

Relationship between Factors of Strategic Decision-Making and Organizational Performance

¹Dr. Sandeep Kumar Chaurasia, ²Prerana Tiwari

¹Assistant Professor, School of Management Studies,
Sangam University, Bhilwara (Rajasthan)
1992Chaurasiasandeep@gmail.com

²Research Scholar, School of Management Studies,
Sangam University, Bhilwara (Rajasthan)
Prerna3wari@gmail.com

Abstract:

In today's business landscape, the performance of an organization is a primary concern, driven by customers' heightened awareness of the services and environment they receive. The organization's market standing is entirely reliant on its productivity and the quality of its facilities, especially crucial for service industries. It is widely recognized that the organization's performance is heavily influenced by the strategic decisions made by top management, as well as the effective management of operational-level staff. Furthermore, the motivation of employees to excel in their roles significantly impacts the overall performance of the organization. Over time, it has been observed that a capable leader in a prominent position within the organization plays a vital role in establishing the organization's distinctiveness, even in the face of other influencing factors. This can be achieved through well-informed strategic decisions, which hold great significance, particularly in service industries. The projected paper is an attempt to assess the relation between leading working position, strategic decision and performance of organization with special reference of hospitals of Rajasthan (Ajmer Zone).

Keywords: Performance, Strategic Decision, Organization, Motivation, Relation

Introduction:

It is widely acknowledged that the top management, comprising individuals in leading positions responsible for organizational management and strategic decision-making, plays a crucial role in driving an organization. This includes a team of individuals or a management board along with any relevant regulatory bodies, collectively referred to as the top management. However, it is important to recognize that the performance of service-oriented organizations heavily relies on the regular employees and working professionals who are dedicated to delivering services. In the context of this study, which focuses on hospitals, the entire focus revolves around the services provided by these organizations. Numerous activities within hospitals are managed by motivated employees who are driven by a well-implemented performance appraisal system. Their performance contributes to positive organizational outcomes. In today's professional world, the hospital and healthcare industries are highly regarded, bringing forth a determined perspective in meeting the ongoing challenge of continuous quality improvement to meet patient demands. Consequently, hospitals and healthcare industries must establish a reputation for their services to ensure patient and medical practitioner satisfaction. This study primarily aims to evaluate the perceptions of employees and staff in hospitals within the Ajmer Zone regarding the role of top management and their strategic decisions in providing employee welfare and recognition, and the subsequent impact on hospital performance.

Factor of Organization Performance:

The overall performance of an organization is largely dependent on the effective working procedures implemented within the organization. It is evident that organizational performance is influenced by a combination of employee performance and management strategies, which collectively contribute to the sustainability and success of the organization. These practices are commonly referred to as strategic practices, as they aim to maintain the organization's performance over time. Several key factors play a critical role in determining the organization's performance, including the performance of both the management and employees, as well as the strategies employed and the implementation of appraisal systems and

policies. When the appraisal system is well-designed and contributes to employee motivation, it creates a positive environment within the organization. Therefore, establishing strong linkages between these factors becomes essential for the organization. These factors include:

- Management performance
- Employee performance
- Quality management
- Appraisal system

The primary objective of human resources management is to effectively utilize organizational resources in order to achieve the organization's objectives in the most optimal manner.

Neighboring Key Factor Affecting Organizing Performance:

There are several factors that can significantly impact the performance of an organization. These factors encompass various aspects of the organization's structure, strategy, culture, and operations. Some key factors of organization performance include:

1. **Leadership:** Effective leadership plays a crucial role in driving the organization towards its goals. Strong leaders inspire and motivate employees, provide clear direction, make informed decisions, and foster a positive work culture.
2. **Strategy:** Having a well-defined and aligned strategy is essential for organizational success. A clear strategy outlines the organization's goals, objectives, and the actions required to achieve them. It helps in guiding decision-making and resource allocation.
3. **Organizational Culture:** The culture of an organization sets the tone for employee behavior, attitudes, and values. A positive and supportive culture fosters collaboration, innovation, and high-performance. It also influences employee engagement and satisfaction.
4. **Employee Engagement:** Engaged employees are more committed, productive, and satisfied with their work. Organizations that prioritize employee engagement create a conducive work environment, offer growth opportunities, recognize and reward achievements, and encourage open communication.
5. **Performance Management:** Effective performance management systems set clear expectations, provide regular feedback, and align individual goals with organizational objectives. Regular performance evaluations help identify areas for improvement and provide opportunities for skill development.



Figure-1: Neighboring Key Factor Affecting Organizing Performance

6. **Operational Efficiency:** Efficient and streamlined operational processes contribute to improved productivity, cost-effectiveness, and customer satisfaction. Organizations should continuously assess and optimize their operations to identify bottlenecks, eliminate inefficiencies, and enhance overall performance.
7. **Innovation and Adaptability:** Organizations that encourage innovation and adaptability are better positioned to thrive in a rapidly changing business landscape. Embracing new ideas, technologies, and market trends can lead to competitive advantage and sustainable growth.
8. **Customer Focus:** Meeting customer needs and delivering exceptional customer experiences is vital for organizational success. Organizations that prioritize customer satisfaction, listen to feedback, and continuously improve their products and services are more likely to achieve long-term success.
9. **Financial Management:** Effective financial management practices, including budgeting, cost control, and financial planning, ensure the organization's financial stability and sustainability. Sound financial management supports strategic decision-making and resource allocation.
10. **Continuous Learning and Development:** Promoting a learning culture within the organization encourages employees to enhance their skills, knowledge, and expertise. Continuous learning and development initiatives improve employee performance, engagement, and overall organizational capabilities.

It is important for organizations to assess and address these factors to enhance their performance and achieve their desired outcomes. The relative importance of each factor may vary depending on the nature of the organization, industry, and specific goals.

Objective of the Study:

The performance of an organization / hospital is achieved through the consistent efforts of its employees and staff, who provide professional services to customer / patients. In addition, there are other parallel activities that are efficiently managed by the supportive staff. Employee motivation is fostered through a robust appraisal system, while top management makes strategic decisions to effectively motivate their workforce.

The objective of this study is to investigate the interconnection between factors and neighboring factor about the performance of hospitals / organizations and the strategies implemented by their leadership positions. Thus, this study aims to determine the relationship between organizational performance and strategic management.

Hypothesis:

The present hypothesis tries to examine the degree of relationship among the various factors about the performance of the organization and its linkage with strategic management factors of the organization with reference of hospitals of Ajmer Zone of Rajasthan. In such context the hypothesis framed as:

Null Hypothesis (H₀): There is strong positive relationship among various factors of performance to manage the hospitals management.

Alternate Hypothesis (H₁): There is average positive relationship among various factors of performance to manage the hospitals management.

Assessment of Hypothesis:

In order to evaluate the hypothesis, we have gathered the opinions of 170 respondents. Given the nature of the hypothesis, we have determined that the correlation test is the most appropriate method to obtain results from gathered response. The employees' opinion was collected using a five-point Likert scale, ranging from "strongly agree" to "strongly disagree," in relation to the aforementioned assumption.

Nomenclature	Strongly agree	agree	Moderate	Not Agree	Strongly Agree
Point of Likert scale	5	4	3	2	1

Table-1: Scale to record data

Each employee was asked to provide a single opinion on the assumption, which would reflect the respondents' acceptance level of the statement. For this particular study, we have assumed that the performance of hospitals is directly linked to the appraisal policy of strategic management.

Calculation of Correlation:

To measure the relationship among the various factor we are gathering data individually for each factors which are above mentioned in the figure-1. So there are ten factors are which denoted for the study. The respondents figure was 170 who gives their opinion for the study and on the basis of the opinion of the respondents the correlation table was compiled.

From the correlation table it is observed that:

There is strong relation between factors:

- Leadership and strategies
- Employee Engagement and Performance Management
- Operational Efficiency and Performance Management
- Innovation and Adoptability and Performance Management
- Financial Management & Performance Management
- Continuous Learning & Development and performance Management
- Innovation and Adoptability and Operational Efficiency
- Financial Management and Operational Efficiency
- Continuous Learning & Development and Operational Efficiency
- Customer Focus and Innovation and Adaptability
- Financial Management and Innovation and Adaptability
- Continuous Learning & Development and Innovation and Adaptability
- Financial Management and Customer focus
- Continuous Learning & Development and Customer Focus
- Continuous Learning & Development and Financial Management

<i>Factors</i>	<i>Leadership</i>	<i>Strategy</i>	<i>Organizational Culture</i>	<i>Employee Engagement</i>	<i>Performance Management</i>	<i>Operational Efficiency</i>	<i>Innovation and Adaptability</i>	<i>Customer Focus</i>	<i>Financial Management</i>	<i>Learning and Development</i>
Leadership	1.00									
Strategy	0.36	1.00								
Organizational Culture	0.08	0.28	1.00							
Employee Engagement	0.02	0.05	0.18	1.00						

Performance Management	-0.34	-0.11	-0.01	0.33	1.00					
Operational Efficiency	-0.34	-0.19	-0.09	0.14	0.56	1.00				
Innovation and Adaptability	-0.27	-0.12	0.02	0.11	0.41	0.54	1.00			
Customer Focus	-0.23	-0.07	-0.05	-0.11	0.17	0.21	0.45	1.00		
Financial Management	-0.26	-0.08	0.03	0.25	0.39	0.39	0.51	0.35	1.00	
Continuous Learning and Development	-0.34	-0.08	0.03	0.19	0.46	0.46	0.49	0.32	0.61	1.00

Table-2: Correlation among the Factors

Here it is observing that there are lot of negative relationship with leadership, strategies and organizational culture factors which is noticeable. Also it is observed that there is below average relationship exists among the factors. If we are avoiding unit relationship with same factors, then it is noticed that almost 16 negative relationship exists in the relationship chart. There are eight relationships which are considered as the strong relationship. Thus among 45 considerable relationships it is found that only eight relationships are Strong relationship and 16 are purely negative relationships thus it is found the 21 relationships are average and below average relationship.

As per observation we can say that null hypothesis is rejected here and alternate hypothesis is accepted and the conclusion from correlation drawn that there is average positive relationship exists among various factors of performance to manage the hospitals management.

Result Discussion:

As per the result observed here it is found that the figure of strong correlation is eight which is near and above 45% of the domination. The negative correlation comprises sixteen correlations which shows that these factor are non-supportive in the hospitals of the Ajmer Zone. T average relationship segment comprises 21 correlations which comprises values less than 45% domination till the zero relationship scale. As values it is find that Leadership, strategy and organizational culture is not proper in the hospitals whereas the factors like operational efficiency, performance management, customer focus, financial management and continues learning & development is positive factors as compare to others.

Conclusion:

In accordance with the study and the formulated hypothesis, opinions were collected from both management personnel and employees of various hospitals in the Ajmer zone. The opinions were then analyzed using the correlation test of the factors to determine the validity of the hypothesis. The results revealed that the null hypothesis was not accepted thus alternate hypothesis accepted and the conclusion from correlation drawn that there is average positive relationship exists among various factors of performance to manage the hospitals management. The study suggests to improve the leadership, strategy and organization culture to improve the organization's (hospitals) performance. Other factors are performing satisfactory to ensure long-term viability of hospitals services.

References:

1. Altpeter M., Schneider E.C., Whitelaw N., 2014, Examining Strategies to Build and Sustain Healthy Aging Programming Collaboratives. *Health Education & Behavior*, 41(1), 27–33.
2. Ament S.M.C., Gillissen F., Moser A., Maessen J.M.C., Dirksen C.D., Meyenfeldt M.F., Weijden T., 2014, Identification of promising strategies to sustain improvements in hospital practice: a qualitative case study, *BMC Health Services Research*, 14, 641.
3. Burli S , Kotturshettar B , Kalghatgi P (2011), "Impact Of Quality Management practices on the organisational performance of small and medium scale manufacturing industries", *International Journal Of Management Research and Review* , Vol. 1 No. 4 , pp. 63-77
4. Catia M.L. Machado, Annibal Scavarda, Liane M. Kipper, Ricardo Santa, and Mario A. Ferrer (2015), Sustainability at the Healthcare Organizations: an Analysis of the Impact on the Environment, Society, and Economy, *CHEMICAL ENGINEERING TRANSACTIONS VOL. 45*, 2015, 727-732.
5. Lamberta G , Ouedraogob N (2008) , “Empirical investigation of ISO 9001 quality management systems impact on organisational learning and process performances” , *Total Quality Management* , Vol. 19 No. 10, pp 1071–1085
6. Malliga Marimuthu and Hanna Paulose (2016), Emergence of Sustainability Based Approaches in Healthcare: Expanding Research and Practice, *Procedia - Social and Behavioral Sciences* 224 (2016) 554 – 561.
7. McGain, F., & Naylor, C. (2014). Environmental sustainability in hospitals - a systematic review and research agenda. *Journal of Health Services Research & Policy*, 19, 245–252.
8. Nair A and Prajogo D (2009), "Internalisation of ISO9000 standards : the antecedent role of functionalist and Institutional driver and performance implications", *International Journal of Production Research*, vol 47 no.16 pp. 4545-4568
9. Piskar F (2007), "The Impact Of the Quality Management System ISO9000 on Customer Satisfaction of Slovenian Companies", *Managing Global Transitions*, Vol. 5 No. 2 , pp. 45-61
10. Ramirez, B., West, D. J., & Costell, M. M. (2013). Development of a culture of sustainability in health care organizations. *Journal of Health Organization and Management*, 27, 665–672.
11. Samat N , Ramayah T , Yusoff Y (2008), "Do ISO certified SME's have higher quality practices ? Empirical Insights from the Northern Region of Malaysia", *International Journal Of Business and Management* , Vol. 3 No. 3 , pp. 66-75
12. Singh L , Bhardwaj A , Sachdeva A (2009) , “The Impact of Quality Management Tools on Performance : An Exploratory Study on SMEs” , *The IUP Journal of Operations Management* , Vol 8 No. 3 , pp 61-70
13. Sun H , Zhao Y , Yau H K (2009) “The relationship between quality management and the speed of new product development ” , *The TQM journal* , Vol 21 No. 6 , pp 576-588
14. Tanninen K , Puumalainen K and Sandstrom J (2010), "The power of TQM : analysis of its effects on profitability , productivity and customer satisfaction”, *Total Quality Management*, Vol. 21 No.2, pp.171-184
15. Yusuf Y , Gunasekaran A , Dan G (2007) , “ Implementation of TQM in China and organization performance: An Empirical Investigation ? ” , *Total Quality Management* , Vol 18 No. 5 , pp 509-530