Impact of strategic management practices on employee performance in higher education sector

Dr. S. Mohana
Assistant Professor, Department of Humanities & Sciences,
Annamacharya Institute of Technology and Sciences, Kadapa, AP.

Mr. Kathari Santosh
Assistant Professor, Department of MBA, CMR Institute of Technology, Bengaluru

Dr. Jahnavi M
Associate Professor, Department of Finance, RVIM, Bangalore.

Abstract---This article aims to assess the impact of attributes of strategic management practices on employee performance in the higher education sector". The article applies Reliability Analysis, Confirmatory Factor Analysis (CFA) and Multiple Linear Regression on a sample of 413 respondents drawn from the higher education sector in Telangana and condenses a set of 15 items of Strategic Management Practices converted into four attributes. The current study proposes a model of the impact of attributes of strategic management practices on employee performance. The research found that environmental scanning, strategy formulation, strategy implementation and evaluation & control are impacting significantly the employee performance. Therefore, higher educational institutions should focus on the above factors to increase employee performance. The study investigated the impact of attributes of strategic management practices on the employee performance retention in higher education concluded that strategy implementation had the highest impact on the employee performance followed by environmental scanning, strategy formulation and evaluation & control.

Keywords---environmental scanning, strategy formulation, strategy implementation, evaluation control, employee performance.

Introduction

The term strategy began from a Greek word "strategos", meaning armed force direction from the place of Commander General. The utilization of this idea dates to somewhere around 400 years B.C. (Jeżak 1990). "Strategy" gains acknowledgment in different fields of human action, especially in governmental issues and, perceptibly later, in economy. Notwithstanding, in the final part of the nineteenth century, down with improvement of the U.S. economy, peculiarities of vital component happened. Business procedures caused accelerating of business improvement and came about likewise in the changing of the advanced administration (Glinsky, A., 2000). This last option on prompted the spread of the idea to corporate administration. There is no single meaning of vital administration, which is by and large OK (Markiewicz 2011). Notwithstanding all that, we present here a portion of the definitions found in the surviving literary works. It is a top administration action, which manages choices making, with respect to the reason for the authoritative mission, vision, ways of thinking, targets, systems and very much planned approaches. It likewise includes the improvement of long haul plans for productive administration of natural open doors and dangers in accordance with the authoritative qualities and shortcomings (Sababu, 2007).

As per Pearce and Robinson (1991), Strategic Management includes a blend of choices and activities that aide toward the definition and execution of plans expected to accomplish hierarchical targets. Key administration involves the preparation, coordinating, putting together and controlling of company's techniques that reflects choices and activities that upgrades an organization's seriousness. Preble, J. F. (1997) believed that essential administration is a business working blueprint strategy, for upgrading company's seriousness, making consumer loyalty and accomplishing designated exhibitions. Vital administration prompted business ceaseless achievement, development and upper hand achieved by executing the foreordain designs productively and actually. This activity works with the means, through which associations break down the climate, make their ideal position, design out suitable techniques and carry out them likewise. Vital administration process involves getting what is going on of an association, making key choices for the future and transforming strategy right into it. It includes vital examination, decision and execution.

Obwoge, E. M. (2018) believed that procedure is the desires and practices an association utilize to remain above water in the midst of serious contest. A very much overseen association ought to can truly track down a spot for itself in the contemporary cutthroat business climate. System is an administration method which provides an association guidance. This alludes to all-encompassing activities that are customized towards completing the fate of the association. Doorman (1980) confirmed that investigation of system or vital examination is important for vital administration strategy that analyzes the powers of the outside climate, association capacity and assumption for partners. Technique execution is the transformation of plans right into it. It involves execution of systems and dealing with the subsequent changes.

Literature Review

Strategic planning

Rahimnia, Castka, and Sharp (2005) contended that comparative kinds of procedures have been laid out across fundamentally various associations (distributing firms, car enterprises, emergency clinics, organization, ICT organizations, and tertiary establishments) since they are of confronting related ecological circumstances despite of their inside hierarchical contrasts. As indicated by Bryson (2010). characterizes vital preparation as "a work to deliver major choices and activities that shape and guide what an association is, what it does, and why it gets it done" Much more extensive than program, undertaking, financial plan, or activity arranging's, essential arranging is 'higher perspective' moves toward that settle the most significant issues confronting an association's drawn out proficiency and viability (Kemp, Funk, and Eadie 1993). Its utilization has developed sensibly throughout the most recent many years, at all degrees of government and organizations as they have perceived the need to answer arising issues immediately. Again they need to conform to evolving conditions, and move into the future in an unfaltering to guarantee proceeded with suitability and fit with an evolving climate (Berman and West, 1998). A few strategies for directing formal vital arranging endeavors have been proposed (Denhardt, 1985), however all supporters of vital arranging give accentuation to the requirement for adaptability in designing the interaction to fit the conditions and the association's necessities at a particular time. In any case, essential preparation in the public associations generally joins the accompanying normal variables: recognizing/explaining mission and orders, distinguishing guiding principle, fostering a dream of things to come, evaluating interior qualities and shortcomings, leading a natural output and a situational examination of how the office connects with its current circumstance. Moreover, the association need to recognize the essential issues confronting the association, lay out essential objectives and targets, create and survey the practicality of systems for accomplishing those objectives and goals, make and carry out activity intends to push the procedures ahead, and screen and assess progress and update methodologies as may be required.

Strategy formulation

Thompson and Strickland characterize procedure plan as a stage or sub-interaction of vital administration in which a firm makes its bearing, characterizes its targets and laid out steps to arrive at the association to follow. Furthermore, set that there are two principle approaches for technique definition: plan or conscious (plan) and interaction (new). The preparation or conscious methodology is a style of procedure plan that is purposeful and proactive. It suggests a cognizant preparation and is an aftereffect of formal and determined endeavors. As he would like to think, Porter (1980) takes a gander at the arranged alter according to a plan point of view, contending that technique improvement is the conscious situating of an association through a sound insightful design and mandate methods. The rising way of thinking considers methodology detailing as a consistent, open finished and inconsistent course of adjusting and realigning an association to its change climate. They perceive the significance for associations

to organize their inside practices to the outside conditions. Moreover, Mintzberg (1994) guarantee that acknowledged technique in associations involves both arranged and eminent approaches. He contended that associations start with arranged procedures, however therefore natural circumstances set in prompting getting rid of a portion of the underlying methodologies and embracing a few new systems end route coming about of blend of the two methodologies. Clearly a poor or hazy system can unfavorably influence execution endeavors harshly. Great execution can't conquer the insufficiency of an awful procedure or a poor key arranging exertion (Hrebiniak, 2006).

Strategy implementation

Various investigations affirmed that the kind of system that is created and the genuine technique for procedure detailing that is, the means by which a strategy is, created will surely impact the consequence of its execution. Alexander (1985) placed that the need to begin with a formed system that includes a smart thought or model is expressed as the most frequently in helping fruitful execution. Great execution normally begins with great vital information: the soup is just comparable to the fixings. Cândido, C. J., & Morris, D. S. (2001) Outlines a model of vital administration which contains three components key examinations, key decision and strategy execution. Notwithstanding, they concede that their model doesn't depict how authoritative procedures really occur by and by.

Johnson and Scholes (2002) guarantee that the plan focal point is standard way to deal with system advancement most frequently expounded on in the writing. Be that as it may, they accentuate the significance of different focal points as far as the difficulties they raise while contemplating and overseeing technique. The experience focal point is 'established in proof of how procedures foster steadily founded on experience and the chronicled and social tradition of the association; and recommends that it is considerably more challenging to roll out essential improvements that the plan focal point could infer'. The thought focal point 'helps a comprehension of where imaginative procedures come from and how associations' adapt to dynamic conditions.' And 'offers conversation starters about if top administration truly has command over essential course to the degree the plan focal point recommends.

Barney, J. B. (2001): Recognizes the obligations of staff in essential administration yet contends that "this doesn't mean, nonetheless, that center chiefs and other staff cannot add to vital reasoning; there will be a need to utilize every one of the assets available to the associations. Watson (2000): claims that "overseeing system isn't just about delivering an arrangement; it is significantly more about dealing with an interaction, or, all the more precisely a progression of cycles". In any case, the cycles which he portrays have all the earmarks of being fit the sane - coherent model at a nittier gritty level. "It is just through an interlocking series of sub-techniques, approaches and game plans for their observing and assessment that anything like methodology on an institutional or corporate scale arises", Watson contends. Composing according to the viewpoint of an overseer of a college. He concedes that his own viewpoint created "the personality of a survival manual for the ranking director in doing their most

delicate assignment, as part-engineer, part-steward of their foundation's technique".

Watson and Crossley (2001): Examine the essential administration process through research in a school "as it moved from its public area roots heavily influenced by the LEA into the semi-private area". They dissected the effect of the essential administration process upon the school, with specific reference to the job and impact of the senior supervisory crew. Earley (1998): Recognizes the obligations of ranking staff in essential administration yet contends that "this doesn't mean, nonetheless, that the center supervisors and other staff cannot add to key reasoning; there will be a need to utilize every one of the assets available to the association". Peeke (2003): contends that the accentuation on essential reasoning in the administration structures raises the issue of the degree to which pioneers in training area have liability regarding technique. "Regular contact with administrators through a scope of advancement exercises gave, proposes that various chiefs view their essential ability as seriously restricted by steady outer obstruction from government or the financing offices. Middlewood (1998): Say that the connection between vision, mission, procedure, medium-term plans and everyday exercises should be visible as a pyramid with vision, mission and well thought out course of action at the zenith and the day to day work of the establishment or school at the foundation of the pyramid. Lumby (2002): Says that "endeavors to interface vision and procedure happen both at the origin of an arrangement, in attempting to relate the objectives and objectives to the vision, and on a continuous premise by requesting that staff legitimize demands for assets or other functional movement by relating them to the smart course of action", yet asserts that "the outcome is frequently rather dubious". She additionally asserts that the endeavor to interface activities to vision and objectives is tricky.

Research Problem

Many authors and researchers have noted that it is important for organizations to measure what they would like to manage. Investors and managers should make use of strategic management to improve their organizations actual performance at all times. In spite of this overwhelming importance of strategic management foundations to service sectors particularly higher education sector, many institutions in India seems not to appreciate the role strategic management elements plays in enhancing employee performance. The importance of strategic management in an institution can be answered by analyzing relationship between strategic management and performance. Hence the need to determine the relationship between strategic management practices and employee performance of higher education sector in Telangana State.

Research Objectives

1. To identify the attributes of Strategic Management Practices in higher education sector.
2. To assess the impact of attributes of Strategic Management Practices on employee performance in higher education sector.

Research Hypothesis

Ho1: There is no significant relationship between employee opined attributes of strategic management practices on employee performance.

- $Ho_{1.1:}$ There is no significant relationship between employee opined environmental scanning on employee performance.
- $Ho_{1.2:}$ There is no significant relationship between employee opined strategy formulation on employee performance.
- $Ho_{1.3:}$ There is no significant relationship employee opined strategy implementation on employee performance.
- $Ho_{1.4:}$ There is no significant relationship employee opined evaluation & control on employee performance.

Statistical Tools for analysis

- Reliability Analysis,
- Confirmatory Factor Analysis and
- Multiple Linear Regression.

Research Methodology

Sample Size

Sampling size is the targeted number of respondents which had been used for the research. The greater is the sample size, the more accurate the results that can be obtained for the research. Before starting any formal survey, 10 sets of pre-test samples had been distributed for the purpose of pilot test. It is to ensure the validity of the questionnaires and made corrections before conducting the formal survey. A total of 560 questionnaires were distributed randomly to the employees of universities. The questionnaires were distributed in all faculties through email and hard copy. However, only 413 copies of questionnaire were considered for the research.

Data Enquiry & Effects

Reliability Analysis

Table: 1. Case processing summary

		N	Percentage
Cases	Valid	413	100.0
	Excluded	0	.0
	Total	413	100.0
a. List wise deletion based on all variables in the procedure.			

Table: 2. Reliability Statistics

Cronbach's Alpha	Number of Items
0.864	15

Cronbach's alpha has been run for to check their reliability. From the above table it has been noticed that the overall alpha for all items is 0.864, which is high and indicates strong internal consistency among the given items.

Confirmatory Factor Analysis of Strategic Management Practices

The measures adopted to study the strategic management practices have already been validated by other researchers as mentioned earlier. So, we have only conducted a confirmatory factor analysis in order to establish the valid factor structure of strategic management practices. The proposed four-factor model (see Figure 1) was found to fit the research study. The model with a chi-square of 292.380, df =85 CFI = 0.896, TLI = 0.872, AIC = 392.380, RMSEA = 0.076. Good fit values that are generally acceptable for CFI and TLI should be near to 0.95 and for RMSEA should be less than 0.08 (Hair et al., 2010).

Figure 1: AMOS output of the measurement model or CFA –Standardized
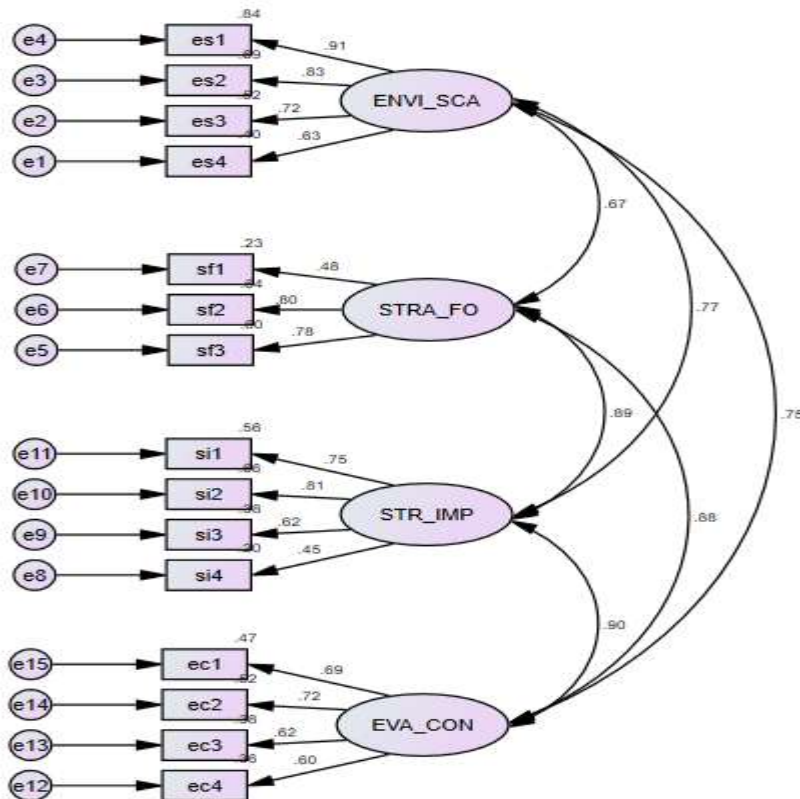
Selected Variables Expansion

ENV_SCA **(**Environmental Scanning), STRA_FO (Strategy Formulation), STR_IMP (Strategy Implementation) and EVA_CON (Evaluation & Control).

Table 3. Confirmatory Factor Analysis of Alternative Models

Model	x2	Df	x2/Df	TLI	CFI	RMSEA
Four-Factor Model	292.380	85	3.439	.872	.896	.076

Strategic management practices (Environmental Scanning, Strategy Formulation, Strategy Implementation and Evaluation & Control). Figure 1 shows a significant inter-factor correlation between environmental scanning and strategy formulation at a significant level ($r = 0.67$, $p < 0.05$), environmental scanning and strategy implementation ($r = 0.77$, $p < 0.05$), environmental scanning and evaluation & control ($r = 0.75$, $p < 0.05$); strategy formulation and strategy implementation ($r = 0.89$, $p < 0.05$), strategy formulation and evaluation & control ($r = 0.88$, $p < 0.05$); strategy implementation and evaluation & control ($r = 0.90$, $p < 0.05$). The result of the confirmatory factor analysis of alternative models is displayed in Table 3.

Multiple Linear Regression

In order to test hypothesis 1, we performed a regression analysis. In the regression analysis technique, we have regressed four strategic management practices attributes on employee performance in higher education sector.
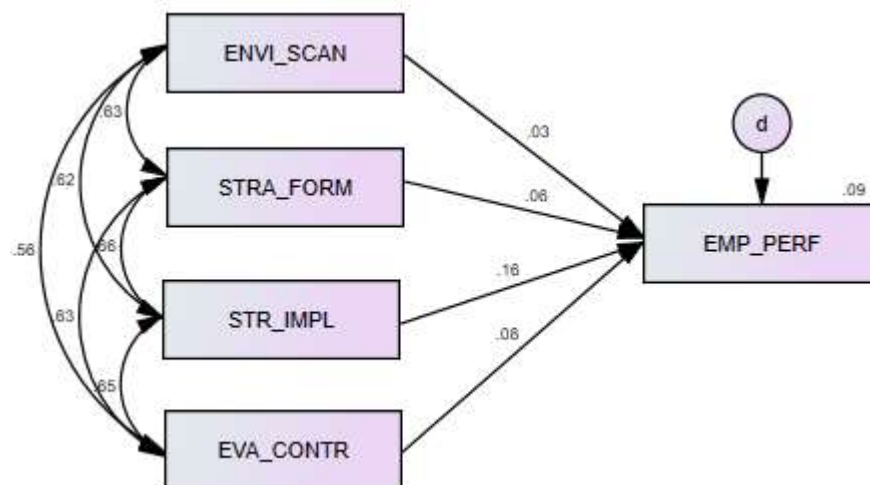

Figure: 2. A Structural Equation Model Showing Impact of strategic management practices on employee performance in higher education sector.

Structural Model Fit Estimation

Figure 2 indicates the standardized path regression coefficients and the relationship between unobserved and observed variables with respect to the path diagram. Structural model Fit Indices:

Table: 4. Structural Model Fit Estimation

Indices	Recommended Value	Model Fit Indices
CMIN/Df	< 3	2.163
p-value	≥ 0.05	0.000
GFI	≥ 0.90	1.000
AGFI	≥ 0.80	0.902
NFI	≥ 0.90	1.000
CFI	≥ 0.90	1.000
RMSEA	≤ 0.08	0.067
P Close	≥ 0.05	0.000

The structural model fit is checked based on CMIN/Df, p-value, Goodness of Fit (GFI), Adjusted Goodness of Fit (AGFI), NFI, Comparative Fit Index (CFI), Root Mean square of approximation (RMSEA) and P Close. The Model fit indices for the constructs have been found and the summary of the result is shown in the above table where the obtained Model fit indices are compared with the recommended value. We have not considered the actual chi square value as the chances of model rejection will be high when the sample size increases. Hence we have divided the chi square value with the degrees of freedom so that we can overcome the sample size issue. The result of chi square value divided by the degrees of freedom is shown in the table as 2.163 which is below than the acceptable limit 3. The obtained p-value is 0.00 which is less than the recommended value. The obtained GFI value is 1.000 which is above the recommended value of 0.90. The obtained AGFI value is 0.902 which is above the recommended value of 0.80. The obtained NFI value is 1.000 which is greater than the recommended value of 0.90. The obtained CFI value is 1.000 which is greater than the recommended value of 0.90. The obtained RMSEA value is 0.067 which is lesser than the recommended value of 0.08. The obtained P-close value is 0.000 which is lesser to the recommended value of 0.05. Hence we can find the overall model fit indices are within the acceptable recommended values as proposed by the researchers, so we can conclude that the hypothesized model fits with the sample data. All the 15 parameters have met all the other recommended value to verify fitness of the Model. Hence we can conclude that the Model is perfectly fit.

Ho1: There is no significant relationship between employee opined attributes of strategic management practices on employee performance in higher education sector.

The regression weights of strategic management practices on employee performance in higher education sector is presented in Table 5.

Table: 5. Regression Coefficients of strategic management practices on employee performance

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.779	.300		5.937	.000
Environmental Scanning	.035	.099	.029	4.356	.001
1 Strategy Formulation	.074	.105	.061	3.706	.000
Strategy Implementation	.206	.110	.164	2.870	.000
Evaluation Control	.105	.106	.081	3.992	.000

a. Dependent Variable: Employee Performance.

Discussion

Table 5. represents standardized regression coefficients which show the strength of impact and its positive/negative direction. It also comprises of t and significant values to validate the hypothesis framed to measure the significant impact of employee opined attributes of strategic management practices on the employee performance in higher education sector.

The multiple regression equation of this model is:

$$Y = 0.029 \text{ (Environmental Scanning)} + 0.61 \text{ (Strategy Formulation)} + 0.164 \text{ (Strategy Implementation)} + 0.081 \text{ (Evaluation Control)} + +1.779 \text{ (Constant)}$$

The study investigated the impact of attributes of strategic management practices on employee performance concluded that strategy implementation had the highest impact on the employee performance followed by Environmental Scanning, Strategy Formulation and Evaluation & Control.

Implication

The present study proposes a model of the impact of strategic management practices attributes on employee performance in higher education sector. The study found that strategy implementation, environmental scanning strategy formulation and evaluation and control are impacting significantly the employee performance. Hence, the heads of higher educational institutions should focus on the above factors to enhance the strategic management practices.

Conclusion

Strategic Management is turning out to be increasingly more articulate in our contemporary period. Today, we are in an occupied and quick time of progress in all parts of our life. This cycle reliably changes particularly the administration area is driving directors to be prepared to change without warning and is delivering the customary administration rehearses less significant. Strategic management is required is circumstance were customary standards are challenge and re-imagined.

The study investigated the impact of attributes of strategic management practices on employee performance retention in higher education sector concluded that strategy implementation had the highest impact on the employee performance followed by Environmental Scanning, Strategy Formulation and Evaluation & Control.

Scope for Further Research

Further examination might be fundamental, with a more prominent example, to experience whether this outcome hold comparable for the representatives who work in the night swings in IT industry. The review can be mimicked in additional areas where non-attendance and steady loss has turned into a shared issue. BPO industry has close by likenesses with that of IT industry with a correspondingly upsetting recurrence of whittling down. Comparative modification should likewise be possible in additional areas like framework, friendliness, instruction, retail and so on to recognize the worker execution levels.

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