Organization’s stability and productivity: the role of SWOT analysis an acronym for strength, weakness, opportunities and threat

Ifediora Christian Osita, Idoko Onyebuchi R. and Nzekwe Justina
M Sc. Student, Department of Estate Management, Nnamdi Azikiwe University Awka Anambra State.

Abstract:
There is no doubt that for an organization to actually remain stable and productive effort should be made to identify what constitute their strength, weakness, opportunities and threat, hence the acronym SWOT. It is the identification and careful analysis that would actually keep every productive organization going. If an organization does not make necessary effort to identify its strength, weakness, opportunities and threat, such organization is bound to fail in area of productivity as such organisation will not be stable. This paper however dealt on the actual meaning and what the acronym stands for and its evaluation in two private schools. The paper however identified what constituted strength, weakness, opportunities and threat of the two schools. SWOT analysis however helped one of the two studied to advance in the face of growing challenges thereby leading to its stability and increased productivity.

Key Words: Strength, weakness, opportunities, threat, stability, productivity and organization.

Introduction
To achieve stability in an organization, the management of such organization must as a matter of fact familiarize himself/herself of the aims and objectives of the organization and a matter of importance know or get himself acquainted of the organizations vision and mission.

For an organization to achieve her aims and objectives, she must regularly review or take a detailed study of internal and external factors that would directly impact or affect the organization success. The ability of the management to study these external and internal factors, analyse them and properly apply them is what distinguishes them from other organizations or simply makes them stand out.

An organization that has mission and vision must do everything possible to work towards achieving its mission and vision. The aims and objectives, is what she must pursue vigorously with high sense of commitment and passion in order to achieve stability.

It is worthy to note that managing an organization in order to ensure stability as it regards her goals and objectives, some strategic planning process should be employed. For the purpose of this exercise SWOT analysis which is part of strategic planning tool shall be considered.

The concept of SWOT analysis/ definitions and views:

The SWOT analysis is one of several strategic planning tools that are used by businesses and other organizations to ensure that there is a clear objective defined for the project or venture, and that all factors related to the effort, both positive and negative, are identified and addressed. In order to accomplish this task, the process involves four areas of consideration: strengths, weaknesses, opportunities, and threats. It should be noted that, when identifying and classifying relevant factors, the focus is not just on internal matters, but also external components that could impact the success of the project.

SWOT Analysis is the most renowned tool for audit and analysis of the overall strategic position of the business and its environment. Its key purpose is to identify the strategies that will create a firm specific business model that will best align an organization’s resources and capabilities to the requirements of the environment in which the firm operates. In other words, it is the foundation for evaluating the internal potential and limitations and the probable/likely opportunities and threats from the external environment. It views all positive and negative factors inside and outside the firm that affect the success. A consistent study of the environment in which the firm operates helps in forecasting/predicting the changing trends and also helps in including them in the decision-making process of the organization.
The acronym SWOT refers to the strengths and weaknesses of the service and the opportunities and threats which it faces. SWOT analysis can be applied to develop and extend the conclusions drawn from investigation of the external environment. It seeks to identify the opportunities and threats in the external environment and the strengths and weaknesses of existing resources and activities which might be used to take advantage of opportunities or avert threats. The analysis enables informed decisions to be taken about the ability of the existing records service to contribute to the development of a new programme.

A SWOT analysis is a strategic balance sheet of an organization; that is the strengths of the organization, the weaknesses of the organization, the opportunities facing the organization, and the threats facing the organization. It is one of the cornerstone analytical tools to help an organization develop a preferred future. It is one of the time tested tools that has the capacity to enable an organization to understand itself. To respond effectively to changes in the environment, we must understand our external and internal contexts so we can develop a vision and a strategy that link the two. We need to weave together our understanding of our organization and our actions to develop a future.

The SWOT analysis is part of a company's strategic planning process where it connects its objectives and strategies to actionable tactics carried out by employees. Specifically, SWOT is part often of the situation analysis, where the company determines where it stands on four key strategic areas to better determine what changes to make.

Also, by definition, Opportunities (O) and Threats (T) are considered to be external factors over which you have essentially no control.

**SWOT Analysis framework:**

Or represented thus:

**Internal forces**

**External forces**

- **Strengths:**
- **Weaknesses:**

- **Opportunities:**
- **Threats:**

*What are we good at?*  *Anything happening outside which might actually benefit us if we take advantage of it?*

*Weaknesses:*  *Threats:*

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What do we need to get a grip on? Anything happening outside which we need to be able to defend ourselves from?

The four items of the abbreviation SWOT:

An overview of the four factors (Strengths, Weaknesses, Opportunities and Threats) is given below:

1. **Strengths** - Strengths are the qualities that enable us to accomplish the organization’s mission. These are the basis on which continued success can be made and continued/sustained. Strengths can be either tangible or intangible. These are what you are well-versed in or what you have expertise in, the traits and qualities your employees possess (individually and as a team) and the distinct features that give your organization its consistency. Strengths are the beneficial aspects of the organization or the capabilities of an organization, which includes human competencies, process capabilities, financial resources, products and services, customer goodwill and brand loyalty. Examples of organizational strengths are huge financial resources, broad product line, no debt, committed employees, etc.

Strengths are attributes or characteristics within the organization that are considered to be important to the execution and ultimate success of the project. Examples that are often cited include experienced management, state of the art manufacturing facilities, and a solid profit line already in place.

**Strengths can be of:**

- Long-serving and committed records staff
- Good relations between records staff and users
- Capacious and well-equipped storage areas for paper records
- Established systems for controlling access and maintaining confidentiality.

Strength may include also:

- Something we do well.
- Valuable know how.
- Assets (physical, human, intangible)
- Competitive capability.
- Attributes.
- Ventures, alliances.

One can pose these questions: What strengths do we rely on? Which do we ignore?

2. **Weaknesses** - Weaknesses are the qualities that prevent us from accomplishing our mission and achieving our full potential. These weaknesses deteriorate influences on the organizational success and growth. Weaknesses are the factors which do not meet the standards we feel they should meet. Weaknesses in an organization may be depreciating machinery, insufficient research and development facilities, narrow product range, poor decision-making, etc. Weaknesses are controllable. They must be minimized and eliminated. For instance - to overcome obsolete machinery, new machinery can be purchased. Other examples of organizational weaknesses are huge debts, high employee turnover, complex decision making process, narrow product range, large wastage of raw materials, etc.

Weaknesses have to do with internal factors that could prevent the achievement of a successful result to the project. Factors such as a weak internal communication system, unhealthy levels of rivalry between departments, lack of raw materials, and inadequate funding for the project are often cited as weaknesses that can threaten to derail a project before it even begins.
Weaknesses could be:

- Lack of staff skills, especially in managing electronic records
- Lack of integration between electronic and paper records
- No coordination between systems in different parts of the organization
- Inadequate funding.

Weaknesses can also be:

- something we do poorly
- a disadvantage
- a deficiency in expertise or competence
- lack of assets (physical, human, intangible)
- missing capabilities

In discussing weakness these questions can be posed: How do we deal with weaknesses? What have we done about them?

3. **Opportunities** - Opportunities are presented by the environment within which our organization operates. These arise when an organization can take benefit of conditions in its environment to plan and execute strategies that enable it to become more profitable. Organizations can gain competitive advantage by making use of opportunities. Organization should be careful and recognize the opportunities and grasp them whenever they arise. Selecting the targets that will best serve the clients while getting desired results is a difficult task. Opportunities may arise from market, competition, industry/government and technology. Increasing demand for telecommunications accompanied by deregulation is a great opportunity for new firms to enter telecom sector and compete with existing firms for revenue.

In terms of classification opportunities has to do with external elements that will prove helpful in achieving the goals set for the project. Factors of this type could be the positive perception of the company by the general public, a network of vendors who are willing to work with the company to achieve success with the project, and market conditions that will help to make the project desirable to the market at large, or a least a significant segment. Opportunities can come inform of:

- Best prospects
- Competitive advantage
- Good match with what we have to offer.

*Questions such as: What opportunities have we had? What did we do? Was it successful? are also useful*

4. **Threats** - Threats arise when conditions in external environment jeopardize the reliability and profitability of the organization’s business. They compound the vulnerability when they relate to the weaknesses. Threats are uncontrollable. When a threat comes, the stability and survival can be at stake. Examples of threats are - unrest among employees; ever changing technology; increasing competition leading to excess capacity, price wars and reducing industry profits; etc.

Here, external factors that could threaten the success of the business venture or project are listed and addressed. Among the possible threats that will be critical to any analysis is a negative public image, the lack of vendors who can supply raw materials for the project, and no readymade market for the final product of the project.

Threats could also be:

- Competitive behavior.
- New product/service.
- Demographics.
These questions are also relevant: **What threats have we had? How did we handle them? Which did we ignore?**

**Purpose of SWOT Analysis:**
The purpose of SWOT analysis is to gather, analyze, and evaluate information and identify strategic options facing a community, organization, or individual at a given time.

SWOT Analysis is a very effective way of identifying strengths and weaknesses, and of examining the opportunities and threats one tends to face. Carrying out an analysis using the SWOT framework helps to focus activities into areas where one is strong and where the greatest opportunities lie. This knowledge is then used to develop a plan of action. The analysis can be performed on a product, on a service, accompany or even on an individual. Done properly, SWOT will give the big picture of the most important factors that influence survival and prosperity as well as a plan to act on. Strengths and weaknesses are internal while opportunities and threats are external. Strengths and weaknesses have to be matched with the opportunities in the external environment and also to counter any threats that might pose a danger to plans. SWOT Analysis is generally considered a Marketing tool but although it has its origins in Marketing field and is predominantly used by Marketing people, and it can also be done for self. SWOT Analysis is a tool which guides one to see where one stand in terms of job prospects and career growth. You should do a personal SWOT analysis because it will tell you what are your strong points and how can you further brush them up to exploit them to get a good job. It will also show you your negative character traits that can hinder your chances of getting a good job. You can then work towards overcoming those shortcomings and minimizing their effects. Your strengths will tell you the jobs and the kind of work you are best for hence making it easier to avail the right opportunities. Threats will show you the skills, courses and training you need in order to remain competitive.

The purpose of a Strengths, Weaknesses, Opportunities, and Threats framework is to get managers thinking about everything that could potentially impact the success of a new project. Failure to consider a key strength, weakness, threat or opportunity could lead to a poor business decisions. For example, if the tech company with the patent for a new processor did not recognize the threat that its competitors were developing similar products, it might overestimate the sales potential of the new processor and take on debt to fund the development of the processor only to discover that the new product does not bring in enough revenue to pay off the debt. In other words, a strengths, weaknesses, opportunities, and threats brainwork can help managers avoid making costly mistakes and determine which projects are most likely to succeed.

**Techniques for SWOT:**
1. What opportunities have we had? What did we do? Was it successful?
2. What threats have we had? How did we handle them? Which did we ignore?
3. What strengths do we rely on? Which do we ignore?
4. How do we deal with weaknesses? What have we done about them?

**The Basic for SWOT Analysis:**

The term "SWOT" is an acronym for the words "strengths", "weaknesses", "threats" and "opportunities". S.W.O.T framework involves composing lists of the internal strengths and weaknesses a business that are relevant to a certain project and then creating lists of opportunities and threats that exist outside of the company that could impact the project. For example, consider a tech company wants to increase its sales by expanding its product offerings. If the company owns a patent on a new type of computer processor technology, the patent could be listed as a strength, but if the company does not have the resources to engineer and produce a prototype of the new processor, managers might list lack of capital as a weakness. Venture capitalists often invest in businesses with new ideas that have the potential for large growth, so the potential to attract venture capital could be listed as an opportunity. If competitors are in the process of developing similar technologies it could constitute a threat.

**How to organize SWOT:**

SWOT Analyses are often arranged as a 2 by 2 matrices with the lists of strength and weaknesses in the first two boxes in the first row and the lists of opportunities and threats in the second row. By arranging the analysis this fashion, the lists are separated into internal factors that can affect a project on the first row and external factors on
the second row. In addition, the first column consists of the positive factors (strengths and opportunities) and the second column consists of negative actors (weaknesses and threats.). This method provides a simple framework to keep lists organized and conceptualize how the lists are related.

<table>
<thead>
<tr>
<th>Strength</th>
<th>Weaknesses</th>
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<tbody>
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<td>1.</td>
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<td>2.</td>
<td>2.</td>
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<td>3.</td>
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<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
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<tbody>
<tr>
<td>1.</td>
<td>1.</td>
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<td>2.</td>
<td>2.</td>
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<td>3.</td>
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SWOT ANALYSIS, ITS ROLE IN STABILITY OF AN ORGANISATION AND PRODUCTIVITY:

To achieve stability in any organization, a careful identification of critical elements and or what actually constitutes the SWOT is necessary. The major items that could constitute say Strength, Weakness, Opportunities and Threats which is peculiar with the organization in question. The strength, weakness, opportunities and threats differs from organization to organization.

For a manger or top management to scale though or achieve stability emphasis must be laid on the four acronyms the SWOT considering the peculiar nature of the organization in question.

One cannot begin to tell us that a cement manufacturing company has the threat and opportunities with that of sachet water producing industry. Both in terms of financing the production cannot be equated, they differ in nature of machine manpower, management, technical staff, human resources, etc.

The two companies have their peculiar problems, their strength differs, so also weakness.

It is therefore necessary that before each can achieve any stability a careful identification of what constitutes four acronyms SWOT is necessary, as this would go a long way in determining the stability of such organization.

SWOT analysis is necessary because if organizations know her strength, what he is capable of doing, the level and capability of manpower etc: as listed previously, she cannot venture into areas that would not benefit the organization, if she embarks on the venture that exceed her strength that means crises for the organization and the organization would definitely end up unstable. Strength identification would help organisation not to overstep her bounds.

You can imagine an organization that have for years long serving and committed staff, just within some weeks as a result of maybe change of management and or cut in their salaries, or because of maybe administrative bottlenecks could not receive their pay as at when due. The implication is that if the staff is 100% committed and are involved in production, they may likely drop in terms of production to 80% if not to 50%, off course one knows the implication of this. The organizations cannot move the way it’s moving.
One can also imagine a situation where there is an established system for controlling access and maintaining confidentiality, within some time loses this, what would now happen is what one cannot imagine.

So strength is what one cannot play with in any organization, an organization must make sure that her strength is not toiled with. The organization must value those things that she does well and seek ways to improve on it rather than lose it.

Weakness in any organization as discussed earlier which are in most cases internal is what the management must identify and tackle because it is within the purview or capability of the organization, if weaknesses are not properly handled they may lead to instability. Weakness which may include what the organization does poorly including so many other things must be sorted internally if they are properly handled after careful; identification it would contribute to stability. One can imagine what would happen to an organisation with lack of skilled staff, the organisation can easily source for alternative for these unskilled staff, either by training or hiring of skill staff.

In case of inadequate funding, one at the top management should as a matter of importance know the financial implication of running the type of organization which he is into, one cannot blame an outsider on the issue of inadequate funding on the organization which he is the CEO. This is practically impossible but only possible in public business, top management must regularly seek for a way to fund or finance his business.

Can we blame customers for lack of coordination in a private enterprise, if then what is the work of them at the top management. This is purely an internal factor which when not properly handled will definitely lead to instability.

What about opportunities? Who do we blame for sudden change in the perception of the company by the general public? And who do we give kudos over the good perceptions and increasing number of the public who are willing to work for your company? If their good perception about ones organization, it means the organization has tendency of moving ahead and in higher.

What about the recent waves of internet aided trade and management of organization, if there are opportunities in term of pay rolling using excel packages and the managements still insist on paper done, what would happen if the number of paid staff increased by the day, what would be the faith of those people using manual papers, they will be overworked and they may not likely be consistent in their work, there are bound to be mistakes and omission in the pay roll system. So organizations must seek to make use of good opportunities to achieve stability.

Threats in any organization is what people must be very careful in handling, if as stated earlier relate to weakness they can be disastrous. So it’s necessary that weaknesses are treated whenever they are identified since threats are not easily managed. Effort and sincere approach towards tackling threats is needed if the stability of the organization would not be jeopardized.

Case study:

This aspect identifies what constituted SWOT in two educational institutions within the capital city of Anambra State (names withheld for some reason). The secondary schools will be identified as K and U, both located in the same capital city, while the later came into existence for about a decade ago, the later was said to have existed for more than 3 decades. The later could be said to have maintained dominance over other similar schools that have existed before it came into being.

Details of the SWOT analysis that actually have led to increased productivity are as detailed below:

<table>
<thead>
<tr>
<th>Strength:</th>
<th>K</th>
<th>U.</th>
<th>Weakness:</th>
<th>K</th>
<th>U</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provisions of school buses for to and fro movement of students and pupils school and homes.</td>
<td>A</td>
<td>N/A</td>
<td>Molestation and secret sexual harassment of student by the MD</td>
<td>A</td>
<td>N/A</td>
</tr>
<tr>
<td>Update of science equipments in terms of procuring new equipments.</td>
<td>A</td>
<td>N/A</td>
<td>Indiscipline occasioned authorities attitude.</td>
<td>A</td>
<td>N/A</td>
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</tr>
<tr>
<td>Bonuses and promotions of staff including salary increment.</td>
<td>A</td>
<td>N/A</td>
<td>Lack of required professional in education and poorly staffed and inexperienced staff.</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Parents, students/pupils and staff forum and symposium.</td>
<td>A</td>
<td>A</td>
<td>Funding challenges.</td>
<td>N/A</td>
<td>A</td>
</tr>
<tr>
<td>Scholarships and awards to deserving staff and students/pupils.</td>
<td>A</td>
<td>N/A</td>
<td>Lack of coordination among the management team.</td>
<td>N/A</td>
<td>A</td>
</tr>
<tr>
<td>Internet enabled educations, earning and lessons.</td>
<td>A</td>
<td>N/A</td>
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<tr>
<td>Debate, science young readers clubs including interschool competitions and sport.</td>
<td>A</td>
<td>N/A</td>
<td></td>
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<tr>
<td>Excursions.</td>
<td>A</td>
<td>N/A</td>
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<tr>
<td>Extra moral and other curricula activities.</td>
<td>A</td>
<td>A</td>
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<table>
<thead>
<tr>
<th>Opportunities.</th>
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<th>U.</th>
<th>Threats.</th>
<th>K.</th>
<th>U.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Established lessons center and subsequently school when Anambra State Government Schools went on strike.</td>
<td>A</td>
<td>N/A</td>
<td>Rumors of sexual harassment of female students by the management.</td>
<td>A</td>
<td>N/A</td>
</tr>
<tr>
<td>Made use of public adhere system installed in school for announcements to people.</td>
<td>A</td>
<td>N/A</td>
<td>Public notion that the children would not manage the institution since the MD is no longer there.</td>
<td>N/A</td>
<td>A</td>
</tr>
<tr>
<td>Employed the use of fliers and SMS in selling the organizations’ product.</td>
<td>A</td>
<td>N/A</td>
<td>Rumours of cessation and parting ways of the would be successors of the institution.</td>
<td>N/A</td>
<td>A</td>
</tr>
<tr>
<td>Visit of primary schools both private and public owned and issuing entrance forms to prospective candidates.</td>
<td>A</td>
<td>N/A</td>
<td></td>
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<tr>
<td>Using churches bulletins for announcements.</td>
<td>A</td>
<td>N/A</td>
<td></td>
<td></td>
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<tr>
<td>Made sure first set of grandaunts came out with good results</td>
<td>A</td>
<td>N/A</td>
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**Advantages of SWOT:**

SWOT Analysis is instrumental in strategy formulation and selection. It is a strong tool, but it involves a great subjective element. It is best when used as a guide, and not as a prescription. Successful businesses build on their strengths, correct their weaknesses and protect against internal weaknesses and external threats. They also keep a watch on their overall business environment and recognize and exploit new opportunities faster than its competitors.

SWOT Analysis helps in strategic planning in following manner-

a. It is a source of information for strategic planning.

b. Builds organization’s strengths.

c. Reverse its weaknesses.
d. Maximize its response to opportunities.
e. Overcome organization’s threats.
f. It helps in identifying core competencies of the firm.
g. It helps in setting of objectives for strategic planning.
h. It helps in knowing past, present and future so that by using past and current data, future plans can be chalked out.

SWOT Analysis provide information that helps in synchronizing the firm’s resources and capabilities with the competitive environment in which the firm operates.

SWOT is a powerful tool when correctly used, and generates long and useless lists when it is not. Taking into account the purpose of the organisation, one should try to critically identify the strengths of the organisation in the recent past, what has definitely been unsatisfactory, and then look at the external environment to recognise which changes could actually benefit the organisation, if appropriately addressed, and which risks the organisation needs to prepare for because they can directly impact on the ability to achieve its purpose.

**Limitation of SWOT Analysis:**

SWOT Analysis is not free from its limitations. It may cause organizations to view circumstances as very simple because of which the organizations might overlook certain key strategic contact which may occur. Moreover, categorizing aspects as strengths, weaknesses, opportunities and threats might be very subjective as there is great degree of uncertainty in market. SWOT Analysis does stress upon the significance of these four aspects, but it does not tell how an organization can identify these aspects for itself.

a. Price increase;
b. Inputs/raw materials;
c. Government legislation;
d. Economic environment;
e. Searching a new market for the product which is not having overseas market due to import restrictions; etc.

There are certain limitations of SWOT Analysis which are not in control of management. These include-
Internal limitations may include-

a. Insufficient research and development facilities;
b. Faulty products due to poor quality control;
c. Poor industrial relations;
d. Lack of skilled and efficient labour; etc

**Conclusion**

The role of SWOT analysis in ensuring stability in organization cannot be underrated, its analysis is critical in organization stability. The four acronyms must be properly identified, effort made to analyse them, above all, action taken to that effect. For stability in any organization, serious effort should be made by the top management to clearly identify organization visions and mission, objectives must be taken into consideration, emphasis should be made on organizations past records, what was their success areas, failures, what was their major strength and weakness and how they handled them, what opportunities they had in the past and how they utilized it and finally the threat and how they handled it.

In all what constituted strength in one organization may be weakness in another organization. Also note that management of K grabbed the opportunity of strike action by NUT in the state to set up the school and employed other marketing media in selling his product in addition to other strengths he employed and this has contributed to the stability and productivity in that institution.
It is very important that we know that in areas of human endeavour emphasis should be placed on identifying strengths, weakness, opportunities and threats and regularly analyze them for stability and productivity of an organization.

References


http://www.circleinternational.co.uk/circle/strategy_files/ikea%20mrktswot.pdf
