

Examination the Impact of Moral Intelligence in Achieving Strategic Agility

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Abstract: The purpose of this study is to investigate the impact of moral intelligence on the strategic agility in the Jordanian manufacturing industries according to according King Abdullah II. Excellence Award, a study population consists of top and middle management in all departments from 23 companies that specialize in different fields by taking simple random sample of 226. This study showed the effect of moral intelligence (integrity, responsibility and cooperation) on strategic agility in Jordanian manufacturing companies. The study contributes to adding to existing knowledge regarding what constitutes moral intelligence. More efforts and studies must be made on the in Jordanian manufacturing companies in order to improve their strategic agility, thus getting sustainable success that is not restricted with local markets.

Key words: Moral intelligence, strategic agility, Jordanian manufacturing industries, integrity, strategic agility

INTRODUCTION

In light of fierce global competition, innovation and business organizations need to transform their business models more quickly and repeat arrival top speed in excess of what they were doing with them in the past. And looking for ways to develop their talents and abilities making organizations more able to adapt to change and less prone to the risk of environmental uncertainty.

This requires managers to perform many of the roles and duties oriented towards strategic framework, think, plan and implement attitudinal conditions that fit and respond to the reality of the circumstance experienced by the organization and implement a comprehensive manner and professionalism. Through strategic agility which has become the real life and the contradiction is difficult to get to solve a particular problem for organizations, managers and decision-makers.

It requires several requirements, also faces several challenges, moving faster lead the organization toward survival and thriving in a complex and ever-changing environment.

Moral intelligence: The concept of intelligence usually refers to the ability to think and learn and is often used to describe the application of skills and facts (AL-Raqqad, 2016). It defines intelligence as well as the ability to work effectively. Intelligent people are those who have the knowledge and skills that will benefit from the work and experience (Beheshtifar *et al.*, 2011). Lennick and Keil (2005) defined intelligence as the mental ability to determine how universal human principles should be applied to our values, goals and procedures.

Moral intelligence is active and effective mainly in moral contexts but such conditions occur in all areas of activity and every person has moral experiences at all levels (Pana, 2006). Mahmoudi *et al.* (2012) clarify that moral intelligence enhances appropriate behavior and is able to provide the sustainability of social life over time.

The objective of moral intelligence is to make the interaction between the environment and the individual functional. In recent years, the business environment, the moral compass of the intelligence becomes leaders. It's not just about putting a strong guideline to follow but it provides a practical application on how to deal in real situations (AL-Raqqad, 2016).

Literature review

Strategic agility: Before strategic agility being understood within the organization's strategy, the concept of agility entered the academic and applied fields through the idea of organizational agility, pointing to the need for increased flexibility within organizations and manufacturing systems. Where organizational agility evolved later in the fields of manufacturing, supply chain management in parallel with the growing network organizations and chains universal value (Sharifi *et al.*, 2001).

Thus, the strategic agility is dynamically derived from knowledge-generating strategies that help organizations to adapt better with change management (Sambamurthy *et al.*, 2003). D'aves defined strategic agility as the ability of business organizations to speed and be flexible in changing their jobs and to address the risks. So, they take the form of characteristic of

contemporary organizations, flexibility, speed, two traits gives organizations the ability to face a mysterious external circumstances and factors are uncertain environment (Smoaa and Ahmed, 2016).

Thus, the strategic agility helps organizations to maintain contact with the dynamic environment by introducing the required amendments and pro-action, through the ability to sense the environment and try to anticipate future trends accurately through internal and external proactive response and the ability market requirements (Mavengere, 2013).

Importance of study: The importance of this study as it can make of the results to decision makers by identifying how to realize the importance of this strategic agility which is a roadmap for companies that operate under changing business environment.

Study problem: The problem represents the fact that the consensus among moral intelligence and strategic agility can achieve good performance but the consensus is sensitive to the nature of the work environment. Since, there is no standard measure and general agreement on the instruments for measuring moral intelligence, even in this study, the researcher is looking forward to the use and application attributes in the Jordanian environment to keep the moral intelligence and their compatibility with the strategic agility. In addition, the dimensions of which have been identified such as integrity, responsibility and cooperation. So, the need to know the impact on the strategic agility is essential especially if implemented in developing countries such as Jordan un-mature manufacturing environment.

Study objectives: The aim of this study is to provide and test a model that investigates the impact of moral intelligence on the strategic agility. As well this study targets the Jordanian manufacturing industries according to getting King Abdullah II Excellence Award. In order to achieve this purpose, some objectives were detailed as follows:

- To measure the impact of moral intelligence on strategic agility
- To identify the level of practice of moral intelligence to decision makers in the Jordanian manufacturing companies (Fig. 1)

The proposed model

Study hypotheses:

- H₀: there is no significant effect of moral intelligence (integrity, responsibility and cooperation) on the strategic agility at level ($\alpha \leq 0.05$)

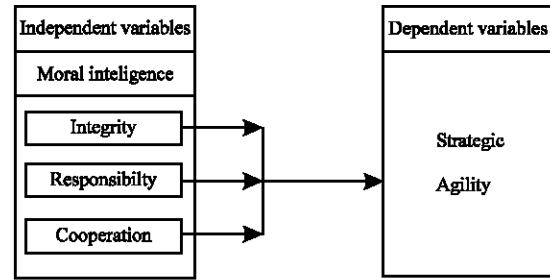


Fig. 1: Study model

Derived the following sub-hypotheses:

- H_{0a}: there is no significant effect of integrity on the on the strategic agility at level ($\alpha \leq 0.05$)
- H_{0b}: there is no significant effect of responsibility on the on the strategic agility at level ($\alpha \leq 0.05$)
- H_{0c}: there is no significant effect of cooperation on the on the strategic agility at level ($\alpha \leq 0.05$)

MATERIALS AND METHODS

Sample and population: This study population consists of top and middle management of Jordanian manufacturing companies in all the departments, they are (manager, chief executive, executive assistant, director, head of department and assistant head of department) and it was from 23 companies that specialize in different fields as following: the researcher makes this study on Jordanian manufacturing companies that got and others didn't get King Abdallah Excellence Award by taking simple random sample (226) from the study population (527). And according to Sekaran (2000), if the population is 546 the study sample should be about 226, thus 226 questionnaire had been distributed for different companies supported with several personal visits. Returned questionnaires were 219 questionnaire which means response rate was 96%, discarding uncompleted ones (8), the complete questionnaire that is ready for analysis was 211.

Measures: Moral Intelligence variable measure, based on the study: Vafaei and Kargar, AL-Raqqad *et al.* (2016). Strategic agility variable measure based on the study by Movengere (2013), Smoaa and Ahmed (2016).

Data collection: This study was based on two sources of data collection which the primary data is collected by a questionnaire that was distributed for Jordanian manufacturing companies. Secondary data sources were: literature review, research studys, books and related websites.

Instrument validity and reliability

Instrument validity: The content validity of the questionnaire was determined by a panel of experts in the field of business administration in the Jordanian universities.

Instrument reliability: To test the reliability of the questionnaire, Cronbach’s coefficient alpha was used and the results revealed a Cronbach’s alpha coefficient was 91.2% for all constructs and 88.7% for independents variable. The dependent variable was achieved 90.5%. Reliability from our sample showed a reasonable level of reliability ($\alpha > 0.70$) (Sekran, 2000).

RESULTS AND DISCUSSION

To achieve the objectives of this study the tests in order to be accepted or rejected as the following sections concluded the results:

- H_0 : there is no significant moderate effect of moral intelligence (integrity, responsibility and cooperation) on the strategic agility at level ($\alpha \leq 0.05$)

Table 1 shows the effect of moral intelligence (integrity, responsibility and cooperation) on strategic agility in Jordanian manufacturing companies. It is seen from the results that the value of $R = 0.597$ which reflects the degree of correlation between variables was 59.7% which is a good percentage. And that, the value of $R^2 = 0.365$ which asserted that 36.5% of the explained Variation in strategic agility in Jordanian manufacturing companies can be accounted for moral intelligence (integrity, responsibility and cooperation). On the other hand, β -values of 0.571, 0.413 and 0.424. This suggested that for a one unit increase in moral intelligence (integrity, responsibility and cooperation) can significantly predict a 57.1, 41.3 and 42.4% increase in strategic agility in Jordanian manufacturing companies. From Table 1 it is clear that analysis of variance shows the moral value of $F = 91.327$ and these results indicate that the regression model was good. This confirms the p-value of which is < 0.05 . It is evident from the results also that moral intelligence (integrity, responsibility and cooperation) has an effect on strategic agility in Jordanian manufacturing companies with a coefficient of 0.571, 0.413 and 0.424. Thus, moral intelligence (integrity, responsibility and cooperation) actually affected on strategic agility in Jordanian manufacturing companies. This further supported the hypothesis: moral intelligence (integrity, responsibility and cooperation) on strategic agility in Jordanian manufacturing companies, moral intelligence (integrity, responsibility and cooperation) has an effect on strategic agility in Jordanian manufacturing companies at level ($\alpha \leq 0.05$).

Table 1: Result multiple regression analysis-effect of moral intelligence (integrity, responsibility and cooperation) on the strategic agility

| Variables | β | t-values | Sig.* |
|---------------------------|---------|----------|--------|
| Dependent variable | | | |
| Integrity | 0.571 | 7.648 | 0.000 |
| Responsibility | 0.413 | 5.492 | 0.001 |
| Cooperation | 0.424 | 4.923 | 0.000 |
| Strategic agility | | | |
| R | - | - | 0.597 |
| R ² | - | - | 0.365 |
| F | - | - | 91.327 |
| Sig.* | - | - | 0.000 |

*The significant at level ($\alpha \leq 0.05$)

CONCLUSION

According to the results that have been reached, it could put some of the conclusions of the following was in ranked first in terms of direct impact of integrity on strategic agility that represented in hypothesis is supported in this study (with significant level = 0.000) and the impact is positive (with $\beta = 0.571$) which means that 57.1% of the variation in strategic agility is due to integrity.

But in second place in terms of impact, it was of cooperation on strategic agility (with significant level = 0.000) and the impact is positive (with $\beta = 0.424$) which means that 42.4% of the variation in strategic agility is due to cooperation. Finally, it was in terms of impact of responsibility on strategic agility (with significant level = 0.001) and the impact is positive (with $\beta = 0.413$) which means that 41.3% of the variation in strategic agility is due to responsibility.

This gives an indication of the level of practice of moral intelligence to decision makers in the Jordanian manufacturing companies. More efforts and studies must be made on the study population (Jordanian manufacturing companies) in order to improve their strategic agility, thus getting sustainable success that is not restricted with local markets.

RECOMMENDATIONS

Based on the findings of this study, the researcher proposed the following recommendations: more efforts and studies must be made on the Jordanian manufacturing companies in order to improve their strategic agility, thus getting sustainable success that is not restricted with local markets. The research work could be extended to different industries such as healthcare, learning and banking. This will guarantee the study model and the instruments reliability and validity, leading to generalize the study. And this study was partially limited to inspecting the fundamental relationships between moral intelligence and strategic agility. In future studies, other significant dimensions could be added into the primary model.

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