1.0   CHAPTER ONE: INTRODUCTION

In the global environment, organizations all around the world are constantly facing challenges to have competitive advantage. Globalization symbolizes more competition, diverse work force, continuous changes in customers' needs and wants and improved technological devices are used. Therefore, organizations need to engage in ongoing process of interacting with its environment. Effective organizations carve out and maintain a viable market for their goods or services. Ineffective organizations fail at their market alignment tasks. Efficient organizations establish mechanisms that complement their market strategy. Inefficient organizations struggle with its organizational structure and process mechanisms. Hence, to be an effective and efficient player in the industry, an organization needs the right organizational strategy and employees which can drive the organization to achieve its goal.

Organizational strategy as defined by Daft (2010) is a plan for interacting with the competitive environments to achieve organizational goals. The study of organizational strategy started with Andre, (Collins and Montgomery, 1995), who defined strategy as the match between what an organization can do within the universe of what it might do. Later, in 1980, Porter focused his research on the industry environment of an organization and concluded that the structural characteristics of an industry determine the strategy of organizations in it.

There are different typologies for strategy. Examples of a few typologies that are commonly cited in literatures are as follows:

i) Miles and Snow (1978) established a research on the strategies that organizations employ in solving their entrepreneurial, engineering, and administrative problems (Miles *et al.*, 1978). They then developed their own strategic typology and introduced four strategic types of organizations i.e. Defenders, Analyzers, Prospectors and Reactors.

ii) "Porter's Model". Its framework suggested that organizations can maximize performance either by being the low cost producer in the industry or by differentiating its line of products or services from those in the same nature of business (Parnell, 2002).
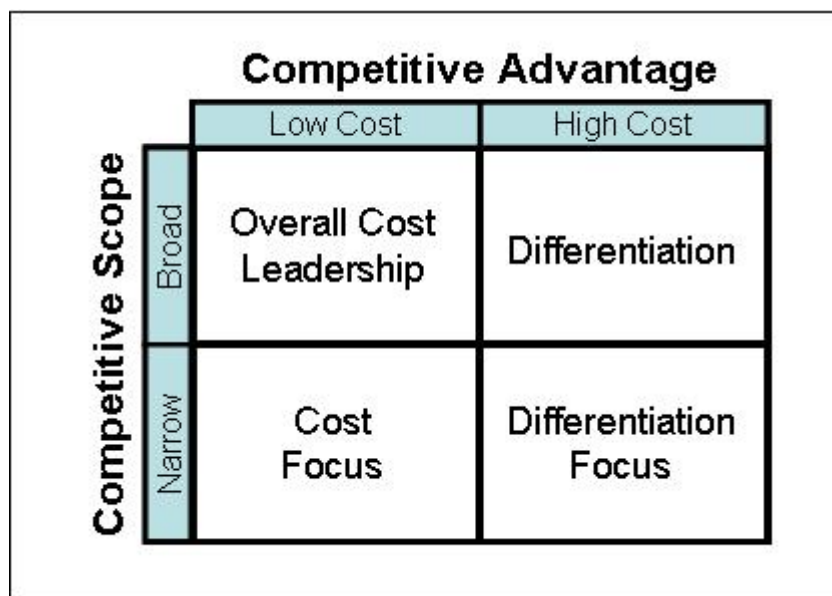

Figure 1: Porter's Strategy Typology

Source: Livvarcin, O. (2007). "An Exploratory Study on Strategy Direction and Strategy Magnitude in Organizations: The Strategy Vector Model" adopted from Porter (1980ab)

iii)   Robinson, McDougall and Herron (1988) also develop their own strategy typology (which actually resembles the strategy typology of Porter, 1980) and they claimed that venture strategies can be divided along two basic strategic dimensions: growth orientation and product/market focus.
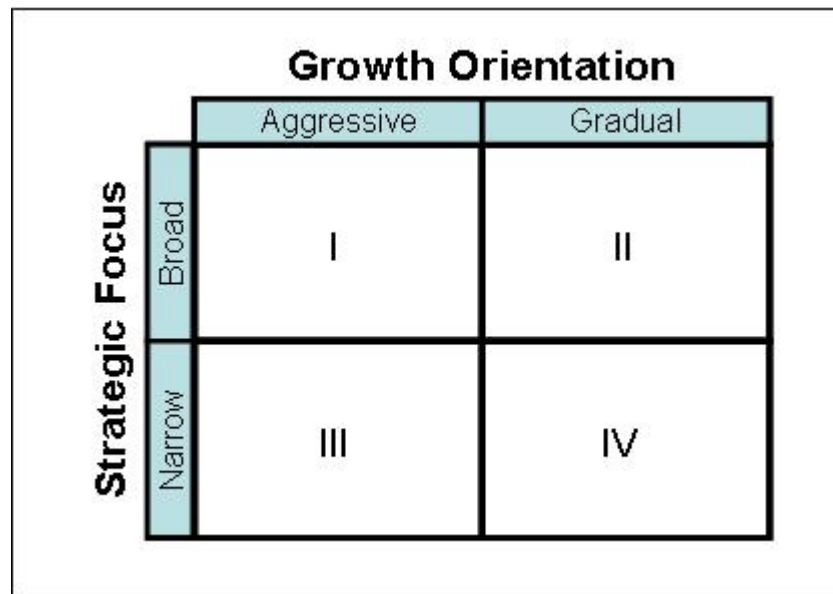

Figure 2: New Venture Generic Strategy Framework

Source: Livvarcin, O. (2007). "An Exploratory Study on Strategy Direction and Strategy Magnitude in Organizations: The Strategy Vector Model" adopted from Robinson, McDougall, and Herron (1988)

Among all the typologies, the most frequently used is that proposed by Miles and Snow. The various studies that have applied Miles and Snow's model have lent it strong support in different environments (Zahra and Pearce, 1990). This research paper will also adopt Miles and Snow's typology and further discussion on this typology will be discuss in chapter two of this paper.

Hambrick (1983) states that some strategies adopted by organizations are more successful in relation to organizational performance than others and because organizational performance can impact an employees' pay, bonuses and other ex – gratia incentives, it would be prudent for job applicant to research prospective organizations' strategies. Rynes and Cable (2003) in their account of recruiting for the twenty-first century note that serious job applicants are likely to demonstrate serious concern about choosing the most suitable organization for them to work for and the most appropriate job for them to perform. Schneider (2001) asserts that attraction-selection-attrition model suggests that work values are a core means by which individual judge their Person-Organization Fit and individuals are attracted to seek employment with organizations that exhibit characteristics similar to their individual's characteristics. Organizational strategy will also have impact on employees' job roles and therefore the fit between the person and the organizational strategy may predict employee attitudes and behaviors. Chapter two of this paper will also make several contributions to the concept of Person-Organization Fit (P-O Fit).

1.1   Purpose and significance of the study

The purpose of this study is to examine

a) Whether employees' perceptions of organizational strategy fit predicted their commitment to their organization and their intentions to stay.

b) Whether these two relationships were moderated by perceived job alternatives.

c) Whether gender moderates organizational strategy fit to firm's attractiveness.

The finding of this research paper will be significant to Malaysian organizations in achieving its competitive advantage and be able to compete globally. This research would also be useful for recruiters and for marketing jobs to job applicants.
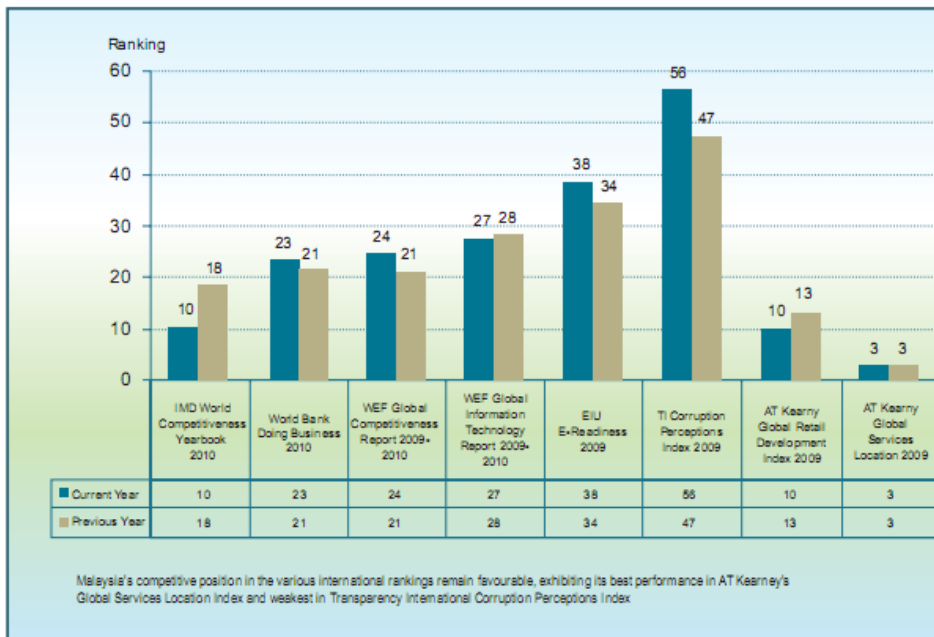
1.2   Problem statement

Figure 3

Source: Malaysia's Competitiveness Position 2010, Malaysian Economic Planning Unit

Based on the above table, Malaysia's competitiveness position in various international ranking is in a better position compared to previous year's position. The IMD World Competitiveness Yearbook (WCY) indicates that Malaysia ranked number 10 compared to 18th position in 2009. As per the AT Kearney Global Retail Development Index 2009, Malaysia ranked 10 compared to 13 in previous year and Malaysia remains at 3rd position in the AT Kearney Global Services Location 2009.

It is clear from the figure 3 above, Malaysian organizations remains competitive in the ever-changing environment. On the other hand, it has been

reported in annual surveys by Malaysian Employers Federation (MEF 2004, 2005) that Malaysian respondents are only willing to stay with their current organizations for less than three years Chew (2005). Therefore, it is important to understand the factors that influence turnover intention among employees. This study will examine whether organizational strategy is one of the factors that influence turnover intention among employees in Malaysian organizations. Turnover is referred to as an individual's estimated probability that they will stay in an employing organization (Cotton and Turtle, 1986; Samad, 2006).

The fit between the individual and the organization has been related to various attitudinal and behavioral outcomes such as job satisfaction, organizational commitment, intention to quit, turnover and task performance (Hoffman and Woehr, 2006; Kristof-Brown, Zimmerman and Johnson, 2005; Verquer, Beehr and Wagner, 2003; Wheeler, Gallagher, Brouer and Sablynski, 2007).

Da Silva, Nancy, Hutcheson, Jennifer and Wahl, Gregory (2010) has examined the fit between the individual and the organization with regard to organizational strategy. They adopt Miles and Snow's typology on conceptualizing organizational strategy. Hence, this research paper will adopt the same method used by Da Silva *et al* (2010) to examine its impact in Malaysian context but with different target respondents' i.e working Malaysian citizens from various educational background compared to employed undergraduate students in business – related courses.

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1.3   Research questions

a)   Do employees' perceptions of organizational strategy fit predicted their commitment to their organization and their intentions to stay?

b)   Do these two relationships were moderated by perceived job alternatives?

c)   Does gender moderates organizational strategy fit to firm's attractiveness?

1.4   Objective of the study

The aim of this study is to examine the critical role that organizational strategy fit plays in relation to employees' commitment to the organization and their intention to stay with employees' perception of the external market in terms of alternative job opportunities being its moderator. Furthermore, the author of this study assesses whether organizational strategy is a feature that affects the firm's attractiveness and if the level of attractiveness depends on gender.

1.5   Scope of study

The participants to this study have to be currently employed or have been employed before. The size of the company which these participants are working or have worked before are irrelevant. The respondents do not include civil servants.

1.6   Organization of the study

Whilst chapter one of this paper deals with introduction to the topic, chapter two will make contributions to the meaning of organizational strategy and Miles and Snow's strategic organizational strategy typology, P-O Fit in terms of organizational strategy and organizational commitment, P-O Fit in terms of organizational strategy and intention to stay and also P-O Fit in terms of organizational strategy and firm's attractiveness.

Chapter three focuses on research methodology. It covers development of hypothesis, selection of measures, sampling design, collection of data etc. Chapter four contains the result of this study. Statistics and analysis of the measures will be the core content of this chapter and the result to the hypothesis tested will be explained in this chapter as well.

Lastly, in chapter five of this study, the conclusion, recommendations and suggestions for future research related to this topic will be discussed.