

# Strategic Intent: A Conceptual Approach

**Sherif Ebrahim**  
**Tulane University**

**Gary Hackbarth**  
**Valdosta State University**

**Andy Ostapski**  
**Valdosta State University**

**Trent Coggins**  
**Valdosta State University**

*Strategic Intent is an active management process representing an organization's succinct and cohesive vision of its aspired direction of growth. Firms may have one central vision but many multiple intents. Intense competition and rapid technological changes require managers to continually review and refine the nature of their strategic intentions. The proposed conceptual model seeks to generate robust avenues and directions for researchers to improve the theory and inform practice. The research propositions integrate the top management team with intrapersonal and dominant functional diversity to examine Strategic Intent from multiple perspectives.*

*Keywords: strategic intent, Top Management Team (TMT), organizational performance*

## INTRODUCTION

Strategic Intent describes “an active management process that focuses on motivation through communicating value, allowing for individual contributions, and utilizing intent to guide resource allocation” (G. Hamel & C. K. Prahalad, 1989). The active management process has three ambitious goals: 1. capture the essence of winning, 2. stabilize Intent over an extended period, and 3. set a target that deserves personal effort and commitment (G. Hamel & C. K. Prahalad, 1989). Beyond this consensus, the conceptualization of strategic Intent in the extant literature has gone in multiple divergent directions. It has been called a rhetorical device (Mantere & Stillince, 2007), CEO foresight (Burgelman, 1996), a top management decision (Burgelman & Grove, 1996), and the state of having a superior organizational goal (Hart, 1992) or a “sense of destiny” (Gary Hamel & Prahalad, 1994a, 1994b).

Six studies that have empirically examined strategic Intent have taken different approaches to operationalizing, measuring, and analyzing strategic intent (Brown, 2015; Doving & Gooderham, 2008; Harlow, 2017; Klooker, Matzdorf, Nicolai, Boettcher, & Trost, 2015; Metzlar, 2017; Pant & Lado, 2013).

Only two studies have focused on examining and discussing what the term strategic intent means (Mantere & Stillince, 2007; T. F. O’Shannassy, 2016). However, the path to empirically examine strategic intent remains fragmented due to a lack of definition and consensus on measurement. Seven recent studies have developed conceptual models for assessing strategic Intent and organizational performance (Brown, 2015; Harlow, 2017; Klooker et al., 2015; Mariadoss, Johnson, & Martin, 2014; Metzlar, 2017; T. F. O’Shannassy, 2016; Pant & Lado, 2013). The proposed conceptual model offers a more generally applicable conceptual approach and incorporates theoretically sound and empirically testable components. This paper develops supporting research propositions that map the theoretical backgrounds of strategic Intent to the proposed model, the top management team (TMT), meaning the chairman of the board and C-suite (Wiersema & Bantel, 1992), intrapersonal and dominant functional diversity, perceived environmental uncertainty, and organization performance. The succeeding sections address the contribution to theory, practice, future research agenda, and limitations.

## STRATEGIC INTENT THEORETICAL BACKGROUND

Researchers have been discussing the impact of strategic Intent on organization performance for decades (Brown, 2015; Burgelman, 1996; Burgelman & Grove, 1996; Burgelman & Grove, 2007; Cannella, Park, & Lee, 2008; Doving & Gooderham, 2008; Fawcett, Smith, & Cooper, 1997; Finkelstein & Hambrick, 1990; D. C. Hambrick & Mason, 1984; Gary Hamel, Doz, & Prahalad, 1989; Gary Hamel & Prahalad, 1994a; Hart, 1992; T. O’Shannassy, 2010; T. F. O’Shannassy, 2016). However, the conceptual development of strategic Intent in these studies has demonstrated two potential theoretical and empirical expansion areas: the measurement of strategic Intent and whether the TMT impacts the implementation of strategic Intent. To date, Doving and Gooderham (2008), Brown (2015), and Harlow (2017) have empirically measured strategic Intent. The methodology created by Brown (2015) demonstrates the highest likelihood of being replicable across cultural and industrial boundaries. Table 1 lists the diverse conceptualizations of strategic intent in terms of the principle that determined which studies appear here. Potentially, the reason that attempts to test the concept remains empirically limited.

**TABLE 1**  
**REPRESENTATIVE STUDIES- STRATEGIC INTENT**

<b>Author(s) Year</b>	<b>Focus</b>	<b>Method</b>	<b>Conclusions</b>
(G. Hamel & C. K. Prahalad, 1989)	Strategic Intent	Theoretical	Strategic Intent is future-focused on “winning,” sets long-term goals, is creative in accessing resources, and is an active management process. Winning is about creating customers.
(Prahalad & Hamel, 1990; Prahalad & Hamel, 2000)	Core Competencies of the Corporation	Theoretical	A firm can develop strategic Intent as a core competency and, therefore, a vital firm resource.
(Hart, 1992)	Strategy Making Processes	Theoretical	Strategic Intent is vital for organization members and should be emotionally appealing.
(Burgelman, 1994)	Strategic Business Exit	Case Study	The CEO’s superior foresight informs strategic Intent.

(Gary Hamel & Prahalad, 1994a, 1994b)	Competing for the Future	Literature Study	“Strategic intent conveys a sense of direction, a sense of discovery; it implies a sense of destiny” (p.129).
(Mintzberg, 1994)	Strategy Making	Literature Study	Vision has an essential role in strategy-making.
(Smith, 1994)	Strategic Intent and Leadership	Theoretical	The business leader demonstrates the ability to see the potential of the present instead of beginning with an analysis of current or projected conditions. They rely on a commitment to a future not reasonably extrapolated.
(Meekings, Dransfield, & Goddard, 1994)	Strategic Intent	Theoretical	“In practice, however, most large organizations struggle to translate their strategic intent into operational reality with pace and vigor” (p.17).
(Hitt, Tyler, Hardee, & Park, 1995)	Strategic Intent	Theoretical	Corporate players in the world’s competitive arena must understand the strategic orientation and Intent of competitors, partners, and one’s own often nationally diverse management team.
(Burgelman, 1996; Burgelman & Grove, 1996)	Strategic Dissonance	Theoretical	“Strategic intent must be based on top management’s capacity to take advantage of the conflicting information generated by strategic dissonance” (p.9).
(Fawcett et al., 1997)	Strategic Intent	Theoretical	“A fundamental expectation is that the firm’s strategic intent should drive both measurement system design and operational performance” (p.413).
(Foto, 1998)	Strategic Intent	Theoretical	“Looking back from this envisioned point in the future, we then raise the question: What actions should we take today to reach this point in the future?” (p.400).
(Liedtka, 1998)	Strategic Thinking	Theoretical	Strategic Intent focuses on strategic thinking.
(Lovas & Ghoshal, 2000)	Strategy as Guided Evolution	Case Study	The TMT communicates its Strategic Intent through long-term goals.
(Pitt, 2001)	Strategic Intent	Theoretical	Associating strategic Intent with initiating behavior fosters cultures that encourage curiosity and innovation.
(Ice, 2007)	Strategic Intent	Case Study	“A clear strategic intent gives managers a rallying point around which to make decisions about the future of their organization and to assess product options and market decisions” (p.170).

(Mantere & Stillince, 2007)	Strategic Intent	Literature Study	“Strategic intent represents a proactive mode in strategizing, a symbol of the organization’s will about the future, which energizes all organizational levels for a collective purpose” (p.407).
(Srinivasan & Mishra, 2007)	Strategic Intent	Theoretical	“For firms to leverage synergy through M&A, the strategic intents of the acquirers and the targets should be complementary” (p.399).
(Doving & Gooderham, 2008)	Dynamic Capabilities and Related Diversification	Mixed Methods	“Strategic intent should not be confused with unfettered ambition: it is the quest for new opportunities and thereby a means of identifying a misfit between current resources and aspirations” (p.848).
(Landrum, 2008)	Strategic Intent	Narrative Analysis	“Companies can successfully utilize polyplotted and flexible narrative styles, whereas the old school of strategy suggested a single, unwavering course” (p.127).
(Rui & Yip, 2008)	Strategic Intent	Case Studies	Strategic Intent is the relentless pursuit of long-term objectives, a source of motivation, and an active and rational process to focus resources.
(Romar, 2009a, 2009b)	Strategic Intent	Theoretical	Strategic Intent will never actualize unless the organization has the skills and capabilities to achieve its desired destiny.
(Pant & Lado, 2013)	Strategic Intent and Absorptive Capacity	Theoretical	Strategic Intent and absorptive capacity drive the processes of capability.
(Mariadoss et al., 2014)	Strategic Intent	Theoretical	“The extent to which a firm tends to be risk-taking or risk-averse will essentially act to bound or amplify the effects of strategic intent” (p.2394).
(Brown, 2015)	Strategic Intent	Theoretical	“Strategic intent represents an organization’s vision and its aspired direction of growth” (p.18).
(Klooker et al., 2015)	Strategic Intent	Theoretical	“It is directed towards the future and resembles an organization’s intention about it by proactively activating all levels of it for a common purpose” (p.5).

(T. O’Shannassy, 2010; T. O’Shannassy, Kemp, & Booth, 2010; T. F. O’Shannassy, 2016)	Strategic Intent	Theoretical	“The CEO plays a key role in the strong practice of strategic intent, and the effective practice of strategic intent is underpinned by selecting, training, and developing the right human resources in the right positions (e.g., top manager, middle manager) over time to support the strategic intent” (p. 593).
(Harlow, 2017)	Knowledge Management Executive’s Effect on Strategic Intent	Theoretical	Strategic Intent implies greater flexibility in changing business environments to meet long-term goals by establishing the essence of winning through goal setting that requires personal commitment.
(Metzlar, 2017)	Strategic Intent	Theoretical	“If cooperatives have strong strategic intent, and the commitment of its members is high, the cooperative can overcome the problems stated” (p.384).

Each of the 30 studies summarized in Table 1 offers an interpretation or expansion of Hamel and Prahalad’s original definition of strategic Intent. Strategic Intent demonstrates the nine virtues of a “good theory” that Wacker (1998, p.365) posited—abstraction, conservatism, empirical riskiness, fecundity, generalizability, internal consistency, parsimony, uniqueness, and virtue (Wacker, 1998). Table 2 lays this out. Thus, it is worthwhile to seek to resolve the myriad interpretations across different usages.

**TABLE 2  
VIRTUES OF “GOOD” THEORY AND STRATEGIC INTENT**

Abstraction	It is independent of time and space.	Abstraction is the integration of many relevant, internally consistent concepts.	While measured over a sustained period, strategic Intent remains independent of time and space.
Conservatism	New theory replaces current theory when it is superior in its virtues.	The rejection of current theory is not for the sake of change.	Strategic management theory includes Strategic Intent.
Empirical Riskiness	The empirical analysis of a theory should be risky and refutable.	A theory that prohibits certain things from happening.	Doving & Gooderham (2008), Brown (2015), Harlow (2017), and Metzlar (2017) are examples of empirically risky studies.
Fecundity	A theory that can generate new models and hypotheses is better than one	A theory that expands the area of investigation across new conceptual areas is considered superior.	Strategic Intent remains a fertile area of strategic management research, and the potential for new models and hypotheses remains strong.

	that develops fewer hypotheses.		
Generalizability	The more areas the theory applies to, the better.	Theories apply to many environments.	Strategic Intent has been conceptualized and applied to numerous industries and cultures.
Internal Consistency	The theory has identified all relationships and gives an adequate explanation.	Theory concepts and relationships are logically compatible with each other.	Strategic Intent's core concepts (active management process, essence of winning, and emotional appeal) have received adequate coverage in the extant literature.
Parsimony	With all other virtues being equal, the fewer assumptions, the better.	A theory with simple explanations, few assumptions, and definitions will become overly complicated.	The assumptions of strategic intent are few: Active management processes, focus on winning, and commitment of TMT and employees.
Uniqueness	One theory must differentiate from another.	Definitions are the most elemental of building blocks for theory.	The essence of winning, employee emotional appeal, and active management process make strategic Intent unique.
Virtue	Key Feature	Summary of Importance for the Development of "Good" Theory	Relation to the Development of Strategic Intent

Strategic Intent meets the primary criterion of “good” theory by resonating with business leaders and other academics based on the amount of extant literature discussing this subject. In an assessment of Japanese businesses, Hamel and Prahalad (1989) identified one kind of business model called Komatsu, providing a clear example of strategic Intent in addressing a threat from Caterpillar, an international competitor. At Komatsu, encircling Caterpillar encompassed a succession of medium-term programs to exploit Caterpillar’s targeted specific weaknesses by looking for competitive advantages. When Caterpillar threatened Komatsu in Japan, Komatsu responded by improving quality, driving down costs, cultivating export markets, and underwriting new product development (Hamel and Prahalad, 1989, pg.64). The Komatsu example demonstrates that strategic Intent is an intentional, organization-wide commitment to sustained winning. However, it is difficult for researchers to select and empirically test similar conceptualizations of Strategic Intent.

Examining the Komatsu example through a theoretical lens and using empirical testing of the assumptions requires the identification of each assumption and a worded definition of each assumption. First, for Komatsu to encircle Caterpillar, barriers that exploit specific strategic weaknesses would need to be placed. Exploitative strategy “refines and extends existing competencies, technologies, and paradigms which exhibit financial returns that are positive, proximate, and predictable (Rothaermel, 2021; Rothaermel & Deeds, 2004). Komatsu accomplished this by improving quality and reducing costs on existing product lines. It also utilized “exploration” to cultivate export markets and underwrite new product development. Exploration strategy experiments with new ideas and alternatives, leading to uncertain future financial returns, which often may prove damaging (Rothaermel, 2021; Rothaermel & Deeds, 2004).

Komatsu’s exploitative and exploration strategies worked. While its sales had been 35% of Caterpillar’s in the 1970s, by 1985, they were 41% of Caterpillar’s, demonstrating that strategic Intent can be conceptualized and realized via organizational performance outcomes (Hamel & Prahalad, 1989). How did

Komatsu channel the ambition to “encircle Caterpillar” and transform it into a global presence with a diversified product line and billions in revenue? An element of Komatsu’s success likely resulted from the leadership of its TMT. Specifically, the TMT intrapersonal and dominant functional diversity present reasonable assessment avenues. TMT intrapersonal functional diversity is “the within-member breadth of functional experience” (Cannella et al., 2008). The TMT dominant functional diversity, on the other hand, denotes the “heterogeneity in the functional areas in which each TMT member has served the longest” (Cannella, Park, & Lee, 2008, p.769). Caterpillar responded with its version of strategic Intent by reinventing its factories in response to Komatsu (Goods, Herod, Ellem, & Rainnie, 2021; Miller & O’Leary, 2002; Tucci, Barbara, Cappel, & Wyld, 1998).

## BACKGROUND OF PROPOSED STRATEGIC INTENT MODEL

The breadth of one’s functional experience defines Intrapersonal functional diversity (Bunderson, 2003; Bunderson & Sutcliffe, 2002, 2003; Cannella et al., 2008; Raskas & Hambrick, 1992). Individuals with great intrapersonal functional diversity mean that the member has worked in more functional areas with shorter average tenure in each function area. Dominant functional diversity is the extent to which team members differ in the functional areas within which they have spent more of their careers. The number of functional regions within which team members have spent the more significant parts of their careers determine the Intrapersonal and dominant functional diversity assessment applying some version of Blau’s or Shannon’s diversity index (Corritore, Goldberg, & Srivastava, 2020; Plečnik & Wang, 2021; Wood, 2021).

The TMT intrapersonal and dominant functional diversity assessment uses two equations that offer advantages that led us to include them in our conceptual model development. Both equations are empirically testable, relying on, first, the intrapersonal functional diversity equation,  $\sum_{i=1}^n (1 - \sum_{j=1} P_{ij}^2) / n$ , where the proportion of executive’s (i’s) total years spent in function j, and n is the number of TMT members (Cannella, Park & Lee, 2008, p.773). Second, the dominant functional diversity equation,  $1 - \sum S_i^2$  where  $S_i$  represents the proportion of TMT in the ith category (Cannella, Park, & Lee, 2008, p.773). The TMT intrapersonal and dominant functional diversity measures utilize equal interval scoring (0=low intrapersonal functional diversity and 1=high intrapersonal functional diversity, and for dominant functional diversity, the scale is 0=TMT dominated by a single category of functional members and 1=Indicates higher level of functional area diversity (Cannella et al., 2008; Casper, Edwards, Wallace, Landis, & Fife, 2020). Additionally, the TMT intrapersonal and dominant functional diversity is theoretically consistent in assumptions and definitions (Cannella, Park, & Lee, 2008).

As the global business environment expands, it becomes difficult for companies to rely solely on their leadership to address complexity and uncertainty in the competitive landscape (Cannella, Park, & Lee, 2008, p.768). Our conceptual model does not dismiss prior theoretical evidence that leaders alone link to the conceptualization and execution of strategic Intent (T. F. O’Shannassy, 2016). However, TMT members’ surrounding leadership also plays an important role, given the increased complexity of the global business environment. TMT communication among and outside formal business communication channels improves organizational performance in high-uncertainty environments (Cannella, Park, & Lee, 2008). Communication is critical, as Bunderson (p.460, 2003) notes, if such interactions “contribute to a large and more structurally sparse network that has a diverse knowledge base” that TMT members know, “how to tap into (Bunderson, 2003).” Additionally, TMTs with high intrapersonal functional diversity tend to be more centrally located in team workflows and exert more significant influence over decision-making (Bunderson, 2003; Bunderson & Sutcliffe, 2002, 2003).

The integration of TMT intrapersonal functional diversity empowers individual managers to utilize their backgrounds and experiences to identify the significant problems facing business lines (Cannella et al., 2008; Finkelstein & Hambrick, 1990). TMT empowerment, shared experiences, and overlapping Intra-organizational networks further contribute to group effectiveness (Cannella et al., 2008). Furthermore, TMT intrapersonal functional diversity tends to reduce parochialism, which can deter effective decision-making

in high-uncertainty environments (Raskas & Hambrick, 1992). It also increases “the breadth of knowledge, perspectives, and intellectual capabilities that the team brings to decision-making processes” (Cannella, Park, & Lee, 2008, p.770) and the “capacity to predict, interpret, and respond to environmental changes (M. A Carpenter, 2002; Keck, 1997). Intrapersonal functional diversity affords TMTs more creativity to generate alternatives to solve complex problems and reduce groupthink (Bunderson & Sutcliffe, 2002; Cannella et al., 2008; M. A. Carpenter, Geletkanycz, & Sanders, 2004; Wiersema & Bantel, 1992).

The wide range of experience and perspectives from TMT dominant functional diversity should lead to a more thorough evaluation of alternatives, increasing decision effectiveness (Smith, 1994) and, ultimately, strategic outcomes in conditions of optimal misalignment. Optimal misalignment is the “misfit between resources and ambitions where firms stretch future goals in the face of limited current resources” (Hamel & Prahalad, 1989, p.67). Organizations may need to prioritize existing resources and acquisition of new resources as their goals stretch. As seen with the Komatsu example above, the overarching concept of strategic Intent is to build a company’s resources and capabilities to compete with rivals (Brown, 2015). Since strategic Intent represents an organization’s desired place in the global marketplace, TMTs are pivotal in shaping resource allocation and capability development to achieve the end goal (to “encircle Caterpillar”; Brown, 2015, p.19).

TMTs that effectively scan the environment and position themselves in relevant markets can separate from rivals and increase the likelihood of realizing positive organizational performance outcomes (Mantere & Stillince, 2007). Intentional, strategic intent processes and TMT involvement aim to achieve “ambitious targets within a 10 to 20-year time horizon, relentlessly developing and transforming firm capabilities to achieve a competitive advantage” (Burgelman & Grove, 1996, p.8). In summary, TMTs that exhibit high levels of intrapersonal and dominant functional diversity create an organizational environment where strategic Intent can be implemented and realized.

## **PROPOSED CONCEPTUAL MODEL**

The proposed conceptual strategic intent model attempts to theoretically map TMT’s intrapersonal and dominant functional diversity, Strategic Intent and perceived environmental uncertainty on organization performance. Perceived environment uncertainty is the degree to which an absence of pattern, unpredictability, and unexpected change characterize a firm’s competitive context (Dess & Beard, 1984; Keats & Hitt, 1988). In contrast to a literature review, a theory synthesis, through the summarization and integration of existing available literature, allowed the authors to structure into a testable model using three research streams (Jaakkola, 2020). Since the research streams of TMT intrapersonal and dominant functional diversity and strategic Intent are mature, a systematic literature review would have only identified gaps. The summarization and integration process transformed piecemeal ideas into one conceptual model.

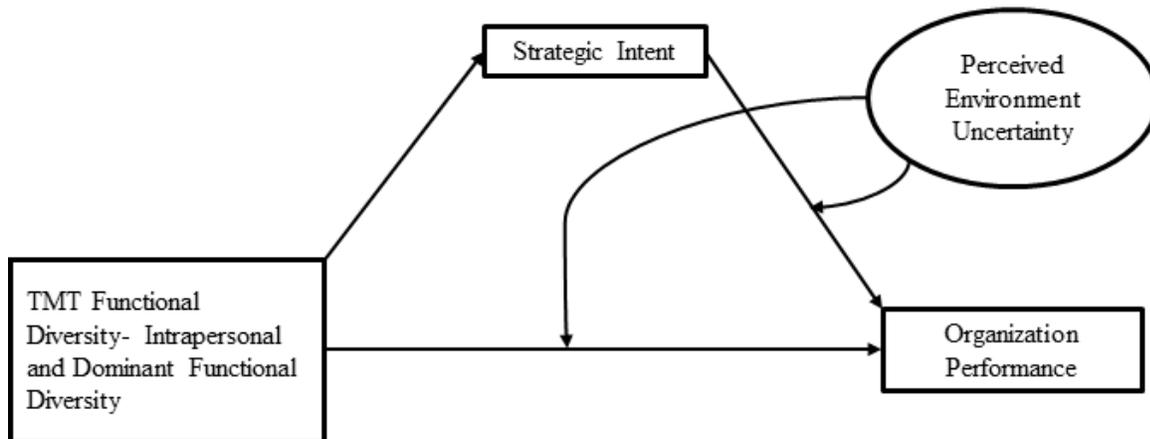
The authors used Google Scholar, EBSCO, and ProQuest to collect 110 papers on TMT intrapersonal and dominant diversity, strategic Intent, and perceived environmental uncertainty. Articles that did not directly reference TMT intrapersonal and dominant diversity, strategic intent, and perceived environmental uncertainty did not meet the authors’ criteria, eliminating 40 articles. To explore the proposed conceptual framework, the authors pose the following research questions: How can strategic Intent be measured and quantified in a way that affords researchers a replicable approach across various industrial and cultural contexts? Does perceived environment uncertainty positively impact TMT intrapersonal and dominant functional diversity? How can TMT’s intrapersonal and dominant functional diversity positively impact strategic Intent and organizational performance?

## **RESEARCH PROPOSITIONS**

Figure 1 below depicts a moderated mediation set of relationships between the study variables TMT intrapersonal and dominant functional diversity, strategic Intent, perceived environmental uncertainty, and organization performance (Edwards & Lambert, 2007). Strategic Intent mediates the relationship between

the TMT Functional Diversity and Organizational Performance. Perceived Environment Uncertainty moderated the relationship between Strategic Intent and Organizational Performance and the relationship between TMT Functional Diversity and Organizational Performance. The following section provides research propositions that reflect the moderated mediation model.

**FIGURE 1**  
**MODERATED MEDIATION THEORETICAL MODEL**



One of the fundamental tenets of strategic management is that for organizations to grow and prosper, the establishment of internally consistent competitive tactics must exist (Bantel, 1993; Bantel & Jackson, 1989), p.1187). Internally consistent competitive tactics become streamlined when the TMT executives with various skills, knowledge, abilities, and perspectives work together (Bantel & Jackson, 1989, p.109). Such TMTs exhibit creativity “in novel ways, as cross-functional communication is generally acknowledged as an important precursor to innovation” (Bantel & Jackson, 1989, p.111). If each TMT member brings a specific field of vision to the decision-making process, the foundation of strategic Intent becomes more stable (D. C. Hambrick & Mason, 1984). One of the difficulties associated with conceptualizing strategic Intent is the degree of CEO foresight.

While CEO foresight can be essential in the initial development of strategic Intent, organization-wide employee commitment and strategy stabilization concepts also require active TMT involvement (M. A. Carpenter, 2002; M. A. Carpenter & Fredrickson, 2001; M. A. Carpenter et al., 2004). CEOs who understand the limitations of reaching their self-transcendent strategic Intent will most likely fully realize everyone’s unique potential (Drucker, 1993). CEO harnessing TMT intrapersonal functional diversity can improve firm performance outcomes (Cannella et al., 2008). TMT intrapersonal functional diversity plays a crucial role in developing strategic Intent. The role of intrapersonal functional diversity suggests a positive relationship between TMT intrapersonal functional diversity and organizational performance. Therefore:

**Proposition 1:** *High levels of TMT intrapersonal and dominant functional diversity will positively impact organizational performance.*

Intuitive, inspirational, and people-oriented management practices shaped the conceptual development of strategic Intent (Gary Hamel et al., 1989; G. Hamel & C. Prahalad, 1989; G. Hamel & C. K. Prahalad, 1989; T. O’Shannassy, 2010; T. O’Shannassy et al., 2010; T. F. O’Shannassy, 2016). Well-integrated TMTs foster inspirational and people-oriented management practices (Ou et al., 2014). They tend to shape initiatives that avoid restricting employee talent and creative contributions throughout the organization (Mantere & Stillince, 2007). Additionally, intrapersonal and dominant functional diversity in TMT can lower the psychological stake when generating alternatives, allowing for quick shifting between options (Eisenhardt, 1989). As the psychological stake in complex decision-making environments decreases, the

likelihood of acting quickly on negative information that could impact the organization's strategic Intent increases (Eisenhardt, 1989). Komatsu's intent to "encircle Caterpillar" does not occur in a static strategic environment. The "foresight" needed for strategic Intent resides in the TMT's ability to diffuse emotional appeal in high levels of perceived environmental uncertainty.

A few better examples of realized strategic intent exist than those of Amazon. In 1997, Amazon's strategic Intent during its initial public offering (IPO) was to use the Internet to create real value for its customers and, by doing so, to create an enduring franchise, even in established and large markets. Amazon's return on assets (ROA) in 2005 was \$3.70 billion; in 2019, it was \$225.25 billion. Theoretically, CEO tenure and foresight positively impact organizational performance (Simsek, 2007). However, a close examination of Amazon's history reveals that a team of committed TMT members is crucial to the company's foresight and ability to accomplish such an ambitious strategic intent. When Andy Jassy took over as CEO of Amazon from Jeff Bezos in 2021, Amazon laid off approximately 27,00 workers from its Alexa division and physical Amazon stores and replaced at least eight executives in his top management team while remaining true to the three core tenets of Amazon's success: customer obsession, a willingness to invent and accept failure, and patience to have a long-term focus (Jackson & Kim, 2023). High TMT intrapersonal and dominant functional diversity levels likely benefited the company's expansion of product lines and market segmentations. High TMT impact suggests a positive relationship between TMT intrapersonal functional diversity and strategic Intent. Therefore:

***Proposition 2: High levels of TMT intrapersonal and dominant functional diversity will positively influence an organization's propensity for achievable Strategic Intent.***

Strategic inflection points (SIP) "give way of one type of industry dynamics and strategy to another" (Burgelman & Grove, 1996, p.10). These SIPs create dynamics, whereas staying on the same strategic course can result in significant and potentially negative impacts on firm performance; specifically ROA and return on invested capital (ROIC) (Damodaran, 2007). The concept of staying on course in the face of (or when encountering) clear environmental warning signs to change course is known as strategic dissonance. Astute TMTs can improve organizational performance if they take advantage of this divergence between strategic action and Intent (Burgelman & Grove, 1996; Burgelman & Grove, 2007). The divergence can take the form of newly adopted strategies aligned with the organization's strategic Intent and expected performance outcomes (Burgelman & Grove, 1996).

Scanning and creating initiatives that can withstand high perceived environmental uncertainty is necessary to achieve the expected performance outcomes of strategic Intent. Initiatives that simultaneously improve "soft" and "hard" strategies further impact strategic Intent on organizational performance outcomes (Mintzberg, 1994; T. O'Shannassy, 2010; T. O'Shannassy et al., 2010; T. F. O'Shannassy, 2016). An organization's strategic intent is maximized when the TMT accounts for and embraces perceived environmental uncertainty rather than avoids it. In this way, Strategic Intent helps the organization. It guides the TMT as they push the organization forward into the future. Therefore:

***Proposition 3: Strategic Intent positively impacts organizational performance.***

Strategic Intent is a positive strategy that transforms resources, even when perceived environmental uncertainty is high, into positive organizational performance outcomes. Komatsu pursued its strategic Intent of "encircling Caterpillar" when its sales were 35% of Caterpillar's, and levels of perceived environmental uncertainty were high (G. Hamel & C. K. Prahalad, 1989; G. Hamel & Prahalad, 1990). The link between intrapersonal functional diversity and more effective TMT functioning should deliver improved strategic intent implementation in uncertain environments (Bunderson & Sutcliffe, 2002, 2003). To this end, companies should structure and align TMTs with high levels of intrapersonal and dominant functional diversity with the company's external environment (Cannella et al., 2008).

TMTs less committed to the status quo are more likely to achieve strategic Intent since the conceptualization, process execution, and eventual realization of Strategic Intent occurs in highly uncertain

environments (Donald C Hambrick, Geletkanycz, & Fredrickson, 1993; Raskas & Hambrick, 1992). In uncertain environments, “the implications of strategic inertia can be strong and harmful to organization performance” (Hannan & Freeman, 1984). TMTs that are low on intrapersonal and dominant functional diversity accentuate strategic inertia and harm organizational performance (Donald C Hambrick et al., 1993). In contrast, the benefits of TMT intrapersonal and dominant functional diversity magnify as perceived environmental uncertainty increases (Cannella et al., 2008). TMTs in high-uncertainty environments diffuse strategic Intent’s emotional appeal across the organization. The TMT’s ability to function and even thrive in high uncertainty increases the likelihood that limited resources and the attempt to achieve ambitious organizational goals occur. Therefore:

**Proposition 4:** *Perceived environmental uncertainty mediates the positive relationship between strategic Intent and organizational performance.*

**Proposition 4:** *Perceived environmental uncertainty mediates the positive relationship between TMT Functional Diversity and organization performance.*

Strategic Intent should set the tone for resource allocation, capability attainment, fiscal management, and TMT composition. While strategic Intent is an ambitious aim, the concept can be tested empirically in a replicable manner. The recommended strategic intent measurement method adopted by Brown (2015) is as follows:

R&D Intensity  $i(t-2 \rightarrow t-1) = \text{R\&D Expenditures}_i(t-2 \rightarrow t-1) / \text{Total Revenues}_i(t-2 \rightarrow t-1)$ .

Marketing Intensity  $i(t-2 \rightarrow t-1) = \text{SG\&A Expenses}_i(t-2 \rightarrow t-1) / \text{Total Revenues}_i(t-2 \rightarrow t-1)$ .

Fixed Capital Intensity  $i(t-2 \rightarrow t-1) = \text{PP\&E Assets}_i(t-2 \rightarrow t-1) / \text{Total Revenues}_i(t-2 \rightarrow t-1)$ .

Then, Strategic Intent  $(t-2 \rightarrow t-1) = \Sigma (\text{R\&D Intensity, Marketing Intensity, Fixed Asset Intensity}) i(t-2 \rightarrow t-1)$ .

Studying a firm’s expenditures portrays an organization’s commitment to spending finite resources to harness strategic Intent’s velocity and direction (Brown, 2015). The proposed measurement method allows future researchers to measure strategic Intent utilizing readily available financial data (Colquitt & Zapata-Phelan, 2007). Environmental uncertainty requires the summing of Net Sales (M. A. Carpenter & Fredrickson, 2001), and then to assess environmental uncertainty, the previous year’s net sales would be regressed utilizing the equation  $y_t = b_0 + b_1 * t + e_t$ , where  $y_t$  is industry sales,  $t$  is the year, and  $e$  is the residual (Cannella et al., 2008). Environmental uncertainty becomes the standard deviation of the regression coefficient ( $b_1$ ) divided by industry-average sales over five years (Cannella, Park, & Lee, 2008, p.774).

## LIMITATIONS AND FUTURE RESEARCH

Strategic Intent has numerous future research opportunities, especially from an empirical perspective. The empirical examination of strategic intent could realistically occur in any industry where financial and TMT information has been available for at least the previous ten years. The research propositions presented allow future researchers to examine the proposed conceptual model from a theoretical or empirical perspective. Even after three decades, the call for empirical research on strategic Intent is still relevant. In contrast to examining strategic Intent with qualitative and case study approaches, this conceptual paper’s premise was to stimulate more rigorous theoretical and empirical examination in future studies.

While untraditional in theory synthesis or conceptual papers, the inclusion of measurement constructs was necessary to clarify the “what, how, and why” of strategic Intent (Whetten, 1989, p.491). As the global business environment becomes more complex, previous approaches to expanding the strategic intent literature are less effective.

A fundamental limitation of this model is that TMT's measurement of intrapersonal and dominant functional diversity levels is self-reported and subject to organizational interpretation. Future studies might develop standard measures of intrapersonal and dominant functional diversity levels to yield valuable data to predict performance outcomes. The data collection process to replicate the outlined research agenda in this paper is quite ambitious, time-consuming, and potentially prone to measurement challenges. Additionally, context is essential as limits exist on the generalizability of strategic Intent across geographic locations, business cultures, and TMT configurations (Bentley, 2015; Whetten, 1989, 1989b). Finally, benchmarking what strategic Intent looks like varies significantly by industry, location, and environmental factors.

## CONCLUSION

This paper provides a roadmap for examining Strategic Intent in future research. Transitioning from qualitative to empirical research could significantly strengthen strategic Intent's future scholarly and practical impact. The research propositions integrate TMT intrapersonal and dominant functional diversity in a manner that allows for examining each from multiple perspectives. Rather than constraining future research, the conceptual model proposed to generate robust avenues and directions that researchers could better inform theory and practice. As the global business environments expand in complexity and scope, organizations that can successfully execute strategic Intent will likely realize positive organizational performance outcomes.

Organizations face significant environmental and leadership challenges in establishing Strategic Intent as a TMT leadership resource (T. O'Shannassy, 2010; T. O'Shannassy et al., 2010; T. F. O'Shannassy, 2016). Even the best TMTs with the most robust strategic planning and organizational designs face unforeseen SIPs that challenge the organization's existence, such as COVID-19 and its resulting economic fallout. When organizations focus on short-term financial outcomes, the essence of sustained winning and employee emotional appeal for future success lessens, making long-term success less achievable.

As the level of TMT intrapersonal and dominant functional diversity increases, so does the positive impact on strategic Intent and organizational performance. TMTs who exhibit intrapersonal and dominant functional diversity tend to thrive in high-uncertainty environments and drive positive organizational performance outcomes. The research propositions presented are theoretically and empirically testable. Incorporating environmental uncertainty and characteristics of TMTs that successfully navigate challenging environments heeds the call for this stream of research to have increased real-world applicability (Neely Jr, Lovelace, Cowen, & Hiller, 2020).

## REFERENCES

- Bantel, K.A. (1993). Strategic clarity in banking: Role of top management team demography. *Psychological Reports, 73*(3), 1187–1201.
- Bantel, K.A., & Jackson, S.E. (1989). Top management and innovations in banking: Does the composition of the top team make a difference? *Strategic Management Journal, 10*(1), 107–124.
- Bentley, T. (2015). Editorial: Some thoughts from the new editor-in-chief. *Journal of Management & Organization, 21*(1), 1.
- Brown, R.S. (2015). Strategic Intent, capabilities, and financial performance: A study of the Pharmaceutical Industry. *Journal of Management Policy and Practice, 16*(1), 18–30.
- Bunderson, J.S. (2003). Recognizing and utilizing expertise in work groups: A status characteristics perspective. *Administrative Science Quarterly, 48*(4), 557–591.
- Bunderson, J.S., & Sutcliffe, K.M. (2002). Comparing alternative conceptualizations of functional diversity in management teams: Process and performance effects. *Academy of Management Journal, 45*(5), 875–893.
- Bunderson, J.S., & Sutcliffe, K.M. (2003). Management team learning orientation and business unit performance. *Journal of Applied Psychology, 88*(3), 552.

- Burgelman, R.A. (1994). Fading Memories: A Process Theory of Strategic Business Exit in Dynamic Environments. *Administration Science Quarterly*, 39(1), 24–56.
- Burgelman, R.A. (1996). A process model of strategic business exit: Implications for an evolutionary perspective on strategy. *Strategic Management Journal*, 17, 193–214.
- Burgelman, R.A., & Grove, A.S. (1996). Strategic dissonance. *California Management Review*, 38(2), 8–28.
- Burgelman, R.A., & Grove, A.S. (2007). Let chaos reign, then rein in chaos—repeatedly: Managing strategic dynamics for corporate longevity. *Strategic Management Journal*, 28.
- Cannella, A.A., Park, J.-H., & Lee, H.-U. (2008). Top management team functional background diversity and firm performance: Examining the roles of team member colocation and environmental uncertainty. *Academy of Management Journal*, 51(4).
- Carpenter, M.A. (2002). The implications of strategy and social context for the relationship between top management team heterogeneity and firm performance. *Strategic Management Journal*, 23(3), 275–284.
- Carpenter, M.A., & Fredrickson, J.W. (2001). Top management teams, global strategic posture, and the moderating role of uncertainty. *Academy of Management Journal*, 44(3), 533–545.
- Carpenter, M.A., Geletkanycz, M.A., & Sanders, W.G. (2004). Upper echelons research revisited: Antecedents, elements, and consequences of top management team composition. *Journal of Management*, 30(6), 749–778.
- Casper, W.C., Edwards, B.D., Wallace, J.C., Landis, R.S., & Fife, D.A. (2020). Selecting response anchors with equal intervals for summated rating scales. *Journal of Applied Psychology*, 105(4), 390–409.
- Colquitt, J.A., & Zapata-Phelan, C.P. (2007). Trends in theory building and theory testing: A five-decade study of the Academy of Management Journal. *Academy of Management Journal*, 50(6), 1281–1303.
- Corritore, M., Goldberg, A., & Srivastava, S.B. (2020). Duality in diversity: How intrapersonal and interpersonal cultural heterogeneity relate to firm performance. *Administrative Science Quarterly*, 65(2), 359–394.
- Damodaran, A. (2007). *Return on capital (ROC), return on invested capital (ROIC), and return on equity (ROE): Measurement and implications*.
- Dess, G.G., & Beard, D.W. (1984). Dimensions of organizational task environments. *Administrative Science Quarterly*, pp. 52–73.
- Doving, E., & Gooderham, P. (2008). Dynamic capabilities as antecedents of the scope of related diversification: The case of small firm accountancy practices. *Strategic Management Journal*, 29, 841–857.
- Drucker, P.F. (1993). *Managing for the Future*. Routledge.
- Edwards, J.R., & Lambert, L.S. (2007). Methods for integrating moderation and mediation: A general analytical framework using moderated path analysis. *Psychological Methods*, 12(1), 1.
- Eisenhardt, K.M. (1989). Making fast strategic decisions in high-velocity environments. *Academy of Management Journal*, 32(3), 543–576.
- Fawcett, S.E., Smith, S.R., & Cooper, M.B. (1997). Strategic Intent, measurement capability, and operational success: Making the connection. *International Journal of Physical Distribution & Logistics Management*, 27(7), 410–421.
- Finkelstein, S., & Hambrick, D.C.A.s.q. (1990). Top-management-team tenure and organizational outcomes: The moderating role of managerial discretion. *Administrative Science Quarterly*, 35(3), 484–503.
- Foto, M. (1998). The Merlin factor: Creating our strategic Intent for the future today. *American Journal of Occupational Therapy*, 52(6), 399–402.
- Goods, C., Herod, A., Ellem, B., & Rainnie, A. (2021). Warring Brothers: Constructing Komatsu's and Caterpillar's globalization. *Tempo Social*, 33, 123–142.

- Hambrick, D.C., & Mason, P.A. (1984). Upper echelons: The organization as a reflection of its top managers. *Academy of Management Review*, 9(2), 193–206.
- Hambrick, D.C., Geletkanycz, M.A., & Fredrickson, J.W. (1993). Top executive commitment to the status quo: Some tests of its determinants. *Strategic Management Journal*, 14(6), 401–418.
- Hamel, G., & Prahalad, C. (1989, May–June). Strategic Intent: to revitalize corporate performance, we need a whole new model of strategy. *Harvard Business Review*, 67(3), 63.
- Hamel, G., & Prahalad, C.K. (1989). Strategic Intent. *Harvard Business Review*, 67(3), 63.
- Hamel, G., & Prahalad, C.K. (1990). Strategic Intent. *Mckinsey Quarterly*, 1, 36–61.
- Hamel, G., & Prahalad, C.K. (1994a, July/August). Competing for the future. *Harvard Business Review*, 72(4), 122.
- Hamel, G., & Prahalad, C.K. (1994b, September 5). Seeing the future first. *Fortune*, 130(5), 64.
- Hamel, G., Doz, Y.L., & Prahalad, C.K. (1989). Collaborate with your competitors -- and win. *Harvard Business Review*, 67(1), 133.
- Hannan, M.T., & Freeman, J. (1984). Structural inertia and organizational change. *American Sociological Review*, pp. 149–164.
- Harlow, H.D. (2017). Chief Knowledge officers and other knowledge management executives effect on strategic intent, intellectual capital generation, and firm performance. An empirical research study of chief knowledge officers and knowledge executives in the USA. *The Electronic Journal of Knowledge Management*, 15(3).
- Hart, S.L. (1992). An integrative framework for strategy-making processes. *Academy of Management Review*, 17, 327–351.
- Hitt, M.A., Tyler, B.B., Hardee, C.A., & Park, D. (1995). Understanding strategic Intent in the global marketplace. *Academy of Management Perspectives*, 9(2), 12–19.
- Ice, J.W. (2007). Strategic Intent: A key to business strategy development and culture change. *Organizational Development Journal*, 25(4), 169–175.
- Jaakkola, E. (2020). Designing conceptual articles: Four approaches. *AMS Review*, pp. 1–9.
- Jackson, S., & Kim, E. (2023). Amazon CEO: Inside the company's leadership evolution and executive decision-makers. *Business Insider*.
- Keats, B.W., & Hitt, M.A. (1988). A causal model of linkages among environmental dimensions, macro organizational characteristics, and performance. *Academy of Management Journal*, 31(3), 570–598.
- Keck, S.L. (1997). Top management team structure: Differential effects by environmental context. *Organization Science*, 8(2), 143–156.
- Klooker, M., Matzdorf, S., Nicolai, C., Boettcher, L., & Trost, A. (2015). *The Importance of Strategic Intent in Developing Innovation Space*. Paper presented at the International Society for Professional Innovation Management (ISPIM).
- Landrum, N.E. (2008). A narrative analysis revealing strategic Intent and posture. *Qualitative Research in Organizations and Management*, 3(2), 127–145.
- Liedtka, J.M. (1998). Strategic thinking: can it be taught? *Long Range Planning*, 31(1), 120–129.
- Lovas, B., & Ghoshal, S. (2000). Strategy as guided evolution. *Strategic Management Journal*, 21, 875–896.
- Mantere, S., & Stillince, J.A.A. (2007). Strategic Intent as a rhetorical device. *Scandinavian Journal of Management*, 23(4), 406–423.
- Mariadoss, B.J., Johnson, J.L., & Martin, K.D. (2014). Strategic Intent and performance: The role of resource allocation decisions. *Journal of Business Research*, 67(11), 2393–2402.
- Meekings, A., Dransfield, J., & Goddard, J. (1994). Implementing strategic Intent: The power of an effective business management process. *Business Strategy Review*, 5(4), 17–31.
- Metzlar, A. (2017). Strategic Intent and the strategic position of smallholders: A case study of a smallholders' organization in the Ghanaian cocoa industry. *Review of Social Economy*, 75(3), 371–387.

- Miller, P., & O'Leary, T. (2002). Rethinking the factory: Caterpillar Inc. *Cultural Values*, 6(1–2), 91–117.
- Mintzberg, H. (1994). *The rise and fall of strategic planning*. London, UK: Prentice-Hall.
- Neely Jr., B.H., Lovelace, J.B., Cowen, A.P., & Hiller, N.J. (2020). Metacritiques of upper echelons theory: Verdicts and recommendations for future research. *Journal of Management*, 46(6), 1029–1062.
- O'Shannassy, T. (2010). Board and CEO practice in modern strategy-making: How is strategy developed, who is the boss and in what circumstances? *Journal of Management & Organization*, 26, 280–298.
- O'Shannassy, T., Kemp, S., & Booth, C. (2010). Case studies in MBA strategic management curriculum development from Australian universities. *Journal of Management & Organization*, 16, 467–480.
- O'Shannassy, T.F. (2016). Strategic Intent: The literature, the construct, and its role in predicting organization performance. *Journal of Management & Organization*, 22(5), 583–598.
- Ou, A.Y., Tsui, A.S., Kinicki, A.J., Waldman, D.A., Xiao, Z., & Song, L.J. (2014). Humble chief executive officers' connections to top management team integration and middle managers' responses. *Administrative Science Quarterly*, 59(1), 34–72.
- Pant, S., & Lado, A. (2013). Strategic business process offshoring and competitive advantage: The role of strategic Intent and absorptive capacity. *Journal of Information Science and Technology*, 9(1), 25–58.
- Pitt, M. (2001). In pursuit of change: Managerial constructions of strategic Intent. *Strategic Change*, 10(1), 5.
- Plečnik, J.M., & Wang, S. (2021). Top management team intrapersonal functional diversity and tax avoidance. *Journal of Management Accounting Research*, 33(1), 103–128.
- Prahalad, C.K., & Hamel, G. (1990). The core competence of the corporation. *Harvard Business Review*, 68(3), 79–93.
- Prahalad, C.K., & Hamel, G. (2000). The core competence of the corporation. In *Strategic Learning in a Knowledge Economy* (Vol. 1).
- Raskas, D.F., & Hambrick, D.C. (1992). Multifunctional managerial development: A framework for evaluating the options. *Organizational Dynamics*, 21(2), 5–17.
- Romar, E.J. (2009a). *Harmony as Strategic Intent: How the Confucian concept of harmony can contribute to firm success*. Paper presented at the 7th International Conference on Management, Enterprise and Benchmarking.
- Romar, E.J. (2009b). Strategic Intent, Confucian harmony, and firm success. *Acta Polytechnica Hungarica*, 6(3), 57–67.
- Rothaermel, F.T. (2021). *Strategic Management*.
- Rothaermel, F.T., & Deeds, D.L. (2004). Exploration and exploitation alliances in biotechnology: A system of new product development. *Strategic Management Journal*, 25(3), 201–221.
- Rui, H., & Yip, G.S. (2008). Foreign acquisitions by Chinese firms: A strategic intent perspective. *Journal of World Business*, 43(2), 213–226.
- Simsek, Z. (2007). CEO tenure and organizational performance: An intervening model. *Strategic Management Journal*, 28(6), 653–662.
- Smith, C.E. (1994). The Merlin factor: leadership and strategic Intent. *Business Strategy Review*, 5(1), 67–84.
- Srinivasan, R., & Mishra, B.P. (2007). *Why do firms merge/acquire: An analysis of strategic Intent in recent M&A activity among Indian firms*.
- Tucci, J.E., Barbara, F., Cappel, S.D., & Wyld, D. (1998). *Clash of the Titans: A Case Study of the Earth Moving Industry*. Paper presented at the International Academy for Case Studies.
- Wacker, J.G. (1998). A definition of theory: Research guidelines for different theory-building research methods in operations management. *Journal of Operations Management*, 16(4), 361–385.
- Whetten, D.A. (1989). What constitutes a theoretical contribution? *Academy of Management Review*, 14(4), 490–495.

- Wiersema, M.F., & Bantel, K.A. (1992). Top management team demography and corporate strategic change. *Academy of Management Journal*, 35(1), 91–121.
- Wood, M.L. (2021). Measuring cultural diversity in text with word counts. *Social Psychology Quarterly*, 0(0), 01902725231194356.