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The Relationship between Manager's Strategic Intelligence and Organization Development in Governmental Agencies in Iran (Case Study: Office of Cooperatives Labor and Social Welfare)

Fahime Baei[1], Masoud Ahmadi[2]*, Neda Sharifi Asadi Malafeh[3], Abbasali Baee[4]

[1]Graduate Master of Science in Executive Master of Business Administration, Islamic Azad University, Sari Branch, Sari, Iran, [2]Department of Management, Islamic Azad University, Sari Branch, Sari, Iran, [3]Graduate Master of Science in Executive Master of Business Administration, Islamic Azad University, Sari Branch, Sari, Iran, [4]Graduate Master in IT, Malek-Ashtar University of Technology, Iran. *Email: m.ahmadi4502@gmail.com

ABSTRACT

The main purpose of this paper is to investigate the relation of managers' strategic intelligence with organization development (OD) and the relationship between the dimensions of strategic intelligence and OD in governmental agencies in Iran in 2015 (case study: Office of Cooperatives Labor and Social Welfare in Sari). "Research methodology" in this study was descriptive and correlational. To fulfill the purpose of this study, 493 staff were selected from among a total number of 920 population based on random sampling. "The data collection tools" consisted of two standard questionnaires, including strategic intelligence questionnaire (0.84 validity) and OD (0.83 validity). "The data analysis method" was inferential statistics conducting by SPSS22 software (including Durbin–Watson, multiple regression and analysis of variance test). "The results" showed that there is a positive significant relationship between manager's strategic intelligence with OD and there is a significant relationship between some dimensions of strategic intelligence such as knowledge and wisdom and practical intelligence with OD but there is no significant relationship between emotional intelligence and creativity and innovation with OD. Also the results show there is a significant difference between the dimensions mean of strategic intelligence and dimensions mean of ODs.

Keywords: Interpretations of Intelligence, Strategic Intelligence, Organization Development
JEL Classifications: E37, E32, C53, C5

1. INTRODUCTION

The concept of intelligence was first proposed in 1967 by an American Professor named Vilensky and he stated that intelligence indicates data collection and processing of information in order to determine the correct organization. And concluded that intelligence has a large impact on efficiency and effectiveness of the organization and support to facilitate the application of intelligence agencies and companies (Azma et al., 2012). Intelligence refers to a talent for establishing the exact and real model of oneself, and the ability for using that profitable model during the life. One type of intelligences is strategic intelligence which Indicate evaluation of changes in competitive strategy within the specified time (Abdullah, 2012). Strategic intelligence is an emerging field of business consulting, which aims to undertake the task of revealing large, complex or complicated issues of transformation in a more understandable form. In mainstream literature, it has been common to describe strategic intelligence as the collection, processing, analysis, and dissemination of information that has high strategic relevance (Kuosa, 2011). Consequence of strategic intelligence is strategic leadership. Strategic leadership is a process of influencing the favorable prospects for success used by leaders; however, its impact on organizational culture, resources allocation, guidance through policy and consensus on the vague and unreliable complex global environment (Abdullah, 2012). Sun Tzu's facet of intelligence relates to a leader's ability to (a) Consider problems systematically, (b) understand the business environment, (c) be flexible, (d) not follow conventional rules, (d) be analytic, and

(e) not oppose change but foster it (Guichard, 2011). Maccoby (2011) stated, strategic intelligence is a system that consists of several dimensions that are essential to create clearer image about the future; these dimensions can be summarized as per by the following dimensions: Foresight, visioning, motivation (Agha et al., 2014).

Tham and Kim (2002) stated, strategic intelligence can be identified as what a company needs to know of its business environment to enable it to gain insight into its present processes, anticipate and manage change for the future, design appropriate strategies that will create business value for customers, and improve profitability in current and new markets. They believe the value of strategic intelligence is seen through the improving of the capabilities of managers and workers to learn about potential changes within their business or industry environment which could require the rethinking of business processes and practices (Kruger, 2010). The majority of these intelligence facets align with the Sugarman (2000), the Peter and Crawford (2000) models of intelligence. Sugarman (2000) stated: Analytical thinking ability, creative thinking ability and practical intelligence (tacit knowledge). Peter and Crawford (2000) stated: Problem solving, critical thinking, situational judgment, practical intelligence (basic knowledge) and Abdullah and Yilmaz (2013) stated: Think deeply, logically and analytically, critical thinking skills, Think strategically, Think creatively, learn from failure and possess a learning agility for self-knowledge (Guichard, 2011). Guichard (2011) used these three main interpretations of Intelligence in his model which we use it in this research.

Organizations continuously have to maintain their competitiveness capability in order to survive and grow in an extensively changing and challenging environment. Their ability of keeping pace with the competition is directly proportional to their flexibility, management efficacy and open mindedness to change and innovation (Karakaya and Yilmaz, 2013). While there are multiple definitions of organization development (OD), Richard Bekhard's definition of OD is widely accepted as the most relevant definition even in today's context. Terms such as planned change, usage of behavioral science and social science knowledge, consulting process, organization-wide changes in structure, process, and culture, uses OD values and principles, improves organizational health and effectiveness; are distinctly associated with OD. Preziosi (1980) stated, The aims of OD are (1) Enhancing congruence between organizational structure, process, strategy, people and culture; (2) developing new and creative organizational solutions; and (3) developing the organization's self-renewal capacity (Gohil and Deshpande, 2014). Abdulla and Kakabadse (2010) stated, OD activities have five distinctive features discrete from other management techniques. First OD is interested in change at a system's strategy, structure and processes. Second OD techniques and applications depend on behavioral science information and practices. These applications and techniques may include leadership, group dynamics and work design at micro level and strategy, organization design and international relations at macro level. Third, OD manages a planned change. Planned change includes planning to identify and solve organizational problems. Fourth OD is design, enforcement and strengthening the change. Finally, the OD is focused on increasing organizational efficiency (Karakaya and Yilmaz, 2013). One of the most effective tools for organizational development practitioners to understand and evaluate organizational issues is the questionnaire-based survey. The elements in Weisbord's model are similar to these in other diagnostic models, such as Burke (1991), Atwa (2014). Weisbord's organizational diagnosis model groups various activities, formal or informal into six dimensions are: Purpose, structure, relationship, rewards, leadership and helpful mechanisms (Lok and Crawford, 2000).

The Weisbord model was used in this study because it is relatively uncomplicated as compared to others, easy to understand and visualize by clients, reflects the essential activities and key variables in an organization, and has been successfully implemented to assist clients in their change programs (Preziosi, 1980 and Burke, 1991).

For the purpose dimension, the two most important elements are goal clarity (the extent to which organization members are clear about the organization's purpose and mission) and goal agreement (whether people support the organization's purpose). For the structure dimension, the primary question is whether there is an adequate fit between purpose and the internal structure that is supposed to serve the purpose. The relationship dimension investigates relationship between individuals or departments that perform different tasks, and between people and the nature and requirements of their jobs. The reward dimension measures employees level of satisfaction with the rewards (the compensation package, incentive systems and the like) offered by the organization. The helpful mechanism dimension refers to all the processes that every organization must attend to in order to survive: Planning, control, budgeting, and other information systems that meet organizational objectives. Leadership, the core of this model, is essential for organizational success and is used to maintain and support other components in the model. The development Weisbord's instrument has 30 items measuring the six dimensions contained in the model. Preziosi's (1980) questionnaire used the same items appearing in Weisbord's model, together with five more items used to measure an additional factor, "attitude to change." Preziosi argues that in attempting any planned change effort is an organization, it is necessary to know how changeable an organization is Lok and Crawford, (2000).

2. LITERATURE REVIEW

- A study was done by Esmaeili (2014), named "a study on the effect of the strategic intelligence on decision making and strategic planning," concluded strategic intelligence has a positive and meaningful effect on the strategic decision making and strategic planning in the companies and organizations using the intelligent systems. In addition, the effective factors on the strategic intelligence were recognized human resource intelligence, organizational process, technological, informational, financial resources, competitor, and customer intelligence.
- A study was done by Agha et al. (2014), entitled "The impact of strategic intelligence on firm performance and the mediator role of strategic flexibility: An empirical research

in biotechnology industry," concluded the firms enjoy to use the ability of strategic intelligence dimensions (foresight, visioning, and motivation), in facing future complications, the direction of business and to encourage employees to contribute in decision making and bear on responsibilities. Also they concluded there are significant positive impacts of strategic intelligence on firm performance, positive impacts of strategic intelligence, on strategic flexibility, and positive impacts of strategic intelligence on firm performance in the presence of strategic flexibility as a mediator variable.

- René (2011) conducted a research with a title of "Study of strategic intelligence as a strategic management tool in the long-term insurance industry in South Africa." He revealed, in general, by using strategic intelligence framework can improve and develop decision making.
- A study was done by Analoui et al. (2010) with a title of "manager's efficacy parameters" concluded attention to eight parameters related to manager's efficacy parameters is an important part of OD process. Also they stated that these eight parameters are such as: Knowledge and wisdom, perception, skills (problem-solving), classification and organizational communication, motivation, the demands and limitations and existence of choices and opportunities for effectiveness.

The conceptual model in this (Figure 1) research which is made by researchers is as follows that is based on the indicators expressed by previous researchers and model for strategic intelligence provided by Guichard (2011), the organizational diagnostic model of Weisbord and the additional factor of Preziosi that was presented by Lok and Crawford (2000).

3. HYPOTHESIS

3.1. Main Hypothesis

There is a significant relationship between strategic intelligence of managers with OD in government agencies.

3.2. Minor Hypothesis

- Mh1: There is a significant relationship between the dimensions of strategic intelligence (emotional intelligence, creativity and innovation, knowledge and wisdom, practical intelligence) and OD in governmental agencies.
- Mh2: There is a significant difference between the mean of strategic intelligence's dimensions.
- Mh3: There is a significant difference between the mean of OD's dimensions.

4. RESEARCH METHODOLOGY

Methodology in this study was descriptive and correlational. 493 staff were selected from among a total number of 920 population based on random sampling. The data collection tools consisted of two standard questionnaires: Strategic intelligence questionnaires of Guichard (2011) which had 46 questions with the validity of 84%, was designed to measure components: Creativity and innovation, emotional intelligence, knowledge and wisdom, practical intelligence. And OD questionnaire of Lok and Crawford (2000) which had 35 questions with the validity of 83% was used to measure purpose, leadership, relationships, rewards, structure, helpful, and attitude to change. The data analysis method was inferential statistics (including Durbin–Watson, multiple regression and analysis of variance [ANOVA] test) conducting by SPSS22. Reliability of the questionnaires is confirmed by Cronbach's alpha. Table 1 show the reliability of the components of the research.

According to Table 2, alpha for both questionnaires is over the standard number (0.7) that shows questionnaires have excellent reliability.

4.1. Inferential Statistics of Research

In this part of the research, at first Kolmogorov–Smirnov test and Shapiro–Wilk test are used to determine the normality of variables.

As shown in the Table 2, for both test the level of significance for OD and strategic intelligence is over than 0.05. Therefore data has normal distribution.

The Durbin–Watson statistic is used to test for the presence of serial correlation among the residuals. The value of the Durbin–Watson statistic ranges from 0 to 4. As a general rule of thumb, the residuals are uncorrelated is the Durbin–Watson statistic is approximately 2. A value close to 0 indicates strong positive correlation, while a value of 4 indicates strong negative correlation. One-way ANOVA is used to test the difference between the mean dimensions of strategic intelligence and OD.

5. DATA ANALYSIS

The main hypothesis: There is a significant relationship between Strategic intelligence of managers with organizational development in government agencies.

H_0: $\rho = 0$
H_1: $\rho \neq 0$

According to the results, the value of Durbin–Watson is 2.045 approximately equal to 2, indicating no serial correlation. t-statistics is over than |1.96|, it shows there is a relationship between these two variables. And based on β, OD (dependent variable) to 0.62 is under the influence of strategic intelligence (constant variable). And finally according to Table 3, the research main hypotheses are verified in the certainty level of 95%.

Table 1: The Cronbach's alpha

Factor	Strategic intelligence	OD
The Cronbach's alpha	0.84	0.83

OD: Organization development

Table 2: Tests of normality

Factor	Kolmogorov–Smirnov[a]			Shapiro–Wilk		
	Statistic	df	Significant	Statistic	df	Significant
FOD	0.063	493	0.200*	0.983	493	0.051
FSI	0.054	493	0.200*	0.990	493	0.363

[a]Lilliefors significance correction, *This is a lower bound of the true significance.
FOD: Factor of organizational development, FSI: Factor of strategic intelligence

Table 3: The result of multiple regressions

Main hypothesis	Result of Durbin–Watson test	Type analysis	Standardized coefficient (β)	t-statistics	Significant level	Result
The effect of manager's strategic intelligence on OD	1.987	Multiple regression	0.628	9.907	0.00	Verified

Independent Variable: SI, Strategic variable: Dependent variable: OD. OD: Organization development

Table 4: The result of multiple regressions

Variables	Durbin–Watson	t-statistic	Significant	Standardized coefficients (β)	Result
Creativity and innovation	2.229	1.028	0.306	0.074	Reject
Emotional intelligence	2.102	−0.076	0.940	−0.007	Reject
Knowledge and wisdom	1.868	4.387	0.00	0.412	Verified
Practical intelligence	1.907	3.136	0.002	0.271	Verified

Mh1: There is a significant relationship between the dimensions of strategic intelligence (emotional intelligence, creativity and innovation, knowledge and wisdom, practical intelligence) and OD in governmental agencies.

H_0: $\rho = 0$
H_1: $\rho \neq 0$

As shown in the Table 4, the scale of Durbin–Watson for all variables is close to 2, indicate no serial correlation so we used multiple regressions. t-statistics for creativity and innovation and emotional intelligence is less than |1.96|, and for both of them sig is over 0.05, therefore there is no significant relationship between emotional intelligence – OD and creativity and innovation – OD. t-statistic for knowledge and wisdom and practical intelligence is over than |1.96| and sig for both of them is <0.05, indicating there is a significant relationship between knowledge and wisdom – OD and practical intelligence – OD.

Mh2: There is a significant difference between the mean of strategic intelligence's dimensions.

H_0: $\rho = 0$
H_1: $\rho \neq 0$

Due to the significant level of ANOVA is <0.05, the H_1 of ANOVA is verified that there is a significant difference at least between the two groups of the population so we need to follow-up the one-way ANOVA by running post-hoc tests (Tukey) which indicates homogeneous subgroups (Table 5).

As shown in the Table 6 knowledge and wisdom and creativity are in a homogeneous subset and emotional and practical intelligence are in the other homogeneous subset. Since the significant for both groups are more than 0.05, there is no significant difference between the components of these subsets.

Mh3: There is a significant difference between the mean of OD's dimensions.

H_0: $\rho = 0$
H_1: $\rho \neq 0$

As shown in the Table 7 the significant level of ANOVA is <0.05, so there is a significant difference between the two groups.

Table 5: The results of ANOVA

Variable	Sum of squares	df	Mean square	F	Significant
Between groups	7.668	3	2.556	6.306	0.000
Within groups	246.442	608	0.405		
Total	254.110	611			

ANOVA: Analysis of variance

Table 6: Homogeneous subsets Tukey HSD[a]

Group	N	Subset for alpha=0.05	
		1	2
Knowledge and wisdom	493	2.5686	2.7418
Creativity and innovation	493		
Emotional intelligence	493	2.5882	2.8399
Practical intelligence	493		
Significant			0.533

Table 7: The results of ANOVA

Variable 2	Sum of squares	df	Mean square	F	Significant
Between groups	90.220	6	15.037	36.751	0.000
Within groups	435.335	1064	0.409		
Total	525.555	1070			

Table 8: Homogeneous subsets

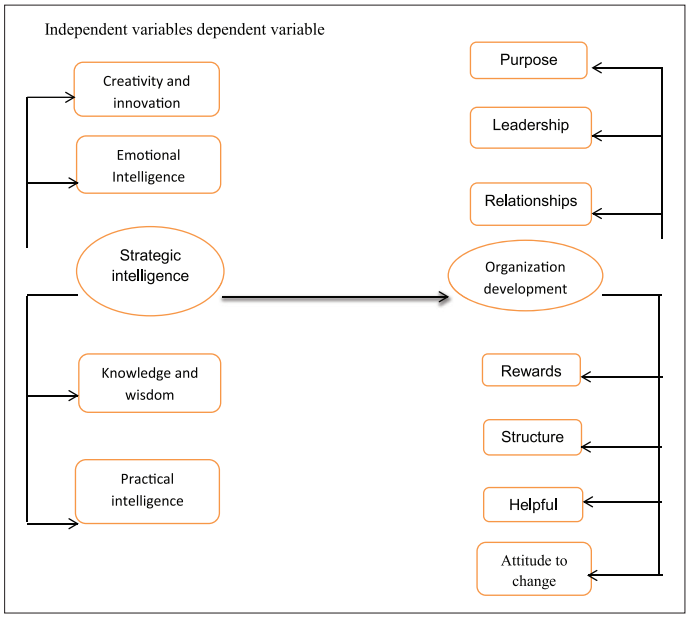
Group 2	N	Subset for alpha=0.05			
		1	2	3	4
Relationships	493	2.0170			
Purpose	493	2.2271			
Structure	493		2.2863		
Helpful mechanisms	493		2.3595		
Leadership	493		2.3739	2.3739	
Attitude to change	493			2.5739	
Rewards	493				3.0065
Significant		0.063	0.411	0.053	1.000

Table 8 shows the components of each homogeneous subsets. The significant for each subset is over than 0.05, so there is no significant difference between the components of these subgroups.

6. DISCUSSION AND CONCLUSION

The results show that there is a positive relationship between manager's strategic intelligence and OD and also there is a positive relationship between the two dimensions of strategic intelligence

Figure 1: Conceptual model



(such as: Knowledge and wisdom, practical intelligence) and OD, but there is no significant relationship between strategic intelligence dimensions (such as: Emotional intelligence and creativity and innovation) and OD. Also the results show there is a significant difference between the mean of strategic intelligence dimensions: Knowledge and wisdom, creativity and innovation are in a homogeneous subset and practical intelligence and emotional intelligence are in the other homogeneous subset, and also there is significant difference between the mean of OD's dimensions: Relationships and purpose are in the homogeneous subset 1, structure, helpful mechanisms and leadership are in the homogeneous subset 2, leadership and attitude to change are in the homogeneous subset 3 and reward is in the homogeneous subset 4. Sugarman (2000) stated that increasing organizational performance by learning, based on leadership and teamwork. Components expressed in behavioral sciences, are caused organizational development that they are similar to the components of strategic intelligence that have been raised by the same investigators, like relationships, self-knowledge, creativity, problem solving, information integration and sharing them. The researchers believe there are some causes the lack of relationship between emotional intelligence with OD such as: (1) The lack of manager's attention to the properties of strategic intelligence because the exist culture in government agencies in Iran based on relatively permanent position of managers. (2) Managers may have potentially emotional intelligence traits but they can't implement them because of exist environment and culture. (3) Public sector managers are lack of loyalty, responsibility, being useful, spiritual and morality, that they are the components of emotional intelligence because they received their positions from government agencies that under the control of government, and they are obliged to implement the government submission procedures.

According to the strategic intelligence that has a significant relationship with OD, it is recommended to organizations and institutions, reinforce the manager's strategic intelligence through education and training to process and analyze information, collect correct information, improve business intelligence, competitive intelligence and knowledge management in organizations. Practical intelligence, knowledge and wisdom have positive significant effect on OD. It is suggested to administrators improve their practical intelligence abilities such as problem-solving and situational judgment, as well as their tacit knowledge and try to make good use of the experiences in the proper position. The environment through shaping Practical intelligence, knowledge and wisdom by encouraging managers and creation a healthy competitive environment allows managers to strengthen their personality traits and OD will happened.

7. SUGGESTION FOR FURTHER RESEARCHERS

Do this research in the private, semi-private and international organizations and institutions in order to measure and compare the relationship between manager's strategic intelligence and OD in these organization and government agencies. Also in this study, only personality traits related to strategic intelligence have been considered and researchers are recommended to consider the managers performance besides their personality characteristics.

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