

Strategic Renewal and Organizational Vitality among Indigenous Telecommunication Firms

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ABSTRACT

The vitality of firms underscores their leveraged capacity to compete amongst competitors. Acquiring and sustaining vitality results from deliberate organizational actions that must be strategic therefore; this study examined the relationship between strategic renewal and organizational vitality among indigenous telecommunication firms. The study through a web hoisted questionnaire instrument surveyed 56 managers of the sector and the data generated were descriptively and inferentially analyzed. The inferential statistics show high coefficients and are equally significant on the relationship between all components of strategic renewal and organizational vitality. The study concluded based on the findings that strategic renewal expressed as competence definition, competence, deployment and competence modification correlates with organizational vitality. It was therefore recommended that strengthening and positioning firms for competitiveness in the sector lies in capacity to redefine, acquire and deploy market oriented capabilities and competencies.

Keywords: *Strategic Renewal, Competency deployment, competency modification competency definition, resourcefulness.*

Introduction

Today's organizations require sufficient strength to be shown across functions to remain competitive in the dynamic and complex business environment. Contemporary research on organizational survival points to the fact that there is a growing rate of firms showing poor competencies with redundant work approaches and ineffective operational processes that symptomize less vitality for firms. Characteristically, vitality in firms implies capacity to deploy the requisite competencies, reliable work processes, robust administrative and operational fit amongst other functional attributes that will not only fast track attempts at goals but also ensure the sustainability of high performance levels. Organizational vitality is all the endowments that leverage the competitive ability of the firm by ensuring organizational synergy, efficiency and strategy coordination at all levels (Kianto, 2017). The concept of firm vitality though is fast evolving, it has however enjoyed conceptual pluralism and Medvedeva (2013) viewed it as firms

ability to coordinate sufficiently all inter-firm activities holistically for competitiveness. This study however do not intend to be enmeshed in the ambiguities that are associated with the definition rather, it is interested in, what are the likely organizational build-up for vitality. The strategic management literature is interestingly comprehensive in providing what constitute forbearers for enriching and positioning firm for competitiveness and gaining competitive advantage. Strategic renewal has been viewed as organizational effort at initiating and revitalization approaches to stem the challenge of changing environment with momentous competition. Firms in developing countries are on entropic cliffs as they compete with firms in developed economies that are financially and technological reinforced to innovatively produce for the markets. The telecommunication sector in Nigerian's an emerging sector has a mix of indigenous and multinational firms. The level of sophistication required for quality service delivery has been largely associated with multinational firms in the sector. Expectedly, the indigenous firms operating in the sector are likely to meander through with their lean resources to meet market needs. Deploying incremental renewal approaches is likely to enhance their vitality for improved and sustained quality service delivery. In line with this thinking, this study copiously investigates the empirical link between strategic renewal and organizational vitality amongst indigenous telecommunication firms in Nigeria.

Literature Review

Concept of Strategic Renewal

The concept of strategic renewal is fast gaining huge attention in strategic management literature (Argwla & Helgat, 2009; Kim & Pennings, 2009; Medvedeva, 012; Shabi & Lekwe, 2015; Prtag & Biswatosh, 2018). The attention ascribed has no doubt left the concept with multiple conceptual perspectives but has not erased the common thinking that it is organizational attempt at repositioning and strengthening the firm to gain sustained competitive capacity. Strategic renewal relates to the activities a firm undertakes to alter its path dependence (Spleth & Sabrina, 2016). Strategic renewal from this view point is a comprehensive deliberate effort to radically re-examine all work and administrative processes and position the organization for competitiveness. It is aimed at revitalization, redeployment or replacement of firm current practices and features for market responsiveness (Teng, 2007; Argawal & Helfat, 2009). Strategic renewal whether embarked upon discontinuously or incrementally, it is aimed at altering the current status of activities for stronger and goal oriented business patterns. It contemplates the environmental milieu which might be unfavourable or offer exploitable opportunities. Verbeke et al (2007) argues that strategic renewal manifest corporate entrepreneurship thinking of firms by providing unique knowledge, proficiencies and value added actions that distinguish it from competitors. Rejagopalan and Spreitzer (2000) viewed strategic renewal as transformatory as it provides capacity to transform current strategic intent of the firm alongside its capabilities. Going by this view point, resource-based theorist described strategic renewal as resulting from firms effort to reconfigure their resource base which is key to remaining competitive (Ben-Menahem et al, 2013; Klammer et al, 2017).

Strategic renewal according to Argawal and Helfat (2009); Capron and Mitchell (2009) requires learning to acquire new competences while at same time add value to existing ones. This means that as organizations explore new ways of operating and concurrently enrich the existing ones through organizational learning practices. Volberda et al (2010) viewed strategic renewal as an approach targeted at making elaborate current activities which are not likely giving desired optimal results. The positions so far taken on strategic renewal points to conceptual

crystallization that will guarantee its applicability for gaining competitive advantage. It highlights the deployment of competencies strategically as a core activity and modifying competencies where necessary as a way of undermining mundane ones that are not likely to create new competitive energies and at same time ensuring definitive and goal targeted competencies and capabilities.

The Concept of Organizational Vitality

The discourse on organizational vitality is assuming exponential dimension but yet to have a conceptual consensus on what constitutes vitality. All the same strategic management literature is fast sliding conceptually towards providing an unambiguous understanding through amplification of the features that describes the vitality concept (McGrath & Machillan, 2009; Savoleinen, 2011; Hughes & Michael, 2017)). Conceptual clarity is imperative since it will amount to mere mental exploration if the concept does not on the long run provide the premise for further understanding of the peripheral contributions on the concept.

Organizational vitality according to Merana (2010) encompass competence development for employees' effective management procedures and protocols, stimulated employee morale for all time commitment; reinforcement of learning and knowledge acquisition processes, aptitude to deal with environmental circumstances as they manifest. When firms shows capacity to operate with the compendium of listed assets, vitality according the author is attained as a competitive asset. Shabi and Lekwe (2015) posit that when firms shows capacity to overwhelm the dynamism and complexity associated with their environment it affirms vitality. It involves ability to deploy the requisite competencies, skills and capabilities that will amount to reliable work processes and the synergistic fit for attaining desired goals. Vitality in this guise reminisce the administrative and operational potency of the organization that channels actions toward the desired goals. It entails ability of firms to pay adequate attention to creating and making important choices that best suit their operational environment (Akpotu & Konyefa, 2018). This would help not only in acquiring responsively their market but will ensure consistency in creativity and goal sustainability. Churchill (2013) had viewed organizational vitality as the health of organization that is represented by resource availability and the energy required to amplify the path to goals for the organization. Vitality seeking firms demonstrates zest in generating new assets or enhancing value of existing assets taking into cognizance holistically all that is required for competitiveness and industry positioning. They are associated with a robust asset portfolio that support administrative, operational and market related functions (Scuotto et al, 2017). In all of these, organizational vitality conceptually represent the strength across functions, resources, employee competencies, capabilities, processes and operations to remain competitive and attain goals.

Strategic Renewal and Organizational Vitality

The place of strategic renewal in shapening workplace outcomes is conceptual and theoretically robust (Knot & Posua, 2009; Klammeer et al, 2017). The multiple incursions by organization to serve markets responsively and efficiently constitute the essence of strategic activities which are coordinated for long-term goals. Lambert (2011) posits that strategic renewal initiatives of organization enhance competitive capacity of firms as it form the basis for resource revitalization and capability strengthening. Strategic renewal offers the platform for continuous learning practices (Scott et al, 2017). Pratap and Biswatosh (2018) suggested that redeployment and replacement of attributes are likely to result in reciprocal repositioning and strengthening of

firms' towards gaining competitive advantage. Burgers and Covin (2016) observed that as firms observe the changing environment, the transformation of strategic intent where necessary is articulated and operationalized as a means of either penetrating new markets or reinforcing capabilities to add value to existing ones. Floyd and Lane (2000) argues that strategic realignment of competencies prepares the firm for more creative initiatives and programmes that permits quality service delivery to customers. Strategic renewal characteristically scrutinizes work processes and operations with a view to identifying operational and administrative gaps for redefinition. The objective of this according to Schmitt et al (2018) is to acquire and strengthen capabilities that are market oriented. Market acquisition through efficient and effective operational approaches is what describes the readiness and strength of the firms to achieve goals. Essentially, strategic renewal is a functional attempt at changing the strength profile of the organization and gaining competitive advantage. With this in focus, we argue that strategic renewal relates with organizational vitality.

Methodology

The study used survey responses from 56 managers drawn from indigenous telecommunication firms. The sample was strictly drawn from the management level since the subject investigated is a macro level type which is strategically conducted. The data generated from them using a validated survey instrument were primarily obtained through a hoisted website and respondents were requested to fill their responses directly. However, 14 of the managers who were within the researcher's reach were served directly though equally considered for the website, but we carefully ensured that no such manager responded twice to same instrument. Ultimately, this approach gave a 100% response rate to the instrument. The questionnaire items were on 5 point rating scale. Since the intent of the study is to examine how the independent variables correlate with the dependent, it is conducted with a correlational design therefore has a positivist epistemology as the underlay.

Measures

Strategic renewal was measured using 7 items scale developed by Zahra and Moi (2009). For the sake of conceptual clarity based on Argaval and Helfat (2009) definition, 8 more items were added to the scale. Considering this addition, which made it 15 item scale and exploratory factor analysis was done on all.

Organizational vitality was measured using the 6 items scale of Shabi and Lekwe (2015) to measure functional resourcefulness. The items from the scale of Akpotu and Konyefa (2010) were also used because it contains dimension that addressed goal focus which is required for sustained competitive ability. An exploratory factor analysis was then conducted on all 11 items of organizational vitality and a single factor emerged. All scales were on 5 point Likert scale ranging from 5 – Strongly Agree to 1 – Strongly Disagree.

Result

The means, standard deviation and correlations between all the examined components of strategic renewal and organizational vitality are presented alongside the Cronbach alphas in Table 1 below. The results showed high correlations that are also significant @ $p < 0.01$ and < 0.05 . The Cronbach alpha results also indicate the reliability of the instrument.

Table 1: Showing Descriptive, Inferential and Cronbach alpha results

		M	Std.	1	2	3	4
1.	Competence deployment	3.87	1.731	(0.78)			
2.	Competence modification	4.04	0.886	0.681	(0.81)		
3.	Competence definition	3.81	1.473	0.731	0.83	(0.74)	
4.	Organizational vitality	3.94	1.612	0.744	0.53	0.63	(0.78)

* Cronbach alpha in parenthesis diagonally, P<0.01 for all correlations

Discussion

The study findings provide evidence that stressed the relationship between strategic renewal and organizational vitality. Previous studies have shown evidence of renewal strategies is supporting effort at gaining competitive advantage (Floyd & Lane, 2000; Klammer et al, 2017). What the study result here has amplified is that strategic renewal is a goal-oriented action ensuring that critical steps are taken to define, reconfigure and acquire competencies that are critical to repositioning the firm for competitiveness. Essentially, strategic renewal encourages overhauling all functions and sharpening them for efficient operational conduct. The study findings emphasized learning and knowledge asset acquisition which are central to competencies and capabilities needed. This find support for the work of Lambert (2011) were the know-how for production was found significant as component of strategic renewal. This study findings indicates that competence definition as an aspect of strategic renewal provide the premise for considering and acquiring market specific resource with the long-term goals of quality service delivery. It supports the existing body of knowledge (Barney, 1990) on resource-based view. The definition of competencies as it were, is tailored towards acquiring inimitable and value biased resource. Infact, this has served to provide the understanding that resourceful firms are market-focused firms who aspire to be positioned as sector leaders therefore, are consistent in defining and reconfiguring what constitutes their competence and capabilities to gain competitive advantage. The findings of the study so far suggests strongly that when firms undertake strategic renewal action they are aimed at acquiring and sustaining the strength needed for the prevailing environment through acquisition of resources, competencies and capabilities that guarantee operational, structural and administrative functionality.

Conclusion/Practical Implications

Organizations are consistent in seeking ways that strengthen their capacity and position them for competitiveness. The attainment of this goal is owed to the operational and administrative efficacy of the firms which is captured in their ability to be conversant with the environment and initiating when necessary strategic options that are goal targeted. Indeed, it require strategic renewal to gain the desired energy and strength to compete therefore this study primarily examined the relationship between strategic renewal and organizational vitality. Specifically, the study findings show that strategic renewal in the form of competence definition, competence deployment and competence modification correlates with organizational vitality. Strategic renewal ensures renewal and acquisition of resources and the know-how for competitive advantage while remaining stringently goal focused. The finding makes us conclude that strategic renewal efforts are targeted at revitalization and strengthening the organization for competitiveness. The study results are emphatic in offering the guidance needed to strengthen and energize firms for competitiveness. Initiating strategic actions that buffer their capacity to redefine, acquire and deploy market oriented capabilities and competencies, is imperative for gaining competitive advantage.

Suggested for Further Studies

The renewal rate of competition amongst firms in same industry also requires attendant strategic initiatives that combine to leverage firm's competitive ability. Therefore, this same study can be replicated in other sectors that are not considered in this study. The moderating effect of IT facilities on the relatively between strategic renewal and organizational vitality can also be investigated.

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