation. Most of the directors have observed that by specifically specifying the mission of their organisation they are better able to give it way and concentrate its activities.

Some Nigerian Business Organizations are without formal programs or where there are formal programs they do run without adhering to them. Some argued that the market topographic point alterations so fast for a program to be utile. All concern organisations are heading someplace but unluckily some do non cognize where they are traveling, so any route will take them at that place. This therefore emphasizes the demand for organisations to use strategic planning constructs.

Planing remains the key to organisation success because absence of proper planning could take to confusion and unethical patterns. However, despite the importance of strategic be aftering many organisations still fail to be after, therefore be aftering to neglect.

In recent times, the survey of strategic direction is being given much attending Lambo (1986) surveies bank portfolio direction examining net income maximization and adjustment rule theoretical accounts in Nigeria commercial Bankss. Adeyemi (1992) who established that there is a positive correlativity between strategic direction and organisational public presentation in some Nigeria Bankss besides carried out another survey.

It is worthy of note that whatever decisions are made, it has been through empirical observation stated that the success or failure of strategic planning is determined by a figure of constituents which include the environment, organisation construction and strategic determination devising. Harmonizing to Ansoff (1979) , when these three constituents are decently matched, the public presentation of any organisation is optimized.

Lorange (1979) posited that the importance of strategic planning is to carry through a sufficient procedure of invention to back up and heighten the planning procedure. He farther argues that effectual strategic planning does non hold to be luxuriant or complicated but must be logical and focused on strategic determinations to be undertaken.

Effectiveness of Strategic Management

Alli (1992) gives the features of an effectual strategic direction as follows:

- a. Clear way and intent
- B. Aims, ends, and strategic consistence
- c. Continuous monitoring of internal and external (environment)
- d. Integration of operating budget and net income programs with strategic program
- e. Continuous monitoring of advancement with alteration of program and plans as appropriate
- f. Creation of strategic ambiance that foresters a squad spirit
- g. Commitment of necessary resources and the development of system to supply necessary direction information.

Basically, there are three major positions of analyzing strategic direction effectivity in literature.

First, utilizations of end centered attack to measure organisational effectivity. In this state of affairs, single organisation seeks to analyse the extent of fulfilment of of import planning aims. Cameron and Whitton (1983) , King (1987) and Steiner (1979) besides support this.

Second, specific capablenesss to develop a ' generic position ' if system capablenesss as stated by Lorange (1979) a generic capableness required of every formal strategic planning system is the ability to promote both creativeness and control (Camillus 1975) . In this position, creativeness and control are used here non as opposite nonsubjective but as needed belongings of an effectual planning system.

The 3rd position traditionally examines the function and impact of corporate planning on organisational effectivity. Although, the nexus may be a small spot hard nevertheless, there are strong statements that the ultimate trial of the system ' s effectivity and justification for its being is the impact on organisational public presentation (Henry 1979) .

Methodology

For this survey the research worker designed questionnaire and was administered to the First Bank of Nigeria, Plc. Ilorin Branch. The research worker administered 35 (35) questionnaires, which was divided into two parts. This first portion contained demographic features of the respondents while the 2nd portion was used to tap information on how strategic direction enhances organisation public presentation.

The research worker was able to recover 29 (29) questionnaires from the respondents. This represents 83 per cent (83 %) rate. The respondents for <https://assignbuster.com/enhancing-organisational-performance-through-strategic-management/>

the survey were indiscriminately selected and stratified into male and female. The collected informations were analysed descriptively.

Analysis and Discussion

The first portion of the questionnaire which is on demographic feature of the respondents revealed that 72. 4 % of the sample were male while 27. 6 % of the respondents were female. This shows that bulk of the respondents interviewed are male.

The ages of the respondents were between 21 to 50, although approximately 62. 1 % of the respondents fall within 31-40 age bracket. While merely 13. 8 % were between 41-50 age group.

The survey besides revealed that 75. 9 % of the respondents were married while 24. 1 % were still individual. About 44. 8 % of the respondents have spent above 11 old ages with the administration. This shows that information was collected from the well-experienced forces from the administration, and this is an indicant of the dependability of the information obtained.

Table 1: Demographic features of the respondents

SEX frequency per centum

Male 21 72. 4

Female 8 27. 6

Entire 29 100

Age frequency per centum

Under 21 - -

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21-30 7 24. 1

31-40 18 62. 1

41-50 4 13. 8

entire 29 100

length of

service frequency per centum

1-5 year 6 20. 7

6-10yrs 13 44. 8

11-15yrs 5 17. 2

16-above 5 17. 2

entire 29 100

Education making frequency per centum

WASC / GCE 2 6. 9

NCE/OND 1 3. 4

HND/B. Sc./B. A. 16 55. 2

M. Sc./MBA/MPA 10 34. 5

Entire 29 100

Table 2: Staff responses on the acceptance of strategic direction by their administration

Variables

Frequency

Percentage

Strongly hold

9

31. 0

Agree

15

51. 7

Disagree

3

10. 3

Strongly differ

—

—

Undecided

2

6. 9

Entire

29

100

Beginning: research worker findings.

Table 3: Adoption of strategic direction has enhanced the administration public presentation.

Variables

Frequency

Percentage

Strongly hold

15

51. 7

Agree

11

37. 9

Disagree

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2

6. 9

Strongly differ

1

3. 4

Undecided

—

—

Entire

29

100

Beginning: research worker findings.

The tabular array 2 above shows that the responses of the respondents as respects to the acceptance of strategic direction in their administration. 31. 0 % of the people interviewed strongly agreed while 51. 7 % besides agreed that their administration is to the full adopted strategic direction in its operation.

Although, approximately 10. 3 % of the respondents disagreed that their operation has non to the full adopted strategic direction in their operation.

The survey besides revealed that 51.7 % and 37.9 % of the respondents strongly agreed and agreed severally that acceptance of strategic direction has enhanced the administration public presentation. This shows that direction acknowledgment of strategic direction has enabled it to do a sound determination, which has enhanced its successful operation in its environment.

However, 10.3 % of the respondents disagreed with that place, harmonizing to them their administration public presentation was due to other factors, which is outside the range of this paper. It was besides revealed from the survey that strategic planning in the organisation is occasionally handled by the adviser, and besides done at the top direction degree.

Decision and Drumhead

This paper examines the sweetening of Organizational public presentation through strategic direction: conceptual theoretical and attack. In recent times universe economic system has witnessed a batch of dynamism and challenges. Therefore, there is need to take longer positions of operations so as to guarantee that available resources are intentionally harnessed for the optimum way of the personal businesss of the concern organisations.

An sweetening of concern organisation public presentation through strategic direction will depend on direction ' s acknowledgment of the undermentioned maps: puting aims, set uping policies with which to work towards aims, assign duties and supply for co-ordinated action, choosing and developing cardinal forces, assisting them adjust to alter, actuating and

exciting them to believe creatively and measuring advancement and measuring consequences.

Strategic direction allows an organisation to do its determinations based on long-range prognosis and not on the goad of the minute reaction. It besides allows the constitution to do action at an early phase of new tendency and see the lead-time for effectual direction.

Ansoff et Al (1979) surveies 93 big houses, all of which have made acquisition between 1946 and 1965 and their fiscal and gross revenues step. They found that directors were able to foretell outcomes better than non-planners.

The concern organisations should follow a competitory place, which will let them to support themselves against any forces in the industry environment. Harmnermesh (1993) proposed three wide generic schemes which if adopted by concern organisation will enable it to vie in a given concern and place itself among it ' s rivals. These schemes are: overall cost leading (accomplish lower cost than rivals ; distinction (making something alone and superior) and concentrate that is, choosing a peculiar purchaser group or section of the market as the footing for competition.

In order to accomplish better public presentation, concern organisations need to take bold measure of following strategic direction in their assorted organisations. Knowing to the full good that the degree and strength of the competition between the organisations is fast increasing as the degree of concern organisations and single.

In run intoing the current challenges by the concern organisations call for application of better and more meaningful strategic direction which would exceed all classs of worker within the concern organisation.