



Strategic Decision-Making Context and Organizational Performance in Bindura Nickel Mine

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ABSTRACT

This study examines the effect of strategic decision-making context on organizational performance in culturally diverse occupational settings of Bindura Nickel Mine (BNC). The research also highlight some literature by previous authors on strategic decision-making and organizational performance. A case study was used as the main research methodology with a questionnaire containing structured questions as the research instrument. This study used a descriptive research design. The study sampled 162 employees of BNC from sampling frame of 277 and the response rate was 152 (93.8%). Stratified random sampling procedure was used to group employees in terms of their work positions and convenient sampling for the selection of individual respondents in the sample for this study. Data collection procedure was done through use of drop-and-pick strategy. Data was processed using SPSS version 20. The study was limited to BNC, Bindura district, Mashonaland Central Province in Zimbabwe. The results of this study established that Leader psychological path and Follower psychological path had a significant direct effect on organizational performance, while Legislative context, Economic Context and Firm resources and had some weak association. The relationship is significant and theoretically justified. In brief, the results indicate that strategic decision-making context is the predictor of organizational performance. The study, therefore, recommends the adoption of the need for training, mentoring, coaching to empower employees on strategic decision issues. Finally, recommends further research on the impact of strategic influence and strategic talent development on organizational performance.

Keywords: culturally diverse occupational settings, organizational performance, strategic decision-making

1. INTRODUCTION

The history of leadership role of strategic decision-making in diverse world cultures is, and always will be, intriguing and, Mapuranga and Bukaliya (2014) note that sub-Saharan Africa has many complex social and multicultural challenges which relate to colonization, class, race and socio-economic issues. Culturally diverse occupational setting is a result of a foreign business environment and a workforce with different ways of working procedures and thinking that presents a big challenge for any manager (Huang, 2016; Dames and Dames, 2014; Mapuranga and Bukaliya, 2014; Raewf and Mahmood, 2020). Raewf and Mahmood (2020) posit that today's globalization with its global migration as well as modern technology has brought many different cultures closer together which, according to Cherian, Vilas and Raj (2020), results in clash of those diverse cultures at the modern workplace. However, according to Cherian, Vilas and Raj (2020) cultural diversity at the workplace encompasses much more than just working side by side with people from other nations, therefore requires effectiveness regarding leadership role of strategic decision-making.

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The study has implications from both a theoretical and practical perspective. Findings of this study contribute to the existing literature and provide valuable recommendations to the senior managers of business organizations with a culturally diverse workforce. The article is organized as follows: theoretical framework, empirical literature review, concepts literature review, materials and methods, results and the conclusion at the end.

2 LITERATURE REVIEW

2.1. Theoretical framework

Many theories have been propounded for purposes of explaining leadership role of strategic decision-making in varied organizations. Nonetheless, House (1971) motivation-rich path-goal theory's explanatory power on leadership cannot be overemphasized. The selection of this theory hinges on its focus on leader, follower and performance. The theory proposes that leaders change the path to attaining a goal based on the motivation of their subordinates. It further suggests four distinct approaches to leadership that include directive, supportive, participative and achievement-oriented leadership (Elbanna et al., 2020). House and Mitchell (1974) examine four approaches as given below.

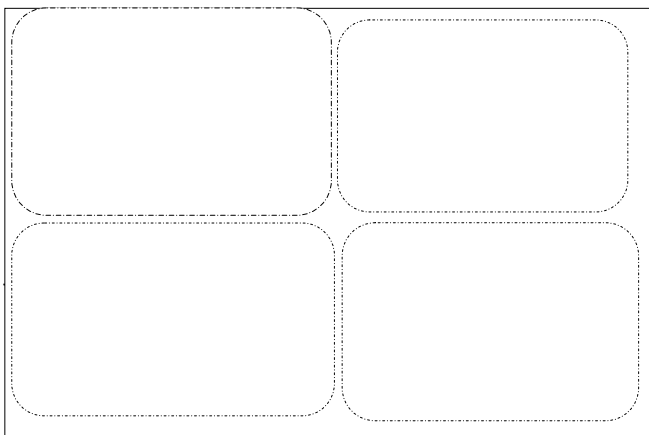


Figure 1: The Path-Goal Theory of Leadership

Source: Adapted from House, R. J., and Mitchell, T. R. (1974) Path-goal theory of leadership, Journal of Contemporary Business

Directive leadership involves the setting of clear expectations and goals for subordinates to characterize it. Thus, it is fundamentally satisfying to have clear and attainable goals (Bayo and Akintokunbo, 2022). Secondly, there is supportive leadership that is exemplified by leaders who show concern for the well-being of subordinates. On the other hand, he proposed the participative leadership where leaders actively consult with their subordinates and request shared decision-making. This leadership style achieves buy-in, as well as satisfaction with the consultation. Finally, there is achievement-oriented leadership in which leaders set high expectations and goals to motivate subordinates to achieve.

2.2. Empirical literature

Manolopoulos, et al (2021) focus on social enterprises that have mushroomed over the past few years. They argue that, the integration of financial sustainability and social value is an elusive adventure regarding entrepreneurial strategic decision-making. Manolopoulos, et al (2021) draw from personality based strategic decision-making extant literature and theories. They investigated rationalistic and adaptive process models impact on social and financial performance. Manolopoulos, et al (2021) findings reveal that concomitant development of rational and intuitive strategic decision-making improves financial performance. They further note that any choice in favor of rationality in place of incremental decision-making processes improves only the social performance.

In another study, Asikhia and Mba (2021) argue that when faced with unstructured problems without clear solution mechanisms then strategic decision making turns to be very useful. In an attempt of evaluating the influence of strategic decision making on organizational performance, their paper concedes that effective strategic decisions is a function of systematic information analysis. Asikhia and Mba (2021) point out strategic decision-making approach that enables sustenance of competitive edge. In their paper, they use a systematic review of articles thereby contributing to the understanding of environmental factors, management and employee behavior and decision-making processes and their contribution to organizational performance. Asikhia and Mba (2021) made use of Herbert Simon administrative behavior theory and in their conclusion indicate the important role of strategic decision-making process in improving organizational performance.

2.3. Conceptualizing strategic decision making context

The contextual recourse of strategic decision making is emblazoned as a leadership function. It is rather common for leadership to be used interchangeably with authority in interactions within communities. There is therefore, then need to differentiate leadership and authority. Nwoye and Agwu (2017) regard

leadership as being a process where an individual provides a sensible direction within a group. The leadership role of strategic decision making is then recognised in terms of other people who subscribe to leader's way of thinking (Robbins and Coulter, 2018) and influence (Alhawamdeh and Alsmairat, 2019). Thus, there is need for establishing some relationship in which leaders lead comfortable followers towards the direction that leader inspire them to take. Therefore, without a given group volunteering to behave like followers, then there is no legitimate claim to be a leader. In essence, leadership has to do with one's influence on others (Elbanna et al., 2020). The relationships that exist within a group are the ones that make one emerge as a leader when other members of the group confirm that role as such by their behaviours as followers. Leadership keeps followers united in purpose using resources (Williams, 2017) to pursue economic decisions (Alheet and Hamdan, 2020) while they fulfil their roles in the organization (Straková and Talíř, 2020) so that company goals can be met (Alhawamdeh and Alsmairat, 2019) yet they endeavoring to act within the legal framework (Elbanna et al., 2020). Hence, leadership is fundamental to the effective functioning of any organization. According to Williams (2017), leadership is a social phenomenon that is ubiquitous. An effective leader takes the opportunity to utilize active and inert abilities to form relationships that move followers to accomplish pre-set organizational goals.

In strategic decision-making leadership is essential and Elbanna, et al (2020) aver that leadership effectiveness is reflected by the leader's decisions. Jankelova (2017) defines decision-making as problems identification and selection, from alternative options pool, the best alternative, in order to proffer some solution to the problem. By noting that competitive external environment offers opportunities to every organization Emeagwali (2017) expressly articulate the need for a determined management in terms of utilising available resources, to exploit identified opportunities. Subsequently, some key decisions would then be required on determining the effective and efficient resource allocation (Jankelova, 2017) and utilization (Elbanna, et al, 2020) in order to achieve organisational goal. In this case, it is about the selection of the best alternative (Alheet and Hamdan, 2020).

According to Elbanna et al (2020), strategic decision-making is the process by which decision are made by the top-level management in the organization. The major responsibility of the top management in an organization is to decide on strategic issues concerning the organization in order to shape the organization in such a way that the goals and objectives of the organization would be accomplished (Alhawamdeh and Alsmaira, 2019). Decisions are made across all levels in the organizations. The top management makes decisions relating to the organizational goals and strategies. The middle level management makes tactical decisions relating to the goals and strategies set by the top management. The low-level managers then make operational decisions to carry out the day-to-day activities of the organization derived from tactical decisions by middle level management.

Decision-making is the process of making a choice from a number of alternatives to achieve a desired outcome (Straková and Talíř, 2020). This definition of decision-making contains three important elements, which are Decision-making that deals with selecting from a set of alternative options; Decision-making as the process that involve more than making the final choice; and the Desired outcome stated in the definition that involves the tenacity from mental activity used by the decision makers to reach the final decision. Alheet and Hamdan (2020) assert that decision-making is like speaking prose; people do it every time, knowingly or unknowingly. A decision is defined, as the commitment to a course of action whilst decision-making is the process of providing solution to a problem (Alhawamdeh and Alsmaira, 2019). Decision-making is very wide and can be viewed from different angles including the scientific approaches such as psychology and cognition that involve human behaviors.

Most top management perspective studies (Alhawamdeh and Alsmairat, 2019; Elbanna et al., 2017; Emeagwali, 2017) prefer inferential diversity from a demographic viewpoint rather than cognitive based diversity. Alhawamdeh and Alsmairat (2019) suggest that demographic diversity is easier to measure from archive data yet cognitive based diversity demands empirical evidence. Contemporary empirical studies suggest the generation of biased conclusions from inferential diversity (Jankelova, 2017). Considering several studies (Bayo and Akintokunbo, 2022; Samba, Van Knippenberg and Miller, 2018) that provide empirical support to demonstrate the importance of cognitive diversity rather than inferential diversity, the current study measures psychological characteristics directly.

2.4. Firm performance

Firm performance in most literature review (Bayo and Kayii, 2020; Imane and Driss, 2017) is based on managerial performance measures that are financial measures of performance. Alhawamdeh and Alsmairat (2019) note return on equity, return on assets, and return on sales as the most notable measures of financial performance. As Imane and Driss (2017) posit, it is imperative when defining firm performance to underscore the relevancy of financial indicators in reflecting an enterprise's economic objectives in financial terms. Furthermore, such financial indicators are market-based (Imane and Driss, 2017) therefore; they incorporate the investor's viewpoint (Bayo and Hamilton, 2021). However, Richter et al (2017) believe that financial indicators are deemed a narrower conception of business performance, therefore the need to focus on operational performance (Bayo and Ebikebena, 2021). Operational performance indicators focus on those key success factors that measure firm's effectiveness in terms of indicators suggested by Imane and Driss (2017) such as growth, survival, reputation and competitive advantage. Needless to mention as explained by Bayo and Akintokunbo (2022) the intertwining and interrelatedness of financial performance and operational effectiveness indicators. This paper incorporates Operational performance.

The research's originality and novelty is premised on its focus on addressing the strategic decision making context from a new perspective, based on psychological characteristics from a leadership effectiveness view. Rather than focusing on strategic decision making as one of the leadership role, the research looks at it from the elusive and volatile context in which strategic decisions have to be made.

3 Materials and methods

3.1. Objectives and Research Questions

A number of aspects related to strategic decision-making context and its effect on organizational performance are highlighted in most of the studies previously reviewed. However, a few studies allude to strategic decision-making context and its effect on organizational performance, as it happened during the pandemic when the operating environment was constantly changing and volatile. The objective of this study is to determine the effect of strategic decision-making context on organizational performance in BNC. In this regard, the following research question was addressed:

What is the perception of employees about strategic decision-making context effect on organizational performance?

The study used a case study of Bindura Nickel Mine. It followed a descriptive research design by employing a questionnaire, which is a quantitative method. The target population was 825 employees of Bindura Nickel Mine in Zimbabwe. The sampling frame for the study was 277 employees as advised by the BNC human resources management. Based on Krejcie and Morgan (1970) table the sample size from a sampling frame of 277 was 162. The researcher administered a structured questionnaire to 162 respondents according to their job positions and as registered by the respective human resources department. To locate the sample the researcher used stratified random sampling while convenient sampling method located the actual individual respondents.

3.2. The Research Instrument

The researcher made use of a structured questionnaire usually used in mono method studies that, according to Linnander, et al (2019) is meant to produce confirmatory results from data collection, analysis, and interpretation. For purpose of confirmatory results, the researcher created an aligned instrument and estimated congruency of closed-ended types of questions using consistency statistics. In view of the purposes of this study, the researcher made use of a questionnaire as research instrument. The questionnaires were administered to participants physically at BNC through the human resources department of BNC. The questionnaire distribution to selected members of work shifts was based on convenient sampling considered by the HR staff of BNC due to the nature of the complex work arrangement in the mining firm. They were then collected from the same department at a prearranged time. The questionnaire focused on demographics, measures of strategic decision-making context (Leader psychological path, economic context, follower psychological path, firm resources and legislative context) and some selected observed variables measuring organizational performance (customer perception, growth, survival, market position, reputation and competitive advantage). The five point Likert scale (Very little effect – 1; Little effect – 2; Average effect – 3; High effect – 4; and Very high effect – 5) was considered as the most suitable after considering information needed by the study. To establish reliability Cronbach's alpha was used.

3.3. Data Analysis

IBM SPSS Statistics (version 20) and excel spreadsheet were used to analyze the data. Descriptive statistics were used in data analysis. The study employed the following statistical analysis: means, standard deviations, and Cronbach's alpha for the scales used in this paper, correlations and as well as multiple linear regression.

4 Results

Table I shows that majority of respondents (46.1%) in BNC are 21 - 40 years of age, are males (76.3%) and blacks (76.3%) in terms of race. In terms of these results, gender imbalance is reflected in BNC while in terms of age and race in the BNC, the results reflects the population structure of Zimbabwe. In the 2012 census results by ZIMSTATS (2012), the youth black community makes up majority of Zimbabwean working class.

Table 1 - Respondents Demographic profiles

Dimension	Classification	Frequency	Percent
Age	Less than 20 years	13	8.6
	21 -30 years	39	25.7
	31-40 years	70	46.1
	41-50 years	18	11.8
	More than 50 years	12	7.9
Race	Black	116	76.3
	White	12	7.9
	Colored	8	5.3
	Chinese	16	10.5
Gender	Male	116	76.3
	Female	36	23.7

Table 2 shows means, standard deviations, Cronbach's alpha and as well as correlations for the scales used in this paper. These scales are Economic context (ECC), Leader psychological path (LPP), Legislative context (LEC), Firm resources (FIR), Organizational performance (OPE) and Follower

psychological path (FPP), The Cronbach's alpha coefficients range (.800 to .953) for the five constructs were excellent, and as a result exceptionally exceeding the lower bound of 0.6 as recommended by Nwoye and Agwu (2017).

Table 2 - Means, standard deviations, rank, Cronbach's alphas and correlations

Variable	Mean	Std. Deviation	Cronbach alpha	ECC	LPP	LEC	FIR	OPE	FPP
ECC	4.07	.926	1 .943	1.000					
LPP	3.70	1.184	2 .935	.870**	1.000				
FPP	3.59	1.164	3 .889	.756**	.863**	1.000			
FIR	3.29	1.216	4 .953	.577**	.635**	.753**	1.000		
LEC	2.38	1.223	5 .899	.235**	.207*	.161*	.099	1.000	
OPE	3.18	.862	- .800	.858**	.934**	.942**	.737**	.251**	1.000

Based on the five point Likert scale (Very little effect – 1; Little effect – 2; Average effect – 3; High effect – 4; and Very high effect – 5) the results show the following:

Economic context ranked first among factors affecting organizational performance with a mean value of 4.07, while Legislative context was the least important among factors affecting organizational performance with a mean value of 2.38. The mean values show that the respondents' opinion indicate that strategic decision-making context factors have some association with correlation range of .099 to .870 with a significance p of 0.00 being less than 0.05.

Focussing on Economic context, it was measured using six observed variables (organizational pricing model, supply chain, competitor pricing model, customer perception, import market and export market). It was ranked first (mean 4.06) in affecting organizational performance. Results show that it had above average effect on organizational performance.

Leader psychological path, it was measured using four observed variables suggested by van Knippenberg et al. (2004) as Relationship conflict, Perceived support for innovation, Task reflexivity, Innovative work behavior. It was ranked second (mean 3.70) in affecting organizational performance. Results show that it had above average effect on organizational performance.

Follower Psychological path, it was measured using three observed variables (Thinking beyond the capacity to serve, Thinking beyond the capacity to challenge and Thinking beyond the capacity to leave). It was ranked third (mean 3.59) in affecting organizational performance. Results show that it had above average effect on organizational performance.

Firm Resources, it was measured using four observed variables suggested by Portillo-Tarragona et al (2018) to be size of the firm, return on equity, liquidity ratio of the firms and liquidity ratio of the firms. It was ranked fourth (mean 3.29) in affecting organizational performance. Results show that it had above average effect on organizational performance.

Legislative context, it was measured using four observed variables (health regulations, environmental regulations, export market regulations and monetary regulations). It was ranked fifth (mean 2.38) in affecting organizational performance. Results show that it had above average effect on organizational performance.

As regards organizational performance, it was measured by use of six observed variables (customer perception, growth, survival, market position, reputation and competitive advantage).

Table 3 shows multiple regression analysis results that revealed that 95.8 percent variances in organizational performance could be explained by strategic decision making context (Leader psychological path, Economic context, Follower psychological path, Firm resources and Legislative context) with an R² of 0.958 and p-value of < 0.01).

Table 3 - Multiple Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.160	.071		2.256	.026
Leader psychological path	.240	.032	.330	7.417	.000
Economic Context	.145	.032	.155	4.500	.000
Legislative context	.044	.012	.062	3.593	.000
Firm Resources	.053	.018	.075	2.898	.004
Follower psychological path	.351	.029	.474	12.081	.000
R Square	.958				
Adjusted R Square	.957				
F value	673.774				

This paper focused on gaining some better understanding of the effects of strategic decision-making context on organizational performance in BNC. These results show that Leader psychological path ($\beta = .240$, $p < 0.01$) and Follower psychological path ($\beta = .351$, $p < 0.01$) were found to have significant positive influence on organizational performance. However, Economic context, ($\beta = .145$, $p < 0.01$); Legislative context ($\beta = .044$, $p < 0.01$); and Firm resources ($\beta = .053$, $p < 0.01$) were found to have weak association with organizational performance.

5 Conclusions

The paper analyses the concepts of strategic decision-making context and organizational performance, including their importance to the organizational and individual levels. The research results bring to the fore confirmatory aspects. This study concludes, based on the findings, that strategic decision-making context is a significant contributor in improving organizational performance. These findings suggest that strategic leaders should consider engaging more on the strategic decision-making context to enhance organizational performance. Progression in terms improving firm strategic decision-making contextual assimilation and scanning gives an impetus to organizational performance. In organizations, the external environment is shrouded by numerous challenges. Such an external environment makes organization to require continuous training in strategic decision making to achieve the proposed goal. As a result, the leader has a role in steering activities of the organization that are essential in achieving profit (the ultimate goal) from such economic activities. In addition, the comparison between strategic decision-making context and performance was measured through strategic decision-making context (Legislative context, Leader psychological path, Economic Context, Firm Resources and Follower psychological path) and their impact on organisational performance (financial performance, employer satisfaction and customer satisfaction). This study that combine the literature review with the results of a strategic decision-making context, mention some important issues with regard to BNC employees' perception on the recognition of the organizational performance. Based on the results on strategic decision-making context and organizational performance, it can be concluded that organizational performance is achieved when there is sound properly managed strategic decision-making context in terms of legislative context, leader psychological path, economic context, firm resources and follower psychological path.

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