

## STRATEGIC INTENT AND PERFORMANCE OF UPSTREAM OIL AND GAS FIRMS IN RIVERS STATE

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### ABSTRACT

This study investigated the relationship between strategic intent and performance of upstream oil and gas firms in Rivers State. The study was conceptualized with strategic intent as predictor to performance measures of market share, productivity and profitability. The study adopted a cross-sectional research design with a correlational investigation type. This study population comprised of twenty-four (24) oil and gas upstream oil and gas firms operating in Rivers State, as enlisted in the finelib.com Nigerian Directory and Search Engine. The sample size of this study was the same as the population, since the population is not too large. This means that a total of 72 respondents was used for the study. Data was collected through structured questionnaire that was designed in Likert 5-point scale. Pearson's Product Moment Correlation (PPMC) was used in testing the various hypotheses with the help of the Statistical Packages for Social Sciences Version 25.0. From the analysis of data, it was revealed that strategic intent had a significant relationship with performance. Based on these findings, the study concluded that strategic intent significantly relates with performance in upstream oil and gas firms in Rivers State. The researcher recommended among others that managers of upstream oil and gas firms should adopt strategic intent as a means to meet up with today's changing trends; this will enhance their performance.

**Keywords:** Strategic intent, performance, market share, productivity, profitability

### INTRODUCTION

Factors such as globalization, rapidly changing technologies and competition have caused many disruptions in the contemporary business environment. With disruptions caused by these factors, organizations are becoming more fickle as their performance keep dropping (Zhou & Lu, 2020). Smart organizations adopt strategic intents as ways to meet up with the trends as they change and achieve higher performance. Strategic intent plays a vital role in guiding organizations towards achieving their objectives and enhancing performance. It involves setting long-term goals and developing strategies to achieve those goals (Aje & Adelowotan, 2017). Strategic intent includes analyzing the external and internal environment of a firm, identifying strengths and weaknesses, and creating a roadmap to guide the firm towards its desired future state. The success of a firm's strategic intent is reflected in its performance, which is measured in terms of financial, market, and operational outcomes (Chinenye & Kenneth, 2023).

Organizations evaluate their performance to ensure that their actions, results and outputs are in tandem with their objectives. Performance evaluation is typically carried out by proprietors of

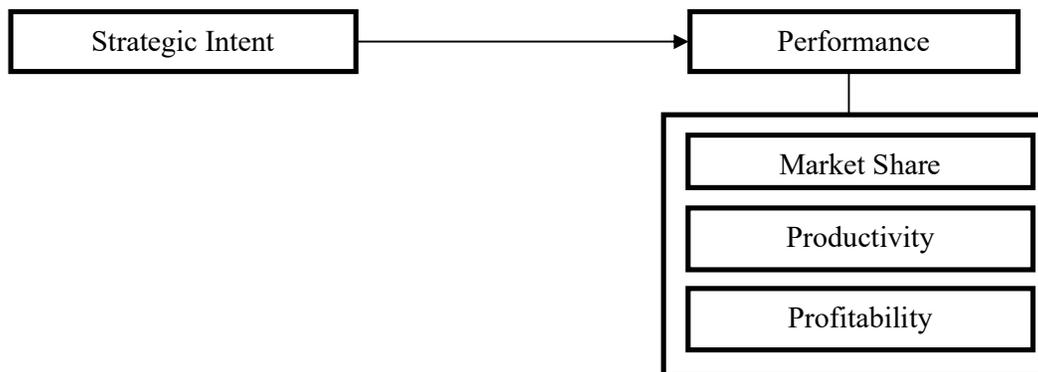
businesses, alliance partners and managers, and it entails identifying and implementing procedures that can enhance the effectiveness of the business (Al-Haik & Farooq, 2017). To manage the success of the business, performance management is required to integrate business plans, connect organizational goals and strategies to plans and implementation. It refers to the various procedures and techniques used to match an organization's strategies and goals with its plans and implementations (Brush, 2023). Thus, performance evaluation is essential to align organizations with its strategic priorities, focus on key business metrics that must be maintained in order to increase revenue and profits and key drivers of business operations.

The relationship between strategic intent and performance within upstream oil and gas industry in Rivers State has become a subject of interest for scholars and practitioners following the industry's significance on businesses. Although several research works have been carried out on strategic management, there is a dearth of empirical work on the relationship between strategic intent and performance of oil and gas companies in Rivers State, thus, bringing about the need for this study. This study was based on the assumption that effective strategic intent leads to better performance among firms, while poor strategic intent results in poor performance. This relationship was examined in the context of upstream oil and gas firms in Rivers State.

Specifically, the study sought to:

- i. Examine the relationship between strategic intent and market share of upstream oil and gas firms in Rivers State.
- ii. Examine the relationship between strategic intent and productivity of upstream oil and gas firms in Rivers State
- iii. Examine the relationship between strategic intent and profitability of upstream oil and gas firms in Rivers State.

### Conceptual Framework



**Figure 1:** Relationship between strategic intent and performance

**Source:** Desk Research (2025)

### Research Questions

The following research questions were answered in the study:

- i. How does strategic intent relate with market share of upstream oil and gas firms in Rivers State?
- ii. How does strategic intent relate with productivity of upstream oil and gas firms in Rivers State?
- iii. How does strategic intent relate with profitability of upstream oil and gas firms in Rivers State?

### Research Hypotheses

The study tested the following null hypotheses:

- Ho1:** Strategic intent does not significantly relate with market share of upstream oil and gas firms in Rivers State.
- Ho2:** Strategic intent does not significantly relate with productivity of upstream oil and gas firms in Rivers State.
- Ho3:** Strategic intent does not significantly relate with profitability of upstream oil and gas firms in Rivers State.

## LITERATURE REVIEW

### Mintzberg's Theory of Emergent Strategy

Mintzberg's theory of emergent strategy suggests that strategies emerge over time as a result of a combination of deliberate actions, random events, and unforeseen circumstances. It argues against the traditional view of strategic planning as a linear process with a clear and well-defined endpoint. Instead, it recognizes that the environment in which organizations operate is complex and unpredictable, and therefore, strategies must be continuously adapted and adjusted to respond to changes in this environment. In this context this theory is particularly relevant as firms are constantly faced with volatile and unpredictable market conditions, technological advancements, and regulatory changes. As such, their strategic planning must be flexible and adaptable to enable them to respond to these changes effectively. Apart from Mintzberg's theory, other theoretical frameworks can also help us to understand the relationship between strategic planning and firm performance in the any sector industry.

### Concept of Strategic Intent

The term 'strategic' implies clear plan of action designed to achieve organizational long term goals while 'intent' describes the future. Strategic intent relates to as the plan of action (mission, vision and goal) which is developed by the organization intended to achieve future's goal. Strategic intent is considered to be very important for any organization because it aligns the organizational activities with the goals itself. This has three attributes sense of direction, sense of discovery, sense of destiny. Strategic intent of any firms must align their vision, mission, objectives, and goals with the unique challenges and opportunities in the region. This includes understanding local market dynamics, regulatory environments, infrastructure capabilities, and the potential for collaboration with local communities. By establishing clear and ambitious strategic intent, firms can enhance their performance, drive sustainable development, and contribute effectively to the economic growth.

Vision is defined as a long term goal of the firm in which firms is intended to achieve in future. The vision statement outlines what the firms aspires to become in the future. It serves as a guiding star for the firm, providing inspiration and direction. A strong vision statement should be clear, concise, and reflect the core values of the firm. Vision is highest in hierarchy of strategic intent and reflects the aspiration of organization. Mission is fundamental unique purpose that sets a business apart from other firms. The mission statement describes the organization's purpose and its fundamental reason for existence. It explains what the firm does, who it serves, and how it serves them. Goals are broader statements that provide overall direction and can be seen as the larger aims that the firm seeks to achieve. While objectives are more specific and tactical, goals are often more strategic and can include both long-term and short-term aims. Goals denote what an organization hopes to accomplish in a future period of time. These are tactical objectives that organization's management defines to outline predictable future outcomes and guide employees' efforts.

### **Concept of Performance**

Performance refers to the accomplishment of a firm's goals and objectives (Nwachukwu, Orji & Ihejirika, 2015). In the context of upstream oil and gas firms, performance is often measured in terms of production levels, profit margins, market share, and return on investment. Effective strategic planning is believed to lead to improved performance by enhancing the firm's competitive advantage, increasing efficiency and productivity, and reducing costs.

**Market Share:** Innocent *et al* (2018) sees market share as the fraction of the total number of actual customers being served by an organisation in relative to other organisations in the same industry. It is the percentage of a market earned by an organisation in relative to other organisations in the same industry. In other words, a company's market share is its total sales in relation to the overall sales of the industry in which the organisation operates (Vipond, 2021). In this study, it is described as the fraction of the total number of actual customers served by quoted consumer goods industry.

**Productivity:** Productivity means the effectiveness of productive effort, especially in industry, as measured in terms of the rate of output (e.g. goods, products, services) per unit of input (labour, materials, equipment, etc.). In scientific literature, productivity is comparably defined as the relationship between output and input, between results and sacrifices.

**Profitability:** Profitability is a measure of a company's financial performance. It indicates how much profit a firm is generating relative to its expenses and investments. Higher profitability is essential for long-term success and growth.

### **Empirical Review**

Several studies have been conducted to investigate the relationship between strategic intent and performance. For instance, For instance, Chinenye and Kenneth (2023) explored the effect of strategic orientation dimensions on the sustainable reputation of Nigerian upstream oil and gas businesses. They concluded that a proactive strategic orientation positively affects the firms' reputations. Teixeira *et al.* (2022) studied the effectiveness of soil management practices on Fusarium wilt of banana in the Ribeira Valley. The effects of strategic management and organizational culture on organizational performance were investigated in this study. It also identified the most important predictor of organizational performance. Strategic management was particularly focused on strategy formulation and implementation in this study. This study included 291 officers from various government agencies. A self-administered questionnaire was used to collect data. The analysis revealed that organizational culture, formulation dimensions, and strategy implementation all had an impact on the performance of government

organizations. Organizational culture was identified as the most influential predictor of organizational performance. The study concludes with some practical and theoretical implications.

Asikhia and Arokodare (2019) examined how planning flexibility and environmental uncertainty affect organizational performance in oil and gas service firms in Lagos and Rivers States. They found that these factors significantly influence firm performance, suggesting that adaptable planning in uncertain environments enhances profitability and market share. Study by Odogwu, Obayi and Awoh (2015) in Nigeria found that strategic planning has a significant positive effect on the firm's return on equity, return on assets, and market value in the oil and gas industry. However, these studies did not specifically focus on upstream oil and gas firms in Rivers State, and therefore, their findings may not be generalizable to this context.

Olanipekun, Abioro Akanni, Arulogun and Rabiou (2015) studied the impact of strategic management on competitive advantage and organizational performance. This study examined the impact of strategic management on competitive advantage and organization performance in Rivers State bottling company using the resource-based theory as its theoretical foundation since it demonstrates how an organization's competitive advantage and superior performance are explained by the uniqueness of its resources and capabilities, which are key factors in developing its strategy. Primary data with the aid of a structured questionnaire was used to elicit information from respondents. The data collected were analyzed using both descriptive such as frequencies, percentages mean, standard deviation and inferential statistics of Chi-square and Analysis of Variance (ANOVA). The findings revealed that indeed the adoption and implementation of strategic management practices makes the organization not only to be proactive to changes but also initiate positive changes that consequently leads to competitive advantage and sustainable performance. It was recommended that organization should continuously maintain, sustain and improve strategic management practices since it is an indispensable tool for business organization performance.

### METHODOLOGY

This study adopts a cross-sectional research design with a correlational investigation type. This study population comprised of twenty-four (24) oil and gas upstream oil and gas firms operating in Rivers State, as enlisted in the finelib.com Nigerian Directory and Search Engine (2024). The sample size of this study was the same as the population, since the population is not too large. This study adopted a Census Method in administering three copies of questionnaire to Operations Managers, Research and Development Managers and Human Resource Managers of upstream oil and gas firms in Rivers State as respondents for the study. This means that a total of 72 respondents participated in the study. Data for the study was collected through primary source. Pearson's Product Moment Correlation was used to test the hypotheses with the aid of the Statistical Packages for Social Science, version 26.0.

**Table 1: Reliability Test - Cronbach's Alpha Analysis**

S/N	Variables	Number of Items	Cronbach's Alpha Coefficients
1	Strategic Intent	4	0.911
2	Market Share	4	0.781
3	Productivity	4	0.829
4	Profitability	4	0.888

**Source:** SPSS Output form field data

As shown in Table 1, the results of the Cronbach’s alpha analysis revealed that all the variables in the study produced high Cronbach’s Alpha coefficients indicating that, there is inter-item consistency among the variables in the study. This means that, if this study is conducted again in similar condition, the results would be similar to the results of our study.

## DATA ANALYSIS AND DISCUSSION OF FINDINGS

### Bivariate Analysis

The secondary data analysis was carried out through the use of Pearson’s Product Moment Correlation (PPMC) tool at a 95% confidence level. Specifically, the tests covered hypotheses Ho<sub>1</sub> to Ho<sub>3</sub>. We have depended on the Pearson’s Product Moment Correlation tool to carry out the analysis thus the probability criterion of 0.05 significance level was adopted for accepting the null hypotheses at ( P>0.05) or rejecting the hypotheses at (P<0.05).

**Ho<sub>1</sub>:** There is no significant relationship between strategic intent and market share of upstream oil and gas firms in Rivers State.

**Table 2: Relationship between Strategic Intent and Market Share**

		Strategic Intent	Market Share
Strategic Intent	Pearson Correlat	1	.684**
	Sig. (2-tailed)		.000
	N	67	67
Market Share	Pearson Correlat	.684**	1
	Sig. (2-tailed)	.000	67
	N	67	

\*\* . Correlatis significant at the 0.01 level (2-tailed).

**Source:** SPSS Data, 2025

From the SPSS output on Table 2, it can be observed that there is a correlatcoefficient of 0.684\*\* between strategic intent and market share, indicating a strong significant relationship between strategic intent and market share. More so, the probability value (0.000) is less than the critical value (0.05), this shows that there is a strong significant relationship between strategic intent and market share. This further implies that strategic intent can be used to achieve market share among upstream oil and gas firms in Rivers State. Based on this, we reject the null hypothesis that there is no significant relationship between strategic intent and market share of upstream oil and gas firms in Rivers State and accept the alternate hypothesis that there is a strong, significant relationship between strategic intent and market share of upstream oil and gas firms in Rivers State.

**Ho<sub>2</sub>:** There is no significant relationship between strategic intent and productivity of upstream oil and gas firms in Rivers State.

**Table 3: Relationship between Strategic Intent and Productivity**

		Strategic intent	Productivity
Strategic Intent	Pearson Correlat	1	.623**
	Sig. (2-tailed)		.000
	N	67	67
Productivity	Pearson Correlat	.623**	1
	Sig. (2-tailed)	.000	
	N	67	67

\*\* . Correlatis significant at the 0.01 level (2-tailed).

**Source:** SPSS Output 2025

From the SPSS output on Table 3, it can be observed that there is a correlatcoefficient of 0.623\*\* between strategic intent and productivity, indicating a strong significant relationship between strategic intent and productivity. More so, the probability value (0.000) is less than the critical value (0.05), this shows that there is a strong significant relationship between strategic intent and productivity. This further implies that strategic intent can be used to achieve productivity among upstream oil and gas firms in Rivers State. Based on this, we reject the null hypothesis that there is no significant relationship between strategic intent and productivity of upstream oil and gas firms in Rivers State and accept the alternate hypothesis that there is a strong, significant relationship between strategic intent and productivity of upstream oil and gas firms in Rivers State.

**Ho3:** There is no significant relationship between strategic intent and profitability of upstream oil and gas firms in Rivers State.

**Table 4: Relationship between Strategic Intent and Profitability**

		Strategic Intent	Profitability
Strategic Intent	Pearson Correlat	1	.661**
	Sig. (2-tailed)		.000
	N	67	67
Profitability	Pearson Correlat	.661**	1
	Sig. (2-tailed)	.000	
	N	67	67

\*\* . Correlatis significant at the 0.01 level (2-tailed).

**Source:** SPSS Data, 2025

From the SPSS output on Table 4, it can be observed that there is a correlatcoefficient of 0.661\*\* between strategic intent and profitability, indicating a strong significant relationship between strategic intent and profitability. More so, the probability value (0.000) is less than

the critical value (0.05), this shows that there is a strong significant relationship between strategic intent and profitability. This further implies that strategic intent can be used to achieve profitability among upstream oil and gas firms in Rivers State. Based on this, we reject the null hypothesis that there is no significant relationship between strategic intent and profitability of upstream oil and gas firms in Rivers State and accept the alternate hypothesis that there is a strong, significant relationship between strategic intent and profitability of upstream oil and gas firms in Rivers State.

### **Discussof Findings**

The analysis of the study revealed a correlatcoefficient of 0.684\*\* between strategic intent and market share, indicating a strong significant relationship between strategic intent and market share. More so, the probability value (0.000) is less than the critical value (0.05), this shows that there is a strong significant relationship between strategic intent and market share. Also, the study analysis revealed a correlatcoefficient of 0.623\*\* between strategic intent and productivity, indicating a strong significant relationship between strategic intent and productivity. More so, the probability value (0.000) is less than the critical value (0.05), this shows that there is a strong significant relationship between strategic intent and productivity. Similarly, the analysis results indicated a correlatcoefficient of 0.661\*\* between strategic intent and profitability, indicating a strong significant relationship between strategic intent and profitability. More so, the probability value (0.000) is less than the critical value (0.05), this shows that there is a strong significant relationship between strategic intent and profitability.

Findings of the study corroborate with the empirical findings of several studies. For instance, Al-Abri and Al-Swidi (2014) which found that there is a significant positive relationship between strategic planning and performance in the oil and gas industry. Another study by Chahal, Gupta, and Verma (2015) in India also reported a significant positive impact of strategic planning on performance in the oil and gas sector. The study findings agree with the study by Odogwu, Obayi, and Awoh (2015) which found that strategic planning has a significant positive effect on the firm's return on equity, return on assets, and market value in the oil and gas industry. In line with the findings of this study, Monday, Akinola, Ologbenla and Aladeraji, (2015) revealed that strategic management had a significant impact on the viability and efficiency of the chosen manufacturing firms.

Similar to the findindings of the present study, Teixeira, et al., (2022) studied the effectiveness of soil management practices on Fusarium wilt of banana in the Ribeira Valley. The analysis revealed that organizational culture, formulation dimensions, and strategy implementation all had an impact on the performance of government organizations. Olanipekun, Abioro Akanni, Arulogun and Rabiou (2015) studied the impact of strategic management on competitive advantage and organizational performance. This study examined the impact of strategic management on competitive advantage and organization performance in Rivers State bottling company using the resource-based theory as its theoretical foundation since it demonstrates how an organization's competitive advantage and superior performance are explained by the uniqueness of its resources and capabilities, which are key factors in developing its strategy. Primary data with the aid of a structured questionnaire was used to elicit information from respondents. The findings revealed that indeed the adoption and implementation of strategic management practices makes the organization not only to be proactive to changes but also initiate positive changes that consequently leads to competitive advantage and sustainable performance.

## CONCLUSION AND RECOMMENDATIONS

In line with the findings of this study and to the extent of its consistency with results of similar previous studies, this study concludes that strategic intent has significant relationship with performance of upstream oil and gas firms in Rivers State. Thus, adoption of strategic intent is imperative for improving performance among upstream oil and gas firms. Thus, strategic intent can enable upstream oil and gas firms in Rivers State to examine their resources, create financial plans and determine the best course of action in the future which in turn will result in market share, productivity and profitability.

Based on the findings of the study and to the extent of its consistency with the result of similar studies we make the following recommendations.

- i. Managers of upstream oil and gas firms should adopt strategic intent as a means to meet up with today's changing trends; this will enhance their performance.
- ii. Managers of upstream oil and gas firms should develop vision and mission plan for easy, hitch-free operations and for performance improvement.
- iii. Managers of upstream oil and gas firms should develop longterm goals to meet up with present day business demands as this will help them record market share, productivity and profitability.

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