

# Antecedents and consequences of organizational intelligence



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## Chapter 1: Introduction

Life is not primarily a quest for pleasure, as Freud believed, or a quest for power, as Alfred Adler taught, but a quest for meaning in work (doing something significant), in love (caring for another person) and in courage (during difficult times) (Frankl, 2006).

This chapter provides an overall understanding of this dissertation. Section 1. 1 describes the research background. Section 1. 2 discusses the research objectives and questions. The following section 1. 3 explains research scope. In section 1. 4, significance of the research is discussed. Finally, this dissertation describes the organization of this dissertation in Section 1. 5.

### 1. Research Background

In today's world, organizations confront fast and astonishing changes. Their survival will depend on adaptation capability they will perform so that, they can comply with those changes. As a result of this situation, the management concept with its process acquires a different character, which is because of technological progression and globalization.

In this age, to consistently sustain the importance, knowledge concept of the organization is changing fast. In organizations, shared individual knowledge transform into organizational information. Effective application of organizational knowledge forms intelligent organizations progressively.

However, in order to achieve these, an intuition of making use of knowledge in creative way is required. Therefore, to survive in the demanding and competitive environment, organizations are needed to be intelligent in

today's world. Organization is alive and, for being strived needs continuous  
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information. While organization in the past have been viewed as compilations of tasks, products, employees, profit and processes, today they are increasingly seen as intelligent systems designed to manage knowledge. Therefore, measuring ability of learning, finding and logical thinking is necessary for evaluation and performance improvement.

Seeing such scenario in high turbulent world, those men are successful and efficient who possess a high IQ. Undoubtedly, men can overcome their life problems by utilizing their given intelligence. Certainly, it is true in organizational world particularly in modern age in which organizations have become more complicated and their survival has become more difficult due to improvements in sciences and industries as well as the emergence of new needs and challenges overtime. Now, this question arises how we can prepare ourselves to face such uncertainties where change is only thing that is stable. Obviously, those organizations are successful which can utilize their employees' thinking power effectively.

As a fascinating concept and intriguing research area, “intelligence” finds strong appeal in many disciplines outside of individual and cognitive psychology (Sternberg and Kaufman, 1998). One of the disciplines that provoked increased interest in the importance of intelligence is the management and organization development literature (Glynn, 1996; March, 1999; Stalinski, 2004). In this globalized world, when the environment is so turbulent what the organizations are needed to do is, they need to be more intelligent in order to have competitive advantage over their competitors.

Though the concept “organizational intelligence (OI)” was introduced in 1967 but not much has been done in this area till now. Even if we disregard <https://assignbuster.com/antecedents-and-consequences-of-organizational-intelligence/>

the entire literature in which organizational intelligence was supposedly aggregated (Kurzman and Owens, 2002), the term is still ambiguous in the context of organizational development scholarship. This is true because there is a lack of a unified theory of intelligence in organizational settings as noted by the numerous and fragmented perspectives and ideas of researchers in the field (Glynn, 1996).

## 2. Research Questions and Objectives

The primary objective of this dissertation is to delineate an integrative view of organizational intelligence and provide some guidelines. For this purpose, this dissertation attempts to find out the antecedents and consequences of organizational intelligence and to test the proposed conceptual model of organizational intelligence. Related with this purpose, previous research shows some research challenges. The first challenge is to explore the factor structure of organizational intelligence. An integrative perspective of organizational intelligence is a necessity. It is also noted that there is a dearth of studies which attempted to explore the factor structure of organizational intelligence. Consequently, the other challenge is to test the proposed conceptual model of organizational intelligence. Previous studies did not show any such empirical finding on this issue.

Therefore, the main research aim is to find out the antecedents and consequences of OI and develop and test a model. This research has identified five important constructs in identifying the antecedents and consequences of OI:

### 1. Leadership

2. Organizational culture
3. Organizational intelligence
4. Organizational innovational capability
5. Organizational performance

This research discusses the following research questions:

RQ1. What is the factor structure of the OI construct?

RQ2. To what extent does leadership impact organizational intelligence?

RQ3. To what extent does organizational culture impact organizational intelligence?

RQ4. To what extent does organizational intelligence impact organizational performance via organizational innovational capability?

On the basis of the above research questions following research objectives were formed:

- Research Objective 1 (RO1)- To explore the factor structure of organizational intelligence
- Research Objective 2 (RO2)- To investigate the influence of leadership on organizational intelligence
- Research objective 3 (RO3)- To investigate the influence of organizational culture on organizational intelligence
- Research Objective 4 (RO4)- To further understand the relationship between organizational intelligence and organizational performance via organizational innovational capability

- Research Objective 5 (RO5)- To assess existing models of OI
- Research Objective 6 (RO6)- To develop a conclusive model of antecedents and consequences of OI based on the research findings; and,
- Research Objective 7 (RO7)- To validate the model and test the hypotheses

The sixth and seventh research objectives are the final output of this research, which attempts to develop an appropriate structural measurement model of antecedents and consequences of OI.

### 3. Research scope

This relation is aimed at investigating the antecedents and consequences of organizational intelligence. In doing so, this thesis presents a model of antecedents and consequences of organizational intelligence (OI), based on the Kalkhan (2007), Falletta (2008) and Albrecht's (2003) model and empirically test hypotheses. This model of OI was validated by a survey in an R & D organization.

An organization is regarded as a system of inter subjectively shared meanings sustained through social interaction (Walsh and Ungson, 1991). Organizational intelligence emerges from those interactions that constitute the organization. It is embedded in the structured patterns of thought and action in which organizational members interact and engage (Glynn, 1996). Technologically advanced systems affect organizational intelligence as well. They enable the development of organizational intelligence (Huber, 1990; Leidner and Elam, 1995). Thus, organizational intelligence is more than the

aggregate intelligence of organizational members; it is the intelligence of the organization itself as a larger system. An unintelligent organization can be composed of apparently intelligent people and an intelligent organization can be composed of relatively unintelligent components (Albrecht, 2003; Kerfoot, 2003). Organizations, as well as people, display differing degrees of intelligence. Differences among organizations' intelligences are not related to the differences among the intelligences of organizations' members only. Many factors such as organizational symbols, patterns of interaction, organizational culture, socialization processes and advanced technological systems influence the differences among organizations' intelligences.

This area has not been much explored and especially in India not much significant work has come into the light. Therefore, a strong need was felt to study this area as it seems to be very important in today's world. It has been found out that most of the works on OI are not empirically supported. Halal (1997) in his work stated that organizational intelligence leads to organizational performance. After the review of literature it was found that organizational intelligence is the factor which promotes knowledge management, creativity, innovativeness, performance and it helps organization in achieving its goal. Therefore, after understanding its impact on other related OB constructs, it was concluded that it deserves concerted attention.

#### 1. 4 Significance of the Research

As already stated that there is a dire need of empirical investigations in the field of organizational intelligence because this is the factor which influences

performance of the organization (Halal, 2000). This study tries to answer the question that if the lack of resources and the overload of information are the problems, is intelligence the solution to improve organizations?

In the Knowledge Economy, the organization needs to develop and maintain supportive partnerships to deal with complex issues in uncertain environments, turning challenges into opportunities, anticipating and understanding emerging threats and recovering from unexpected shocks and crises. In other words, in times of crisis and high economic and social turbulence, organizations must show high levels of intelligence to meet the needs of the organizations.

The ability to solve problems and make decisions, defined as 'intelligence', is the solution to improve organizations. This assumption is based on the conviction that the right answer to users' need depends on managers' ability to absorb what is happening in the environment and to correctly act on the generated knowledge. Rothberg and Erickson (2004) hold that intelligence, in all forms, comes from the strategic management of knowledge, understanding the environment within which knowledge is collected and used, and making the knowledge actionable, especially by strategic decision makers. Understanding of OI and its antecedents and consequences may immensely help the organizations and assist them in improving and achieving their objectives.

Concept of OI has evolved and advanced a variety of practices and processes aimed at the creation and application of knowledge. However, scholars have been concerned by, and practitioners have struggled with, the



lack of clear, comprehensive concepts that define the field of organizational intelligence (Staskeviciute, 2009). Ercetin (2009) holds that definitions of intelligence are in continuous revision. In particular, she finds that there is no unifying understanding of the concept of intelligence in management (Staskeviciute, 2009). Staskeviciute and Ciutiene (2008) conclude that in scientific literature it is possible to find different concepts of organizational intelligence, but they are all bounded by the same feature: the organization's capability to adapt to environment and knowledge management, because organizational intelligence involves knowledge based on the organization's capacity.

Organizational intelligence refers to the process of turning data into knowledge and knowledge into action for organizational gain (Cronquist, 2011). On a practical level, the CETISME cooperative (Cooperate to Promote Economic and Technological Intelligence in SMEs) has stated that consistently getting the right information at the right moment can only be the result of a permanent intelligence process leading to policy established at the highest level of the organization (2002).

Cruz and Dominguez (2007) point out that the processes of perception, knowledge creation and decision making are favored by the proper management of information resources. The goal of OI is to interpret and act on relevant facts and environmental signals from the learning arising from acquired competences (skills + knowledge + attitudes). In general, the perception, interpretation, analysis, integration and use of knowledge is related to OI. The central argument of this thesis is to identify the factors which lead to organizational intelligence and what are the resultant factors  
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when organization is acting intelligently. In the moments of uncertainty, organizations must have high levels of intelligence to interpret, integrate, combine and filter the relevant knowledge.

Intelligent systems depend on a structured network of “ expert analyzers” who offer their technical skill, knowledge, and personal experiences. They engage with the systems by validating information, discovering relationships between pieces of information and conducting analyses. In short, OI systems provide the pathways for knowledge to become intelligent, that is, actionable (answer “ so what” questions and stay future-focused). They can also direct actions to acquire additional knowledge necessary to “ fill in the blanks”. Full knowledge, with appropriate analysis, provided to the key manager at the right time defines how intelligence can extend and protect the capabilities of organizational systems (Rothberg & Erickson, 2004). Also, its significance increases when it is seen in the context of R&D organization, as the people working there are intelligent and knowledge workers, therefore, the relevance of this concept is automatically enhanced in such scenario, which this study tries to look into.

## 5. Organization of the Dissertation

To describe organizational intelligence and identify its antecedents and consequences, this dissertation will follow the research procedure and structure as shown in Figure 1-1. It consists of six major parts: (i) introduction, (ii) literature review, (iii) development of theoretical framework and hypotheses, (iv) research methodology, (v) data analysis and research findings, (vi) discussion, and conclusion.

The remainder of the dissertation is organized as follows. The following chapter surveys summarizes the related studies. It includes the relevant literature of organizational intelligence, empirical studies on organizational intelligence and its antecedents and consequences. In chapter 3, this dissertation proposes a conceptual research model, and explores the key variables and their relationships. In chapter 4, research methodologies are explained such as theoretical research approaches, design and administration of the survey. It also explains the sample and measures. Chapter 5 illustrates the analysis and summarizes analysis results. Chapter 6 extends with the explanation of the findings and tested model, it also discusses the contributions and limitations of the study and offer suggestions for future study.

Table 1. 1 Simplified Structure of the Thesis

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er 1	Research
	Background
	Research
	Questions and
	Objectives
	Research
	Scope
	Significance of
	the Research

Organization

of the

Dissertation

Literature

Review

Evolution of

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Intelligence

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Chapt Organization

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Models of

Organizational

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Hypotheses

Outline of

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Hypotheses

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Theoretical

Research

Approaches

Research

Design

Population

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Sample design

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Instrument

Survey

Administration

of the survey

Data collection

Chapt Data Analysis

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Findings

Final Sample

Used and

Profile of the

Sample

Initial Analysis

Main Data

Analysis

Results of the

Hypotheses

Tested

Discussion

Explanation of

the result

Explanation of

the model

Theoretical

Contributions

Chapt

er 6

Managerial

Contributions

Research

Limitations

and Directions

for Future

Research

Conclusion