

Managing Strategic Decision and Strategic Investment Within the Strategic Position of Organization.

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Abstract

This review paper discusses and explores the strategic position of organization in regard with strategic investment and business development within the dynamic of environmental changes, in pursuing the competitive advantage, organizational effectiveness, and breakthrough outcomes of the organization. The discussion includes the relation between strategic management (SM), organizational development(OD), and change management(CM), the needs to view and relate strategic decision with strategic position of organization, leadership, vision and talent/skilled people, organizational capabilities, and organizational structure and people management.

This paper also discusses the relation between SM, OD, and CM from the perspective of transformation; the better future state of organization based on unifying vocal point (vision) and reason for being (mission) (SM), organizational intervention for organizational effectiveness (OD), and transformational change for breakthrough results (CM). This paper provides a model of relation between vision, mission, and values, and also an example of a roadmap of a state construction company.

This paper summarizes key points of each discussion for each literature framework. The summary is expected to provide more insight in understanding how each of the literature framework and its key points are all interrelated, within the context of realizing a better future state and strategic objectives of organization, given the strategic position of organization within the environmental change situation.

Keywords: *strategic decision, strategic position, strategic management, organizational development, change management*

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I. Introduction

The strategic position of organization/firm will help organization or firm to formulate the right and convincing strategies to compete at corporate level, business level, and functional level. The strategic position of organization portrays the current state of organization as the basis for organization to set its future direction and formulate related strategies accordingly to support the realization of vision, mission, goals, and objectives of organization. The strategic position of organization also reflects the adaptability of organization to the dynamics of environmental change through the analysis of internal and external factors of the environment within the context of strengths, weaknesses, threats, and opportunities (SWOT) matrix, or of financial, stability, competitive, and industry positions of organization within its strategic position and action evaluation (SPACE) matrix (David & David, 2017; Wheelen & Hunger, 2012; Gamble, Peteraf, & Thompson, 2017).

The strategic position of any organization, which is derived from environmental scanning using SWOT or SPACE matrix analysis (the two relatively popular matrixes), and the strategic objectives/future state of organization; vision, mission, and goals, which are stated in the long-term plan of organization (covering normally 5 years plan), in a way show the roadmap of the organization. In each interval time horizon of the long-term plan, such as the first two years, the fourth year, and so forth, or in each long-term plan time horizon, the organization is used to raise or take strategic theme that shows the priority or focus of programs emphasized

within that time periods of the long-term plan. The implementation of the long-term/strategic plan of organization plan is normally cascading down into a yearly operational plan of organization (Kaplan & Norton, 2008). The long-term plan is essentially the umbrella of operational plan (Yasin, 2020).

The implementation of both long-term plan and yearly plan of organization requires support from all members of organization and all functions collaboratively. All functional and managerial activities; human resources, marketing, production/operation, finance, supported by information technology are to move toward the same direction, a unifying vocal point of organization, the vision. Organization could establish *the office of strategic management* (OSM) (Kaplan and Norton, 2008), to coordinate all the activities. All resources or capabilities of organization, tangible and intangible, at the end are directed toward gaining and extending competitive advantage of organization (David & David, 2017; Wheelen & Hunger, 2012; Gamble, Peteraf, & Thompson, 2017).

The existence and appearance of quality leader and quality/skilled people to cope with faster rate of environmental change (Kotter, 2001) to promote continuous learning and continuous improvement, are indeed needed to realize high performance and high commitment/resilient organization (Beer, 2009) or the effectiveness of organization (Gibson, 2012). Leadership is about inventing the future and organization needs conscious change leader or executive transformational leader to mobilize organizational resources/capabilities to face the environmental changes (Mattone, 2013, Kaplan & Norton, 2008) and to manage talent/skilled people, particularly in the era of, volatile, uncertain, complex, and ambiguous situation created by disrupted technologies (Christensen, 1995, 1997).

From SM perspective (Wheelen & Hunger, 2012; Ansoff, 2013; David & David, 2017), OD perspective (Palmer, Dunford, & Buchanan, 2017), and CM perspective (Anderson & Anderson, 2010), resilient capabilities of organization aim at maintaining and improving a *competitive advantage* of organization to realize its vision and missions (within the corridor of organizational values), objectives and goals, at improving *organizational effectiveness*, and at increasing *performance outcomes*. Technological capabilities, as part of organizational capabilities, primarily support the adoption of technology to overcome any problems faced in, and to improve, the production/operation system of organization.

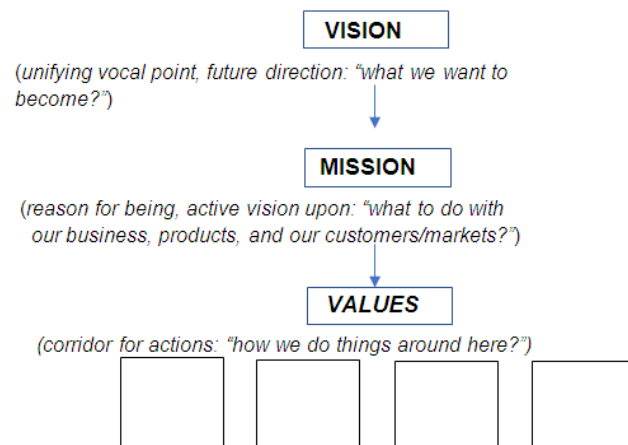


Figure 1. A Model of Relation between Vision, Mission, and Values

Strategy development of organization is multidimensional and what is needed in strategy field and strategic decision-making is *process model* that is more environment-focused (Janczak, 2005), Strategic decision affects the nature and the success of organization and could be driven by choices about new market or product, organization design or adoption of new technologies. Strategic decision-making process dimension is determined by decision-specific, management, and contextual characteristic, particularly internal context. The dimensions of internal contexts (planning formality, performance, size, ownership), influence the comprehensiveness of strategic decision-making process (M. Papadakis and Lioukas, 1998).

II. Materials And Method

This paper is a conceptual and review paper. The discussion in this conceptual and review paper is mostly emphasized on, and supported by, articles/references on strategic management, organizational change and development, change management, leadership, people and talent management, organizational capabilities, and organizational structure. This paper summarizes key points of each of literature review. All literatures in this paper are all viewed within the context of strategic decision, strategic position and strategic investment and are all related to competitive advantage, effectiveness, and performance outcomes of organization.

By summarizing the key points of each literature review, this paper tries to show the interrelation of the whole literatures framework and provide more comprehensive insight and understanding on how that interrelation reveals the similarity of the direction and main purpose of strategic management (SM), organizational development (OD), and change management (SM). That similarity exists within slightly different terms used; profitability growth and competitive advantage (SM), organizational effectiveness (OD), and breakthrough performance outcomes (CM).

This paper discusses the relation between SM, OD, and CM from the perspective of transformation; the better future state of organization based on *unifying vocal point* (vision) and *reason for being* (mission) (SM), organizational intervention for organizational effectiveness (OD), and transformational change for breakthrough results (CM). This paper provides a model of relation between vision, mission, and values or organization that may encourage all members of organization to work toward those vision and mission of organization and to move within the *corridor* of organizational values, and also provides an example of a roadmap of a state construction company in Indonesia.

III. Discussion

Strategic Management

Strategic management is a set of managerial decisions and actions that determines the long-term performance of a corporation, comprises environmental scanning, strategy formulation, strategy implementation, and strategy evaluation (Wheelen & Hunger, 2012). According to Ansoff (2013), strategic management is an organizational action process on producing strategic result by formulating strategies, designing firm's capabilities, and managing implementation of strategies and capabilities. Strategic management is the art and science of formulating, implementing, and evaluating cross functional decisions that enable organization to achieve its objectives (David & David, 2017).

Strategic management is the process by which managers of the firm analyze the internal and external environments for the purpose of formulating strategies and allocating resources to develop a competitive advantage in an industry that allows for the successful achievement of organizational goals and objectives in line with the vision and mission of organization. Strategic management can be viewed as a continuous process of strategic analysis of environmental changes to help formulate a right and convincing strategy to be implemented and evaluated, in order to achieve and maintain a competitive advantage of organization, in an effort to realize the goals and objectives of organization for pursuing profitability growth.

The right and convincing strategy should provide a direction and a scope of an organization over the long-term to achieve advantage in a changing environment through its configuration of resources and competencies. By formulating strategy at corporate, business, and at functional levels, followed by the implementation and evaluation of the strategy, management activities in strategic management essentially are also *strategic decision making process*. With initial step of evaluating current performance, followed then by environmental analysis/scanning/audit, using SWOT (strengths, weaknesses, opportunities, and threats) model or other models, organization is figuring out in which quadrant its present state (its strategic position) is, within the fourth quadrant of the model. Strategic decision-making process is recursive or iterative; keep looping around, may be triggered by opportunity, problem, crisis, choices/alternatives. The commitment of all managers and employees to implement the strategies/the plan could be affected by the vision and be promoted by the way of communication of the leader of organization (Dharmika, 2016).

The strategic position and the future direction of organization (vision, *a unifying vocal point*, followed by missions, *reasons for being*), will be the basis for determining the right and convincing strategy at all levels, corporate level, business level, and functional level. If organization uses the SWOT matrix, depending upon organization strategic position in the four quadrant of the model (survival/retrenchment, stability, growth, or diversification), directional strategy, as part of corporate level strategy can be applied. Directional strategy may be followed accordingly by, or coupled with, portfolio analysis (using Boston Consulting Group/BCG growth matrix, General Electric/GE business screen, or other techniques) and parenting strategy (Wheelen & Hunger, 2012; David & David, 2017). By using SWOT analysis, organization analyzes internal factors that relate with all functional units, known as PRIMO-F (people, resources, innovation, marketing, operation, finance) and deal with strengths and weaknesses (SW) of organization. For external environment analysis organization deals with opportunities and threats (OT) which are related to external factors, known as PESTLE (political, economical, technological, legal, and environmental) factors. Haslam and Shenoy (2018) states that PESTLE analysis is as part of *classical* strategy model that still *partially helpful*.



Figure 2. Roadmap of State Construction Company, Indonesia

At business level strategy, Potter's (1980) generic strategy (cost leadership, differentiation, focus strategy, or focus on either or both of cost and differentiation strategy), as part of business level strategy, can be applied with cautious, in a way we need to pay attention on the risk and requirements for generic strategies (Wheelen & Hunger,2012;David& David, 2017). Other business level strategies include; cooperation of firms within the industry (collution), strategic alliances, joint venture, licencing agreement, and value chain partnership. While functional level strategies are strategy at all functions; marketing, operation/production with its research and development (R&D) and logistic units, finance, human resouce/human capital with its capabilities, creativity and innovative behaviour.

A study by Romero et. all (2014) explored how companies set a competitive strategy, how top management contributes to set up that competitive strategy, and how a firm relates strategic orientation in order to enhance its performance with an emphasis on technology orientation. The study reveals that understanding of strategic orientation as principles and activities of adaption supports the performance of organization and technological experience helps solve and improve sales performances. Strategic orientation with the emphasis on technology orientation, improve better communication and promote clear definition of key performance indicators. Within the context of strategic change, bottom-up learning and magnitude of strategic change (reflected in the roadmap or covered in strategic plan of organization), can speed the strategic change through the enhancement of coordination flexibility (Yi et. all, 2017).

“The right and convincing strategy at corporate level, such as strategic decision to invest more aggressively to support the operation system of organization, has to be in line with strategic position of organization; the growth or diversification position within its SWOT (or other) matrix quadrant at the time the decision to invest is made. That strategic decision also has to be stated both in long-term plan and operational plan of organization and need to be supported by strong coordination flexibility. The strategy to invest aggressively, from corporate level strategy also need to be viewed from business relatedness (either the firm applies backward or forward integration), and firm’s capabilities to implement the strategy”

Strategic Decision Making

The strategic plan of any organization with PRIMO-F and PESTLE analysis, essentially implies a strategic decision making (planning scenario, Wright and Cairns,2011) including strategic decision to make aggressive investment in line with strategic position of organization. There might be some significant challenges with PESTLE analysis remain. Any factors emerge from the analysis need to be considered alongside each other as it is the combination of all factors, in essence that the implication of any alternative choices or scenariosto organization, has to bedeeply examined. A leadership team (the Board of Management/Directors, BOD) is fully responsible for the quality of information around which the strategic decision to invest. The *SAFE*principles (Haslam & Shenoy,2018); sustainability, acceptability, and feasibility evaluation, are to be used by the BOD in weighting up the merits of available options (Johnson at all,2014 in Haslam & Shenoy,2018), before moving to the strategic decision to make an aggressive investment. Off course, in any strategic decision making, the BOD is faced by certainty-complexity degrees situation at the time the decision is made.

Campos et. all, 2015, referring to the theory of Baum and Wally, 2003 (the process of decision making is driven or limited by individual decision making, organization, and environment in which the organization operates), conducted a descriptive and analytical analysis to identify personal, organizational, and environmental factors that influence strategic decision-making speed, and to better understand the relation between the speed of strategic decision making and firm performance. The study found that strategic decision speed is beneficial even

in a given negative force of environmental dynamics upon performance. The strategic decision is oriented toward the relationship between a given organization and its external environment that is epitomized by the concept of strategic gap; organizational capabilities versus its most significant external entities (Harrison, 1996). Capability profile of strengths and weaknesses is important in measuring strategic gap of organization. Organization needs to capitalize external opportunities by signifying the effective use of its strengths and protect organization from threats by identifying and knowing and overcoming its weaknesses.

“The strategic decision to make aggressive investment in line with strategic position of firm, has to be analyzed and viewed from its process, objectives and the decision itself. From many alternative choices available, the decision is supposed to be the right/best alternative for the firm and need to be supported by firm’s capabilities particularly in regard with managing and operating asset of the investment, but in general also in regard with exploring all perceived opportunities. The objectives are to be clear and the process is expected to follow ‘proper’ procedures/standard internal procedures within the dynamics of environmental changes”

Between SM, OD, and CM

The *interconnection* between SM, OD, and CM rely mainly on their nature in discussing the *future state/objectives*, the effectiveness, and *change* outcomes of organization. SM deals with competitive advantage of an organization that enable it to compete within the industry and with the *future state* of organization by determining organization and product positioning relative to its competitor and ensuring coordination across functions to achieve profitability growth. OD on the other hand, deals with the improvement of organizational effectiveness, i.e. *change* in unit or organization to be more effective by applying interventions/actions on people (at individual and group level) to ensure people competences, commitment, performances, and behaviors and by *strategic intervention* on organization (transformation) to support the achievement of goals and objectives of organization (Palmer, Dunford, & Buchanan, 2017; Noe, Hollenberg, Gerhart, & Wright, 2017; Beer, 2009). CM deals with content and process or steps of changes and people in change to adapt to the drivers of change (Anderson & Anderson, 2010; Kasali, 2006) in order to achieve breakthrough results or outcomes. All those 3 approaches of management theories, basically discuss the future goals and objectives/performance/effectiveness of organizations in accordance with the dynamics of environmental changes/forces/trends.

The performance and future state or organization need to be supported; 1) by people competences, performances and behaviors (OD), 2) by competitive advantage and appropriate strategies at all levels (SM), and 3) by clear content and process of changes (CM), to respond to change requirements that encourage organization become adaptive, continuously increase its learning and growth capacity and continuously make improvement, to serve and satisfy its customers and stakeholders. Strategic plan, organizational intervention, or transformational change, essentially deal with the dynamics of environmental changes, global trend, particularly technological change. Makumbe, 2016, concluded that organization need to pay attention on the following items that play a central role in change acceptance; communication, leadership, employee engagement, and employee commitment.

“Organization needs to conduct sustainable transformation/business development/major change, to adapt to and to cope with the drivers of changes to strengthen its capabilities. Organization needs to maintain and enhance communication, employee engagement, employee commitment, supported by leadership, to maintain the acceptance of, and continual process of adaptability to environmental change. The strategic decision to make aggressive investment, within firm strategic position, has to be in line with the transformation stage of organization”.

Leadership, Vision, and Talent Management

The strategic decision to make aggressive investment is mainly the domain of the management/Board of Directors. This paper also discusses leadership related with leader vision on transformation and talent management. Goosen & Steven, 2013, summarize the essence of leadership which includes; cultivating the culture of a community or organization, casting a *vision* for the community or organization implementing a process by which followership is gained and goals are attained, implementing fairness and justice, exercising stewardship of the gifts and *talent* of others, and making followers into leaders. A leadership brand exists when the leaders from top to bottom of an organization have a unique identity. Leadership brand may be tracked by monitoring the pool of future leaders (Ulrich in Galavan, Murray, & Markides, 2008).

Leadership and quality leaders are directing and coordinating quality people in order to collaboratively execute organization strategies at all levels efficiently with speed and accountability. The demands of leadership are simultaneously delightful and daunting (Galavan & Cullers in Galavan et al., 2008) within the context of long term strategic planning in VUCA world, controlling organization versus flexibility, stewarding employees

through processes of change versus maintaining one's credibility, motivating people while maintaining profitability, dexterous minded versus innovating future. Evans (2000) also discusses paradox of leadership which is in general in line with Galavan and Cullers points. Leadership requires *proper* characters as discussed by many scholars; inspirative and stimulative to the followers (Bass & Riggio, 2006), pro-active, innovative, risk-taking, passionate & purposeful (Coleman, Gulati, & Segovia, 2012). Leadership also means visionary (Marturano, 2008, Kotter, 2001). The following characters are also discussed, include; empathy, empowering, embracing diversity, questioning status quo (Y-not), mobile dan flexible (Y-go), technology native (Y-digital) (Coleman, Gulati, & Segovia, 2012), possess strong innercore (self-concept & character, Drucker: personal mastery); courage, loyalty, diligence, honesty, modesty, and gratitude (Mattone, 2013).

Leadership also requires what Mattone, 2013, says as an outer core (*critical and strategic thinking, decision making, and communication skill, emotional intelligent, leadership skills in talent, team, and change & drive leadership*). Leadership requires leadership mastery and organizational mastery (Drucker). Leadership competences also mean understand how global world operate, possess cross sectoral perspectives and multi discipline knowledge (Coleman, Gulati, & Segovia, 2012), and sensemaking, relating, *visioning*, inventing (four capabilities, Ancona et al., 2012), to cope with rapid change (Kotter, 2001) or able to anticipate the rate of change with agility and clear perception. Inadequate down-the-line leadership skill as one of six silent barriers affecting high performance and high commitment organization (Beer, 2009), is of course need to be avoided.

Visionary leadership who are transformational in nature, improve organizational commitment of employees. Vision made by the leader is attractive to subordinates and the way of communication of the leader that promotes organizational commitment of employees. Jun Hao and Yazdnifard, 2015, stated that the only method to sustain the organization current business environment is change, and effective leadership is essential in managing change. Effective leadership skills (with its vision and transformation spirit) help organization to deal with resistance of change from some employees who deny change by gaining trust from the employees. Effective leadership could make other parts or management activities become easier. Organization needs change agents to promote communication and participation or organization members to conduct the change process (Lewis et al., 2006).

The future state of organization, its strategic goals and objectives, its competitiveness and effectiveness, its awareness and adaptability to environmental dynamics, its strategy at all levels of organization, its capabilities to achieve extraordinary outcomes and profitability growth and serve and satisfy its customers and stakeholders, are all *strategical and transformational*, and can not be separated from quality leader and quality people or talent. In short, we can underline that *transformational leadership* and quality leaders deal with future direction and strategic objectives of organization, quality people and talent management, organizational capabilities, efficiency and effectiveness, customer and stakeholder focus, creativity and innovation, existence, success, and sustainability of organization.

Transformational leadership is all about effecting, inspiring, motivating followers (Gibson, Donnelly, Ivancevich, & Konopaske, 2012), developing and enhancing people abilities (Robins & Judge, 2015), recognizing the need for change and *creating vision* (Griffin & Moorhead, 2014), engaging commitment and participation to radical change (Richard, Hawkins, Gosling, & Taylor, 2011), transforming and making followers aware of the importance of task outcomes (Yuki, 2013), bringing about significant change in both followers and organization by leading change (Daft, 2015). *Transformational leadership* is considered as the most important factor in change process (Gong, Huang, & Farh, 2009). Talent management and leadership basically connects with succession planning in terms of building talent reservoir/pool (Brown & Hesketh, 2004; Berger & Berger, 2004), mapping the talent, and preparing and conducting appropriate training and development program.

Management of talent deals with quality people now and for the future, with skilled human capital to achieve organization goals and objectives both in short-term and long-term period, and with human resource initiatives to build and enhance people potentials (McGee & Cannon, 2011; Staff, 2009; Labrador, 2008). As skilled individual with performance above or far exceed the targeted figures, talent supports organizational performance by demonstrating the highest level of potentials (Davies & Davies, 2011). In this regard, talent management becomes primary driver for organizational success in competitive market place (Sireesha & Ganapavarapu, 2014). The recruitment and selection of talent, right from the beginning of employing them as a foundation of organization, are even need to be appropriately prioritized in order to get the right people whose organization really wants to and to empower talent (Balzac, 2011).

Organization can conduct talent mapping to ensure talent availability by using or applying the nine-box matrix (NBM), which in general, divides people into 3 green boxes, 3 yellow boxes, and 3 red boxes. Green boxes refer to people whose need further challenge in targets and capacity, and some are even ready for next assignment/promotion. Yellow boxes refer to people who need more intensive training and development. Lastly, the red boxes refer to those whose need reorientation in terms of commitment, achievement, and problem solving, with some are even need *accertive* decision (Yasin, 2017). To support talent development it is important that organizational context (technology, industry, regulation, and so on, Wheelen & Hunger, 2012) provides climate for better understanding of talent practices as organizational priorities to support organizational

capabilities. Yasin, 2021, also reveals that talent management, knowledge management, and leadership are the important elements and the drivers that support business expansion and sustainability of organization transformation.

Conger (2008), stated that talent management aims at serving the needs of organization by helping to provide a continuous and deep supply of the right talent to achieve firm's strategic objective and translate those objectives into performance standard of organization. It also aims at serving the talent/quality employees by keeping them challenged and motivated to retain them from being migrate to other organizations. To source and retain talent quantity and quality, organization is required to deliver its strategic agenda within the context of its strategic plan. There is a belief that talent is a direct determinant of successful execution of organization's strategy. In this regard, leadership must promote talent mindset within leaders and managers in organization. The study of US CEOs identified talent as one of the three top priorities for organizations operate in a global marketplace (Groysberg & Connolly, 2015). A survey by KPMG reports that more than a millions skilled professionals plan to leave the UK post Brexit (Topham, 2017).

“Transformational and visionary leadership deals with future direction and strategic objectives of organization, talent management, organizational capabilities, customer and stakeholder focus, creativity and innovation, existence, success, and sustainability of organization. Effective leadership with appropriate competences and characters helps organization to improve and be innovative and gain trust from employees. The strategic decision to invest aggressively, which has to be in line with strategic position and corporate/business level strategies of the firm, and has gone through a proper process with clear objectives and be the right decision, in a way it also has to reflect the vision of the firm and the needs of skilled people/talent to manage and operate the asset within the context of organizational capabilities”.

Organizational Capabilities and Technical Capabilities

Organization is linked with customer needs by organizational capabilities that other competitors can't provide, given the context in which it competes. By meeting and fulfilling customer needs in way that competitor can't, organization or company essentially is creating its strategic sweet spot (Wheelen & Hunger, 2012). Technological capabilities as part of resilience or organizational capabilities, help organization to respond to technological changes (Bustinza, Vendrell-Herrero, Peres-Arostegui, & Parry, 2016). Organizational capabilities are organizational complex routines that determine efficiency of firm's production or operation process that play important role in supporting decision making and producing output.

Those capabilities constitute organization distinctive/specific assets or capabilities (knowledge, skills, learning capacity, Lao, 2000) that support coordination across functional activities. Organizational capabilities can be referred to as the collective skills and expertise of an organization (Smallwood & Ulrich, 2004) that are relatively difficult to copy by competitors. They represent people ways of accomplishing work, organization identity and personality, and investors' confidence in future earnings. Those capabilities also mean an ability of organization to innovate or to respond to changing customers needs. There are *generic* capabilities in organizational capabilities according to Smallwood and Ulrich (2004), grouped into four cells; 1) individual-technical capabilities which represent *functional competences*, 2) individual-social capabilities which represent people *leadership competences*, 3) organizational-technical capabilities (*core competences*), and 4) organizational-social capabilities, represent *organization's personality and culture*.

Organizational capabilities model developed by the organizational learning center (OLC, 2011) explains five components as follows; 1) *change readiness*, the ability to change practices and processes, 2) *leadership*, the ability to influence and guide people toward realizing shared shared purpose, 3) *customer focus*, the ability to recognize, understand, and focus on the needs of customers to produce quality products and services, 4) *system thinking*, the ability to interconnect work activities with the activities of others to provide value to customers, and 5) *teamwork*, the ability to work together with mutual trust and support. At the meantime, TICHA, 2010, referred to a model of organizational capability of Gill and Delahaye (2004), stated the following three domains; 1) *strategic intent*, the sphere of influence defining the capabilities of people, operational process, and future direction of organization, 2) *organizational structure* in terms of how job roles and performance management are in line and support the strategic intent, and responsive to change requirements, and 3) *individual knowledge* that support both current job contexts and possible future innovation.

Bakhru, Anjali, Grant and Robert, 2000, came to some conclusions about organizational capabilities, among others are; 1) capability architecture represents a firm's structuring of capabilities in terms of hierarchy, firm boundaries, and time sequence, 2) capability architecture provides the basis for organizational structure within which capabilities are nurtured and development plan in terms outsourcing decisions and priorities. 3) different types of capability needs different knowledge sources, 4) capability development follows either an emergent path in which codification follows routinization, or a design path in which codification occurs at the outset.

Technological capabilities are capabilities that enable organization to better adapt to technological opportunities that support organization increase its competitive advantage (Teece, 2007; Barney & Arikan, 2001). Since technological capabilities are knowledge-based set of organizational capabilities that support creativity and innovation and often leverage external resources (Chen, Tang, Jin, Xie, & Li, 2014), they enable organization or firm to apply and commercialize innovative products and services. Technological capabilities together with product innovation and technology sharing will further enhance innovativeness of organization in the context of improving organization capacity to adapt to technological change requirements. Technological capabilities are presumed positively related to resilience capabilities and provide benefits to organizational effectiveness; commitment for continuous improvement, operation/production stability process, customer relationship design enhancement, business model improvement, and operational and financial.

“Organizational capabilities support decision making, coordination across functional activities, response to technological changes, and to changing customer needs. The management and operation of invested asset/aggressive investment that is intended to support the smoothness of firm operation system, besides requires skilled people/talent, needs to be supported also by firm’s capabilities as a whole that promotes innovation/product development, knowledge development, that in turn contribute to the development of resilient organization”

Organizational Structure and People Management

For the strategic decision that to be implemented and the strategic investment in line with firm strategic position that is properly conducted, it is important to note that the right time to hire the skilled people/talent either at the initial preparation or at some other times along the process of talent procurement, or at the time the invested asset is operated, is quite critical for the firm. The role of organizational structure as a guiding framework for building capabilities is discussed in many literatures (Montealegre, 2002; Narduzzi et al., 2000 in Bakhru & Grant, 2000). In general, organizational structure has to be congruent with required capabilities. Designing organizational structure that fit within the existing system and values or culture or the organization will lead the company to operate in a more efficient and effective way.

Strategic intent of organization, which generally involves all organization energies and resources, have to be directed toward unifying and compelling *overall goals* (mission, reason for being), of an organization which state the definition of business scope and outcomes that organization wants to achieve. The mission and core competences of organization which are the aspects of strategic intent, define business operation and competitive advantage of the organization. Organizational design reflects the way the goals and strategies are implemented so that organizational resources are consistently utilized toward achieving the mission and goals of organization (Daft, 2016). There are interacting structural dimensions and contingency factors involve in organizational design. Structural dimensions refer to internal characteristics of organization while contingency factors refer to both the organization (size, technology, goals and strategy, and culture) and environment (all elements that affect organization the most).

Organizational design develops overall positions and departments and the interrelations of the departments, and creates the means to implement organization plan, achieve goals and objectives, and ultimately satisfy customers. It deals with the creation of, or change to, an organization's structure, which has to be congruent with required organizational capabilities as discussed earlier. The structure of organization correspond to the pattern of relationship among positions and members of organization (Mullins, 2005), the various parts of organization to be coordinated and levels of decision making (Ahlstrom & Bruton, 2010), balancing the needs of specialization with the help of integration (Hiriyappa, 2009).

The structure of organization is a formal system of task and reporting relationship showing how people use resources. The term of organizing refers to the process by which managers establish working relationship among employees to achieve goals. In regard with designing the organization structure for the new unit (if this applies) that will operate the invested asset, a question or choices between divisional, strategic business unit, or some other types of structures, need to be addressed appropriately by organization since the unit and organization as a whole are expected to operate in more and more efficient and effective way. Strategic decision to invest aggressively in technology is clearly a *change project* that need to be supported by sufficient level of urgency, change agent skills, and formal change management by human resource management department (Effendy et al., 2013).

“Organization structure as guiding framework for building capabilities has to be congruent with firm’s required capabilities. Management of talent at the new unit who manage and operate the asset, and people management of organization as a whole, has to be properly conducted within the existing structure, system, and culture of the firm and within the context of people connectedness and firm’s capabilities optimization toward unifying and compelling firm’s vision, mission, goals and objectives.”

IV. Conclusion

Strategic position of any organization has to be in the growth or diversification position within its SWOT (or other) matrix quadrant at the time the strategic decision to make aggressive investment is made. The decision also has to be stated both in the long-term plan and operational plan of organization. The strategic decision to make aggressive investment in line with the strategic position of organization, has to be analyzed and viewed from its process, objectives and the decision itself. From many alternative choices available, the decision is supposed to be the right/best alternative and need to be supported by organizational capabilities.

The strategic decision to make an aggressive investment also has to be in line with the transformation stage of organization and helps organization to maintain and enhance communication, employee engagement, employee commitment, supported by leadership, to maintain the acceptance of, and continual process of, adaptability to environmental changes. Strategic decision needs to be oriented toward capitalizing opportunities with the effective use of organizational strengths and needs to be supported by strong coordination flexibility within the context of strategic change.

Talent and organizational capabilities help promote innovation, product/business development, and knowledge management that support the development of resilient organization. People and talent management need to be conducted properly within the existing structure, system, and culture of organization to encourage people connectedness and enhance organizational capabilities. Talent management, knowledge management, and leadership support the transformation sustainability of organization.

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