
**STRATEGIC INTENTS AND ORGANIZATIONAL PERFORMANCE OF
SELECTED DEPOSIT MONEY BANKS IN NIGERIA**

SHONUBI Akeem Olalekan

Department of Business Administration & Marketing,
College of Humanities, Social & Management Sciences
McPherson University Seriki Sotayo, P.M.B. 2094, Abeokuta, Ogun State, Nigeria
bosak200020012000@yahoo.com;akeemshonubi@gmail.com

OGUNDELE Johnson Iyiola

Department of Business Administration, Public Administration &
Industrial Relations and Personnel Management
College of Humanities, Management & Social Sciences
Mountain Top University, KM 12, Lagos-Ibadan Expressway, Prayer City, Ogun State, Nigeria.

FRANCIS Comfort Ngozi

Department of Business Administration
Redeemer's College of Technology and Management, KM 46, Lagos-Ibadan Express Way
Ogun State, Nigeria

AINA Temitope Abosede

Department of Business Administration
Redeemer's College of Technology and Management
KM 46, Lagos-Ibadan Express Way
Ogun State, Nigeria

OWIKO Adebayo Gabriel

Department of Business Administration
Redeemer's College of Technology and Management
KM 46, Lagos-Ibadan Express Way
Ogun State, Nigeria

ABSTRACT

Lack of strategic intent affect the strategic planning of an organization which in turn lead to poor organizational performance. This study examined the relationship between strategic intent and organizational performance of selected deposit money banks in Nigeria. The study adopted descriptive research design and used Google questionnaire to collect primary data. The population of the study comprised 61 top executives of top 5 Nigerian banks by market capitalization. Total enumeration method was used and purposive sampling technique was used to select the executives. The data generated, was analyzed using Regression Analysis with the aid of the Statistical Package for Social Sciences (SPSS version 25.0) at 5% level of significance. Descriptive Statistics was also used to analyze the relevant data. The study found significant relationship between strategic intent and organizational performance. Thus, the study conclude that strategic intent is critical to organizational performance recommends that deposit money banks should ensure that well-conceived strategic intents are implemented, if they are to enhance their performance.

Keywords: Strategic planning, strategic intent, strategy formulation, strategy implementation

INTRODUCTION

Nigeria's business landscape is evolving quickly due to the adoption of technology such as digital banking, mobile payments, and block chain might hamper the use of strategic intent and also being in

competition and meeting client expectations might be difficult, financial institutions need to incorporate technological innovations into their strategic planning (Uduak & Christopher, 2022). Strategic planning has become the preferred approach to steering organization towards goal achievement (Kerbouche et al., 2017).

It is important that all employees in organization understand the process and how their own contribution can help achieve the overall organizational goal. Many organizations spend most of their time reacting to unexpected changes and problems instead of anticipating and preparing for them (Kerbouche et al., 2017). Empirical findings to date on the impact of strategy planning on organizational performance have been inconsistent; hence, create a gap that need to be filled. Lack of strategic intent clearly indicated some gap in strategic planning and organizational performance relationship - there is dearth of study on the relationship between strategic intent and organizational performance at global level (Akinyele & Fasogbon, 2007) and also in the Nigerian context.

More so, both at local and international level there is dearth of study on the relationship between strategic intent and organizational performance in banking industry. The need to investigate strategic intent in the banking industry is obvious. The banking industry is very competitive. Organizations hence have to continuously maintain their competitiveness capability in order to survive and grow in such a dynamic environment (Odita & Bello, 2015). It is in view of this that this study opted to examine the relationship between strategic intents and organizational performance of selected deposit money banks in Nigeria. The study is guided by the following null hypothesis:

Ho₁: There is not significant relationship between strategic intents and organizational performance of selected deposit money Banks in Nigeria.

LITERATURE REVIEW

Theoretical Review

This study was anchored on Resource Based View (RBV) (Penrose, 1959) which rests on the assumption that firm resources include all assets, capabilities, organisational processes, firm attributes, information, knowledge, and so on, that enable the firm to conceive of and implement strategies that improve its efficiency and effectiveness (Barney, 1991, Barney 2002). Numerous RBV researchers argue that resources impact an organization's capacity to implements its strategies and achieve set goals. RBV therefore, demonstrates the connection between strategy, internal resources, and success.

The idea that an organization's resources might help it gain competitive edge differs from earlier suggestions of strategy, which tended to emphasize the external environment (Barney, 1991, 2002). Organizations compete based on their resources and talents. Researchers (Rumelt, 1984; Wernerfelt, 1989; Barney, 2002), support this view. RBV is primarily utilized in organizational performance studies to highlight the role performed by resources that belong to the company in helping it stand out from its sector competitors (Barney, 1991, Barney 2002).

Concept of Strategic Intent

Strategic intent is what the firm wish like to become and it is made-known public by mission, vision, and objectives statement which are subject to meetings of strategic management, functional and operational management (Eze et al., 2020). They further described strategic intent as a vision from a leader that promotes the mission, sharing the vision to employees, and aligning the firm's processes to the vision and goals of the organization.

Eze et al. (2020) viewed "strategic intent as the heart of strategy and as the providing of an animated dream for the future". Strategic intent provides a sense of direction, discovery and destiny for the organization. Even though many scholars have written about strategic intent, what remains less

comprehensive is “who triggers the formulation process.” Intent is a psychological concept held by a conscious actor. Strategic intent, which is a clearly defined vision of an organization's desired growth direction, is crucial in determining how resources are allocated and how capabilities are developed (Eze et al., 2020).

Organizational Performance

Performance is the end result of activities carried out. And firms, it is concerned with efficiency and productivity. Organizational performance is thus described as organization's ability to acquire and utilize needed resources in the pursuit of its operational goals, function with less strain and meet the expectations of its stakeholders. Organizational performance also refers to the extent to which a firm meet the needs of its stakeholders and its own needs for survival (Tarabieh & Al-alak, 2011). Brown et al. (2015) assert that organizational performance is a vital concern that has attracted the interest of scholars. Organizational performance is crucial to firms' competitiveness and survival (Wang et al., 2016); hence, leaders try to improve firm performance so as to respond to competition and the changes in business environment (Ramezan et al., 2013).

Two ways to deal with performance has been recognized in literatures: the financial or “sales-based” and the non-financial or “firm-based”. Whereas the financial is measured with dimensions such as profitability, growth, productivity, level of sales revenue, market share and product, return on investments, product added value; the non-financial is measured in terms of employee development, customer satisfaction, job satisfaction and efficient organizational internal processes. Therefore, the practice of strategic management is justified in terms of its ability to improve organizations' performance (Wang et al., 2016).

According to Nzuve and Nyaega (2012), measuring performance is needful since it is a means of determining whether or not an organization is achieving its objectives. Performance is a methodical way to track the advancement of a strategy that has been put into action to make sure it is working effectively. Establishing control mechanisms as part of monitoring enables analysis and evaluation of the feedback received from the strategic plan's actual implementation at each stage (Nzuve & Nyaega, 2012).

Strategic Intent and Organizational Performance

Muriithi (2022) examined the link between mission culture and Kenyan Christian Faith-Based Hotels performance and the study utilized cross-sectional survey research design. Aspects of Sustainable mission culture were strategic direction and intent, goals and objectives and vision and they significantly influenced performance. This study had strategic direction as an aspect of mission and it influenced performance.

Gabow and Kinyua (2018) investigated the relationship between strategic intent and performance of Kenya commercial Bank in Nairobi City County, Kenya. In this study strategic intent was measured using vision, mission, objectives and policies. In addition, performance was measured using customer retention, effectiveness, efficiency and new processes. The study relied largely on primary data that was collected using a questionnaire. Results of bivariate correlation analysis showed that strategic intent has a strong positive linear relationship to performance.

Eze et al. (2020) studied effect of strategic intent on performance of small and medium scale printing press in Abuja, Nigeria, and found that strategic intent had a positive and significant effect on the growth of small and medium scale printing press firms in Nigeria. They also found that finance (collateral, access to finance, and insufficient finance) had negative insignificant effect on growth of small and medium scale printing firms in Nigeria. Their study further implied that small and medium printing firms in Abuja should communicate their vision, mission statement and objectives to their employees. Also, the

microfinance banks in collaboration with the Central Bank of Nigeria should minimize collateral conditions in obtaining microcredit from microfinance banks.

Odita and Bello (2015) investigated the strategic intent and organizational performance; A study of Banks in Asaba, Delta State. The study was conducted using cross-sectional survey with a self-report questionnaire as an instrument. The sample size consists of 132 (65.5%) male and 69 (34.5%) female. The respondents ranged between 25 and 58 years. Data analysis rejected all the hypotheses tested. It was observed that strategic intent and its dimensions (mission, vision and objectives) significantly and positively relate with organizational performance.

Monroe (2002) empirically investigated strategic intent in New Zealand firms and found a relationship between the possession and utilization of strategic intent and organizational performance. Successful firms were characterized to hold strategic intent by varying degrees. Those with high levels of strategic intent also possessed high levels of emotional connection to their employees.

Richard (2013) investigated the relationship between strategic intent, among other variables and organizational performance in pharmaceutical industry. In the qualitative study, three hypotheses on strategic intent-organizational performance were test. These were, (a) firm-level strategic intent is negatively related to short term firm's performance, (b) there exists a negative relationship between the level of strategic intent and magnitude of short-term performance, and (c) that the negative short-term effects of firm-level strategic intent will attenuate over time. While the data analyzed confirmed the first two hypotheses, the third hypothesis was not supported. Richard (2013) study was very creative study. It goes beyond mere examination of direct relationship between strategic intent and organizational performance.

METHODOLOGY

The study adopted descriptive survey design. Descriptive survey research can be adopted when a researcher seeks to examine numerous variables at an instance, at a time only (Shonubi, 2017). The population of the study was 61 top executives that cut across the five selected deposit money banks in Nigeria, namely, Zenith Bank PLC, Guaranty Trust Holdings Company (GTCO), First Bank PLC. Access Holdings and United Bank for Africa (UBA). The top executives were chosen because they partake in the long-term plan and decision making of any given organization. These banks were chosen because they are the top five Nigerian banks by market capitalization with a 20 per cent growth from #3.6 trillion in 2021 to #4.5 trillion in 2022 (Guardian, June 13, 2023).The population is depicted in Table 1 below:

Table1: Population size of the selected top executives in five selected money deposit banks

S/N	Names of Banks	Number of Top Executives
1	Zenith bank Plc	13
2	Guaranty Trust Holdings Company	8
3	First Bank plc	17
4	Access Bank	9
5	United Bank for Africa	14
	Total	61

Source: Human Resources Department of each Selected Banks (2023).

The study adopted total enumeration method; however the top executives were selected purposively because of their level of involvement in long term plan of their respective banking operations. This study adopted the use of a structured Google form questionnaire. The Sixty-one copies were administered online using Google form to send the questionnaire to the online contacts of the five selected deposit banks head offices in Lagos Nigeria. The questionnaire was administered through online contacts of the

banks. The study adopted both descriptive and inferential statistics with the aid of SPSS software package of 25.0 version at 5% level of significance.

Table 2: Data presentation of response rate by the respondents

Response	Respondents	Percentage (%)
Total Questionnaire Distributed	61	100%
Questionnaire Retrieved	51	83.6%
Questionnaire not retrieved	10	16.4%

Source: Field Survey Result, 2023.

The researcher sent online 61 copies of the questionnaire to selected top executives of selected deposit money banks in Nigeria, 51 copies were returned, which constitute 83.6% response rate. Based on this high value of response rate of 83.6% achieved, the result gotten was adequate for drawing conclusion on the study objective. Therefore the researcher used the questionnaire copies collected for analysis and reporting.

DATA ANALYSIS AND RESULTS

Table 3: Descriptive analysis of Strategic Intent

<i>Descriptive Factor</i>	<i>Strongly Agree</i>	<i>Agree</i>	<i>Partially Agree</i>	<i>Partially Disagree</i>	<i>Disagree</i>	<i>Strongly Disagree</i>	<i>Total</i>
Your organization was made-known publicly by mission, vision, and objectives statement which are subject to meetings of strategic management.	28	13	3	3	2	2	51
	55.0	25.4	5.9	5.9	3.9	3.9	100%
My organization has a wining obsession that ignores constraints put in place by existing resources and capabilities.	18	18	8	3	3	1	51
	35.3	35.3	15.7	5.9	5.9	1.9	100%
The management is guided in acquiring the skills required for effective competitiveness while aiming for the seemingly insurmountable goal.	20	18	7	3	2	1	51
	39.2	35.3	13.8	5.9	3.9	1.9	100%
Your organization communicate mission, vision and objective statement to the employees	26	15	5	4	1	0	51
	51.1	29.4	9.8	7.8	1.9	0	100%

Researcher's Field Survey Result, 2023

Table 3 showed the descriptive analysis of the respondents' response on strategic intent. By combining responses of strongly agree and agree, 41 (80.4%) respondents agreed that organization was made-known publicly by mission, vision, and objectives statement which are subject to meetings of strategic management through strategic intent, 36(70.6%) respondents agreed that organization has a wining obsession that ignore constraints put in place by existing resources and capabilities is as a result of strategic intent, 38(74.5) respondents agreed that management is guided in acquiring the skills required for effective competitiveness while aiming for the seemingly insurmountable goal as a result of strategic intent, and 41(80.5%) respondents agreed that "The organization communicate mission, vision and objective statement to the employees as a result of strategic intent.

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std Error of the Estimate
1	.941 ^a	.885	.884	1.63734

a. Predictors (Constant), Strategic intent

Source: Researcher's Field Survey Result, 2023.

Table 4 showed the model summary of both the dependent variable (organization performance) and independent variable (strategic intent). The model summary in table 4 established the impact of strategic intent on organizational performance in selected deposit bank in Nigeria.

Table 5: The overall Significance ANOVA^a

Model	Sum of squares	Df	Mean square	F	Sig.
1 Regression	3256.196	1	3256.196	1214.599	.000b
Residual	423.579	158	2.681		
Total	3679.775	159			

a. Dependent Variable: Organization Performance

b. Predictors (Constant), Strategic intent

Source: Researcher's Field Survey Result, 2023.

Table 6: Regression Coefficient

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig.
	B	Std. Error	Beta		
(Constant)					
Strategic intent	.063 1.476	.371 .042	.941	.170 34.851	.865 .000

a. Dependent variable: Organizational performance

Source: Researcher's Field Survey Result, 2023.

INTERPRETATION OF RESULT

Table 4 reveal that strategic intent has relate to organizational performance and this effect was statistically significant at $p=.000$ [$R^2=.885$, $p<0.05$]. This showed that strategic intent and organizational performance have direct relationship, this indicate that as strategic intent increases, organizational performance in selected deposit money bank increases in Nigeria. The coefficient of determination was .885, indicating that strategic intent explain 88.5% of performance in selected deposit money bank in Nigeria.

Table 5 also show that the F statistic =1214.599 was significant at $p<0.05$. This suggests that the relationship between strategic intent and organizational performance of selected deposit money is statistically significant. This is supported by a positive and significant unstandardized B coefficient in Table 6, strategic intent is [$B=1.476$, $t=.170$, $p<0.05$]. Therefore, the null hypothesis that strategic intent has no significant relationship with organizational performance is hereby rejected. The regression model used to explain that variation in performance is caused by strategic intent can be represented as:

$$OP = .063 + 1.476SI + E$$

OP = Organization Performance

SI= Strategic Intent

E = Error term

DISCUSSION OF FINDINGS

The regression equation in Table 6 explain that strategic intent influences organization performance in selected deposit money bank. The constant is 0.063 means that if strategic intent is zero, organization performance would be 0.063. The co-efficient of strategic intent is 1.476 indicates that a 1 unit increase in strategic intent was associated with a 1.476 increase in organization performance in selected deposit money banks. This implies that increase in strategic intent would enhance performance of deposit money banks in Lagos state.

The findings align with the report of Muriithi (2022) that strategic direction and intent significantly influence performance. The findings also supports that observation of Gabow and Kinyua (2018) that strategic intent has a strong positive linear relationship to performance; as well as the report that strategic intent had a positive and significant effect on the growth of small and medium scale printing press firms in Nigeria (Eze et al., 2020).

More so, our findings are corroborate the view of Odita and Bello (2015) that strategic intent significantly relate to organizational performance and the view of Laquinto (2011) that intended strategies impact firm's performance. Similarly, our report support the position of Richard (2013), Monroe (2002) that a relationship exists between the possession and utilization of strategic intent and organizational performance; and that strategic intent account for 34% variance in organizational performance (Odita & Bello, 2015).

CONCLUSION AND RECOMMENDATIONS

Though, the main focus of RBV rests on the assumption that firm resources include all assets, capabilities, organisational processes, attributes, information, and knowledge that enable the firm conceive and implement strategies that improve its efficiency and effectiveness (Barney, 1991, Barney 2002). The RBV emphasizes that for firm's to achieve superior performance there is need for them to possess resources and capabilities that cannot be substituted but are rare, valuable and inimitable.

The possession of such resources by an organisation that has the capacity to absorb them will result in the organisation achieving competitive advantage that if sustained, may lead to superior performance in which strategic intent is no exception. The finding of this study was in consonance with the theory, hence; the study concluded that for financial sector to ensure positive performance, they should make sure that their strategic intent is well conceived and implemented to the later. The study, therefore recommends that organizations should ensure a well-conceived strategic intent is implemented to the later so as to enhance positive organizational performance.

This study had encountered some limitations that should be addressed by future studies. Therefore, future studies should extend the study to other sectors such as educational, manufacturing, hospitality to mention few. Future studies should possibly engage in comparative studies of the subject matter in different sectors. Furthermore, future studies can extend the frontiers of knowledge by considering other dimensions of strategic planning (strategy formulation, strategy implementation).

REFERENCES

- Akinyele, S. T., & Fasogbon, O. I. (2007). Impact of strategic planning on organizational performance and Survival, *Research Journal of Business Management*, 1(1), 62-71.
- Barney, J. B. (1991). Firm resources and sustained competition. *Journal of Management*, 17(1), 99-120.
- Barney, J. B. (2002). Resource-based theories of competitive advantage: A ten-year retrospective on the resource-based view. *Journal of management*, 27(6), 643-650.
- Brown, S., Gray, D., McHardy, J., & Taylor, K. (2015). Employees trust and workforce performance, *Journal of Economic behavior and organization*, 116, 361-378.
- Eze, F., Murat, A., & Oposunju, M. J. (2020). Effect of strategic intent on performance of small and medium scale printing press firms in Abuja, Nigeria. *Entrepreneurship Review*, 1(2), 26-37. Doi: <https://doi.org/10.38157/entrepreneurship.review.v1i2.166>

- Fawcett, S. E., Smith, S. R., & Cooper, M. B. (1997). Strategic intent measurement capability and operational success: Making the connection, *International Journal of physical distribution and logistics management*, 27(2), 410-422.
- Gabow, O. S., & Kinyua, G. (2018). Relationship between strategic intent and performance of Kenya commercial bank in Nairobi City County, Kenya. *International Journal of innovation research and Advance Studies*, 5(11), 149-157.
- Hoegh-Gulberg, O. (2011). Coral reef ecosystems and anthropogenic climate change. *Springer*, 215-227.
- Kerbouche, M., Bouhelal, F., Belmimoun A., & Adouka, L. (2017). The fit between strategic choice and organizational structure and their impact in Algeria. *International Journal of business and social sciences* 8(1), 1-9.
- Laquinto, L. A. (2011). Intended strategies and firm performance: The case of Japanese Manufacturers, *The Journal of Social Science*, 72, 5-22.
- Monroe, A. S. (2002). Do successful companies possess strategic intent? *Unpublished Dissertation* Massey University Palmerstone, New Zealand.
- Muriithi, R. W. (2022). The relationship between mission and performance of Christian faith-based hotels in Kenya, *International Journal of Research in Business and Social Science, Center for the strategic studies in Business and Finance*, 11(4), 30-39.
- Muyanja, S., & Muhammad, S. (2021). Imperatives for post COVID-19 recovery of Indonesia's education, labor, and SME sectors *Cogent Journal of Economics and Finance*, 9(1). DOI 10.1080/23322039.2021.1911439
- Nzuve, S., & Nyaega, G. (2012). Application of balanced scorecard in performance measurement at Essar Telecom Kenya Limited. *Unpublished Dissertation, University of Nairobi*.
- Odita, A. O., & Bello, A. (2015). Strategic intent and organizational performance: A study of Banks in Asaba, Delta State, *Information and Knowledge Management*, 5(4), 60-71.
- Penrose, E. T. (1959). *The theory of the growth of the firm*. Oxford University Press.
- Ramezan, M., Sanjaghi, M. E., & Rahimien-Kalateh, K. H. (2013). Organizational change capacity and organizational performance: An empirical analysis on an innovative industry. *Journal of Knowledge-Based Innovation in China*, 5(3), 188-212.
- Richard, B. H. (2013). Capabilities, strategic intent and firm performance: An empirical investigation. *Unpublished Doctoral Dissertation, Temple University*.
- Rumelt, R.P. (1984). Towards strategic theory of the firm. In R. B. Lam (Ed.). *Competitive strategic management*. Prentice Hall.
- Shonubi, A. O. (2017.) Queuing analysis of system factors and market performance of ATM operations in selected deposit money banks in Lagos State, Nigeria. *Unpublished Doctoral Thesis, Babcock University*.
- Spanos, Y. E., & Lioukas, S. (2001). An examination into the causal logic of rent generation: contrasting Porter's competitive strategy framework and the resource based perspective. *Strategic Management Journal*, 22, 907-934.
- Tarabieh, A. S., & Al-alak, A. B. (2011). Gaining competitive advantage and organizational performance through customer orientation, innovation differentiation and market differentiation. *International Journal of economics and management Sciences*, 1(5), 80-91.
- Uduak, M. E., & Christopher, N. E. (2022). Digital currency and financial inclusion in Nigeria: Lessons for development. *Journal of Internet and digital economics*, 2(1), 46-67.
- Wang, Z., Sharma, P.N. & Cao, J., (2016). From knowledge sharing to firm performance: A predictive model comparison, *Journal of Business Research*, 69(10), 4650-4658.
- Wernerfelt, N. (1989). From critical resources to corporate strategy. *Journal of General Management*, 14, 4-12.