Implication of Strategic Fit and Sustainability on Organizational Effectiveness

Okebaram Sunday Moses (Ph.D), Onuoha Charity Ekwutosi,

Department of Business Administration, Micheal Okpara University of Agriculture, Umudike, Nigeria
Department of Business Administration, University of Science and Technology, Enugu State, Nigeria
s.saveasoul@gmail.com, charityekwutosi@yahoo.com

ABSTRACT

In a competitive market prompted by M&As target of synergetic gains to out-weight other competitors. The need of strategic fit lies on how to map and integrate the acquired organization to achieve survival, sustain their state and maintain its competitive advantage. The strategic fit here among other things concentrates on the fit/alliance between the organization's business strategy and its internal process. This study intends to investigate the implication of strategic fit and sustainability on organizational effectiveness. The study is based on selected communication industry and commercial banks. The study using the 4Cs – capability, compatibility, commitment and control measures the organization design (structure), employee relations, and information exchange to equate and underscore how they can boost the sustainability of the organizational effectiveness. The study adduced that through a close fit among the elements measured will provide the managers answers on the significance of strategic fit towards sustaining organizational effectiveness and competitive advantage.

INTRODUCTION

The global increase of markets and industries has dramatically transformed firms' competitive conditions and characteristics. It has stepped up foreign competition and the number of relationships between firms in different nations (Wiersema and Bowen, 2008), forming international and global networks of strategic linkages. It is worthy to state that strategic fit or linkages are often popularized on what (Nohria and Garcia-Pont, 1991) reflects as alliances, mergers and acquisitions, agreements and contracts. Strategic fit as one of the tool for due diligence in M&A process to restructure and reposition the activities of the acquirer organization to remain competitively competitive and sustain the performance of the renewed firm. Strategic fit enables an organization to operate in its particular competitive situation at peak effectiveness. It expresses the degree to which an organization is matching its resources and capabilities with the opportunities in the external environment. However, discovering the factors that result to M&A failure in the past organizations, it reset the target for strategic fit to drive competitiveness, eco-efficiency, eco-effectiveness and sustainability. This is to say that after pre-M&A and post-M&As, the new conglomerate formed fix its alliance to maintain a sustainable competitiveness and synergy.

The challenges of managing strategic fit determine the extent the organization effectively run its operation and maximize it gain. Kale and Singh (2009) observed that firms on one hand are investing more and more in alliances and there is evidence that these indeed contribute to strengthening firms' competitive position. On the other hand, however, studies have revealed that in many cases alliances between firms have failed.

Bamford, Gomes-Casseres and Robinson, (2004) study have shown that between 30% and 70% of alliances fail; in other words, they neither meet the goals of their parent companies nor deliver on the operational or strategic benefits they purport to provide. Alliance termination rates are reportedly over 50% (Lunnan and Hauglang, 2008), and in many cases forming such relationships has resulted in shareholder value destruction for the companies that engage in them (Kale, Dyer and Singh, 2002). By appropriately allocating resources across relationships and activities, a company can maximize its overall effectiveness (Day, 2000), where organizational effectiveness is conceptualized under a model that views firms as striving productivity and efficiency (Kumar et al., 1992). Management effectiveness depends greatly on the ability of managers to appropriately fit (or align) organizational elements with environmental opportunities and threats (Srivastava et al., 1999).

Fit is defined as “the degree to which the needs, demands, goals, objectives and structures of one component” (Nadler and Tushman, 1980). This conceptualization implies that high level of strategic fit is advantageous; therefore, an organization’s fit should be maximized. The search for strategic fit has been a core concept in normative models of strategy formulation (Zajac et al., 2000). Alliances in another vein may be defined it as voluntary arrangements among two or more independent firms, involving exchange, sharing or joint development or provision of technologies, products or services. According to Doz and Hamel (1998), strategic alliances have become essential in the new competitive environment shaped by the globalization of the economy, the information age and the structural changes in existing markets and industries, or what they call the "race for the future among the world's fleetest competitors.

This study discovered that certain reasons that resulted to organizations Merger and Acquisition failure to include, diversification, previous acquisition experience, excessive premium, lack of research, size, unyielding and inefficiency, poor cultural fits, poor organizational fit, poor strategic fit, striving for expansion, faulty evaluation, poor managed integration, failure to take immediate control, incomplete and inadequate due diligence, lack of proper communication and expecting result too quickly etc. Equally, the study intend to achieve the following objectives; to ascertain if strategic organization design can enhance organizational effectiveness, to ascertain if strategic organization design can enhance organizational effectiveness and to determine the extent strategic fit can sustain employee relations in order to boost organizational effectiveness

CONCEPTUAL FRAMEWORK

Strategic fit expresses the degree to which an organization is matching its resources and capabilities with the opportunities in the external environment. The matching takes place through strategy and it is therefore vital that the company have the actual resources and capabilities to execute and support the strategy. Strategic fit can be used actively to evaluate the current strategic situation of a company as well as opportunities such as

M&A and divestitures of organizational divisions. Strategic fit is related to the Resource-based view of the firm which suggests that the key to profitability is not only through positioning and industry selection but rather through an internal focus which seeks to utilize the unique characteristics of the company's portfolio of resources and capabilities (Grant, 2007). A unique combination of resources and capabilities can eventually be developed into a competitive advantage which the company can profit from in a synergetic manner.

A strategic fit can be defined through several perspectives, both from a target and an acquiring firm's point of view. As Shelton (1988) indicates, a strategic fit is present when two firms have created value that would not otherwise have been reached if they were trying to achieve a goal separately. He argues that it is the combination of the firms' brought-together assets that creates this extra value.

Also strategic fit defined as a partnership's potential, i.e. the operational and relational matching questions that arise from a partnership, as presented by Ireland, Hitt and Vaidyanath (2002). The two firms have an operational potential as an example, in other words they can, if collaborating successfully, achieve greater potential aims when they match each other.

In another perspective, it is defined as the need of highly matching goals between the merging or target/acquiring firms (Das and Teng, 2000). This might be a more explicit clarification of the term; it indicates that the firms need to have things in common in order for the merger or acquisition to work in the first place but also a great matching of aims.

The basic fundamental elements of strategic fit are: act of matching, a fit, and integrating should be present as a prerequisite for the merger or acquisition to work at all. If the chain element is missing the set goals could be hard to reach. To further make it clear, firms are looking for synergistic gains; otherwise there would be no point in merging or acquiring. The first definition exemplifies it – a goal that would not be reached if the firms were working separately, instead when they go together synergy is created (Eun and Resnick, 2007).

Shelton (1988) classifies acquisitions into two, related complementary fit and related-supplementary fit. The term related complementary fit means vertical integration while related-supplementary fit is horizontal integration. A related-supplementary entity gives a partner access to new customers and markets instead of new assets and products. Related-complementary entity on the other hand brings new assets, products or skills for product markets that are already served.

He further explains that related-supplementary fits provide greater opportunities to use managerial creativity capacity excess than do related-complementary. Related-complementary fits give the opportunity to consolidate or strengthen a market position. Better service to existing customers with new products and improved technology creates value but the use of assets remains the same. In related-supplementary fits the focus is on expansion to new markets and there to meet new customers. Clever use of managerial creativity or entrepreneurial ideas in order to use existing bidder assets most effectively in exploiting the new markets made available by acquiring the target brings success. Shelton (1988) argues that both related-complementary and –supplementary fits may provide opportunities to cut costs to equal extents but the latter offer more intense utilization of entrepreneurial ideas. The difference between the two thereby lies in the type of assets most intensively used and the change in the product market opportunities of the acquiring firm.

It can be further argued that rival acquirers indicate that the target has value-creation potential such as management or high-quality assets beyond what is measured in the strategic fit categories (Shelton, 1988). At the end, an acquirer management should look for the largest target firms with high quality assets that will let them expand to related markets or expand the existing business.

Several tools have been developed; one can use in order to analyze the resources and capabilities of a company. These include SWOT, value chain analysis, cash flow analysis and more. Benchmarking with relevant peers is a useful tool to assess the relative strengths of the resources and capabilities of the company compared to its competitors. But strategic fit can also be used to evaluate specific opportunities like Merger & Acquisition opportunities. Strategic fit would in this case refer to how well the potential acquisition fits with the planned direction (strategy) of the acquiring company. In order to justify growth through M&A transactions, the transaction should yield a better return than organic growth. The differential efficiency theory states that the acquiring firm will be able increase its efficiency in the areas where the acquired firm is superior. In addition the theory argues that M&A transactions give the acquiring firm the possibility of achieving positive synergy effects meaning that the two merged companies are worth more together than the sums of their parts individually (Ivey Management Services, 1995).

A high degree of strategic fit from can potentially yield many benefits for an organization. Best case scenario a high degree of strategic fit may be the key to a successful merger, an efficient organization, synergy effects or cost reductions. It is a vital term and it should be taken into consideration when evaluating a company's strategy and opportunities.

Galaskiewicz and Zaheer (1999) ensued three key dimensions - network structure, network composition and network modalities - and several characteristics for analyzing the impact of networks at the corporate level by exploring some of the conditions for robust competitive advantage using each dimension. Basing themselves on empirical investigations of several other scholars in this field, Gulati, Nohria and Zaheer (2000) provided additional characteristics for the dimensions at issue and showed how they have strategic implications, creating opportunities and threats at industry level, and strengths and weaknesses at corporate level. They also implicitly suggested that network management could be considered another key dimension, at the corporate level. Partner fit (strategic, cultural and organizational), especially in terms of compatibility and complementarity, was identified as a highly relevant construct in this dimension. They also stressed the dynamic nature of most networks, especially in the current context of constant change, showing just how crucial it is to view strategic fit, in terms of what Zajac, Kraatz and Bresser (2000) called "dynamic" fit, when adopting a relational perspective.

With respect to acquisitions, Hitt, Ireland and Hoskisson (2009) explicitly say that: "...acquisitions often provide the fastest and the largest initial international expansion of any of the alternatives" (Hitt and Pisano, 2003). An important component of this phase is "strategic asset-seeking investment, which may take the form of both joint ventures and M&As. They observe, however, that the increasing complexity and new organizational configurations of international companies, have resulted in "phase jumping" (Dunning and Lundan, 2008) ...globally oriented MNEs are increasingly adopting a pluralistic and integrated approach to their modalities of entering new markets, or responding to changes in the global economic environment (Dunning and Lundan, 2008).

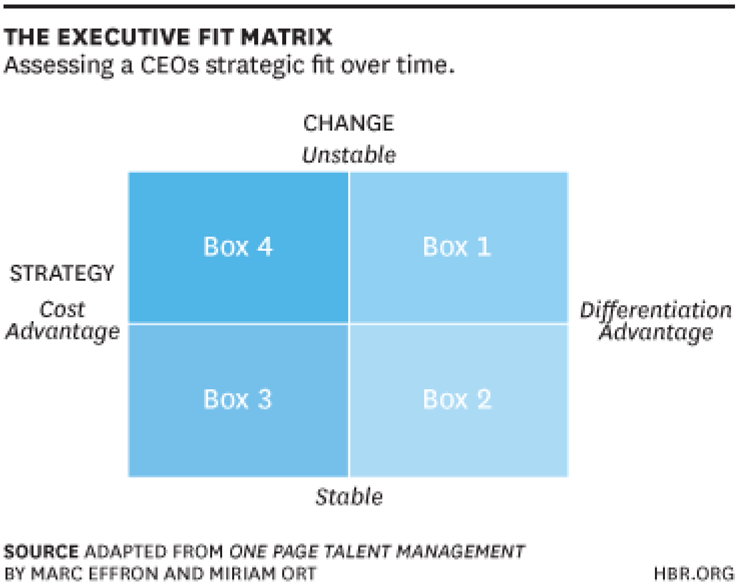
Hoffmann (2007) draws attention to the fact that the firm has to know how to configure its portfolio of alliances, whose management should be goal-oriented. Based on a study of the evolution of alliance portfolios in a given business unit, he identifies 3 distinctive portfolio strategies "that allow firms to cope with a complex and changing environment": i) shaping strategy - actively shaping the environmental development, according to firm strategy, by expanding and deepening the company's resource endowment in a focused manner - supported by core exploration alliances; *ii)* adapting strategy - reactively adapting to the environment's dynamics "to increase strategic flexibility by broadening the company's resource endowment and generally improving the ability to learn and change" supported by probing or platform alliances; iii) stabilizing strategy to avoid organizational change - "efficiently exploiting the existing resources and protecting competitive advantages as much as possible" - supported by exploitation alliances to commercialize resources and capabilities acquired through exploration (Hoffmann, 2007).

The strategic significant of competitive advantage and distinctive competences comes to play as determinants of a firm’s success and growth has increased tremendously in the last decade. The increasing benefit came as a result of the belief that fundamental basis of above-average performance in the long run is sustainable competitive advantage (Porter, 1985). This concern has lead to the development of resource-based and knowledge-based theories that examine the relationship between core resources and capabilities; sustainable competitive advantage and above normal performance. A firm is said to have a sustainable competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors and when these other firms are unable to duplicate the benefits of this strategy. Thus sustained competitive advantage exists only after efforts to replicate that advantage have failed. It is for this reason that organizations are focusing on methods and strategies that are difficult to imitate, rare, and valuable.

Strategic fit offer a means for companies to access new markets, expand geographic reach, obtain cutting-edge technology, and complement skills and core competencies relatively fast. Strategic position have become a key source of competitive advantage for firms and have allowed them to cope with increasing organizational and technological complexities that have emerged in the global market.

Nowadays, strategic position is a business concept that is changing the structure and dynamics of competition throughout the world. Using a broad interpretation, strategic position is a relationship between firms to create more value than they can on their own (synergy). In this vein, Strategic fit is seen as a situation that occurs when a specific project, target company or product is seen as appropriate with respect to an organization's overall objectives. Most business managers seeking to expand their company's operation through a merger or acquisition will look for another company that makes a good strategic fit with their own firm.

All these analogues are summarized with the term “Executive Fit Matrix”. This matrix allows boards to cross the two dimensions, strategy and change and this measures fit by comparing a company’s strategic direction with the capabilities needed by their CEO.



To Assess Strategy Fit: Authors and academics classify strategic choices in many ways, but the two most enduring categories are 1) seeking a cost advantage or 2) seeking a differentiation advantage. These strategies anchor each end of the strategy continuum and corporate strategies will typically align with one of these choices.

To Assess Change Fit: The taxonomy of the change dimension isn’t as well established, but it’s fair to say that some companies will be experiencing high amounts of change (start up, turn around, economic shock, etc.) and others the typical day-to-day changes that mark corporate life.

In this sense, strategic fit is an essential factor in any senior leader’s performance, but infinitely more for the CEO given their central role in the organization’s success. The board’s responsibility is to regularly assess and try to optimize the fit between their company’s top leader and the company’s strategic challenges. Hiring the right CEO may be a high-profile activity, but proactively managing CEO tenure to ensure the best fit will drive the best performance for the future (http://blogs.hbr.org/2014/03/assess-your-ceos-strategic-fit-over-time/).

Culture in Relation to M&As Fit

Srilata, Schomaker and Genc (2003) suggest that cultural incompatibility between the target and acquiring firm has significant impact on why M&A operations sometimes fail to achieve the pre-defined goals. They further stated that for the best possible outcome of an M&A operation a “merger of equals” should be sought. A textbook definition of a merger of equals is an M&A operation where there is a 50-50 stock swap between two firms merging and the new board of directors is made up by members from both organizations (Srilata et al., 2003). A looser, more generic definition is an M&A operation where an approximately equal value contribution from both firms to the new merged unit or organization exists. Organizational integration has been shown to lead to synergy creation and overall merger success (Srilata et al., 2003). It may be far more difficult to integrate firms, than first thought of, regardless of how similar their corporate cultures are. Part of the reasoning for this is because mergers of equals assume equality; however in reality this does not always occur. In every decision it is likely that one organization will trump the other and there is likely to be confusion over who is in charge of different areas of the process (Srilata et al., 2003).

Infact any acquirer who wants to be sustainable should pay special attention to the strength of organization identity, as well as cultural compatibility and strategic combination potential when deciding if a partnership should be integrated (Srilata et al., 2003). For a merger or acquisition to be successful the companies must make efforts to understand each other in terms of organizational activities and culture.

The 4 Cs for Adequacy Assessment of Strategic Fit

In any given M&A firms, the veritable ingredients to match assessment of strategic fit in order to attain a desired sustainable competitiveness and organizational effectiveness circles under certain given theory. The following theory covers four areas of fit between two parties in what can be a partnership, merger and acquisition. There are two sets of 4 Cs; below Medcof's (1997) are presented. In contrast to his 4 Cs are the, according to him, less comprehensive 4 Cs developed by Brouthers, Brouthers and Wilkinson (1995). These comprise of; complementary skills, cooperative cultures, compatible goals and commensurate levels of risk. They can be implemented similarly when speaking about partnerships Medcof (1997) argues. He continues with proposing his 4 Cs since they can be used for broader thinking in the field of long-run partnerships. Therefore this paper intend to apply the Medcof's 4 Cs to measure the extent they can help to drive the organizational effectiveness. The 4 Cs applies include;

a. Capability

The first C capability means the ability of partners to carry out their roles in the alliance. Again, not only partners should be looked at but one should also turn to the own company to evaluate the capability. Capability on the other hand addresses the question if the products are produced competently or the services rendered effectively. When looking at capability from the long-run strategy perspective, one must try to see whether a partnership firm gives the possibility to improve and/or acquire capabilities that will be of use in future activities, he continues. It can be an opportunity to learn not only for one of the parties as a single organization but also for its associated firms.

b. Compatibility

The second C; compatibility, the most important type of compatibility is the one among people or the employee. Top management as well as all other parts of the organizations which interface must be compatible. In this case culture plays a very important role. Culture is the underlying attitudes toward things as internal or external focus of the organization, task or social focus, conformity or individuality, safety or risk and ad hoc approach or planning.

Also, not only people are required to fit even the operating procedures or fit need to be compatible. Operating procedures or fit include in what way activities in the different functions of the organization are carried out. Incompatibility in this area can disrupt and even make the relationship unworkable. In the long-run view, the concept universal compatibility is of paramount important. In a sense, it means the ability to work well on the operational level with just about any partner. When choosing among potential partners, it will be obvious that not one is perfect and all stand out in some way, good or bad. If the organization is operationally very flexible, it can choose the partner who offers the most suitable strategic opportunity. A partnership may however seem unattractive in the short-run but in the long-run it presents a very good opportunity to enhance partnering skills. This is a conflict where one must not forget that being able to show a history of successful relationships with various different partners is valuable for the reputation of the firm (Medcof, 1997).

c. Commitment

The third C, commitment, one is looking at the aspects of the theme. Firstly, it involves continuously committing resources and effort to the partnership or acquiring firm. In absence of this kind of commitment, a partner will only put in what it has to fight for the relation to survive. The other kind of commitment occurs if the partner will leave the relation in case of unexpected difficulties. There is also pragmatic and psychological commitment. The latter relates to how dependent a prospective partner is on the acquiring firm. If dissolution of the former firm or an under-performing ditto will create difficulties for the other party, it is more likely to put in necessary effort in good as well as harsh times. It is also related to how strongly people believe in the partnering firm. A decision-maker with low psychological commitment will be quicker to state the reasons and needs for abandoning the conglomerate than would a person with high psychological commitment. Reputation is also an important consideration in this kind of commitment. Also individual respect plays a role here. Pragmatic commitment involves strategic fit, compatibility and capability. A firm that has a significant strategic stake in the acquired firm is compatible with its partners and capable to play its role is said to have pragmatic commitment.

Looking at commitment with a long-run perspective, focus lies upon building commitment that will last not only during the current stage of the firm but for future and other types of co-operation. This commitment will make it easier to persuade other firms into partnerships and hence they make a fair contribution and stay as it gets difficult. It must look internally and see whether it can perform the role it is expected to play and be seen as a strong partner that delivers what it should. If partners also in other contexts will speak well of the firm, it is a good strategic move in the long-run perspective to enter such a partnership (Medcof, 1997).

d. Control

The fourth C is control. Control in most firms is something that should be evenly shared within a partnership. One of the few exceptions is when interests of all members coincide with that of the leading firm and strong, focused leadership is needed. In such situation dominance by one firm can be preferable. Otherwise it is usually suggested that neither party should be dominant. A dominant partner is able to lead the partnership in the direction of its preference, a direction not likely to be preferred by the other partner. If it is seen that an organization will be weaker, it should not enter the partnership. It is even suggested that if the firm finds itself in a situation where it could take on a dominant role, it should step back and do what it can to restore equality.

Structure and Strategic Fit

According to the Miles and Snow (1978) typology of strategic behavior, the organization should respond to its environment in a relatively consistent manner over time. Generally, firms trying to follow such a pattern of strategic behavior can then be seen as either pursuing a defender, prospector, and analyzer or reactor strategy.

Prospectors are firms that continually search for market opportunities, and experiment with potential responses to changes in the environment (Miles et al., 1978). These organizations often pioneer the development of new products, being structurally very organic and thus need a high level of decentralization (Miles et al., 1978). Defenders are organizations that take a more conservative approach and prefer to compete on price and quality rather than to invest heavily in new product development. They often focus on niche markets and pay attention to improve the efficiency of their existing operations (Miles et al., 1978). Accordingly, they need more mechanistic structures which require more central coordination (Doty et al., 1993). Analyzers share elements of both strategic behaviors of prospectors and defenders. They rarely are first movers but, instead continuously screen their industry for new ideas, and adapt quickly to those that appeal promising (Miles et al., 1978). Thus, they try to simultaneously explore new market opportunities and to harvest on a stable base of existing products and customers (Miles et al., 1978). For this, analyzers need to implement a structure that ensures a balance between autonomy on the on hand and central control on the other (Conant et al., 1990; Doty et al., 1993).

Finally, reactors are firms which lack any consistent forward-looking strategy. A reactor seldom adjusts its strategy or behavior unless forced to do so by pressures from the environment (Miles et al., 1978). They typically lack any fit between strategy and structure but mainly respond to market changes in uneven, transient ways (Miles et al., 1978). In essence, the concept of fit then argues that an organizations success is independent of the focus it takes, but that it needs to stick to that focus and align accordingly. Even more, as long as it creates such a fit, no difference of performance outcomes is expected between the singular strategy types (Hawes and Crittenden, 1984; McKee, Rajan Varadarajan and Pride, 1989; Smith, Guthrie, and Ming-Jer, 1989).

Basing themselves on empirical investigations of several other scholars in this field, Gulati, Nohria and Zaheer (2000) provided additional characteristics for the dimensions at issue and showed how they have strategic implications, creating opportunities and threats at industry level, and strengths and weaknesses at corporate level. They also implicitly suggested that network management could be considered another key dimension, at the corporate level. Partner fit (strategic, cultural and organizational), especially in terms of compatibility and complementarity, was identified as a highly relevant construct in this dimension. They also stressed the dynamic nature of most networks, especially in the current context of constant change, showing just how crucial it is to view strategic fit, in terms of what Zajac, Kraatz and Bresser (2000) called "dynamic" fit, when adopting a relational perspective.

Information Exchange and Strategic Fit

Information exchange defines a bilateral expectation that partners will proactively provide information useful to their partner supportive of the ongoing relationship (Heide and John, 1992). However, to facilitate information exchange, firms must invest finite resource stocks such as time, money etc. in developing the systems necessary to select, edit and format information to be exchange with each partner (Day, 2000). Given the finite nature of resource stocks necessary to engage in information exchange with a firm's global supply chain partners, and the cultural norm expectation of information exchange, it is theorized that a firm can enhance it performance by working toward the establishment of information exchange within its supply chain relationships.

METHODOLOGY

The research method used in this study is survey design that utilizes questionnaire as the research instrument and interview to gather data from respondents. The questionnaire was carefully structured and designed in order to achieve the objective of the study. The researcher also provided a set of response categories after each question from which the respondents are expected to choose option that is appropriate from the response. However, in order to maintain a high degree of reliability of data to be collected through questionnaire. The researcher made the questions very clear and in a sample language so as not to confuse the respondents. Also the researcher adopted random sampling method.

The population of the study concentrates within communication and banking industry. The selected communication industries include MTN, AIRTEL and ETISALET while the bank chosen is Ecobank, all because of its international coverage. At the end the sample population for the study comprise of 300 from communication industry and 150 from Ecobank workforces respectively. The sample size was determined as below to get the representation of the population.

$$N = \frac{N}{1+N(e)^2}$$

Where: n = sample size

N = Total number of the population

e = standard or tolerable error margin of 5% or 0.05.

Substituting therefore:

N = 450

e = 0.05

$$: n = \frac{450}{1 + 450\,(0.05)^2}$$

$$= \frac{450}{1 + 450\,(0.0025)}$$

$$= \frac{450}{2.13} = 211.27$$

The approximation to the nearest whole number equal to 212, it will help for easy questionnaire administration.

The data collected were analyzed using SPSS statistical tool and Z-test for the test of hypotheses based on its scientific nature and widely used by social scientists.

DATA PRESENTATION

The measuring indicators of the 4Cs model as against the objectives of this study variables of strategic organization design, employee relations and information exchange were presented thus;

Table 1: Assessment of 4Cs as Against Organizational Effectiveness

Indicators	Organization Design	Employee Relations	Information Exchange
Capability	X	70 (33%)	X
Compatibility	Yes 194 (91.5%) No 18 (8.5%)	x	Yes150 (70.8%) No 62 (29.2%)
Commitment	X	70 (33%)	X
Control	X	72 (34 %)	X
Total	212 (100)	212 (100)	212 (100)

Source: Field Survey, 2014

The table 1 indicates that 194(91.5%) of the respondents said that organization design of their firm is compatible of achieving organizational effectiveness. The second column outcome shows that 70 (33%) said employee relations is capable of achieving organizational effectiveness, 70(33%) said employee relations is committed to enhance organizational effectiveness, while 72(34%) said employee relations control is able to enhance organizational effectiveness. The table also shows that 150(70.8%) of the respondents said information exchange is compatible to achieve organizational effectiveness

Table 2: To ascertain if strategic organization design can enhance organizational effectiveness

		Frequency	Valid Percent	Cumulative Percent
Valid	STRONGLY DISAGREE	15	7.1	7.1
	DISAGREE	25	11.8	18.9
	UNDECIDED	4	1.9	20.8
	AGREE	115	54.2	75.0
	STRONGLY AGREE	53	25.0	100.0
	Total	212	100.0	
	Mean			3.7830
	Std Deviation			1.15611

Source: Field Survey 2014

The descriptive table shows that 15(7.1%) of the respondents strongly disagreed that strategic organization design can enhance organizational effectiveness. Also 25(11.8%) disagreed, 4(1.9%) of the respondents were undecided. While 115(54.2%) and 53 (25.0%) strongly agreed and agreed respectively that strategic organization design can enhance organizational effectiveness. The result is significant given the mean of 3.7830 and a standard deviation of 1.15611.

The null hypothesis reflects that:

Ho: Strategic organization design cannot enhance organizational effectiveness.

Then using Z-test non-parametric statistic tool to revalidate the first analysis we have the following;

NPar Tests

One-Sample Kolmogorov-Smirnov Test

N		212
Normal Parameters[a,,b]	Mean	3.7830
	Std. Deviation	1.15611
Most Extreme Differences	Absolute	.367
	Positive	.176
	Negative	-.367
Kolmogorov-Smirnov Z		5.342
Asymp. Sig. (2-tailed)		.000

Decision Rule

If $Z_{cal} > Z_{critical}$, reject the null and accept the alternative hypothesis, otherwise vice-versa.

Result/Decision

The calculated Z-value is 5.342. This value is greater than the critical Z-value of 1.96 (2-tailed test at 95% level of significance). Therefore, the null hypothesis is rejected and the alternative hypothesis accepted. The result is significant as the Z-value = 5.342 and the p-value (0.000< 0.05). Hence, Strategic organization design can enhance organizational effectiveness.

Table 3: To determine the extent strategic fit can sustain employee relations in order to boost organizational effectiveness

		Frequency	Valid Percent	Cumulative Percent
Valid	VERY SMALL EXTENT	10	4.7	4.7
	SMALL EXTENT	15	7.1	11.8
	UNDECIDED	9	4.2	16.0
	LARGE EXTENT	135	63.7	79.7
	VERY LARGE EXTENT	43	20.3	100.0
	Total	212	100.0	
	Mean			3.8774
	Std Deviation			.97069

Source: Field Survey 2014

The table 3 shows that 10(4.7%) of the respondents to a very small extent said that strategic fit can sustain employee relations in order to boost organizational effectiveness. Also 15(7.1%) said to a small extent, 9(4.2%) of the respondents were undecided. While 135(63.7%) and 43 (20.3%) said to a large extent and to very large extent respectively that strategic fit can sustain employee relations in order to boost organizational effectiveness. The result is significant given the mean of 3.8774 and a standard deviation of 0.97069.

The null hypothesis reflects that:

Ho: Strategic fit cannot sustain employee relations in order to boost organizational effectiveness

Then using Z-test non-parametric statistic tool to revalidate the first analysis we have the following;

NPar Tests

One-Sample Kolmogorov-Smirnov Test

		.
N		212
Normal Parameters[a,,b]	Mean	3.8774
	Std. Deviation	.97069
Most Extreme Differences	Absolute	.390
	Positive	.247
	Negative	-.390
Kolmogorov-Smirnov Z		5.677
Asymp. Sig. (2-tailed)		.000

Decision Rule

If $Z_{cal} > Z_{critical}$, reject the null and accept the alternative hypothesis, otherwise vice-versa.

Result/Decision

The calculated Z-value is 5.677. This value is greater than the critical Z-value of 1.96 (2-tailed test at 95% level of significance). Therefore, the null hypothesis is rejected and the alternative hypothesis accepted. The result is significant as the Z-value = 5.677 and the p-value (0.000< 0.05). Therefore, strategic fit can sustain employee relations in order to boost organizational effectiveness.

Table 4: To establish the extent strategic fit can boost effective information exchange to improve organizational effectiveness

		Frequency	Valid Percent	Cumulative Percent
Valid	VERY SMALL EXTENT	3	1.4	1.4
	SMALL EXTENT	4	1.9	3.3
	UNDECIDED	6	2.8	6.1
	LARGE EXTENT	161	75.9	82.1
	VERY LARGE EXTENT	38	17.9	100.0
	Total	212	100.0	
	Mean			4.0708
	Std Deviation			.63819

Source: Field Survey 2014

In table 3 above indicates that 3(1.4%) of the respondents said at very small extent that strategic fit can boost effective information exchange to improve organizational effectiveness. Also 4(1.9%) said at small extent, 6(2.8%) of the respondents were undecided. While 161(75.9%) and 38 (17.9%) said at large extent and very large extent respectively that strategic fit can boost effective information exchange to improve organizational effectiveness. The result is significant given the mean of 4.0708 and a standard deviation of 0.63819.

The hypothesis reflects that:

Ho: Strategic fit cannot boost effective information exchange to improve organizational effectiveness

Then using Z-test non-parametric statistic tool to revalidate the first analysis we have the following;

NPar Tests

One-Sample Kolmogorov-Smirnov Test

N		212
Normal Parameters[a,,b]	Mean	4.0708
	Std. Deviation	.63819
Most Extreme Differences	Absolute	.395
	Positive	.365
	Negative	-.395
Kolmogorov-Smirnov Z		5.745
Asymp. Sig. (2-tailed)		.000

Decision Rule

If $Z_{cal} > Z_{critical}$, reject the null and accept the alternative hypothesis, otherwise vice-versa.

Result/Decision

The calculated Z-value is 5.745. This value is greater than the critical Z-value of 1.96 (2-tailed test at 95% level of significance). Thus, the null hypothesis is rejected and the alternative hypothesis accepted. The result is significant as the Z-value = 5.745 and the p-value (0.000< 0.05). However, strategic fit can boost effective information exchange to improve organizational effectiveness

CONCLUSION

Based on the research outcome, we conclude that the organizations can achieve synergy and sustain their organizational effectiveness by integrating the element of 4Cs capability, compatibility, commitment and control with the appropriate organization design, good employee relations and effective information exchange.

RECOMMENDATIONS

The following suggestions were made for continuous improvement.

1. There organizations should adopt total reward system to motivate the employee in order to maintain high performance.
2. There is need for the organizations to make use of good visionary and competent leader to sustain their competitive advantage.
3. There should be intent to embrace effective communication strategies and imbibe the culture of change in order to fit-in with the dynamic environment.

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