



# STRATEGIC MANAGEMENT AND EMPLOYEES' PERFORMANCE: THE CASE OF LOCAL GOVERNMENT EMPLOYEES IN ASUNCION

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## ABSTRACT

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*This study aims to examine strategic management and employee performance in the Municipality of Asuncion, using a descriptive correlation approach. Respondents to this survey were employees of the above-mentioned municipality. The purpose of this research was to determine the strategic management and employee performance in the Local Government Unit of Asuncion. A questionnaire was used to collect data for the study, and regression analysis was applied to test the hypothesis of the study. The findings of this study indicate that strategy formulation, strategy implementation, and strategy evaluation had a significant relationship with employees' performance in the Local Government Unit of Asuncion employees. There was a total of 185 respondents participated in the survey. The overall mean result is 4.39 with a very high level of strategic management and a high level of employee performance with an overall mean score of 3.72. The test for a significant relationship between strategic management and employee performance has an R-value of 0.28\*\*\* and a probability value of <. 0.001 at a significance level of 0.05. The study recommends that strategic management should continuously give a focus because it helps to organization's capacity to stay productive. As organizations continue to improve their strategies, it will also enhance the performance of employees, and it is required to support growth and enhance efficiency. Moreover, every quarter personnel from LGU Asuncion should be encouraged to attend strategic management-related seminars and workshops that help increase profitability.*

**KEYWORDS:** *strategic management, employees' performance, Asuncion*

## INTRODUCTION

Engaged employees are at the core of high-performing companies. To be organizationally successful, team members must perform well. Hiring and retaining great employees may sound easy, but success will follow. However, it is not an easy task, and many companies struggle to improve the performance of their employees (Dagher, 2020). The most significant challenge facing management is dealing with the

reinvention of management through demanding work environments and the professional skills of supervisors, both of which were viewed by employees as lacking motivation. At work, managers must also maintain positive relationships with their staff. Support and encouragement are given to employees to boost morale and efficiency (Shatila and Alozian, 2019).

In Nigeria, most organizations attribute their failures to

a lack of funding, market conditions, and poor acceptance of their products. Strategic business decisions have a long-term impact on your organization. Similarly, strategic management has been argued to combine short-term and long-term planning. Strategic management organizations typically have planners who develop mission information, set goals and objectives, review the organization's SWOT analysis, the internal strengths, and weaknesses, assess the external environment for opportunities and threats, and develop strategic options. There is a group of then selects and applies an organizational strategy. Strategic management is therefore not a panacea, but rather an adaptable set of strategies designed to help determine where, what, how, and why an organization is. is. Concepts, Procedures, Tools, and Practices (Mintzberg, 2018).

In Batangas City, the Strategic Performance Management System is an ongoing work whose implementation will ensure that employees achieve the goals set by the organization. It is also considered everybody's business not only the human resource practitioners. Since it is an instrument that would tell that the organization is performing its role in ensuring the delivery of excellent public service by its performing, competent and credible workforce. The strategic management in its initial implementation, as observed in the government, most of the employees in general perspective consider them to be incompetent and inefficient (Antenor, 2017).

Furthermore, given how challenging and important environmental scanning and planning have become in the current business environment, studying this topic is very timely. It must be ongoing as circumstances change and the importance of ongoing business intelligence activities and strategic management increases as the only way to foresee setbacks, issues, and opportunities. All employees are given specific objectives and a future direction by strategic management. Additionally, it offers a benchmark by which future productivity can be measured. Therefore, this study will serve as a source of information relevant to strategic management, as well as information on the performance of civil servants in each office, to promote and maintain viable alignment between organizational goals, skill resources, and their performance. Also, it may be used by local authorities as a source.

In this regard, the researchers have not come across any research on strategic management and employee performance. There are relevant studies conducted such as the studies of Rustamadja and Che Mohd (2018), Andrews (2015), and Anit & Zolt (2019) which focus on the productivity and profitability of business

organizations, but not on the significant relationship of strategic management and employees' performance and the respondents are not the Local Government Unit. It is on the premise that the researchers see the necessity to conduct this study to determine the effectiveness of strategic management and employees' performance among the employees of the local government unit of Asuncion.

## OBJECTIVES OF THE STUDY

This study aimed to determine the relationship between strategic management and employee performance among the employees in the local government unit of Asuncion.

To be specific, this study seeks to answer the following objectives:

1. To determine the level of strategic management among the employees of the local government unit of Asuncion in terms of:
  - 1.1 strategy formulation;
  - 1.2 strategy implementation; and
  - 1.3 strategy evaluation.
- 2 To determine the level of employees' performance among the employees of the local government unit of Asuncion in terms of:
  - 2.1 task performance;
  - 2.2 contextual performance;
  - 2.3 adaptive performance; and
  - 2.4 counterproductive work behavior
- 3 To determine the significant relationship between Strategic Management and Employees Performance among the employees in the Local Government Unit of Asuncion.

## RESEARCH HYPOTHESIS

The null hypothesis was tested at 0.05 alpha level of significance which stated that there is no significant relationship between strategic management and employees' performance among the employees of the local government unit of Asuncion.

## METHODOLOGY

The study utilized the quantitative research design employing the descriptive-correlational technique. This is to assess if there is a significant relationship between strategic management and employee performance as observed among the respondents. The study was conducted in the Municipality of Asuncion, Province of Davao del Norte, Philippines in January 2023 – June 2023 with 185 local government employees as the respondents of this study. Stratified random sampling utilizing proportional allocation was utilized against all offices of the local government of the mentioned municipality. The respondents voluntarily agreed to

answer the survey instruments for the variables of the study, namely, strategic management and employee performance. The instruments underwent expert validation beforehand. Moreover, research ethics was upheld in the conduct of this study prioritizing the tenets of proper permission to the authorities concerned, voluntary participation, privacy and confidentiality, as well as management of conflict of interest which was absent in this study due to the fact that the researcher has no connection and undue influence on all of the respondents. After the implementation of surveys, data were tabulated in an Excel file and this was submitted to a reputable statistician for the analysis of the data. Mean was utilized to answer the first and second research objectives, while Pearson r was employed to answer the third objective of the study

## RESULTS AND DISCUSSION

### Summary of the Level of Strategic Management

It is shown in Table 5 are the mean scores for the indicators of strategic management with an overall mean score rating of 4.39 or a very high description. The very high level could be manifested in the high rating given by the respondents to most of the indicators. This means the respondents always manifested.

The cited all over mean score ratings of the following were as follows: 4.40 for both strategy formulation and strategy implementation, and 4.36 for strategy evaluation. All of them have a descriptive equivalent of very high. It means that all the items in the indicators were always manifested by the respondents.

**Table 1**  
**Summary of the Level of Strategical Management**

Indicators	Mean	Description
Strategy Formulation	4.40	Very High
Strategy Implementation	4.40	Very High
Strategy Evaluation	4.36	Very High
<b>Overall</b>	<b>4.39</b>	<b>Very High</b>

### Summary of the Level of Employee Performance

Table 2 presented the mean scores for the indicators of employees' performance with an overall mean score rating of 3.72 or a high level. The high level could be manifested in the high rating given by the respondents to most of the indicators. This means the respondents oftentimes manifested.

The cited overall mean score ratings of the following were as follows: 4.29 for task performance, 4.38 for contextual performance, 4.45 for adaptive performance, and 1.77 for counterproductive work behavior. All of them got a descriptive equivalent of very high except counterproductive work behavior got a descriptive

equivalent of very low. This means that in most of the items for each, the indicator was always manifested.

Among the indicators, adaptive performance has the highest mean score of 4.45. It has a descriptive equivalent of very high which means that the items of the said indicators were always manifested. In addition, counterproductive work behavior got the lowest mean score among the indicators of employee performance. It has a mean score of 1.77 with a descriptive equivalent of very low. This means that the items of the said indicator were never manifested also by the respondents given that it has a very low descriptive equivalent.

**Table 2**  
**Summary of the Level of Employee Performance**

Indicators	Mean	Description
Task Performance	4.40	Very High
Contextual Performance	4.40	Very High
Adaptive Performance	4.36	Very High
Counterproductive Work Behavior	1.77	Very Low
<b>Overall</b>	<b>3.72</b>	<b>High</b>

### Correlation between Strategic Management and Employee Performance

Presented in Table 11 is the significant relationship between strategic management on employee performance among the local government unit employees of Asuncion. It shows that it hasan r-value of .28\*\*\* and a p-value of <.001. Since, the p-value is

lesser than the level of significance, which is 0.05, this leads to the rejection of the null hypothesis. This means that there is a significant relationship between strategic management and employee performance among the local government unit of Asuncion employees.

**Table 3**  
**Correlation between Strategic Management and Employee Performance**

Variable	Mean	R-Value	P-Value	Decision @=0.05
Strategic Management	4.39			
Employees Performance	3.72	.28***	<.001	H <sub>0</sub> Rejected

## CONCLUSIONS

Based on the research results, conclusions were drawn that answer the sub-problems addressed in the previous chapter.

The results showed that respondents have very high levels of strategic management, thinking about management concepts and executing creative plans through strategy formulation, strategy execution, and strategy evaluation. It indicates that you are likely to have the ability to, and as a result, the concept of Wenefeldt (1984) was confirmed. It states that it is a technique for investigating and determining a firm's competitive advantage based on an analysis of the firm's unique combination of resources, competencies, organizational skills, and intangibles. The resources a company has have a great impact on the strategic management process. No matter how good a strategy is, it remains in the planning stage without the necessary resources to enable its implementation.

On the other hand, based on the employee performance results of employees, it can be said that the level of employee performance of employees is at a very high level. This means that employees of municipal units always showed the above indicators of competence. The overall correlation of the two variables indicates that there is an important relationship between strategic management and employee performance among the local government unit employees of Asuncion.

## RECOMMENDATIONS

The study's results showed that strategic management is of an extremely high degree; it is recommended that every employee and organization should be familiar with it. It includes the capacity to create, implement, evaluate, and maintain a strategic management strategy. A person or organization may have a successful strategy and are more likely to have stable economics by understanding the benefits of simple management principles, such as being more creative, working harder, or planning, as they seek to increase their workers' well-being.

As a result, the analysis shows that the local government unit has personnel who are quite productive. This shows that they are using their time effectively and making sensible decisions. The performance of an organization's

workforce can be positively impacted by motivating employees to use their skills to achieve company goals through assessment procedures and activities associated with the reward system. With that being recommended, HR may evaluate employee performance in terms of paying closer attention to the right acquisition of equipment and supplies to improve office facilities, researching employee work attitudes related to the do not care attitude, and ensuring effective outcomes.

According to the study, effective strategic management requires the engagement of every employee. Therefore, this study suggests that top management work makes the strategic management process as inclusive as possible for all organizations, from lower-level employees to upper management. Since employees are the ones who carry out the plan, this fosters a sense of ownership and makes sure they are involved in the entire process. The study also advises the top management to promptly implement changes and regularly assess the success of various methods.

Lastly, it was recommended that all the employees in the local government unit of Asuncion should continue to improve their strategic management to have a better and quality performance in doing tasks in the organization. Improving efficiency and team performance enables organizations to accomplish their objectives quickly and affordably. The effectiveness of an organization's workforce greatly influences that organization's success. When workers are motivated, engaged, and productive, they may more easily accomplish the goals they set for themselves as workers.

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