

The Moderating Effect of Environmental Uncertainty on the Relationship Between Strategic Intuition, Strategic Decision-Making, and Organizational Performance: An Exploratory Study

Mohammad Kalil Abraheem ^a

^a *Department of Business Administration, College of Administration and Economics, University of Misan, Iraq.
E-mail: dr.mohammed.kh@uomisan.edu.iq*

Abstract

This study explores the moderating effect of environmental uncertainty on the relationship between strategic intuition, strategic decision-making, and organizational performance in the oil sector in Iraq. Using a quantitative research design, the study collected data from 70 high-level managerial staff at the Misan Oil Company. The data was analyzed using structural equation modeling, and the results revealed that strategic intuition has a positive impact on both strategic decision-making and organizational performance. Additionally, the study found that environmental uncertainty moderates the relationship between strategic intuition, strategic decision-making, and organizational performance. The findings suggest that leaders who possess strong intuitive abilities are better equipped to navigate complex and uncertain business environments, leading to better performance outcomes. The study provides valuable insights into the intricate relationships among strategic intuition, strategic decision-making, and organizational performance, with important theoretical and practical implications for managers and organizations seeking to enhance their decision-making procedures and elevate their performance results. Future research can explore the moderating effect of environmental uncertainty in different industries and contexts, and examine the impact of other contextual factors on these relationships.

Keywords: Strategic Intuition, Strategic Decision-Making, Organizational Performance, Environmental Uncertainty.

Introduction

In today's dynamic and uncertain business environment, effective strategic decision-making is crucial for organizational success (Freeman, 1984; Barry, 1986; Bryson, 1988; Ansoff, 2007). Strategic intuition, defined as the ability to make timely decisions based on experience and perceive possibilities, is identified as a crucial aspect of superior leadership and decision-making (Duggan, 2013; Aujirapongpan & Hareebin, 2020). The development of executives' intuition capabilities is essential, and several key elements have been identified, including intuition expertise acquisition, self-awareness development, strategic decision-making management, and situation creation (Hodgkinson et al., 2009; Aujirapongpan & Jutidharabongse, 2017).

The complexity of strategic problems often results in a lack of structure in strategic decision-making (Mintzberg et al., 1976; Mason & Mitroff, 1981). Strategic decisions are incremental, interdependent, and influenced by contextual factors from past events, present circumstances, and future perspectives (Quinn, 1980; Neustadt & May, 1986). Power and chance also affect strategic decisions, and strategic decision-makers are boundedly rational (Eisenhardt & Zbaracki, 1992).

Organizational performance is a multifaceted and complex concept, with varying definitions and measurements across studies (Barney, 1991; Perotti & Javier, 2002; Daft, 2000; Richardo & Wade, 2001; Hefferman & Flood, 2000; Balci et al., 2016; Dusing, 2017; Henri, 2004). The organizational environment, particularly environmental uncertainty, has become a key focus in organizational research, with discussions surrounding the objective reality or perceived nature of the phenomenon (Aldrich, 1979; Sharfman & Dean, 1991). Environmental uncertainty significantly impacts organizational viability and managerial performance, making it more challenging for managers to make accurate decisions (Gul & Chia, 1994; Chong & Chong, 1997; Milliken, 1987).

This study explores the moderating effect of environmental uncertainty on the relationship between strategic intuition, strategic decision-making, and organizational performance. High levels of uncertainty complicate the decision-making process (Quinn, 1980; Neustadt & May, 1986), but strategic intuition has been found to act as an early warning system to prevent mistakes and enhance organizational decision-making under unpredictable circumstances (Kuusela et al., 2019). Developing strategic intuition has been identified as a key element for enhancing intuition capabilities and strategic decision-making among organizational executives (Hodgkinson et al., 2009; Aujirapongpan & Jutidharabongse, 2017). Moreover, strategic intuition has been associated with higher job performance and greater job satisfaction among employees (Kuusela et al., 2019; Nocker & Sena, 2019). Therefore, developing strategic intuition can play a crucial role in enhancing strategic decision-making and ultimately improving organizational performance, particularly in environments with high levels of uncertainty.

This study aims to contribute to the body of knowledge in the field of strategic management by reviewing the literature and validating the moderating effect of environmental uncertainty on the relationship between strategic intuition, strategic decision-making, and organizational performance in the oil sector, which is the main pillar of the Iraqi economy. The study will set up a conceptual approach to understanding alternative relationships among variables that could promote high performance. Ultimately, the findings of this study will provide insights into how organizations can improve their decision-making process and enhance organizational performance.

Literature Review and Hypotheses

Strategic Intuition

In the current era, there is a heightened emphasis on strategic leaders who can envision the future and create new opportunities (Srichan et al., 2016). These leaders, according to Kouzes and Posner (2012) and Duggan (2013), possess the capacity to choose the most suitable strategies to tackle organizational challenges, eradicate shortcomings, and synchronize their efforts with the vision of the organization. Strategic intuition, the mind's ability to perceive possibilities and make timely decisions based on experience (Duggan, 2013), is a critical aspect of superior leadership (Aujirapongpan & Hareebin, 2020). Miller and Ireland (2005) suggest that strategic intuition allows individuals to perceive future events through premonition.

The study of intuition has witnessed notable progress within the realm of behavioral science, thereby broadening the research horizons to encompass social neurology. Scholars have identified crucial elements that organizational executives can adopt to enhance their intuition prowess. These encompass the procurement of intuition mastery, fostering self-awareness, managing strategic decision-making, and engendering conducive environments (Hodgkinson et al., 2009; Aujirapongpan & Jutidharabongse, 2017).

Strategic intuition is defined as a personal ability to make decisions through thought processes, concentration, and analytical competency (Nocker & Sena, 2019). The cognitive journey can be compartmentalized into three distinct domains, namely systematic attention, acquisition of intuitive expertise, and mental concentration (Payutto, 2003;

Hodgkinson et al., 2009). According to Duggan (2013), strategic intuition can be conceptualized as the art of selectively projecting and recombining past elements into a novel course of action, coupled with a personal resolve to forge a pathway towards implementation. This critical faculty is particularly germane to organizations, enabling them to navigate through the murky waters of decision-making amid pressing constraints of time, ambiguity, and uncertainty. Indeed, as underscored by Kuusela et al. (2019), strategic intuition serves as an invaluable sentinel, alerting us to potential pitfalls and helping us sidestep errors before they have a chance to occur.

In his seminal work, Von Clausewitz (1968) provides a comprehensive framework outlining the workings of strategic intuition, consisting of four successive stages. The first stage involves learning from historical examples, followed by the crucial step of calming the mind in order to facilitate the emergence of flashes of insight or sparks of understanding in the third stage. Finally, the fourth stage entails the firm resolution and unwavering determination to achieve the ultimate goal. The mastery of relevant parts, familiarity with pattern recognition, and the development of self-confidence are essential in achieving the presence of mind required for strategic intuition. The aptitude for pattern recognition, a fundamental attribute of expertise, is indispensable in making prudent decisions when dealing with unpredictable circumstances (Duggan, 2013).

In conclusion, strategic intuition is a crucial factor in superior leadership and organizational decision-making, and experts have outlined important factors that can assist executives in augmenting their intuition capabilities. The mastery of relevant parts, familiarity with pattern recognition, and the development of self-confidence are necessary for achieving the presence of mind required for strategic intuition.

Strategic Decision-Making

Strategic management is a management technique developed in the late 1950s to help organizations achieve their future goals and objectives in the face of competition resulting from rapid change and development (Freeman, 1984; Barry, 1986; Bryson, 1988; Ansoff, 2007). Strategic decisions, which are non-routine and ill-structured (Schwenk, 1988), play an essential role in determining the long-term future orientation of organizations in uncertain and risky environments (Dean & Sharfman, 1993; Amason, 1996; Papadakis et al., 1998). They increase organizational performance, create an effective and efficient environment, increase profitability, and regulate relationships within the organization and its environment (Hofer & Schendel, 1978; Schwenk, 1988). The decision-making process involved in strategic decision-making is incremental, interdependent, and shaped by contextual influences from past events, present circumstances, and future perspectives (Quinn, 1980; Neustadt & May, 1986).

The lack of structure in strategic decisions is due to the complexity of the strategic problems they address (Mintzberg et al., 1976; Mason & Mitroff, 1981). A company's strategy consists of competitive moves and approaches developed to attract and please customers, conduct operations, grow the business, and achieve performance objectives (Gamble & Thompson, 2009). The strategic decision-making process involves characteristics such as rational, comprehensive, and political perspectives, as well as a sequence of activities such as information gathering, developing alternatives, and choosing among them (Goll & Rasheed, 2005; Wally & Baum, 1994).

Research on the strategic decision-making process is crucial, as it can improve decision-making effectiveness, ultimately benefiting organizations (Eisenhardt & Zbaracki, 1992). Eisenhardt and Zbaracki (1992) define a strategic decision as one that is "important, in terms of the actions taken, the resources committed, or the precedents set." Strategic decision makers are boundedly rational, influenced by power, and affected by chance (Eisenhardt & Zbaracki, 1992). A synthesis of bounded rationality and political perspectives provides a compelling description of strategic decision-making. However, traditional paradigms rest on unrealistic assumptions about single goals and perfect rationality, and unrealistic assumptions about how people think, behave, and feel. Future research should emphasize a more realistic view of strategic decision makers and decision making, especially among profit-seeking firms in global contexts, and greater attention to normative implications (Eisenhardt & Zbaracki, 1992).

Organizational Performance

Organizational performance is a complex and controversial topic in organizational research (Barney, 1991). Definitions of organizational performance vary across studies. According to the definition put forth by Perotti and Javier (2002), performance is encapsulated by the three interrelated dimensions of economy, efficiency, and effectiveness. Conversely, Daft (2000) and Richardo and Wade (2001) offer a distinct interpretation, characterizing organizational performance as the capacity of an organization to fulfill its stated objectives and aims, while simultaneously employing its resources in a manner that is both efficient and effective. However, Hefferman and Flood (2000) argue that the concept of organizational performance suffers from a lack of conceptual clarity, especially in the areas of definition and measurement. They also suggest that the term performance is sometimes confused with productivity, which is a measure of the volume of work completed in a given amount of time (Ricardo & Wade, 2001).

Organizational performance is a multifaceted concept that has been defined in various ways. Balci and colleagues (2016) view it as the culmination of all efforts directed towards achieving a specific objective. On the other hand, Torrington and Hall's (1995) perspective emphasizes the importance of factors such as frequency, productivity, and output when assessing performance. As noted by Balci et al. (2016), Yanfei and Fantiani (2011) emphasized the crucial role of organizational performance in the survival of an organization. They defined it as the culmination of an employee's total output, resulting from a combination of job attitude and organizational behavior processes. Essentially, organizational performance is an essential component that cannot be overlooked if an organization seeks to thrive and succeed. Dusing (2017) defines organizational performance as the assessment of the overall success or health of the organization, measured by comparing outcomes to inputs and targets. Henri (2004), citing Goodman et al. (1917), asserts that organizational performance is a construct that requires careful consideration in its definition and conceptualization. In strategic management research, organizational performance is typically conceptualized using financial indicators. As a result, various studies have utilized monetary metrics, including sales growth, profitability, and earnings per share, as a means of evaluating the performance of an organization. (Davis et al., 2000; Hashim, 2000).

Organizational performance is critical to determine whether the organization is reaching its goals or fulfilling its objectives (Dusing, 2017). Organizational performance is also an essential aspect of the overall objectives of an organization (Henri, 2004). In summary, the definition and measurement of organizational performance are crucial areas of research in organizational studies, and different perspectives should be considered to develop a more comprehensive understanding of organizational performance.

Environmental Uncertainty

Donaldson (2001) highlights the significance of Contingency theory as a crucial framework for organizational analysis. According to this theory, the effective and efficient performance of organizations is crucial for their survival and success. This is achievable only through appropriate responses to environmental demands. The alignment of internal distinctive competencies and the organizational environment plays a vital role in determining organizational growth and viability (Summer et al., 1990). Consequently, as stated by Drazin and Van de Ven (1985), organizational processes must be tailored to the organizational context, encompassing factors such as the environment, technology, organizational size, culture, and task characteristics. It is imperative for organizations to adapt their processes to the specificities of their context to ensure optimal performance and effectiveness.

Numerous studies on contingency theory have examined various contingencies that impact organizational viability, with the organizational environment is recognized as a crucial contingency factor. Different organizational environments possess unique economic, technical, and social traits, which necessitates tailored organizational strategies (Drazin & Van de Ven, 1985; Donaldson, 2001; Rayburn & Rayburn, 1991). Sharfman and Dean (1991) highlight the significance of conceptualizing and measuring the organizational environment, which has sparked debates on whether it is a perceived phenomenon or an objective reality. While some scholars argue that organizations create their environment (Weick, 1979), others prefer to use objective criteria to define the organizational environment. According to Aldrich (1979), the conceptualization of the business environment should take into account both objective attributes and managerial perception.

Environmental uncertainty is a crucial concept in the organizational environment that has been the focus of extensive research. Prior studies have primarily examined the complexity, dynamism, and resource munificence dimensions of the environment (Sharfman & Dean, 1991). Dess and Beard (1984) employed factor analysis to pinpoint three crucial environmental dimensions - dynamism, complexity, and munificence - from among Aldrich's (1979) six dimensions pertaining to the external environment. The level of environmental uncertainty is a critical contingency variable that significantly impacts organizational viability. Milliken (1987) defines environmental uncertainty as the inability to accurately predict events, with higher levels of uncertainty necessitating higher-quality information for successful performance. This uncertainty has been shown to affect managerial performance, with higher levels of uncertainty making it more difficult for managers to make accurate decisions (Gul & Chia, 1994; Chong & Chong, 1997).

The Relationship Between Strategic Intuition, Strategic Decision-Making, and Organizational Performance

The topic of strategic intuition and its relationship with organizational performance is a crucial area of research in organizational studies. The ability to possess strategic intuition is critical for effective leadership and decision-making within organizations (Aujirapongpan & Hareebin, 2020). Furthermore, strategic intuition is associated with creating successful strategies and making informed decisions under challenging conditions, such as time pressure, ambiguity, and uncertainty (Kuusela et al., 2019). Studies have indicated that executives can improve their intuition abilities by acquiring intuition expertise, developing self-awareness, managing strategic decision-making, and creating suitable environments (Hodgkinson et al., 2009; Aujirapongpan & Jutidharabongse, 2017). Developing mastery of relevant

areas, recognizing patterns, and building self-confidence are also crucial for achieving the presence of mind required for strategic intuition (Duggan, 2013).

Organizational performance is a multifaceted and controversial concept, with varying definitions and measures across studies (Perotti & Javier, 2002; Daft, 2000; Ricardo & Wade, 2001; Balci et al., 2016; Dusing, 2017). In the realm of strategic management research, the evaluation of organizational performance is often predicated on a number of key financial indicators, such as sales growth, profitability, and earnings per share (Davis et al., 2000; Hashim, 2000). These metrics serve as conceptual foundations for gauging a company's financial health and overall success in the marketplace. However, Henri (2004) and other scholars have suggested that organizational performance must be carefully defined and conceptualized. Regardless, organizational performance is a critical metric for assessing whether an organization is meeting its objectives and goals (Dusing, 2017).

The relationship between strategic intuition and organizational performance is highly positive (Zulganef et al., 2022). Strategic intuition enables executives to make prompt and effective decisions, leading to positive organizational outcomes (Aujirapongpan & Hareebin, 2020). Studies have shown that strategic intuition is associated with higher job performance and greater job satisfaction among employees (Kuusela et al., 2019; Nocker & Sena, 2019). Moreover, strategic intuition can act as an early warning system to prevent mistakes and enhance organizational decision-making under unpredictable circumstances (Kuusela et al., 2019). Ashrafi et al. (2019) has suggested that performance results from work that is aligned with strategic goals and managers' intuitive abilities. Therefore, it is essential for organizations to improve their executives' strategic intuition capabilities to enhance organizational performance.

H1: Strategic intuition has a positive influence on organizational performance.

Sinclair and colleagues (2009) noted the importance of intuitive processes in sound strategic decision-making, yet there is a noticeable dearth of empirical research on this topic. Furthermore, Miller and Ireland (2005) argued that intuition has yet to receive adequate evaluation as a decision-making tool for executives and other managerial personnel. In the field of strategic decision-making research, Shepherd and Rudd (2012) emphasized the vital role of strategic intuition in enabling decision-makers to quickly recognize patterns in dynamic environments, which helps cope with the complex and non-routine nature of strategic decision-making. Mintzberg et al. (1976) and Mason and Mitroff (1981) observed that strategic decisions are ill-structured and non-routine, making them difficult to solve. Strategic decision-making involves information gathering, developing alternatives, and selecting among them (Goll & Rasheed, 2005; Wally & Baum, 1994). Quinn (1980) and Neustadt and May (1986) suggested that strategic decisions are incremental, interdependent, and influenced by contextual factors from the past, present, and future.

According to Duggan (2013), strategic intuition is a critical component of recognizing possibilities and making timely decisions based on experience. It entails combining past elements in a novel way to create a course of action and taking personal responsibility for devising and executing implementation plans as progress is made. Strategic intuition is associated with cognitive processes, focus, and analytical ability (Nocker & Sena, 2019) and serves as an early warning system to prevent mistakes. It is also linked to decision-making under conditions of time pressure, ambiguity, and uncertainty (Kuusela et al., 2019).

Research suggests that developing strategic intuition is crucial for enhancing the intuition capabilities of organizational executives, which, in turn, improves strategic decision-making (Hodgkinson et al., 2009; Aujirapongpan & Jutidharabongse, 2017). Strategic intuition is a key aspect of superior leadership and organizational decision-making (Aujirapongpan & Hareebin, 2020), and experts have identified important elements for decision makers to enhance their intuitive abilities (Srichan et al., 2016). Thus, strategic intuition and strategic decision-making have a positive relationship, with strategic intuition playing a crucial role in enhancing strategic decision-making (Shepherd & Rudd, 2012).

H2: Strategic intuition has a positive influence on the strategic decision-making.

The investigation of the relationship between strategic decision-making and organizational performance has received considerable attention in the field of organizational research. Alhawamdeh and Alsmairat (2019) and Bonny venture (2022) discovered a significant association between strategic decision-making and organizational performance. Strategic decisions play a critical role in determining the long-term future orientation of organizations in uncertain and risky environments, ultimately increasing organizational performance, creating an effective and efficient environment, increasing profitability, and regulating relationships within the organization and its environment (Dean & Sharfman, 1993; Amason, 1996; Papadakis et al., 1998; Hofer & Schendel, 1978; Schwenk, 1988). The lack of structure in strategic decisions is due to the complexity of the strategic problems they address (Mintzberg et al., 1976; Mason & Mitroff, 1981). The decision-making process involved in strategic decision-making is incremental, interdependent, and shaped by contextual influences from past events, present circumstances, and future perspectives (Quinn, 1980; Neustadt & May, 1986). Strategic decision makers are boundedly rational, influenced by power, and affected by chance (Eisenhardt & Zbaracki, 1992). Research on the strategic decision-making process is crucial, as it can improve decision-making effectiveness, ultimately benefiting organizations (Eisenhardt & Zbaracki, 1992).

H3: Strategic decision-making has a positive influence on organizational performance.

Environmental Uncertainty as Moderating Variable

Environmental uncertainty is a crucial factor that can impact the relationship between strategic intuition, strategic decision-making, and organizational performance. Milliken (1987) defines environmental uncertainty as the inability to accurately predict events, with higher levels of uncertainty necessitating higher-quality information for successful performance. This uncertainty has been shown to affect managerial performance, with higher levels of uncertainty making it more difficult for managers to make accurate decisions (Gul & Chia, 1994; Chong & Chong, 1997). Given the complexity of strategic decisions, which are incremental, interdependent, and influenced by contextual factors, environmental uncertainty can further complicate the decision-making process (Quinn, 1980; Neustadt & May, 1986). In other words, high levels of environmental uncertainty can create challenges for strategic decision-makers, making it harder for them to make effective decisions that positively impact organizational performance. However, amidst the unpredictable circumstances and complexities of strategic decision-making, strategic intuition can serve as a valuable early warning system and aid in preventing mistakes, while also promoting better organizational decision-making (Shepherd & Rudd, 2012; Kuusela et al., 2019). By allowing decision-makers to quickly identify patterns in dynamic environments, strategic intuition becomes an indispensable tool for coping with the non-routine and ill-structured nature of strategic decision-making (Shepherd & Rudd, 2012). Therefore, it is crucial for organizations to focus on developing and improving the strategic intuition capabilities of their executives, especially in highly uncertain environments, in order to enhance overall organizational performance.

The literature suggests that the relationship between strategic intuition and organizational performance is highly positive (Aujirapongpan & Hareebin, 2020). Studies have shown that strategic intuition is associated with higher job performance and greater job satisfaction among employees (Kuusela et al., 2019; Nocker & Sena, 2019). Moreover, strategic intuition can help decision-makers to perceive possibilities and make timely decisions based on experience (Duggan, 2013), which is crucial in highly uncertain environments where traditional decision-making approaches may not be effective. Earlier research has discovered that bolstering the intuition abilities of executives, through means such as acquiring intuition expertise, fostering self-awareness, managing strategic decision-making, and creating conducive environments (Hodgkinson et al., 2009; Aujirapongpan & Jutidharabongse, 2017), results in the refinement of strategic decision-making processes. Therefore, strategic intuition can play a crucial role in enhancing strategic decision-making and ultimately improving organizational performance, particularly in environments with high levels of uncertainty.

In conclusion, environmental uncertainty can act as a moderating variable in the relationship between strategic intuition, strategic decision-making, and organizational performance. High levels of environmental uncertainty can create challenges for strategic decision-makers, making it harder for them to make effective decisions that positively impact organizational performance. However, strategic intuition can act as an early warning system to prevent mistakes and enhance organizational decision-making under unpredictable circumstances. Therefore, organizations should invest in developing their executives' strategic intuition capabilities to enhance organizational performance, particularly in highly uncertain environments. Building upon the previous discourse, this research puts forward the ensuing hypotheses for examination:

H4: Environmental Uncertainty positively moderates the relationship between strategic intuition and strategic decision-making.

H5: Environmental Uncertainty positively moderates the relationship between strategic intuition and organizational performance.

H6: Environmental Uncertainty negatively moderates the relationship between strategic decision-making and organizational performance.

The study's research framework is presented in Figure (1) below.

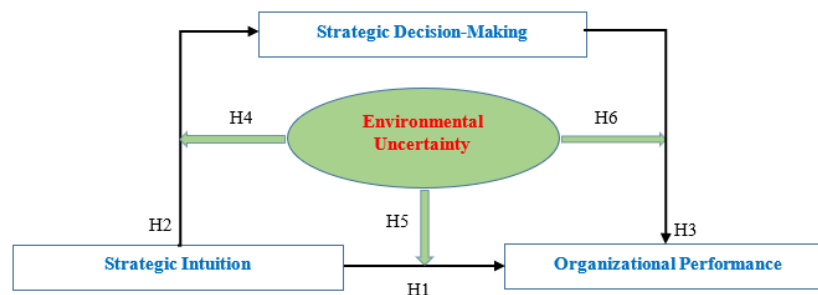


Fig. 1: Research Framework

Methodology

The present investigation utilized a quantitative methodology to establish the causal relationship among the variables under study. As defined by Creswell (2014), quantitative research involves the use of numerical data to test theories, hypotheses, and examine the relationship between variables. Moreover, Borg and Gall (1989) emphasizes that the primary aim of quantitative research is to determine causal links between variables. Typically, quantitative research employs systematic measurement, experimental and quasi-experimental techniques, statistical analysis, and mathematical models (Linn, 1986).

Study Sample and Data Collection

The research population was derived from the Misan Oil Company, located in southern Iraq. To ensure an appropriate sample, purposive sampling techniques were employed, as recommended by Campbell et al. (2020). Purposive sampling is a method that requires careful consideration in selecting participants who possess specific characteristics that match the criteria set for the sample. The high-level managerial staff, who had been in their current position for at least two years, were selected as the sample for this study. This criterion ensured that participants had the necessary experience to evaluate the company's perception of changes in the business environment and assess how such changes affected organizational performance. Additionally, these managers were likely to have experienced the dynamic changes occurring within and outside the company, which would further enhance the study's findings.

The data collection process involved distributing questionnaires to the study participants. Responses were measured using a 9-point Likert scale, with "Strongly Disagree" represented by 1 and "Strongly Agree" represented by 9. A total of 70 questionnaires were processed, and the collected data was analyzed using Structural Equation Modeling (SEM) with Smart PLS. PLS-SEM is a preferred method for studies with a weak theoretical foundation, particularly when little prior knowledge on causal relationships is available. PLS-SEM does not require a large sample size or specific assumptions on data distribution or missing data. Therefore, researchers with limited sample sizes and insufficient theoretical support can utilize PLS-SEM to test causal relationships (Hair JF et al., 2013).

Variable Measurement

The study assessed four constructs, which included strategic intuition, strategic decision-making, organizational performance, and environmental uncertainty. Strategic intuition was defined as a cognitive process based on knowledge-based experience, and its dimensions were measured using four items from Aujirapongpan et al. (2020). Strategic decision-making was defined as a critical phase that involves making important decisions for an organization's survival, and its dimensions were measured using two items from Schwenk (1995). Organizational performance was defined as a description of a company's financial condition, and its dimensions were measured using three dimensions adapted from Hashim (2000). Environmental uncertainty was defined as the level of unpredictability in the actions of external parties towards organizations, such as customers, suppliers, competitors, and regulatory bodies, and its dimensions were measured using three items from Dess and Beard (1984).

Study Results

Outer Model Evaluation

The validity and reliability of the indicators on the latent variables were determined by measuring the outer loadings, Average Variance Extracted (AVE), Cronbach's Alpha, and Composite Reliability. These measures are widely used in structural equation modeling and psychometric analyses to assess the quality of the indicators and ensure the accuracy and precision of the measurement model. An indicator was considered valid if the outer loadings and AVE values were more than 0.50, while reliability was measured by Cronbach's Alpha and Composite Reliability parameters, where a value greater than 0.70 indicated reliability. All the parameters met the acceptance criteria, as shown in Table (1)

Table 1: Validity and Reliability of Indicators

Variable	Number of Items	Indicator	Outer Loadings	Average Variance Extracted (AVE)	Cronbach's Alpha (CA)	Composite Reliability (CR)
Strategic Intuition	4	SI1	0.777	0.658	0.802	0.863
		SI2	0.718			
		SI3	0.719			
		SI4	0.712			
Strategic Decision-Making	2	SDM1	0.802	0.588	0.712	0.921
		SDM2	0.760			
Organizational Performance	3	OP1	0.798	0.741	0.740	0.807
		OP2	0.830			
		OP3	0.705			
Environmental Uncertainty	3	EU1	0.749	0.503	0.744	0.886
		EU2	0.883			
		EU3	0.701			

Source: Primary Data (2023)

Coefficient of Determination

To gauge the model's explanatory power, the coefficient of determination, also known as R-squared, was evaluated. R-squared assesses the proportion of variances in the dependent variable that can be explained by the independent variables, with a range of values between 0 and 1. A low R-squared value indicates that the independent variables have limited capacity to explain the dependent variable (Urbach & Ahlemann, 2010; Hair Jr et al., 2016).

In this study, strategic decision-making has an R-squared value of 0.674, which means that the independent variables (strategic intuition and environmental uncertainty) explain about 67.4% of the variance in strategic decision-making. Similarly, the R-squared value for organizational performance is 0.753, which means that the independent variables (strategic intuition, strategic decision-making, and environmental uncertainty) explain about 75.3% of the variance in organizational performance. Finally, strategic intuition has an R-squared value of 0.844, which suggests that environmental uncertainty explains about 84.4% of the variance in strategic intuition. The following table presents the coefficient of determination values that were calculated to determine the strength of the causal relationship between the independent variables and dependent variables.

Table 2: Coefficient of Determination

Variable	R-square
Strategic Decision-Making	0.674
Organizational Performance	0.753
Strategic Intuition	0.844

Source: Primary Data (2023)

Model Causality Test

The purpose of this research was to examine how environmental uncertainty moderates the relationship between strategic intuition, strategic decision-making, and organizational performance. To determine whether there was a causal relationship between the variables, we compared the t statistic value to the critical t value. Using a significance level of 5% and 69 degrees of freedom, the critical t value was found to be 1.9949. The results of the test indicated that all alternative hypotheses were significantly accepted. Below are the comprehensive details of the test outcomes:

- H1: Strategic intuition had a strong positive effect on organizational performance, with an effect size of 0.543 and a t statistic value of 2.866, which exceeded the critical t value of 1.9949. Therefore, the alternative hypothesis (H1) was accepted.
- H2: Strategic intuition also had a positive and significant impact on strategic decision-making, with an effect size of 0.501 and a t statistic value of 4.576, which exceeded the critical t value of 1.9949. Hence, the alternative hypothesis (H2) was accepted.
- H3: Strategic decision-making was found to have a strong positive impact on organizational performance, with an effect size of 0.671 and a t statistic value of 5.527, which exceeded the critical t value of 1.9949. Thus, the alternative hypothesis (H3) was accepted.
- H4: Environmental uncertainty was found to positively moderate the causal relationship between strategic intuition and strategic decision-making by 0.735. The t statistic value of 5.493 exceeded the critical t value of 1.9949, indicating that the alternative hypothesis (H4) was accepted.

- H5: Similarly, environmental uncertainty was found to positively moderate the causal relationship between strategic intuition and organizational performance by 0.665, with a t statistic value of 3.711 that exceeded the critical t value of 1.9949. Hence, the alternative hypothesis (H5) was accepted.
- H6: On the other hand, environmental uncertainty was found to negatively moderate the causal relationship between strategic decision-making and organizational performance by -0.299, with a t statistic value of 2.943 that exceeded the critical t value of 1.9949. Therefore, the alternative hypothesis (H6) was accepted.

Table 3: Results of the Causality Model Test

Causality Model	Path Coefficients	T Statistics	P Values
SI → OP	0.543	2.866	0.001
SI → SDM	0.501	4.576	0.000
SDM → OP	0.671	5.527	0.000
EU moderates the relationship between SI SDM →	0.735	5.493	0.000
EU moderates the relationship between SI OP →	0.665	3.711	0.000
EU moderates the relationship between SDM OP →	-0.299	2.943	0.004

Source: Primary Data (2023)

The results of this study suggest that environmental uncertainty can have a significant impact on the relationships between strategic intuition, strategic decision-making, and organizational performance. Specifically, the findings indicate that environmental uncertainty can positively influence the relationships between strategic intuition and both strategic decision-making and organizational performance. However, the relationship between strategic decision-making and organizational performance may be negatively influenced by environmental uncertainty. The moderation effect was determined to be significant at a 5% significance level. Figure 2 displays the measurement model used in this study.

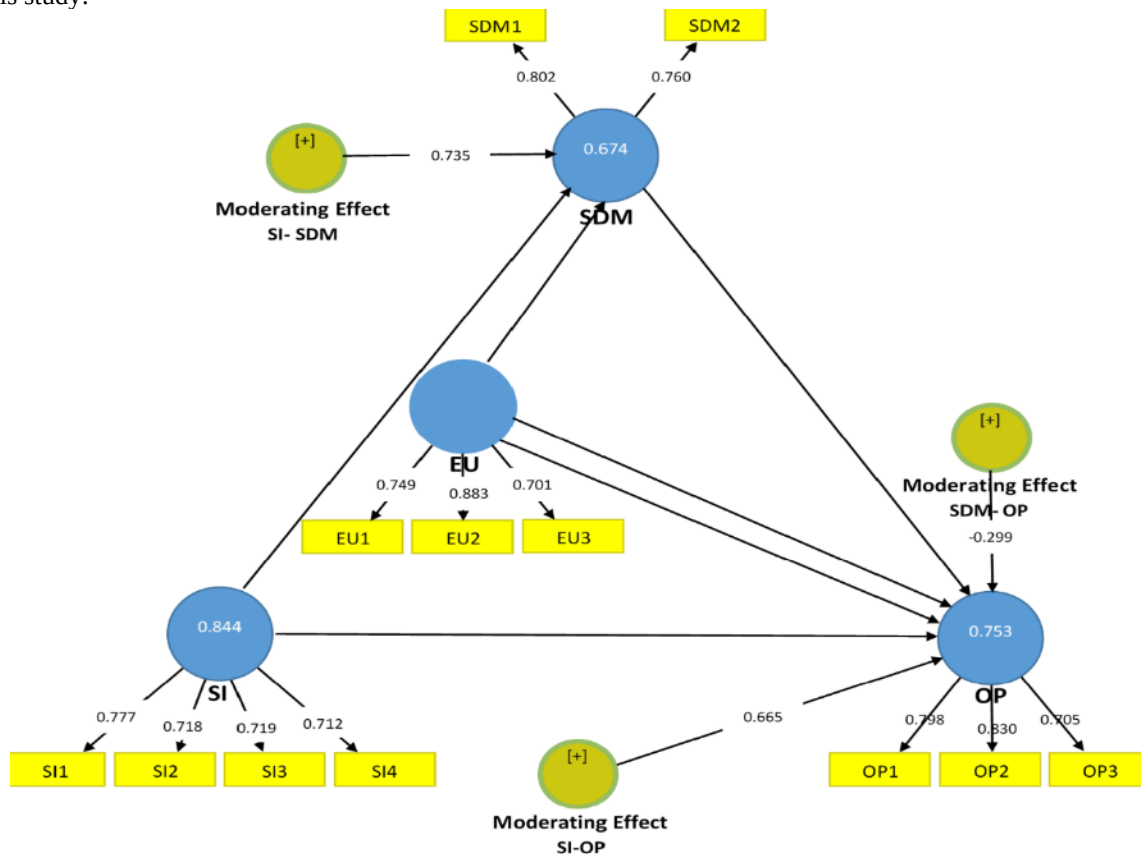


Fig. 2: Research Mode

Discussion of Results

The current study sheds light on the intricate connections between strategic intuition, strategic decision-making, environmental uncertainty, and organizational performance. The findings reveal that strategic intuition is a vital factor that positively impacts both strategic decision-making and organizational performance. This result is consistent with previous studies that underscore the importance of intuition in decision-making and performance outcomes (Shepherd & Rudd, 2012; Zulganef et al., 2022). Additionally, the study highlights the role of strategic intuition as a precursor to strategic decision-making, suggesting that leaders who possess strong intuitive abilities are better equipped to make effective strategic decisions.

Furthermore, the study also found that environmental uncertainty moderates the relationship between strategic intuition and both strategic decision-making and organizational performance. This discovery aligns with the research of Sinclair et al. (2009), who found that the use of intuitive processes is positively associated with organizational performance in an unstable environment. These results suggest that leaders who have strong intuitive abilities are better positioned to navigate complex and uncertain business environments, leading to better performance outcomes. The study's findings also highlight the significant positive impact of strategic decision-making on organizational performance. This finding is consistent with previous studies conducted by Alhawamdeh & Alsmairat (2019) and Bonny venture (2022). Additionally, Bonny venture (2022) emphasizes the importance of strategic communication in the relationship between strategic decision-making and organizational performance, indicating that effective communication is critical for successful strategic decision implementation.

Moreover, the study found that environmental uncertainty negatively moderates the relationship between strategic decision-making and organizational performance. This result emphasizes the importance of considering the external environment when making strategic decisions, as emphasized by Thomas et al. (1993), who underscored the link between strategic sensemaking processes and organizational performance outcomes. The study's results suggest that leaders need to be mindful of external factors, such as economic conditions, political developments, and technological advancements, when making strategic decisions.

In conclusion, the study provides valuable insights into the intricate relationships between strategic intuition, strategic decision-making, environmental uncertainty, and organizational performance. These findings carry significant implications for managers and organizations alike, who strive to enhance their decision-making capabilities and achieve exceptional performance. By enhancing their strategic intuition and adopting a more nuanced approach to strategic decision-making, leaders can navigate complex and uncertain business environments more effectively, leading to better performance outcomes.

Conclusions and Implications

Theoretical Implications

This study makes several important theoretical contributions to the field of strategic management. Firstly, it provides empirical evidence on the positive relationship between strategic intuition and both strategic decision-making and organizational performance, highlighting the importance of intuition in the decision-making process. Secondly, the study validates the moderating effect of environmental uncertainty on the relationship between strategic intuition, strategic decision-making, and organizational performance, suggesting that leaders need to be aware of the external factors that may influence their decision-making and performance outcomes. Lastly, the study utilizes structural equation modeling to establish the causal links between the variables, providing a comprehensive conceptual framework for understanding the complex relationships among the variables.

Managerial Implications

The findings of this study have several practical implications for managers and organizations that aim to enhance their decision-making procedures and performance results. Firstly, the study suggests that leaders need to develop their strategic intuition to make effective decisions and enhance organizational performance. Managers can cultivate their intuitive abilities by seeking out new experiences, reflecting on their past decisions, and engaging in cognitive exercises that enhance their intuition. Secondly, the study highlights the importance of considering the external environment when making strategic decisions, as environmental uncertainty can have a significant impact on performance outcomes. Leaders need to be mindful of the external factors that may influence their decision-making and adopt a more nuanced approach to strategic decision-making. Lastly, the study emphasizes the critical role of strategic decision-making in driving organizational performance. Leaders need to prioritize strategic decision-making and allocate sufficient resources and attention to this critical phase of the decision-making process.

Conclusion

This study aimed to explore the moderating effect of environmental uncertainty on the relationship between strategic intuition, strategic decision-making, and organizational performance in the context of the oil sector in Iraq. The findings of this study reveal that strategic intuition is a critical factor that positively impacts both strategic decision-making and organizational performance. Additionally, the study highlights the role of environmental uncertainty in moderating the relationship between strategic intuition, strategic decision-making, and organizational performance. The results suggest that leaders who possess strong intuitive abilities are better equipped to navigate complex and uncertain business environments, leading to better performance outcomes.

Future Research

Despite the valuable insights gained from this study, several avenues for future research remain. Firstly, this study was limited to the oil sector in Iraq, and the findings may not be generalizable to other sectors or countries. Future research can explore the moderating effect of environmental uncertainty on the relationship between strategic intuition, strategic decision-making, and organizational performance in different industries and contexts. Secondly, this study only assessed the impact of environmental uncertainty on the relationship between strategic intuition, strategic decision-making, and organizational performance. Future research can examine the impact of other contextual factors, such as organizational culture, leadership style, and resource availability, on these relationships. Lastly, this study utilized a quantitative methodology to establish the causal links between the variables. Future research can utilize qualitative methods, such as case studies and interviews, to provide a more in-depth understanding of the complex relationships among the variables under study. Overall, these avenues for future research can enhance our understanding of the complex dynamics of strategic intuition, strategic decision-making, and organizational performance in different contexts and industries.

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