

Research Article

Impact of Strategic Intelligence on Organizational Excellence - An Empirical Study on Business Units

Kuldeep Gupta¹, Dr Kiran Soni², Karunesh Saxena³

Abstract

Strategic intelligence is indeed an important tool for an organization as it plays a crucial role in enabling the companies for embracing and implementing the innovation and hence framing innovative strategies. Strategic intelligence includes foresight, visioning, and motivating for achieving organizational excellence. Studies done in the past proves that it contributes in ensuring effective decision making and gaining a greater competitive position comparing with competitors. Thus owing to its significant contribution in encouraging business activities forensuring the entrepreneurial orientation successful implementation, for attaining an enhanced business performance and hence organizational excellence, it is gaining attention from several researchers. Therefore the present research paper aims at finding out the factors of strategic intelligence in organizations and their impact on organizational excellence and stakeholders. IT and ITES companies of Delhi NCR were selected as sample for the purpose of the paper. Analysis is done with the help of “Structural Equation Model (SEM) based on Standardised Coefficient on Intelligence”. Results of the paper demonstrate that “strategic intelligence, business intelligence, artificial intelligence and knowledge management” are the key factors of strategic intelligence that influence the organizational excellence positively. The findings of this paper can be used by relevant parties to improve their approach for strategic intelligence, which will help senior management and HR strategists develop strategies to react to the change in the local and global climate and enable the company to discover the fundamental factors.

Keywords: *Strategic intelligence, artificial intelligence, knowledge management, business intelligence etc.*

¹Research Scholar, Faculty of Management Studies, Mohanlal Sukhadia University.

²Associate Professor, Geetanjali Institute of Technical Studies.

³Prof. Faculty of Management Studies, Director IQAC & Director CDC, M L Sukhadia University, Udaipur (Raj.)

Received: , Accepted:

Introduction

Strategic intelligence is gaining significance as a stimulus or capacity that drive the innovation, change management as well as value creation and hence organization excellence. Thus all the organizations are attempting to adopt this concept and building organization culture that develops this capacity of strategic intelligence. Strategic intelligence in organizations are regarded as an important tool to create competitive advantage through better excellence and efficiency and also it yields better stakeholders satisfaction and commitment. Strategic intelligence is emerging as a potential force that impact Managers and Stakeholders and organization efficiency for the ultimate benefit of organizations (**Marquardt, 2011**)

“Strategic Intelligence relies primarily on expertise; it has the ability to absorb 'information sources, the convergence of Business Intelligence, Competitive Intelligence and Expertise Management for Strategic Intelligence Framing. This enables organizations to organize much of their knowledge resources and intellectual capital into a cohesive, instantly available system that satisfies institutions. Strategic intelligence ensures the continuing survival and sustained development of the company's competitive capabilities (**Elbashir, Collier & Sutton 2011**)”.

IT and ITES sector holds tremendous future prospects and many industry experts believe that the strategic intelligence adoption in these IT companies will certainly explore in a positive direction for the betterment of organizations performance. For achieving the objectives of an organization, it must endeavour to align all its functions according to strategic intelligence. For this purpose organizations need to identify its strength, weakness, opportunities and threats to frame suitable strategic intelligence strategies for developing an organization culture accordingly (**Lear, 2012**). Strategic intelligence serves several key benefits to organization at all levels. “Strategic intelligence equips organization to perceive, synthesize, and integrate elements that function as a whole to achieve a common purpose of organization excellence”. It stimulates organizations to make most of its capabilities they possess and hence contribute towards organization excellence (**Pherson & Pherson, 2020**).

Organization performance and organization excellence is imperative for every business's sustainability and survival. The IT and ITES industry is struggling to fight high raised competition

due to the emergence of numerous new players in the sector. In this global world to gain a competitive advantage all IT sector players are focusing their potential in providing best quality products to their clients to sustain the competition imposed by the new entrants and this can be successfully gained through adopting strategic intelligence. Recent studies suggest that strategic intelligence and its factors have a positive effect on organization excellence. Also due to the increase in awareness among company management about strategic intelligence and its impact on organization productivity and excellence, it becomes crucial for the IT companies to leverage over strategic intelligence. Hence investigation needs to be done on how to become strategically intelligent and gain organizational excellence through it (**Mukherjee, Aet. al. 2009**).

This research paper will demonstrate how an organization can collect information sources, "the combined synergy of business intelligence, competitive intelligence, and knowledge management that is strategic intelligence will enable organizations to integrate all of their intelligence into a framework that matches the intelligence requirements of management." Understanding and leveraging key strategic intelligence factors can greatly enhance corporate decision-making worldwide and gain competitive advantage in an increasingly innovative area and strategy.

Therefore Strategic intelligence has evolved in relation to organization excellence in IT and ITES companies and the factors and impact level of strategic intelligence on organizational excellence is analyzed using different tests and research analysis in the coming part of the paper.

Conceptual Framework

Conceptual framework for the paper is explained in the following part. Strategic intelligence and the present paper include the study and usage of the different dimensions. Each of which is defined below. All these factors form an integral part of the model developed under SEM in the later section of the paper.

➤ **Strategic Intelligence**

“Strategic Intelligence is a type of Intelligence produced for strategic purposes. Customers of Strategic Intelligence include individuals involved in strategic decision-making”.

➤ **Artificial Intelligence**

The simulation of human intelligence processes by machines, particularly computer systems, is artificial intelligence (AI). Relevant AI implementations involve expert systems, NLP, voice recognition and machine vision.

Artificial intelligence programming encompasses three intellectual competences: comprehension, reasoning and self-correction.

➤ **Knowledge Management**

Knowledge management is a term that emerged in the 1990s, when academics (mainly Nonaka, Takeuchi and Davenport) created this new discipline. A primary aim of information management is to use organization processes and technology to optimize organizational knowledge.

➤ **Business Intelligence**

Business intelligence (BI) uses software and services to transform information into practical insights, which inform strategic and tactical business decisions of an organization. Tools for BI information and access data sets as well as provide users with detailed information on the program of economic in reports, summaries, dashboards, graphs, diagrams and maps.

➤ **Organizational Excellence (OE)**

Organizational excellence is described as an excellent activity, such as technological change that organizations should execute in order to achieve the ultimate objective (organizational performance).

➤ **Strategic Business Unit (SBU)**

A strategic business unit (SBU) is a profit centre that focuses on the supply and demand sector of goods. SBUs typically get a discontinuous marketing strategy, competitive intelligence and marketing strategy and they're often part of a larger company.

Review of Literature

Literature Review is "a systematic, explicit, and reproducible method for identifying, evaluating, and synthesizing the existing body of completed and recorded work produced by researchers, scholars, and practitioners." - **Arlene Fink 2019**

In all research practices a systematic literature review needs to be undertaken, so that the researcher provides an understanding of the work he does in his / her field of study and allows the other researchers to analyse prior work in the field in question. It's a job which needs perspective and a clear vision of the field.

Ahmadi, et al. (2020) in their paper, "**Proposing a model of manager's strategic intelligence, organization development, and entrepreneurial behavior in organizations**, attempted to examine the relationship among the manager's Strategic Intelligence (SI) with Organization Development (OD), and Entrepreneurial Behaviour (EB) in governmental agencies in underdeveloped countries. Results of the paper demonstrated that there is a positive significant relationship between the manager's SI and organizational development. Also, a positive significant relationship between the manager's SI and entrepreneurial behaviour is established. However, examining the moderator variables including demographic characteristics revealed that the demographic characteristics have no effect on the manager's SI–OD relationship and manager's SI–EB relationship. Only gender has been found influencing the manager's SI–EB relationship”.

Barnea (2020) in his paper “Strategic intelligence: a concentrated and diffused intelligence model, Intelligence and National Security studied that Both the discipline of strategic intelligence at the national level and the practice of competitive intelligence are agreed methodologies of promoting decision-making to avoid failures and strategic surprises. The key innovation of this paper is that it is possible to use shared learning in the sense of a model that distinguishes between a 'focused surprise' and a 'diffused surprise' to provide an advance in the intelligence field for accurate evaluation of unexpected growth”.

“Research paper presented by **Alomian, Alsawalhah & Almarshad in 2019** aimed at determining the impact of strategic intelligence on achieving competitive advantage on the pharmaceutical companies in Jordanian context. The findings of the study have shown that there is a statistically significant relationship at the level ($P \leq 0.05$) for strategic intelligence on achieving competitive advantage on the pharmaceutical companies sector in Jordan. Finally, the study has made a number

of recommendations, including developing strategic intelligence tools constantly and evaluating the strategic situation and monitoring the markets”.

Nazemoff (2015) It was mentioned that all of the four intelligences (financial intelligence, consumer intelligence, data intelligence and intelligence) comprises a single collection of concerns for each decision making process and his team. Through educating the mind to understand in this way , they are able to identify , assess and explore change opportunities using the results of these questions.

Reza (2014) evaluated the positive and substantive influence of financial intelligence mostly on rational decision taking and strategic thinking of businesses and institutions utilizing intelligent systems. The important elements of strategic intelligence, intelligence on personnel resources , organizational operation, technical, analytical, financial capital, competitors and business intelligence are also recognized.

Dowell (2009) also said so in the field of law, there could be a growing body of research on information practice. Intelligence is an endeavor with a great history and a simple description and consensus are still missing. The term intelligence is generally used in many aspects, but outside of academic situations, two positions are very different. Intelligence may be chosen to define a method and an activity; hence, the intelligence research we speak about. Intelligence, on either side, is sometimes used to mean the final result of this process. In many other terms, we can talk about the growth, possession or creation of knowledge.

Maguire, Ojiako & Ian (2009) evaluated that computation didn't replicate "nice" or simple meaning intuitive human analysis no matter whatever complaints company owners have for the overall intelligence field.

Liebowitz (2006) examined that Strategic Intelligence has already been used mainly in military circles, but its importance far exceeds the narrow position.

Research Background and Research Gap

Owing to its growing awareness the field has attracted many academicians to focus on the impact of this Strategic intelligence and its different facets on organization performance. Also research studies were performed over topic of investigating managers and stakeholders perception

regarding these Strategic intelligence and factors associated with it. However, the present research is performed for finding out the Managers and Stakeholders' attitude towards impact of Strategic intelligence on organization excellence in IT and ITES companies.

Despite the growing awareness of strategic intelligence and its factors as a driver of organization growth, no comprehensive initiative has been made to address it from the perspective of recognizing it as an important organizational tool. IT and ITES companies are endeavouring to realize this important concept as an effective organizational tool. Despite the IT and ITES companies embracing a variety of tools for organizational growth, the strategic intelligence remained unexplored. So it would be worthwhile to look at the strategic intelligence impact on organizational excellence.

Statement of the Problem

The present paper titled as "**IMPACT OF STRATEGIC INTELLIGENCE ON ORGANIZATIONAL EXCELLENCE - AN EMPIRICAL STUDY ON BUSINESS UNITS**" with special reference to IT and ITES industry intended to investigate how the strategic intelligence in organization can influence Centre of Excellence in Business Units. For achieving the objectives of the study Delhi NCR region of India has been selected for data collection and analysis.

Research Methodology

This research followed quantitative methodology, thus using questionnaire approach to collect data about respondents to explore if there is any relationship between the IT and ITES organizations' parameters of strategic intelligence and organizational excellence in the Delhi NCR area. The research follows the principles completely, and tested the reliability and validity. For analysis SPSS 20.0 AMOS tools were used. Different statistical tests were carried out, and that was stated. This study is exploratory and descriptive following the casual research method.

Sampling Unit	Strategic Business Units IT & ITES(Delhi NCR region)
Sampling Tools	A set of structured questionnaire.

Sample technics	Convenience sampling
Sample Size	100 Managers

Reliability Statistics for the responses:

Reliability Statistics	
Cronbach's Alpha	N of Items
0.842	62

Source: Author's Compilation

“From above **Table**, it could be recognized that Cronbach value for the responses of the 100 respondents of the study was found .842 which is an excellent representation of the quality of data and confirms approximate 84.2% reliability of the collected data. Cronbach's (alpha) is an important psychometric instrument or tool to measure the reliability of data. The reliability coefficient indicates that the scale for measuring trust and commitment is reliable. So, various statistical tools can be applied and tested”.

Research Objective

- ☞ To identify factors of strategic intelligence in organizations and their impact on organizational excellence
- ☞ To study the influence of strategic intelligence on stakeholders in Strategic Business Units.
- ☞ “To investigate Structural Equation Model (SEM) based on Standardised Coefficient on Intelligence”.

Analysis

In the analysis part at first “the demographic data of the respondents is analysed. This demographic portion shows data associated with the personal information which incorporate Name, Age, gender, Educational Status, profession, annual income, location etc”.

Table 1: Demographic information of respondents

This table given below provides the demographic information of the respondents participated in the research paper.

Demographics	Options	Frequency	Percentage
Age Group	18-24	78	7.7
	25-34	310	30.5
	35-44	348	34.2
	45-54	106	10.4
	55-64	140	13.8
	65-74	36	3.5
	Total	1018	100.0
Gender	Male	566	55.6
	Female	452	44.4
	Total	1018	100.0
Highest Qualification	High school Diploma	30	2.9
	Bachelor Degree	96	9.4
	University Degree	100	9.8
	Master's Degree or Above	792	77.8
	Total	1018	100.0
Income	Below -2 Lakh	258	25.3
	200000-500000	206	20.2

	500000-800000	174	17.1
	800000-1500000	154	15.1
	More than 1500000	226	22.2
	Total	1018	100.0

In Table given above details of demographic variables of respondents are given. Regarding age it can be seen from table that most of the respondents (65%) are falling under the category of 25-44 years of age group. When gender is enquired, it is found that the sample data contains both type of gender substantially. Thus the results will give better results due to inclusion of both gender perceptions. Regarding educational qualification of respondents it can be said that most of the respondents (78%) are holding master's degree and above. When profession of respondent is investigated it is found that most of the respondents are working in private sector, followed by teaching profession. Regarding income of the respondents it can be seen form the data that most of the respondents are from below 2 lakhs of income group. However number of respondents from other income groups is also significant.

Further in the analysis AMOS is being utilised and structure equation modelling (SEM) among the factors of strategic intelligence is done as follows:

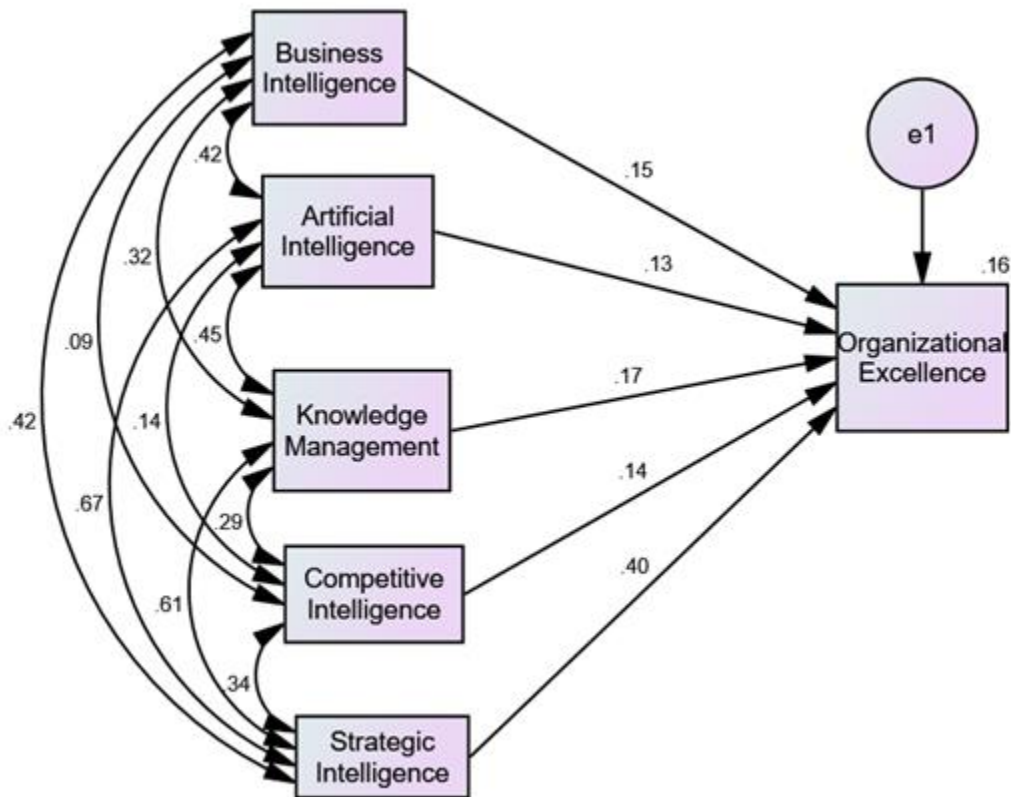
☞ **STRUCTURE EQUATION MODELLING (SEM) AMONG THE FACTORS OF SRATEGIC INTELLIGENCE IN AN ORGANIZATION**

Variable Summary for strategic intelligence variables viz. BI-Business Intelligence, AI-Artificial Intelligence, KM- Knowledge Management, CI-Competitive intelligence and SI- Strategic intelligence is given below as follows:

Variable Summary (Group number 1)
Your model contains the following variables (Group number 1)
Observed, endogenous variables
OE- Organizational Excellence
Observed, exogenous variables
BI-Business Intelligence
AI-Artificial Intelligence
KM- Knowledge Management
CI-Competitive intelligence
SI- Strategic intelligence
Unobserved, exogenous variables
EI

Variable counts (Group number 1)

Number of variables in your model:	7
Number of observed variables:	6
Number of unobserved variables:	1
Number of exogenous variables:	6
Number of endogenous variables:	1



“Fig.1 Structural Equation Model (SEM) based on Standardised Coefficient on Intelligence”

“Table 1:- Variables in the Structural Equation Model Analysis”

Table given below shows the unstandardized coefficient of “Business Intelligence, artificial intelligence, knowledge management, competitive intelligence and strategic intelligence on Organization Excellence” as follows;

Variables			(Unstandardised co-efficient) Estimate	S.E. of B	Standardised co-efficient (Beta)	t-Value (C.R.)	P
OE	<---	BI	0.145	0.051	0.15	2.822	0.005
OE	<---	AI	0.132	0.066	0.13	1.997	0.004
OE	<---	KM	0.144	0.052	0.167	2.764	0.006
OE	<---	CI	0.137	0.048	0.144	2.839	0.005
OE	<---	SI	0.549	0.101	0.404	5.417	0.003

The unstandardized Business Intelligence on Organization Excellence coefficient is 0.145 from the above table represents the partial effect of Business Intelligence on Organizational excellence,

keeping as constant the other path variables. The calculated positive sign indicates that such an impact is positive that for every unit increase in business intelligence, Organization Excellence will increase by 0.145 and this coefficient value is important at 5 percent level.

The un-standardized coefficient of Artificial Intelligence on Organizational Excellence is 0.132, which reflects the partial impact of Artificial Intelligence on Organizational Excellence. The calculated positive sign means that such an impact is positive that with each unit increase in Artificial Intelligence, Organization Excellence will increase by 0.132 and this coefficient value is important at the level of 4 percent.

The unstandardized coefficient of Knowledge Management on Organizational Excellence is 0.144, which reflects the partial influence of Knowledge Management on Organizational Excellence. The calculated positive sign means that such an impact is positive that for every unit increase in knowledge management, organisational excellence will increase by 0.144 and this coefficient value is important at 6 percent level.

Competitive Intelligence on Organizational Excellence's unstandardized coefficient is 0.137, which reflects the partial impact of Competitive Intelligence on Organizational Excellence, holding the other variables as constant. The calculated positive sign means that such an impact is positive that for each unit rise in Competitive Intelligence, organisational excellence will increase by 0.137 and this coefficient value is important at the 5 percent level.

The unstandardized Strategic Intelligence coefficient on Organizational Excellence is 0.549, which reflects the partial impact of Strategic Intelligence on Organizational Excellence. The calculated positive sign means that such an impact is positive that for every unit rise in Strategic Intelligence, organisational excellence will increase by 0.549 and this coefficient value is important at the level of 3 percent.

Strategic intelligence on organisational excellence (0.101) is the most powerful direction in this SEM model, based on the Standardized coefficient, followed by Artificial intelligence on organisational excellence (0.066), Information Management on organisational excellence (0.052) and so on.

For the purpose of testing the model fit, null hypothesis and alternative hypothesis are framed

HYPOTHESIS
H₀₁: The hypothesized model has a good fit.
H₁₁: The hypothesized model does not have a good fit.

“Table 2:- Model fit summary of Structural Equation Model (Hair, et. Al. 2017)”

“The table given below shows the Model fit summary of Structural Equation Model which represents the Goodness of Fit Index (GFI) and Adjusted Goodness of Fit Index (AGFI) value, Normed Fit Index (NFI) and Comparative Fit Index (CFI) value, Root Mean square Residuals (RMR) value and Root Mean Square Error of Approximation (RMSEA) value” as follows;

Indices	Value	Suggested value
Chi-square value	61.939	
DF	15	
P value	0.105	> 0.05 (Hair et al., 1998)
Chi-square value/DF	4.129	< 5.00 (Hair et al., 1998)
GFI	.606	> 0.90 (Hu and Bentler, 1999)
AGFI	.449	> 0.90 (Hair et al. 2006)
NFI	.506	> 0.90 (Hu and Bentler, 1999)
CFI	.496	> 0.90 (Daire et al., 2008)
RMR	.257	< 0.08 (Hair et al. 2006)
RMSEA	.079	< 0.08 (Hair et al. 2006)

“From the above table it is found that the calculated P value is 0.105 which is greater than 0.05 which indicates perfectly fit. Here Goodness of Fit Index (GFI) value (0.606) and Adjusted Goodness of Fit Index (AGFI) value (0.449) is greater than 0.9 which represent it is a good fit. The calculated Normed Fit Index (NFI) value (0.938) and Comparative Fit Index (CFI) value (0.506) indicates that it is a perfectly fit and also it is found that Root Mean square Residuals (RMR) value is .257 and Root Mean Square Error of Approximation (RMSEA) value is 0.079 which is less than 0.08 which indicated it is perfectly fit”.

Conclusion

This study was undertaken with the basic objective of evaluating the viewpoint of managers as well as stakeholders regarding the influence of Strategic Intelligence on Organizational Excellence with special reference to IT and ITES industry of Delhi NCR region. From this study author found

that Most of the respondents have been found agreeing with the relationship between various strategic intelligence factors and organizational excellence. Also Organization Excellence of an Organization is dependent of all the facets of strategic intelligence. All these factors can be leveraged to achieve organizational success.

Findings also suggest that the effect of all factors of strategic intelligence is positive on Organization Excellence. Results depicts that the model is perfectly fit. Thus at the end to summarize the above discussion we can say that Strategic intelligences are and its facets are crucial for the overall growth and development of the organization contributing to organizational excellence. According to managers and stakeholders strategic intelligence ensures quality output and hence better organization productivity in IT and ITES companies. Thus stakeholders are suggested to implement and embrace the concept of strategic intelligence efficiently for achieving organizational excellence.

The findings of this paper can be used by relevant parties to improve their approach for strategic intelligence, which will help senior management and HR strategists develop strategies to react to the change in the local and global climate and enable the company to discover the fundamental factors.

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