Emotional Self-Regulation, Organization Commitment and Strategic Decision Making in Private School Enterprises, Nairobi County, Kenya

Osieko O.M. 1*, Maru L. 1, Bonuke R. 1, Otinga H. 1

Abstract

Strategic decision making as a salient dimension of a firm’s strategy shapes the plausible attainment of organization goals. Private school managers are therefore expected to possess strategic thinking skills and competency so as to articulate a firm’s vision. While many researches have focused on antecedents of strategic decision making, there is minute empirical substantiation on emotional self-regulation as key predictor of a private school managers strategic thinking. Many researches on the effect of emotional self-regulation on strategic decision making have also focused on emotional self-regulation in marketing, military, manufacturing firms with little reference to private school enterprises which engage in tuition pricing, social and production unit enterprise strategies to gain competitive advantage hence the need for this study that researched on the effect of emotional self-regulation and strategic decision making; the moderating role of organization commitment in private school enterprise in Nairobi County, Kenya. The specific objectives were; (i) to examine the effect of emotional self-regulation on strategic decision making and (ii) to study the moderating role of organizational commitment in effect of emotional self-regulation on strategic decision making. The research was grounded on emotional intelligence theory, Bandura social cognitive theory and decision theories. The study employed explanatory research design and collected data using a structured questionnaire. The target population was 1130 respondents from which a sample size of 504 respondents was drawn. Stratified sampling technique was used to select school directors, principals, deputy principals and heads of departments then simple random sampling was used to select respondents that participated in the study. A pilot study was carried out in private school enterprises in Kiambu County, Kenya and all the instruments reliability had a Cronbachs alpha above 0.6. Data was coded and entered into SPSS 20 program for computation. Factor analysis was done to ensure content, construct and discriminant validity. Multiple regression results indicated that emotional self-regulation significantly influenced strategic decision making (beta=.119, p=.014) and organization commitment significantly moderated the relationship between emotional self-regulation and strategic decision making (beta=.101, p=.041). In conclusion, emotional self-regulation and organization commitment of the managers which play significant roles in strategic decision making in a firm. The findings are vital to the private school enterprises in relation to development of emotional self-regulation of the managers which play significant roles in strategic decision making in a firm. The findings as well inform practitioners and investors in the private school enterprises to utilize organization commitment models in the development of private school managers.

Keywords: Emotional Self-Regulation, Organization Commitment, Strategic Decision Making


1. INTRODUCTION

Strategic decision-making determines the objectives, goals, resources and policies of an organization. A major difficulty at this level of decision making is predicting the future of the organization and its environment and matching the characteristics of the organization to the environment [1, 2]. Strategic Decision Making therefore deals with the long-run future of the entire organization and has three characteristic; first, rare- Strategic decisions are unusual and typically have no precedent to follow. Secondly, consequential-strategic decisions commit substantial resources and demand a great deal of commitment and lastly, directive- strategic decisions set precedents for lesser decisions and future actions throughout the organization [2].

Strategic decision making is thus the core of leadership, while leadership is the derivation of management system. Hence, Strategic decision making is an inseparable part of the management system, and the schools management system in this context must be performed by the school principal and Board of Management as holders of policy control. In the management term it is known as decision making, namely the process of generating and evaluating alternatives and making choices among them. Each management involves decision making. In fact, management is one continuous string of decisions [1], thus decision making in management is a
series of decisions in evaluating alternatives and making choice out of the alternatives. It means that decision making is a process of producing and evaluating the selection of problem solution.

The theories underpinning strategic decision making are rather diverse that call for multidisciplinary approach and seems not different from decision making theories. This is not a surprise because, in any case, decision making is not only the principal science of strategic decision making but most of the decision making theories are strategic in nature [3]. There is thus no universal agreement on a standardized classification on the theories. One view pegs the criteria on the number of people undertaking the decision. Thus, we can have single strategic decision making theories and according to [3], group strategic decision making theories. Group theory is also explained in the context of the board and organizational performance where there are several actors and forums for channeling questions and devising solution (garbage-can theory) [3].

In reference to the private school enterprises, recent evidence confirms that most competing private school owners are concerned about the sustainability of both rising discount rates and tuition to mitigate tumbling student enrolment and the need to boost retention. Thus despite rising allotted tuition costs at private institutions, net tuition experiences either decreased or very modest increases within years. Additionally, many private institutions have kept carried out tuition increases at record low rates and small private institutions that rely heavily on tuition revenue have been prone to follow a “high cost-high aid” model, in which tuition increases are matched with higher tuition discounts. Thus, as the discount rate rises faster than published prices, private institutions are bringing in less net tuition revenue and experiencing diminishing returns on tuition discounts hence engage in strategic decisions about their tuition pricing and discounting strategies [3]. Other strategic decisions involve choice of curriculum, integrating of religious education, location, engaging in school marketing activities and use of social enterprises as vehicles for developing enterprise and employability skills amongst young people.

In a private school enterprise, the principal is the holder of authority in the organization of the school enterprise, hence, needs to have a comprehensive understanding of the education process and the ability to have strategic decision making skills so as to enable the school enterprise attain its education goals plus financial goals.

Whereas there are few researches on emotional self-regulation as a key predictor of school manager’s strategic decision making process [5, -7] there exist little if any empirical evidence on the moderating role of organization commitment in effect of principal’s emotional self-regulation and strategic decision making. This study therefore researched on the moderating role of organization commitment in effect of principal’s emotional self-regulation and strategic decision making in private school enterprises in Nairobi County, Kenya. The two null hypotheses were;

\textbf{H0:} Emotional self-regulation does not significantly influence strategic decision making.

\textbf{H2:} Organizational commitment does not significantly moderate the relationship between self-regulation and strategic decision making.

2. \textbf{METHODS AND MATERIALS}

The study was done in Nairobi County, Kenya. Nairobi County was selected since it has fine established and thriving private schools which typically operate as profit-making units hence are tangled in strategic decision making to assist them gain a competitive advantage over their competitors in private school enterprises located within the county and the satellite towns of the County. The research adopted explanatory design which is suitable for doing cause-effect relationships that are conducted in order to explain any behavior or reactions of people to a given phenomenon in the society [8].

The study targeted 1130 respondents comprising; Directors (private school owners), Principals, Deputy Principals, Directors of Studies, and Heads of Departments in private secondary schools in Nairobi County, Kenya from which a sample of 504 respondents was drawn. Stratified and simple random sampling was then used to select respondents that participated in the study. Data on emotional self-regulation and strategic decision making was collected using [9] and [10] tools respectively while [11] tool was used to collect data on organizational commitment. Validity was determined using content validity, then principal component analysis was applied as the most appropriate and valid method of analysis of the three variables that is; emotional self-regulation, organizational commitment and strategic decision making. A pre-test of the questionnaires was done to ensure the items in the questionnaire are clearly stated and have adequate content to ensure content validity. To ensure reliability, a pre-test of the questionnaire was done and Cronbachs alpha calculated for the three variables; emotional intelligence, organizational commitment and strategic decision making.
After dully-filled questionnaires were collected from the field, data was coded and entered into a computerized SPSS 20 program and cleaned for analysis. First there was factor analysis as a variable reduction technique and commonly used tool for constructing a measurement index [12] was used to extract factors according to their Eigen values on emotional intelligence and strategic decision making. Descriptive statistics such as mean, standard deviations, frequencies and percentages were computed to summarize data; for variable associations/relationships, Pearsons product moment correlation coefficients was employed to analyze direct effects in the model while multiple regressions (explaining variance) used to compute multiple regression effect and then data presented in the form of tables. The researchers’ conceptual mode formula was; $y = \beta_0 + \beta_1 CD + \beta_2 CLS + \beta_3 SR + \beta_4 OC + \beta_5 SR*OC + \varepsilon$; Where; $y =$ Strategic Decision Making, $CD =$ Control variable1 (designation), $CLS =$Control variable2 (Length of service), $SR =$ Self-Regulation, $OC =$ Organizational Commitment, $SR*OC =$ Interaction term, $\varepsilon =$ error term and stated in a null hypothesis as;

$H_0$: Emotional Self-Regulation does not significantly influence Strategic Decision making.

$H_0$: Organization Commitment does not significantly moderate the relationship between Emotional Self-Regulation and Strategic Decision making.

3. RESULTS

3.1 Response Rate and Missing Value Analysis

A total of 493 questionnaires out of 504questionnaires were filled representing a response rate of 98%. A further examination of data using missing value analysis (MVA) revealed that 8questions had more than 5% missing or unresponded to questions and were therefore removed from the analysis. The remaining questions were subjected to further scrutiny to examine the pattern of the missing values. The outcome was found to be missing either at Random (MAR) or missing completely at Random (MCAR) and each was replaced with the series mean of item in question. The final response rate that was adopted for the study was 97% that is 488 which was used for data analysis.

3.2 Summary of Factor Analysis

Orthogonal rotation of variable set was done in order to reduce variable set. Orthogonal rotation preserves the independence of the factors, thus, geometrically they remain 90° apart. Multi-dimensional scale set was used to measure a particular construct- the dimensions were assumed to be well defined and validated so that the error was not a problem. Construct validity, discriminant and content validity was measured using factor analysis. Therefore, components extracted from factor analysis were used to construct the indices that had several indicators measuring a single construct.

3.3 Tests of Normality for study Variables

All the study variables (Designation and length of service as control variables, Emotional self-regulation, organization commitment and Strategic Decision Making) satisfied the principles for normality. Thus, the use of Kolmogorov-Smirnov test of normality was carried out and found not significant at $P < 0.05$ as summarized in table 1 below.

That is the goodness of fit test for normal distribution was done using Kolmogorov-Smirnov test with the Lilliefors correction factors that have fifty cases or more. The desirable outcome is a significant value for test statistic more than 0.05 so that we fail to reject the null hypothesis and conclude that the variable is normally distributed and meets normality assumption [13]. Since the data set was found to be normally distributed, multiple regression was therefore appropriate for data analysis [14].

<table>
<thead>
<tr>
<th>Variable</th>
<th>Statistic</th>
<th>df</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Designation</td>
<td>.029</td>
<td>301</td>
<td>.114</td>
</tr>
<tr>
<td>Length of service</td>
<td>.062</td>
<td>301</td>
<td>.092</td>
</tr>
<tr>
<td>Affective Commitment</td>
<td>.035</td>
<td>150</td>
<td>.127</td>
</tr>
<tr>
<td>Continuance Commitment</td>
<td>.014</td>
<td>150</td>
<td>.165</td>
</tr>
<tr>
<td>Normative Commitment</td>
<td>.071</td>
<td>150</td>
<td>.097</td>
</tr>
<tr>
<td>Self-regulation</td>
<td>.078</td>
<td>150</td>
<td>.147</td>
</tr>
<tr>
<td>Strategic Decision Making</td>
<td>.032</td>
<td>150</td>
<td>.101</td>
</tr>
</tbody>
</table>

Source: Survey study, (2015)

3.4 Test of Linearity of Study Variables

For the reason that a distinct construct in the questionnaires was measured by multiple items, the summation scores of the multiple items for each construct was computed and used in correlation analysis using Pearsons product moment correlation coefficient(r). Linearity was tested in order to check the actual strength of all relationships. This was necessary so as to identify any departures
from linearity which were bound to affect correlation. Further, [14] indicates that correlation coefficient value (r) ranging from 0.10 to 0.29 is considered weak, from 0.30 to 0.49 is considered medium and from 0.5 to 1.0 is considered strong. Pearson two-tailed correlation statistic was used to correlate the variables in the study. Correlation results showed that associated variables in the study were significant at p<0.01 levels. For instance, Designation (r=.454, p<0.01) length of service (r=.312, p<0.01), Emotional self-regulation (r=.222, p<0.01) and organization commitment (r=.516, p<0.01. All correlations were positive, indicating a positive relationship between the control variables (designation and length of service), predictor variable (emotional self-regulation, moderator variable (organization commitment) and the criterion variable, strategic decision making.

3.5 Regression Results

To investigate how well Emotional Self-Regulation (SR), predict Strategic Decision Making (SDM), after controlling for respondents’ designation, age, education level, gender and length of service, a hierarchical linear regression was computed. The Assumptions of linearity, normality and collinearity diagnostics were checked and met. When respondents’ designation, age, education level, gender and length of service were entered alone as shown in model I, table below, they predicted strategic decision making; F=7.248, p<.001, adjusted R²=0.172, implying that only 17.2% of the variance in strategic decision making could be predicted by the control variables (designation, age, education level, gender and length of service).

The regression results further showed that only two control variables (designation-CD and length of service-CLS) had a significant influence on strategic decision making confirming the upper echelons theory that employees in the top management team are the ones involved in strategic decision making while length of service implies a firm managers experience in strategic decision making. Length of service is also supported by a scholar [15] who posits that scripts (responses) really influence decision making. That is, scripts thought of as preprogrammed responses that are based on previous experiences or information. This implies that a manager’s work experience enables him/her build some mental images that assists him/her go through a process of screening incoming information when engaging in the strategic decision making process. Age, education level and gender were not statistically significant hence dropped from subsequent analysis.

When Emotional Self-Regulation (SR) variable, was subsequently added as shown in model II in table 1 below, it significantly predicted strategic decision making confirming the fitness of the regression model; y=β₀+β₁CD+β₂CLS+β₃SR+ε.

Hypothesis one (H₀₁) hypothesized that Emotional Self-Regulation does not significantly affect Strategic Decision Making. The results showed that beta coefficient for Self-Regulation is β=.119; p=014 at p<.05. Hypothesis one was thus rejected because Emotional Self-Regulation had a statistical significant influence on Strategic Decision Making at p<.05. The results are also consistent with a study done by [7] who by use of Pearson’s correlation test and regression for examining the relationship between emotional self-regulation and logical decision strategy in Kerman's governmental organizations found a significant relationship between the two variables (p=0.016 at p<0.05). This suggests that a manager who can regulate his/her emotions can significantly influence decision making in the firm.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1 (Control Variables)</th>
<th>Model II (Predictor variable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>1.243 (.338)**</td>
<td>1.143 (.238)**</td>
</tr>
<tr>
<td>Designation</td>
<td>.282 (.282)**</td>
<td>.244 (.090)***</td>
</tr>
<tr>
<td>Length of Service</td>
<td>.191 (.073)*</td>
<td>.189 (.073)*</td>
</tr>
<tr>
<td>Education Level</td>
<td>.204 (.235)</td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>.332 (.163)</td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>.041 (.281)</td>
<td></td>
</tr>
<tr>
<td>Self-Regulation</td>
<td>.119 (.074)*</td>
<td></td>
</tr>
<tr>
<td>R²</td>
<td>.200</td>
<td>.326</td>
</tr>
<tr>
<td>Adjusted R²</td>
<td>.172</td>
<td>.298</td>
</tr>
<tr>
<td>F Statistic</td>
<td>7.248***</td>
<td>11.613***</td>
</tr>
</tbody>
</table>

Values of unstandardized regression coefficients, with standard errors in parenthesis. **p<0.05; ***p<0.01; ****p<0.001, Source: Survey study (2015)

For Moderated Regression Results, Multiple regression was used to test the moderating effect of Organizational commitment (OC) on the relationship between Emotional Self-Regulation variable and Strategic decision making. That is, hypothesis two (H₀₂) was tested as shown in model I-III as summarized in table below. The independent variables were standardized to z-scores so as to minimize the effects of multicollinearity and to make interpretations easier.

The moderating effects were tested in series of hierarchical blocks. A cross product of the moderator variable, (Organizational Commitment-OC) with independent variable, Self-Regulation was computed. Model I represents the significant control variables.
and the independent variable confirming that the independent variable (Self-Regulation) was a significant predictor of strategic decision making.

When organizational commitment (OC) was added (model II), it produced F=23.112, significant variables in model II accounted for at p<0.001 level, thus confirming fitness of the model. Organizational commitment contributed 50% of the variance in strategic decision making which is a large effect according to [16].

With the introduction of the interaction terms, an overall model fit of F=17.835, significant at p<0.001 level was produced. This indicates that, there is a potential moderating effect of organizational commitment on the relationship between Emotional Self-Regulation variable and Strategic Decision Making. Model III in the table below summarizes the contribution of organizational commitment variable which tested moderating effect (hypothesis two). Hypothesis two (H02) stated that there is no significant moderating effect of organizational commitment on the relationship between emotional self-regulation and strategic decision making. The regression coefficient for the interaction term of self-regulation and strategic decision making is β= 0.101 (.056); p=.041 at p<.05. The results show a positive and significant moderation effect of organizational commitment on the relationship between emotional self-regulation and strategic decision making. Hypothesis two (H02) is therefore rejected.

<table>
<thead>
<tr>
<th>Table 3. Moderator Regression Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variables</td>
</tr>
<tr>
<td>(Constant)</td>
</tr>
<tr>
<td>Designation</td>
</tr>
<tr>
<td>Length of tenure</td>
</tr>
<tr>
<td>Self-Regulation</td>
</tr>
<tr>
<td>OC</td>
</tr>
<tr>
<td>SR x OC</td>
</tr>
<tr>
<td>R²</td>
</tr>
<tr>
<td>Adjusted R²</td>
</tr>
<tr>
<td>F Statistic</td>
</tr>
</tbody>
</table>

Values of unstandardized regression coefficients, with standard errors in parenthesis, *p<0.05; **p<0.01; ***p<0.001, Source; Survey study, (2015)

4. DISCUSSION

The principal focus of this research was to test Hypothesis one (H01) and two (H02). That is; (H01) the direct effect of emotional self-regulation on strategic decision making and (H02) the moderation role of organization commitment in effect of the influence of emotional self-regulation on strategic decision making in private school enterprises. The results provided practical substantiation on the significant influence of emotional intelligence dimension (self-regulation), on strategic decision making, thus supporting existing Goleman emotional intelligence model [17] which asserts that a person’s emotional self-awareness, self-regulation, self-motivation, empathy and social skills really influence his/her behavior and decision making skills.

First, Hypothesis one (H01) results showed that beta coefficient for Self-Regulation is β=.119; p=0.014 at p<.05. This suggested that a manager who can regulate his/her emotions can significantly influence strategic decision making in the firm. The results are also consistent with a study done by [7] who by use of Pearson's correlation test and regression for examining the relationship between emotional self-regulation and logical decision strategy in Kerman’s governmental organizations found a significant relationship between the two variables.

Significant influence of a manager’s emotional self-regulation on strategic decision making also back Bandura [18] social cognitive theory which asserts that human behavior, hence, decisions are broadly motivated and regulated by self-influence. That is, self-regulative mechanisms operate through self-monitoring, self-reaction, efficacy and judgment of one’s behavior in relation to personal standards and environmental circumstances. The study also confirms that self-efficacy really influences logical reasoning which consequently affects decision patterns of an individual in any given context [6]. Goal setting theory is also vital in explaining the phenomenon of self-regulation [5]. Its principal prediction is that goal properties, such as goal level and goal commitment, are direct determinants of purposeful actions and work performance; thus, require managers with emotional resilience to take up challenging strategic decisions in a firm.

Secondly, hypothesis two (H02) postulated that organizational commitment does not significantly moderate the relationship between self-regulation and strategic decision making. The results showed that there is positive interaction but not significant β=.086(.034); p=.041 at p<.05, thus, revealed that a firm manager’s commitment to an organization can positively and significantly influence the relationship between a manager’s emotional self-regulation and strategic decision making. This is further supported by [19-24],
whose studies revealed a positive interaction between emotional self-regulation, employee satisfaction and organizational commitment, hence, consequently influencing decision making in a firm.

These study results showed that higher emotional self-regulation was associated with lower degrees of a manager’s stress and higher degrees of organizational commitment. These results possibly imply that although cognitive abilities and professional competence were to be taken into account in the selection of firm managers, a manager’s emotional self-regulation and commitment to the organization must also be included in the selection standards for managers to ensure adequate levels of emotional competence in strategic decision making.

5. CONCLUSION

The study provides a number of contributions to the theoretical debate about emotional self-regulation and strategic decision making in private school enterprises. First, the research addressed the gap in literature by examining the relationship between emotional self-regulation and strategic decision making by integrating a moderating influence of organizational commitment in the relationship.

Secondly, the research revealed that a manager’s emotional self-regulation is a significant predictor of strategic decision making. The results suggest that in turbulent situations managers with high emotional self-regulation can weather the storm by focusing on strategic solutions to emerging and turbulent issues in a firm with a positive attitude rather than panicking or freaking out.

Thirdly, organizational commitment significantly moderated the relationship between emotional self-regulation and strategic decision making. This suggests that a manager endowed with higher levels of emotional self-regulation and higher degrees of organizational commitment has higher potentials in making strategic decisions especially in uncertain times when a firm could be experiencing turbulent environments.

The study therefore recommends that, although cognitive abilities and professional competence are to be taken into account in the selection of firm managers, self-regulation dimension of emotional intelligence must also be included in the selection standards for managers to ensure sufficient levels of a manager’s emotional competence and organizational commitment which will ensure that managers have requisite skills that positively influence strategic decision making in the organization.

6. REFERENCES


