The Impact of the Strategy Execution Individual Levels’ Factors (Competency of staff and Self-efficacy) on the Organizational Performance

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Abstract
This concept paper investigates the relationship of strategy execution individual level factors (competency of the organizational members and the self-efficacy) on organizational performance in context of service based universities in Kingdom of Saudi Arabia. This study provides literature reviews regarding underpinning theories, strategy execution individual level (competency of the organizational members and the self-efficacy) on organizational performance. This paper reveals the specific matching between competency of the organizational members and the self-efficacy. Moreover, the research methods of this study are disclosed. Finally, this study will provide several implications to the researchers and practitioners regarding the strategy execution, competency of the organizational members, the self-efficacy and performance nexus.

Keywords: Strategy Execution, Competency, Self-Efficacy, Performance, and Public universities.

1. Introduction
The environment today has become increasingly uncertain for public universities. Hence, the heads of these institutions must learn, think, and act strategically (Anderson, Johnson, & Milligan, 1999). In order to control and adapt to the environmental changes, clear approach with long-range planning techniques, should be used in the strategic management (Rahimnia, Polychronakis, & Sharp, 2009). Strategy implementation is a multifaceted and highly complex organizational phenomenon (Wernham, 1985; Noble, 1999). Given the highly complex nature of strategy implementation, attempts to simplify it do so only at the expense of a loss of explanatory power (Wernham, 1985; Cuter and Pucko, 2010). The overriding aim of this research is to capture strategy implementation as holistically as possible and to leave its complexity intact as much as possible. In this paper, we focus on one aspect of the implementation effort. However, there are some studies mentioned to a set of factors which promote or decrease the implementation success. This study anticipates creating few key strategic alignments in an attempt to produce superior performance simultaneously considering the enhancing of the role of strategy execution and performance relationship.

2. Statement of Problem
Most of studies talked about the strategy execution organizational level. So, less attention has been paid for the individual level of strategy execution. Prior studies have addressed several aspects of the level of competency of the organizational members, self-efficacy and organizational performance (Alexander, (1985, 1991); Al-Gamdi, (1998, 2006); Bhatti, 2011). Although previous studies contributed valuable information in the body of knowledge. However, studies which integrate these three variables in one framework are still insufficient. Over the year, there is growing realization of the significant contribution of the competency of organizational members (Maas, 2008; Hakonsson, Burton, Obel and, Lauridsen 2012), self-efficacy (Maas, 2008; Hoyt and Blascovich, 2010) on performance. So, in order to fill the research gap, this study will investigate the link of the competency of organizational members, self-efficacy on performance of the Saudi public university. The present study reinforces previous studies that have been done by several researchers (Rahimnia, Polychronakis, & Sharp, 2009, Franklin, 2011).

3. Purpose of Study
The purpose of this study is to investigate the context of research more holistically from the strategic management outlook for the best decision making process to achieve superior performance and competitive advantage among public university in Saudi Arabia. Therefore, the present study will investigate the use of Maas (2008) framework’ individual level factors (competency of the organizational members and self-efficacy) as the independent variable on organizational performance as the dependent variable. First, the study will identify the strategic type of universities, based on their use of strategy execution in pure form. Then, it will examine if specific strategic types are associated with specific strategic capabilities and organizational performance. Finally, it will examine the effect of environmental uncertainties on the link of business strategy, capabilities and
performance. The rationale for conducting this study is the necessity to investigate the interrelationship among these four variables because there were inconclusive findings indicated in prior findings.

4. Strategy Execution Individual level Factors

4.1 Competency of organizational members:

According to Crosby (1996), because of the shortage in the proficient and experienced human resources in several developing countries, there appear obstacles in the way of adopting and following new kinds of techniques, strategies and procedures. It was further mentioned by Kiggundu (1996) that the staff and the people working in developing countries are unequipped with the required skills, abilities, experience and personality attributes which are instrumental in the process of effective participation in strategic thinking, formulation and implementation (Maas, 2008). Due to this lack, shortage and insufficiency in the technical skills which are significant and necessary in implementing major programs, organisations face difficulties in achieving the assigned tasks and goals (Baier, 1986; Bossidy and Charan, 2002; Maas, 2008). However, when experienced and professional organisational members are available, they will have the potential to successfully achieve the implementation tasks and positively affect the implementation performance.

Several reasons lead to the insufficiency of competent organisational members. First, there is a shortage in the field of Saudi labour market especially in the field of proficient workers who hold university certificates and higher education. On the other hand, the Saudi labour market has a lot of workers who are unqualified and lack of the necessary skills and knowledge to be competent ones. However, even with the availability of sufficient workers, the mismatch between supply and demand resulted from quality of supply causes a problem, especially in meeting the working demand (Maas, 2008).

The second reason which leads to insufficient competent organisational members is because organisations have only a limited field of human resources from which they can get competent organisational members.

The third reason is implied in the unwillingness of the management to dismiss the incompetent organisational members, especially those who are working in the public sector or it faces difficulty in doing so; therefore, those incompetent organisational members do not have the intention to leave a certain organisation and remain in it instead. Because it is difficult for the dismissed employees to find another job and the low advantages of being unemployed, it is often tolerated with those organisational members who are performing badly. As a result to what has been mentioned concerning the incompetent organisational members who perform badly in the public sector and prefer to remain in it, the competent organisational ones tend to work in the private one because these competent employees receive high salaries and the public sector can pay to them (Maas, 2008).

The fourth behind the shortage of competent organisational members is demonstrated in the family, social or political relations in Saudi Arabia in particular and in the Arab community in general. These relations affect the process of maintaining or dismissing an employee. An unqualified employee will be maintained if he has strong social relations with the upper management. In contrast, a qualified one will be dismissed from his job if does not have strong relations with the management.

Finally, competent and successful organisational members in the Saudi community are often very visible and looked at as a source of danger for their colleagues; therefore, those later usually envy and work against the successful members because the excellent performance of the competent members will clarify the bad performance of the incompetent employees. In addition, the competent organisational member may represent a threat not only to his colleagues but also to his manager, who in turn and because of becoming under danger to lose his position, will criticise the successful member offensively in order to make him under control. Due to these circumstances which are similar to the "crab mentality", the successful person is less likely to be successful and competent. The successful person is likened to a crab that is imprisoned together with many crabs, so whenever this crab tries to climb and escape out, other crabs prevent and stop it.

A lack of competent organisational members has the following consequences on strategy implementation. First, the implementations tasks cannot be achieved successfully and sufficiently when the organisational members do not possess the basic skills and competencies required for each task. Thus the efforts to implement the strategy will be in vain, especially in the case when there is lack of competent top management and lack of competent managers. This later aspect is thought to affect negatively the implementation performance. In addition, incompetent management drive its employees to lose confidence in its capabilities to achieve the strategy implementation, and this in its turn will negatively affect the strategy commitment of the employees (Maas, 2008).

Second, due to the shortage in the competent organisational members, these will be overloaded and be under tense and pressure of work. In addition, because of the overloading on the part of the competent managers who sometimes are involved in more than one project, the process of implementation projects is usually either
reduced in priority or never executed.

Third, the presence of incompetent organisational members and incompetent managers will negatively affect the performance and the motivation of their competent and successful organisational members. Consequently, a successful and competent person will either perform less than the expected or leave his job in that organisation. When a competent and successful organisational member is not rewarded or appreciated for his efforts and achievements in a certain organisation, he will leave the organisation and this will have negative impacts on the implementation performance. However, when organisational members are unequipped with the necessary skills and abilities to fulfil specific tasks, a manager will resort to the top-down implementation style in order to inform the employees what to do. This style has been reported by Goede (1999) that managers often adopt the top-down leadership style, in spite of its disadvantages and drawbacks, in order to direct the unwilling and reluctant organisational members to achieve the tasks accurately and properly (Dobni, 2003).

Finally, because the organisational members and managers do not possess certificates of higher education and training in abstract thinking, they often have difficulty in comprehending abstract and complex ideas, grasping strategy and strategy vision. However, this will negatively affect the strategy formation process and lead to difficulty in achieving commitment to a strategy (Maas, 2008).

4.2 Implementation Self-Efficacy

The term implementation self-efficacy is defined by Gist (1987) as 'one's belief in one's capability to perform one's implementation tasks' (Maas, 2008). However high level of self-efficacy can be reached and achieved unless the organisational members possess positions and have both the experience and the potential to be effective, powerful and autonomous. This is the case in both the Arab organisations in general and the Saudi ones in specific where the organisations adopt the centralized system, and this in its turn will not permit the organisational members to build or develop their self-efficacy. As a result, several Saudi organisational members suffer from low self-efficacy and have low self-confidence in achieving or performing the implementation tasks appropriately. On the other hand, when the organisational member has self-efficacy and self-confidence in performing the implementations tasks, he/she is likely to perform them well because the level of implementation self-efficacy, which organisational members possess, positively affect the performing and the execution of a strategy (Fernandez and Rainey, 2006).

A low implementation self-efficacy may result from many reasons implied in the followings. First, the low level of self-efficacy which organisational members experience in the Saudi organisations is due to the centralized system and the authoritarian management style which is adopted in those organisations by their managers. This style will assign a subordinate position with limited power to the organisational members, and will consequently affect the self-efficacy of the organisational members.

Second, self-efficacy is negatively affected when the organisational member performs well, but he is not appreciated or rewarded for his good performance. In addition, self-efficacy gets down when an organisational member is punished or criticized for committing errors while performing. Finally, self-efficacy of organisational members is negatively affected when these observe and witness the failure of others around them. This will demotivate them because of the expectation of failure (Speculand, 2006; Maas, 2008).

A low level of implementation self-efficacy and self-confidence has the following consequences on the strategy implementation: First, because of the unfamiliarity, complexity of the new tasks and the little ambition of the organisational members to perform new tasks, negative effect will influence the strategy implementation. In addition, self-efficacy and fear may affect the ability of the organisational member to perform or start with a specific job that implies more danger or risk with more responsibility. An example of what has been already mentioned is a woman who refused to become a manager at the beginning for the reasons above mentioned, but later on when she accepted the offer, she became a proficient manager (Maas, 2008; Bulloch, 2011).

Second, new tasks entails initiatives on the part of the organisational member who is reluctant and afraid of making mistakes while trying to start seriously or even to be involved in decision making. All these happen because of the organisational member's self-efficacy. The organisational member usually likes to be proud of himself because of having a job which keeps his position among his friends and within his community. However, organisational members who have low self-confidence lack this pride.

Finally, losing self-confidence or having low self-confidence drives the organisational member to perceive himself as a weak person who is always afraid of being attacked or criticised, and this feeling has its negative effects on the strategy implementation (Maas, 2008).
5. Theoretical Framework

![Framework of the study](image)

Figure 1: framework of the study

6. Proposed Hypotheses

The primary research question of this study is to determine the extent to which competency of staff in the public universities and self-efficacy in its relationship with organizational performance. Given the gap in the literature on this perspective, this study intends to address the proposed hypotheses.

- **H$_1$**: There is a relationship between competency level of staff and the organizational performance.
- **H$_2$**: There is a relationship between self-efficacy and the organizational performance.

7. Methodology and Research Design

This study chooses a quantitative cross-sectional survey method. This study is aimed to investigate the influence and the relationship of competency level of staff and self-efficacy on organizational performance.

7.1 The Sample

The unit of analysis of this study is organization (university). This study will examine public universities which registered under Ministry of Saudi higher education. The sample size derived from Krejcie and Morgan (1970) table which will be 22 public universities. The simple random sampling technique will be used to select the samples. The potential respondents are from public universities top and middle managers, who are actively involved in the strategy decision making process and possess adequate knowledge to answer the questionnaire.

7.2 Research Instrumentation and Measurement

All the items of the two variables will be measured through seven-point likert scale (1= strongly disagree to 7= strongly agree). Organizational performance will be measured through balance score card BSC adapted from Kaplan and Norton (2005) Franklin (2011). Seven-point likert scale will be used to measure the performance (1= decrease significantly to 7= increase significantly).

7.3 Data Analysis Procedures

The relationships between the variables in this study will be taken care of by the model, and worked in and out in an across sectional manner. The cross-sectional analysis gives room for the extrapolation of results in line with the population. In this study, Statistical Package for the Social Sciences AMOS and (PASW 18.0) were employed for the analysis of data collected. Below are the types of analysis to be carried out:

- Structure equation modelling is a major expansion of regression that allows scholars to forecast dependent variable DV (path analysis) and/or multiple DVs and/or look at the factor structure of a set of data (confirmatory factor analysis – measurement models). AMOS (Analysis of Mooment Structures) was used as the data analysis tool.
- AMOS is the more recent analysis package which is easy to use graphical analysis application, and has grown to be accepted as an uncomplicated tool of stipulating SEM. AMOS also has an ease encoding interface as another option (Kline, 2005; Kline and Little, 2011).

8. Conclusion and Implications

This study will investigate the relationship of level of competency and self-efficacy, and organizational performance. The findings of this study will provide some insight to the service based university in Saudi Arabia on the role of specific strategy execution individual level’ factors such as level of competency of the staff and self-efficacy on organizational performance which could assist in process of strategic decision making.

References


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