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The Effect of Strategic Leadership, Organization Innovativeness, Information Technology Capability on Effective Strategy Implementation: A Study of Tertiary Institutions in Nigeria

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Abstract

This is a literature-based paper. The paper has conceptualized a simple model comprising of four variables, namely strategic leadership, organizational innovative, information technology capability and effective strategy implementation. Because previous studies have only concentrated in profit oriented organization, especially in Europe, America and Asia. This paper is an attempts to move outward the frontier of knowledge concerning the relationship strategic leadership behaviors (SLP), organizational innovativeness (OiV), information technology capability (ITC) on effective strategy implementation (ESE) by looking at it from different context namely, Nigeria. A survey study of cross-sectional nature will be conducted fourteen (14) in tertiary institutions located in Kaduna State. The institutions located in the state are major element in Nigeria's educational sector, the sector that is currently experiencing serious and major reforms targeted toward enhancing its service delivery and quality. Contextual performance in the form of strategic leadership behaviors, organizational inn ovation attitude (innovativeness) and IT capability promotes the effectiveness of the institutions. This is because of their positive relationship with organization effectiveness in its strategy implementation. This paper proposes that having strategic leaders in place couple with innovation attitude and IT capability of the institutions will increase the efficiency of the overall institutions due proper implementation of good and reputable strategies. In today's world were knowledge economy strives, tertiary institutions have great role to play in socio economic and political growth, especially in developing country like Nigeria.

Keywords: Strategic leadership; Organizational innovation; IT capability; Effective strategy implementation

Introduction

One of the most central areas of concern among contemporary organizational theorists and practitioners is organizational effectiveness. A good mechanism for achieving it is effective strategy implementation [1, 2]. Effective strategy execution is a process by which strategies are put into concrete action through improvement of programs, budgets, and actions. The process is often referred to as operational planning and usually comprises the allocation of day-to-day decisions in resource allocations [3]. More so, Thompson et al. concur that effective strategy execution is an operations-oriented and make-things happen activity that promote core organizational activities in a strategy supportive manner [4]. The plan strategies, argued Daft, gives an organization a competitive edge only if it is effectively implemented through the decisions and actions of strategic leaders.

Facts from the extant literature reveals that competitive advantages rooted in organizational internal competencies can be safer in creating benefits for institutions, in contrast to its external opportunities [5]. One of the organizational internal competitive superiorities is leadership style [6]. Strategic leadership have been widely accepted as popular leadership styles visible that plays an effective and significant role in gaining competitive advantages [7]. Leadership, and particularly strategic leadership, is widely believed to be one of the key drivers of efficient strategy execution [4, 8-17]. Nonetheless, lack of leadership and particularly strategic leadership by the top management of organizations has been pencilled as one of the major inhibitors to effective strategy execution [8, 9, 18-20].

Organizational innovativeness is widely considered as a critical source of competitive advantage in the contemporary changing environment [21, 22]. According to management scholars, innovation capability (innovativeness) is the most essential determinant of organizational effectiveness Innovativeness could be defined as a mental process that guide to the invention of a new phenomenon; the phenomenon may be spiritual product (the new service or new techniques) or new material [23]. Innovativeness is known as a crucial factor for organizations to create value and maintain competitive advantage in today's highly multifaceted and dynamic environment. Organizations that accept innovativeness and engage in innovation, responding to contemporary changes and build up new capabilities that will help them to attain higher performance will be more thriving [24].

Strategic leadership was hypothesized to have a positive impact on organizational innovativeness [6]. Also, strategic leaders have been repetitively recognized for their decisive role in recognizing opportunities and taking positive decisions that will have impact on innovation process [6]. More so, strategic leadership and organizational innovativeness are considered to be fundamentals for achieving and maintaining strategic competitiveness in the 21st century [25].

According to Bharadwaj [26], IT capability is organizational ability to mobilize and deploy IT based resources combined with other resources and capabilities [26]. Thus IT capability as a moderating variable is introduced in this study to see whether the relationship between strategic leadership, organizational innovativeness and effective strategy implementation will be strengthening or weakened with the inclusion of the moderator. Past researches such as Ringim et al. [27]; Shao et al. [28]; Said et al. [29]; Youngmei et al. [30] used IT capabilities as a moderating variable in different context. More so, Babalola assert that the major reform and development that is taking place in HEIs is due to the significant of IT which has positively influenced teaching and researches in the institutions [31]. Furthermore, one of the major reforms recommend by World Bank to tertiary institutions is IT [32]. Hence, there is need to comprehend the impact of IT capability attributes to the relationship between strategic leadership, organizational innovativeness and effective strategy implementation in Nigerian public tertiary institutions. Consequently, in the context of Nigeria, there is no existing study to the best of knowledge of this researcher that integrate and combine strategic leadership and organizational innovativeness while considering IT capabilities in assessing the effectiveness of strategy implementation in Nigerian tertiary institutions.

Strategic Leadership

Leadership in general and strategic leadership in particular, is widely regarded by numerous scholars as one of the key elements for effective strategy implementation [4,8-12,14-17]. Lack of leadership, specifically strategic leadership in an organization, has been pencilled as one of the major obstacles to effective strategy execution [8, 9, 18, 20].

Strategic leadership as defined by Hitt et al. [33] is "the leader's ability to anticipate, envision, and maintain flexibility and to empower others to create strategic change as necessary". Strategic leadership is versatile. It involves managing through subordinates, and helps organizations to cope with changes that seem to be increasing dramatically in today's globalized business environment [34]. Strategic leadership demands for the ability to integrate both the inside and outside business environment of the organization, and engage in multifaceted information processing. Several identifiable actions and features qualify strategic leadership as postulated by Hitt et al. [33]. These qualities contribute positively to effective strategy execution.

i.   Identifying the strategic direction to follow

ii.   Setting and establishing standard organizational controls

iii. Managing organizational resources effectively

iv.   Maintaining an effective organizational culture

v.   Emphasising ethical practice

Strategic leaders play a significant role to play in all of the above-mentioned strategic actions. Consequently, each of these strategic leadership actions positively contributes to effective strategy implementation. Hence, Glantz stress the need for managers to find an appropriate leadership style. This is very true especially when it comes to implementation of important and daunting managerial techniques like strategy that is more about change. Bringing about change, especially in higher education institutions, is not an easy task. Because the institutions are characterized by vagueness in their mission and their tendency toward anarchy.

Organizational Innovativeness

According to Hurley and Hult, organizational innovativeness is the thought of openness to new ideas as a characteristic of a firm's culture. Thus, innovativeness is a gauge of an organization's orientation toward innovation [35]. There are requisites to organizational innovativeness as argued Hurley and Hult. These organizational characteristics include organizational culture, such as learning, participative decision making, collaboration and support, and power sharing etc. The capacity to innovate is a term firstly used by Burns and Stalker, as the organizational ability to adopt or implement new ideas, processes, or products successfully [36]. Tertiary institutions that have a greater ability to innovate "are able to develop a competitive advantage and achieve higher levels of effectiveness" Hurley and Hult [35]. In this study, organizational innovativeness is used as unidimensional construct. This represents the behavioral aspect of innovation of organization [37]. The behavioral innovativeness reflects the "sustained behavioral change" of the organization leading to innovations, i.e., behavioral commitment [38].

Innovation is rapidly becoming a key strategic implementation driver for organizations as we advance further into this century [39]. Innovativeness at the tertiary institutions level may involve the implementation of a new technical idea or a new administrative idea [40]. The adoption of a new idea in an organization, regardless of the time of its adoption in the related organizational population, is expected to result in an organizational change that might affect the organizational strategy implementation performance and other aspects .

The Concept of IT Capability

Ross et al. [41] promulgated the concept of IT capability. They defined IT capability as the organization's ability to bring together, integrate and deploy IT based resources. Bharadwaj widened the explanation of the accepted views of organizational IT capabilities to an organization's IT function. IT capability, argued Bharadwaj is the ability of an organization to mobilize and deploy IT based resources in combination with other resources and capabilities. IT-based resources consist of technical and managerial IT skills, as well as intangible IT-enabled resources such as knowledge, assets, customer orientation and synergy i.e., the sharing of resources and capabilities across organizational departments. Consequently, capabilities refer to the ability of organization to combine resources to promote superior performance and achieve competitive advantage [42].

Sosik et al. [43] said that a study reveals that 40% of all information technology (IT) development projects are cancelled before completion. The primary factor responsible for their failure is a lack of strategic leadership. These shows how close the relationship between strategic leadership and information technology is when it comes to strategy implementation. Dimitrios et al. [44] argued that strategic leaders must take decisions regarding organizational strategy implementation on a various issues and the information needed for those decisions are stored or available as the computer database. Thus, information technology could facilitate the decision making and makes strategy implementation quicker and easier. Incomplete information and properties and languages of the database can produce communication problems and endanger the effectiveness of information processing and in turn affect effective strategy implementation by strategic leaders.

Effective Strategy Implementation

Regardless of type and level of strategy in ana organization, in the end superiors are always "faced with the straightforward task of simply getting things done". Effective strategy implementation is then concerned with putting strategy into practice and can be described as the implementation of tactics so that the organization moves in the needed strategic direction [45].

Effective implementation of strategies is more difficult than formulating strategies [46]. Gurowitz opined that only less than 10% of well-formulated strategies are also effectively executed [47]. More so, the same results of just 10% of strategies being effectively executed is also reported by Judson [48] and Speculand [49]. Correspondingly, Farsight, study discover that 80% of organizations have the right strategies, but unfortunately only 14% implement them effectively. Presently, empirical findings on effective strategy execution are therefore far from encouraging [50]. Noble, also argued that deep and cohesive body of literatures in the area of effective strategy implementation are noticeably absence; and of course this must have consequences for organizational practice [14]. Effective strategic implementation can help higher education institutions to revamp their performance and leap ahead of their competitors. Execution of organizational strategy is a persistent theme in both strategic management and organizational skills. Constant academic study and empirical evidence confirm that successful strategy execution piloted by strategic leaders and innovation ability of an organization has a momentous impact on the organizational performance; and it is fundamental for accomplishment of operational efficiency and subsequently, attainment of organizational effectiveness [51]. In line with this, Sproull and Hofmeister aver that successful and effective strategy implementation is crucial to the smooth functioning of an organization [52]. Schilit [53] and Noble [14] corroborate that it is an indispensable essential element for the success of both public and private organizations.

The study is based on the framework depicted below, that is developed through extensive literature review and information gathered from several sources. The two independent variables (strategic leadership and organizational innovativeness) and the dependent variable (effective strategy implementation), are all unidimensional variables. While the moderator, IT capability is multi-dimensional variable (Figure 1).
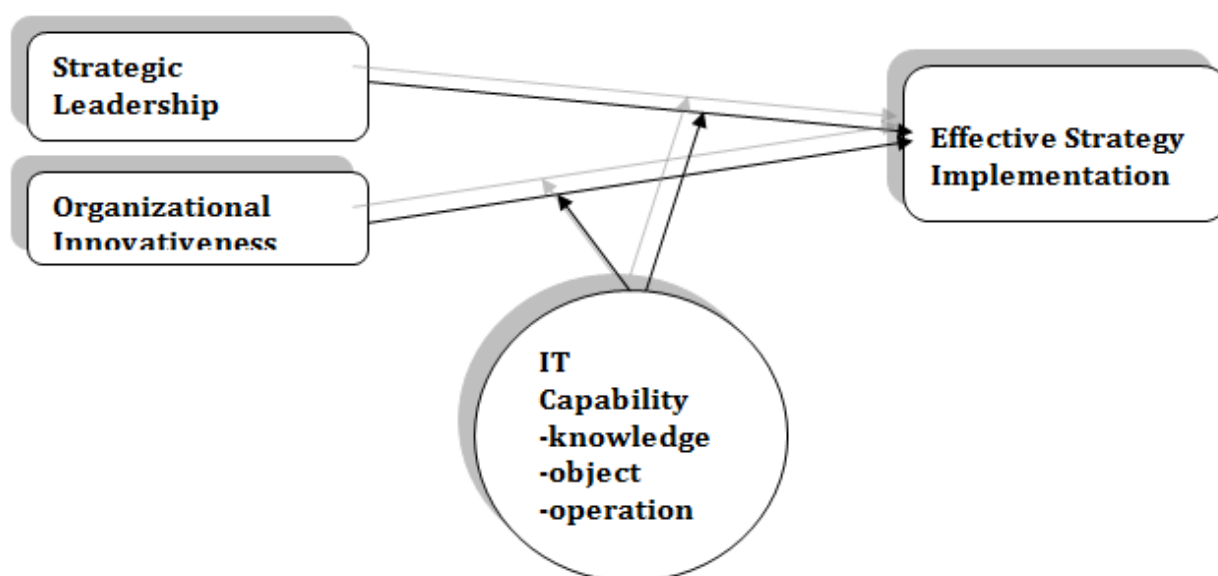
Figure 1: The proposed research framework

Resource based view was employed as the main underpinning theory for the study. The essence is meant to explain the correlation and relationship between organizational resources and gaining competitive advantage for superior success [54]. After extensive literature review, the following prepositions were made.

Preposition 1: There is positive relationship between strategic leadership and effective strategy implementation in Nigerian public tertiary institutions.

Preposition 2: There is positive relationship between organizational innovativeness and effective strategy implementation in Nigerian public tertiary institutions.

Preposition 3: IT capabilities moderate the relationship between strategic leadership and effective strategy implementation in public tertiary institutions in Nigeria.

Preposition 4: IT capabilities moderate the relationship between organizational innovativeness and effective strategy implementation in public tertiary institutions.

Methodology

Population and sample

The population of the study will consist of the thirteen (13) public tertiary institutions located in Kaduna state, Nigeria. The state is being referred to as the 'centre of learning' in Nigeria due to the high number and unique tertiary institutions located in the state. The state is third largest state in Nigeria behind Kanos and Lagos states (NPC, 2006). The organizations will serve as unit of analysis for the stud; while Deans from these institutions will serve as the respondents to the survey to be administered, due to the important role they play in implementation in any meaningful strategy in their institutions. Hence, many respondents will be considered from each institution. Strategy gurus opined that using several respondents from each institution in strategy research tend to limit potential measurement error [55-57]. Moreover, in the contrary, taking single respondent in an institution may lead to unrealistic outcome. Hence, this study intends to contact 118 deans that come from the institutions. In other words, the unit of analysis for the study is the organizations.

Measurement

To measure the various variables in this, a structured survey will be used. The questionnaire will comprise of two major segments. Section one deal with the variables under investigation, while section two solicits information about the respondent's demographic profile. The four variable employed, strategic leadership behavior; organizational innovativeness; IT capability and effective strategy implementation will be measured using six Likert scale (1=Strongly Disagree to 6=Strongly Agree) [35,58,59]. It will measure the degree to which the respondents agree or disagree with each of the statements. The questions for strategic leadership behaviors will be adapted from the previous works by Baum et al. Bass and Avolio [60] and House [61]. For organizational innovativeness the indicators are from Rainey and Hurley and Hult [35]. IT capability is adapted from Tippins and Sohi and finally for effective strategy implementation, the measure was adapted from [59].

Techniques for Data Analysis

Four main data techniques analyses will be employed to analysis the data to be collected from the field survey. Firstly, the descriptive analysis will be used to summarize the respondents' demographic profile. PLS SEM technique that is referred to as the second generation structural equation modeling by will be used for the main data analysis. The somewhat new technique works well with structural equation models that contain latent variables and a series of cause-and-effect relationships [62]. To confirm the hypotheses (propositions) in the study, a correlation analysis technique will be used, this will certainly assist in checking inter-relationship between variables and their direction of their relationship and after that, the regression analysis will be applied to test the hypotheses. This will go a long way in helping to establish the nature of their relationship.

Conclusion

The paper examines the effect strategic leadership, organizational innovativeness on effective strategy implementation, while employing IT capability serving as moderator. As noted earlier, the significant positive relationship between strategic leadership behaviors and effective strategy implementation has been well documented. Though there are very few researches that relate organizational innovation ability (innovativeness) with strategy implementation, yet the few researches available shows positive correlation between organizations innovation ability and it efficiency. Thus, with the introduction of moderating variable, the relationship ought to be improved. To enhance organizational effectiveness through strategy implementation, tertiary institutions need to have visionary leaders that will enhance the attitude of innovation in the organizations, as well as coupling with proper utilization of available IT infrastructures in the institutions. Conclusively, the paper contributes to body of knowledge by providing a conceptual framework that combines two unique variables and also employing the role of IT capability attributes on the relation of effective strategy implementation.

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