Volume 14, Number 2 **ISSN 2150-511X**

Allied Academies
International Conference

Las Vegas
October 14-16, 2015

Academy of Strategic Management

PROCEEDINGS

The Academy of Strategic Management Proceedings is owned and published by Jordan Whitney Enterprises, Inc, PO Box 1032, Weaverville, NC 28787, U.S.A. Those interested in the *Proceedings*, or communicating with the *Proceedings*, should contact the Executive Director of the Allied Academies at info@alliedacademies.org.

TABLE OF CONTENTS

INVESTIGATING BEHAVIORAL INTENTIONS FOR SPORTS SPECTATORSHIP IN U.S. COLLEGE FOOTBALL: THE CONTEXT OF VALUE, SATISFACTION AND BRAND EQUITY

Bahadir Birim, Celal Bayar University
M. Meral Anitsal, Tennessee Tech University
Ismet Anitsal, Tennessee Tech University

ABSTRACT

Sports events are attracting more people every day; sports organizations are looking for ways to establish relationships with their fan base. Building a large and responsive fan base is very important for profitability of sports organizations. Predicting sports fans' intentions and engaging fans require a better understanding of influential factors namely, perceived value, satisfaction, and brand equity. This study developed scales to measure these four constructs for sports spectatorship in U.S. college football. Data was obtained from 390 students at a Southeastern public university. The four factors explained 70.3% of the variance. Construct validities and reliabilities were also provided. The findings offer several implications for sports organizations and academic research on sports marketing in understanding value, satisfaction, brand equity perceptions and behavioral intentions of fans.

A Conceptual Framework of Strategic Talent Management and Firm Success

Kanittha Sripirom, Mahasarakham University
Prathanporn Jhundra-indra, Mahasarakham University
Saranya Raksong, Mahasarakham University

ABSTRACT

Nowadays, rapid environmental changes such as in technology and the intensity of business competitors affect organizations; and it is difficultly to achievement meet. Humans are viewed as the critical factor that can move the organizations to superior competitiveness. Especially, a talented employee is a key driver because of their potential that can make a significant difference to firm performance. Currently, talents are required by many firms that need to attract a talented person because their capabilities to become higher quality than the others in the organizations. Strategic talent management remains a hot issue for HR practitioners in that they attempt to find the best way for retention and motivation of high-performance employees due to the competitive advantage of business. So, this paper presents the concept of strategic talent management that aims to provide the priority of process concerned with strategic talent management as described by five dimensions (employee specialty competency focus, employee value-searching orientation, employee development investment emphasis, employee ability enhancement concentration) which positively relate to five consequences (superior operational proficiency, business value creation outstanding organizational outcome, business competitiveness and firm success). Moreover, in the future, this paper will add value to human resource management when it proves the proposition that points to the accuracy of a link relationship of each construct from the precise literature review.

INTRODUCTION

Since 1997, the phrase “the war for talent” was coined by McKinsey (Axelrod, Handfield-Jones, & Michaels, 2002). McKinsey & Company, as a large firm, is accepted by the best prestigious management-consultation that published their well-known report declaring that “better talent is worth fighting for” (Chambers et al., 1998: 45). DEA (2009) points out that a talent is viewed as people who have special competencies, and their competencies in business are of strategic importance to the organization. In addition, talent comprises individuals who can make a difference to organizational performance through the highest levels of potential either by their sudden contribution, or in the longer-term (CIPD, 2012). However, talented employees need to develop their competencies, so the organization should pay attention to the efficiency programs that help polish their potential to achieve competition in business.

In the term “talent management (TM)” is a stream of interest and it is accepted by practitioners and academics (Berry, 2007; Jenkins, 2006; Maxwell & MacLean, 2008; Powell & Lubitsh, 2007). Because of rapid world changes, this reason pushes the firms in their effort to create customers by differentiation, and through novel and creative ideas that bring them success. Further, the changing conditions of competition also impact changed perspectives regarding employees in human resource management. Owing to this, the most valuable assets of businesses are the employees who are considered as cost contributors. To date, all employees are the important who are to be viewed as talented persons, creating added value to the firms. Globalization has made the transition of talent management from process to strategy in that many businesses realize would fit strategy employment to competition for a survival trajectory. According to the priority of processes, namely, attracting talented employees to the business, retaining them and their loyalty to the organizations is by obtaining education and career development opportunities, and coaching facilitators through managers of these employees, which are considered as important points (Gumus et al., 2013).

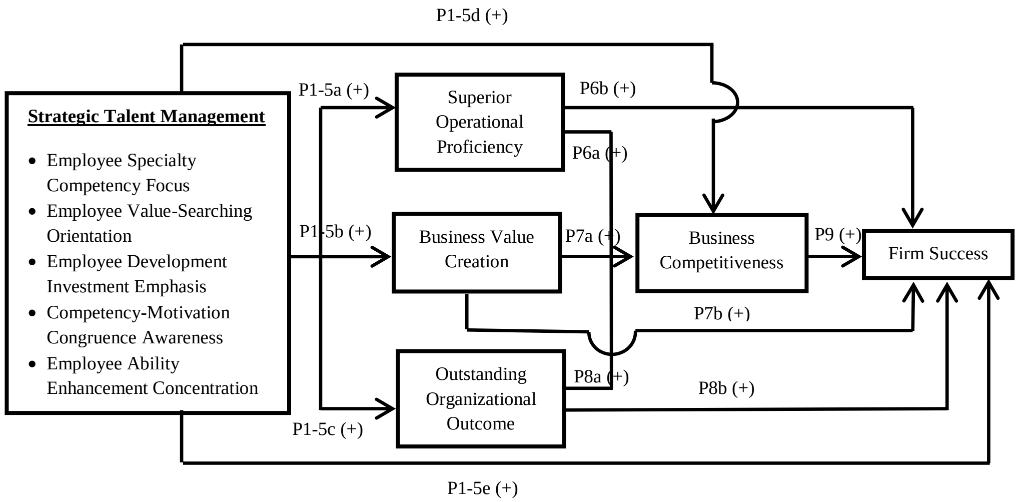
Talent management remains one challenges of the present firm that is promptly faced with involvement in human capital (Ashton & Morton, 2005). Moreover, the important contribution is that the firms can preserve their skilled employees and gain benefit from them in accordance with the objectives of the business. Although the increased focusing on talent has spread from knowledge-based organizations to broader segments in the labor market, talent management research is little (Burbach & Royle, 2010; Collings & Mellahi, 2009). The majority of articles have appeared in the literature reviews, or some conceptual paper while the empirical study having articles about talent management that can be found in academic literature, has been very few. These loopholes are interesting in that this paper is reviewed by some literature for exhibition with a conceptual framework. The aim of the current paper is to guide for the investigation of the relationships between the five dimensions of strategic talent management (employee specialty competency focus, employee value-searching orientation, employee development investment emphasis, competency-motivation congruence awareness and employee ability enhancement concentration), which has an influence on firm success. Moreover, the literatures reviews of this conceptual framework related to predictive and construct validity are addressed by these nine propositions.

In the future research direction, it shed light on how strategic talent management scholar will pay attention for integration of these relationships and transform talent-management concept into a legitimate field of academic study or apply it for practitioner. The outline of this paper is organized as follows: First, it briefly reviews the previous literature relevant to these variables and proposes a conceptual framework which develops the related propositions for testing. Later, it describes research methods. Finally, the last section presents theoretical contributions, managerial contributions, a suggestion for future research, and a conclusion.

LITERATURE REVIEWS

This paper provides a conceptual framework of strategic talent management and firm success. The relationships of these variables are supported by the literature review as shown in Figure 1.

Figure 1A
CONCEPTUAL FRAMEWORK



Strategic Talent Management

At the present, talent management has become an imperative fundamental of current organizations, and organizational success is based on talent that is employed (Beheshtifar, Nasab & Moghadam, 2012). Recently, a large number of firms give more attention to new vision concerning talent management. It is viewed as part of the important process and as subject matter of strategic management. Talent is posed as the primary driver of any successful firm in order to show the achievement or failure of the organization, depending on owned talents and the development of their condition. Thus, strategic talent management is a very important aspect that has evolved, and is a new field that is permitting firms to develop and retain highly-qualified employees in order to boost performance within the firm.

The topic of talent management (TM) is a popular issue for practitioners in the field of human resources, and is continuously growing. It is interesting, but lacks clarity of the meaning of the term “talent management” because many authors have various assumptions regarding definitions that increase the confusion (e.g. Lewis & Heckman, 2006). These many arguments involve types and processes, and are focused on the contents of elements of talent management (e.g. Avedon, 2010). Moreover, Lewis & Heckman (2006) identified three key perspectives of talent management. First, TM is substituted by a new term for common HR practices (“old wine in new bottles”) such as recruitment, leadership development, and succession planning. These are a similar rebranding of HRM because the contribution of this literature is quite limited beyond the strategic HR literature. Second, the core of literature emphasizes succession-planning practices which focus on the development of the talent pools by managing the progression program through positions. Lastly, the literature focuses on the generic management for talented employees. Thus, strategic talent management in this paper refers to the ability of a firm to integrate a systematic set of processes and procedures for use within the organization to seek, retain, develop and push talent to succeed in strategic objectives that contribute to the organization’s sustainable competitive advantage (Collings & Mellahi, 2009; Avedon, 2010).

These five distinctive dimensions of strategic talent management are involved in how strategic talent management affects firm success, namely, employee specialty competency focus, employee value-searching orientation, employee development investment emphasis, competency-motivation congruence awareness, and employee ability enhancement concentration. These also contribute to strategic talent management outcomes. Therefore, this section provides an explanation of these dimensions as below.

Employee Specialty Competency Focus

Competency is an important factor which clarifies the requirements for successful performance. Sita &Pinapati (2013) defined competency as the ability and capability of a person to play progressively in a given situation. Adsule &Badrinarayan (2014) argue that competency is defined as the behaviors of employees who must have, or acquire, upon each a situation in order to accomplish high levels of performance.

In this paper, employee specialty competency focus is defined as the ability of a firm to emphasize the distinctive characteristics of the employee as being a high performer, having cognitive ability, and holds potential. These capabilities impact a significant difference to present and future organizational performance (Morton, 2004; Tansley et al., 2006). Competency has been known around business through the presentation by the authors (e.g. McCelland, 1973; Boyatzis, 1982; Spencer &Spencer, 1993). Especially, the basic purpose of defining competencies or competent performance was to improve human performance in work (Hoffman, 1999). Boyatzis (1982) & Klemp (1980) proposed that a person would have better performance in a job when competency is an underlying characteristic. Moreover, many studies concerned with competency emphasize the concept that often includes underlying skills, traits, attributes, knowledge and attitudes that are required for achievement in a job (Boyatzis, 1982; Spencer & Spencer, 1993).

In general, organizations need to acquire employee specialty competency which can make a significant difference to the present and future performance of the company. Thus, employee specialty competency focus is likely to promote firm success, business competitiveness, superior operational proficiency, business value creation and outstanding organizational outcome. The hypothesis is proposed as follow:

P1 Employee specialty competency focus will have a positive influence on (a) superior operational proficiency, (b) business value creation, (c) outstanding organizational outcome, (d) business competitiveness, and (e) firm success.

Employee Value-Searching Orientation

In this paper, employee value-searching orientation refers to the ability of a firm to seek and identify the potential employee who plays a strategic role associated with the capabilities to contribute to the value creation of a firm, and can enhance a firm’s competitiveness to achieve the goal of the objectives (Heinen & O’Neill, 2004; Huselid, Beatty & Becker 2005; Mellahi & Collings, 2010). The pivotal positions have the differentiated capability to contribute to organizational outcomes due to the fact that it is difficult for all employees to contribute equally to firms’ value addition (thus pivotally positioned) and dissimilar key positions in which it plays a strategic role. Top performing employees contribute more to organizational outcomes than low-performing employees (Heinen & O’Neill, 2004).

In addition, the cause of pivotal positions also has greater impacts on the competitive advantage of firms, they need to be identified and filled with high-performer employees

(Huselid, Beatty & Becker 2005; Mellahi & Collings 2010). Accordingly, O'Callaghan (2008) presented that to identify talent one should consider visible and invisible, as well as comprehensive processes that identify and assess talent as proposed by seven key elements, namely: talent review meetings, performance data, psychometric assessments, track record reviews and evaluations, qualifications, development/assessment centers, and various-source offered back reports. Lawler (2008) argue that competitive advantage is important, which shows the acquisition of right talent. Talent is a key of innovation that can develop high quality performance. Moreover, the importance of acquiring talent has different experiences and ideas for acceptability of change, the ability to learn, and execution of new processes. Hence, employee value searching orientation is likely to move firms to achieve their firm success, business competitiveness, superior operational proficiency, business value creation and outstanding organization outcome. Thus, the hypothesis is proposed as follows:

P2 *Employee value-searching orientation will have a positive influence on (a) superior operational proficiency, (b) business value creation, (c) outstanding organizational outcome, (d) business competitiveness, and (e) firm success.*

Employee Development Investment Emphasis

Accordingly, "development" refers to activities related to the acquisition of new knowledge or on increased skills for objectives of personal growth and "training" which refers to a systematic improvement of an individual, team, and organizational effectiveness by learning and development (Goldstein & Ford 2002). Meanwhile, an organization's knowledge base is developed, as an evolutionary process that is supported by the fundamentals of strategic investment decisions, but is also limited by patterns of human, social, and organizational capital.

Employee development investment emphasis in this paper refers to a firm's perception of important activities in order to improve employee potential which these activities support for developing and upgrading employees with outstanding potential and increased ability. Lee & Bruvold (2003) noticed that investment for employee development is likely to build a greater obligation of employees that affects the organization, and which leads to its effectiveness. It is derived from supporting the increase employee motivation to work hard. Higher investment concern with human capital is linked to changes in fruitful behavior, via a quality-quantity tradeoff (Becker & Lewis, 1973); to inflate in the growth rate of technology (Lucas, 1988); and direct to a higher level of output (Mankiw, Romer, & Weil, 1992). Concordantly, high potential identification and development refers to the process of the firm that classifies and develops employees who are potentially competent to moving toward leadership roles in future. Developing and retaining high potential talent is one of the most difficult challenges of the organization. It is stringing together a range of meaningful experiences in a systematical approach that will appropriately shape character and skill while simultaneously providing productive value to the business outcome (Berger, Lance A. & Berger, Dorthy R., 2010).

Wyatt & Frick (2010) suggest that human capital investment is intrinsically related to the success of the firm. In terms of, the effort to increase human capital value, the firm needs to focus on input, and the firm's human capital, such as in attracting employees, and developing and implementing schemes to retain and provide encouragement for talent staffing (Wyatt & Frick, 2010). According to Huang et al., (2002), the study proposes that such competition is very widespread, and the firm needs to pursue activities for the best talent, to generate a competitive battleground. Therefore, the hypotheses are proposed as follows:

P3 Employee development investment emphasis will have a positive influence on (a) superior operational proficiency, (b) business value creation, (c) outstanding organizational outcome, (d) business competitiveness, and (e) firm success.

Competency-Motivation Congruence Awareness

Competency-motivation congruence awareness is defined as the ability of a firm to focus on balancing the degree of the potential in individuals and how to influence what others are motivated to do, such as by high pay or, a challenging task. Competency is one of the important characteristics the organization needs. Wiek et al., (2011, p. 204) define competency as "a functionally linked complex of knowledge, skills, and attitudes that enable successful task performance and problem solving". In a knowledge-centric economy, competency mapping has become an important tool and draws extreme attention from the industry (Sengupta, Venkatesh & Sinha, 2013). Competencies are viewed as resources and capabilities that enable organizations to develop, adopt, and implement value-enhancing HRM strategies (Lado & Wilson, 1994).

Motivation is defined as the phenomena associated in the operation of incentives and drives (Drever, 1952). Furthermore, motivation is a key component of the mysterious energy that operates through the employees' performance. Abundant evidence supports that motivation is desired of employees to engage in behaviors that contribute to the achievement of a firm's goals (e.g., Heider, 1958; O'Reilly& Chatman, 1994).

Pay for performance is an incentive pay form which is the most famous and has been widely well known among organizations. While they attempt to increase contributions to the value-added component of their employees, in accordance with simultaneously decreasing fixed costs, evidence concerning its effectiveness remains mixed (Gerhart & Rynes, 2003; Werner & Ward, 2004). Moreover, higher productivity and higher employee retention can be derived from enhancing the motivation of an employee. This helps to support the organization to survive among quickly-shifting environments and the intense competition of business (Smith, 1994). Therefore, competency-motivation congruence awareness of the organization is likely to retain and utilize talent in order to facilitate competition. Thus, the hypothesis is proposed as follows:

P4 Competency-motivation congruence awareness will have a positive influence on (a) superior operational proficiency, (b) business value creation, (c) outstanding organizational outcome, (d) business competitiveness, and (e) firm success.

Employee Ability Enhancement Concentration

Employee ability enhancement concentration in this paper is applied from the concept of self-development for which the principal argument is regarding improvement that is not matter of proficiency, but is related to personal willingness and determination to bind oneself to a process in which the individual values are believed (Burgoyne, 1977). In fact, the individual begins to look for goals then later chooses how to achieve them. Next, they begin an action for achievement, and lastly, evaluate the success (Megginson & Whitaker, 1998). According to some view points, self-development is a broader applicability at the collective level of organizations. Moreover, self-development can connect all employees to all levels of the organization. That process of serving one another is one of the most significant strategies.

Employee ability enhancement concentration is defined as an ability of a firm to provide appropriate, supplementary activities, and facilitate the environment to enable potential employee development that contributes to the achievement of the organization. The talent development initiative of the company is to develop employee multi-dimensional knowledge and skills, so that they can decide their own career plan, and be flexible enough to pursue specialist tracks. Meanwhile Smith (1990, p.17-19) proposes that, "Individuals will need to create and use self-development opportunities as an integral element in their organization's development." Indeed, the perceived benefits from self-development emphasize the integration of the development of both the individual and the organization. According to Temporal (1984) an individual's perspective of self-development can enhance self-confidence and advance latent abilities which would improve initiative and task performance. Meanwhile, in the organization's perspective of dynamics change, it inspires managers to consider change and positive improvement. Moreover, self-development encourages participation and may affect adding an individual's commitment to the organization.

Thus, employee ability enhancement concentration of a firm is likely to affect related superior operational proficiency, business value creation, outstanding organizational outcome, business competitiveness and firm success. Hence the hypothesis is proposed as below:

P5 Employee ability enhancement concentration will have a positive influence on (a) superior operational proficiency, (b) business value creation, (c) outstanding organizational outcome, (d) business competitiveness, and (e) firm success.

Superior Operational Proficiency

This paper proposes superior operational proficiency to be defined as the output of operational excellence, which focuses on improvement such as in quality products, delivery processes, goods and services cost management of firms that related to consumer satisfaction, and the response to a consumer needs by high-quality persons (Treacy & Wiersema,1992). Many increased factors enable organizations to seek more efficient operating method and warrant their operational processes which attain effectiveness (Hill, 2000; Slack et al., 2004).This is concerned with the need to deliver value-added products or services of exceptional quality, on time, and at a competitive price. Proficiency is applied to the concept of the assessment of professional skills in a wide perspective of a variety fields and this concept is used in a relatively infrequent routine. An overview of proficiency shows that it is good governance of professional knowledge, skills and competencies (Beta and Lidaka, 2015).

A measure of operational performance objectives are: cost, quality, reliability, flexibility and speed (Hill, 2000; White, 1996). Cost performance means that the outcome is derived from the elimination of waste and achievement of efficacious operation such as in purchasing, production and staff performance (Russell & Taylor, 1995). Quality performance is the consistent provision of products and services that satisfy customers and provides organizations with the opportunity to link the gap between their capability of offering, and what customers demand (Russell & Taylor, 1995). Reliability means that the credit of a firm is considered by customers that firms' processes consistently perform and satisfy' customers by providing on-time service (Corbett, 1992). Flexibility is the ability of the organization, and the extent to which it adjusts (what it does, how it does, and when it does) and changes in order to respond to customers' requirements (Slack, 1991). Speed concerns service requested by customers and the delivery of the service by organizations (Hill, 2000). Moreover, better operational performance is viewed as the products or services offered by an organization that should become more attractive to customers, and the firm is likely to show better business performance (Naveh & Marcus, 2005).

Therefore, firms which have a higher efficient operational development are likely to gain superior competitiveness enhancement. Hence, the hypothesis is proposed as below:

P6 Superior operational proficiency will have a positive influence on (a) business competitiveness and (b) firm success.

Business Value Creation

Value creation is the importance of a firm's awareness of producing through customer perceived value, which is based on their trade-off concern with "what they get" (quality, perceived benefits, or performance) and "what they give," as a value through the insight of various customers, including product utility (Zeithaml,1988), perceived benefits over costs (Christopher,1996), market-perceived quality adjusted for consistency of price (Grale,1994), and perceived benefits over sacrifices (Eggert&Ulaga,2002). Especially, in the value-based approach, customer satisfaction performance rests on the customer who defines the value of goods or services by price, convenience, and quality attributes (Treacy & Wiersema, 1992). Moreover, value creation is defined as the offered value that the firm constructs in its market, proposing that the customer consumes, judges, and confirms those customers who consider and utilize achievement of their consumption goals (Woodruff, 1997).

Therefore, this sense about customer needs and concerns over customer perceptions of benefits is viewed as a crucial role to which that firm should pay more attention. It explores the preference features of products and services to create value and necessity to offer all of the value that customers seek in the marketplace (Mittal and Sheth, 2001). In addition, delivering superior value to customers is vital for business success, including being the source of competitive advantage (Guenzi & Troilo, 2007; Nasution & Mavondo, 2008). Accordingly, the organizations which have a robust commitment to generating and delivering superior customer value would benefit from a supportive corporate culture that concentrates on customers' expressed and latent needs, thus enhancing corporate performance.

Business value creation is defined as the ability of a firm to respond to customer needs with a good product and service, and as a value through the insight of various customers (including product utility and perceived benefits over costs derived by improving the potential of the human resource). Prior research found empirical support that proposes customer value by a firm having been associated with business performance, including profitability, customer retention and sales growth (Stanley &Naver, 1994; Mc Dougall & Leveque, 2000; Levenburg, 2005). Therefore, the hypothesis is proposed as follows:

P7 Business value creation will have a positive influence on (a) business competitiveness and (b) firm success.

Outstanding Organizational Outcome

Outstanding organizational outcome in this paper refers to the organization's output quality of being able to bring about an effect in its operational objectives. Ussahawanitchakit & Pongpearchan (2010) point out that business practice effectiveness refers to the operational activity which can carry to the mission and vision of an organization to achieve a goal. The outcome of business excellence includes best practice within an organization, responding to strategic purposes, affording stakeholders' satisfaction, and sustaining competitive firms (Ritchie & Dale, 2000). Essentially, the notion of talent is associated with ability or intelligence, which is the ability to utilize some occupation or to carry out an activity. Talent is generally embedded with innate ability and creativity, but also can be developed by practice and training. It also reflects talent brain power or the ability of a person to learn things simply and expertly to improve an activity. Consequently, a firm can combine existing knowledge and new creation, including diffusion of new knowledge to drive innovation through production and service activities, which in turn, leads to economic performance and growth (Wolfe & Bramwell, 2008).

A firm's capability to generate, apply and manage knowledge is important to its competitiveness (Coff, 2003; Grant, 1996; Madhok & Phene, 2001; Nonaka & Toyama, 2005). These capabilities pertain to the attainment of the fundamental missions of an organization's department and the effectiveness and efficiency of its creative operations, including performance, standards, and safeguarding the potential of human resources against loss. Generally, when a firm can recognize the handling of outcomes by excellent manners, important best-practice efficiency helps to reduce loss, enhance practice performance, and continues task improvement that includes the preventions of all mistaken cases (Bhasin, 2001). It is a good result of discipline to have professional commitment, and which continues to fulfill employee skills in employee roles. Moreover, it can promote the reputation of task and competency assumed to be received from operational practice. Consistent with Proctor, Tan & Fuse (2004), a firm's ability to adopt and implement novel skills and innovative strategy doing its work is positively related to firm growth and survival.

Thus, outstanding organizational outcome is likely to affect business competitiveness and firm success. Hence, the hypothesis is proposed as:

P8 *Outstanding organizational outcome will have a positive influence on (a) business competitiveness and (b) firm success.*

Business Competitiveness

In this paper, business competitiveness is defined as the sustained capacity of a firm to gain and develop a new work process and creativity of products, including maintaining a highly skilled employee, with advantages that are possessed over other firms in the industry (Ussahawanichakit, 2007). Competitiveness is referred to the preference and skills that can retain a position in the market, to increase market share and profitability, and eventually to join commercially fruitful activities (Filó, 2007). The competitiveness concept of the manufacturing sector has been conventionally evaluated both at the regional and firm level (Voulgarisa & Lemonakisb, 2014). According to the firm level, competitiveness refers to the ability of a firm to design, produce and or market products superior to those offered by competitors (e.g. price and non-price qualities) (D'Cruz, 1992). The study of Castellacci (2010) found that innovation-driven capability raises the market share of firms that are positively related to improvements in their efficiency and consistency, according to the report of Hashi & Stojcic (2010). Moreover, the findings of the previous studies point to the involved position of firms in the market that improves as their efficiency increases (Hay & Liu, 1997; Halpern & Korosi, 2001). Numerous studies are in accord with the competitiveness and performance of firms that have concentrated around factors affecting the productivity of those firms (Crepon, Duguet&Mairesse, 1998; Lööf & Heshmati, 2002; Andersson & Loof, 2009; Castellacci, 2010).

As to sustaining competitiveness, firms need to increase quality management that focuses on a core business process, social relationships, collaboration with competitors, and partners (Loch, Chick, & Huchzermeier, 2007) or, on a cooperative network (Álvarez, Marin, & Fonfría, 2009). Therefore, firms concentrate on knowledge security (Pearce, 1999). Firms emphasize the adjustment of the business environment within an industry, such as in launching technological innovative products to the marketplace. It provides faster product cycles, presaging novel product variants and faster product obsolescence related to intensified customers' needs, and increasing sustainable consumption (Sonntag, 2000). Hence, business competitiveness is likely to affect achievement, which leads to firm success. This hypothesis is proposed as below:

P9 Business competitiveness will have a positive influence on firm success.

Firm Success

Success is the result of the right formula combination of strategies and the implementation of activities to achieve strategic objectives. While firm performance is close to the meaning of firm success, it is represented by the growing rates of sales, profit, and market share; but with the opposite, decreased rate of potential employee turnover. Moreover, Chalatharawat & Ussahawanitchakit (2009) point out a firm's success as a potential derived from the attainment of a firm's objective, which is the overall performance of four main perspectives: finance, customers, internal business processes, learning and growth. Likewise, Cadez & Guilding (2008) argue that firm success dimensions are measured from product quality improvement, customer satisfaction, sales volume, market share, return on investment and profitability.

Chatman & Barsade (1995) defined that organizational success is linked to strategic capabilities which need to be managed for firm performance or survival in extremely competitive states, and their study presents that organizational success is connected with its strategies, a capability which needs to accomplish firm performance or survival in highly competitive situations. Hence, firm success implies the output of implementing strategic talent management and consequences.

CONTRIBUTIONS

This paper provides a new aspect for the process of strategic talent management by five dimensions (employee specialty competency, employee value-searching orientation, employee development investment emphasis, competency-motivation congruence awareness and employee ability enhancement concentration). These points to the value and importance of workforce, especially a high performance employee in a workplace who plays a key role that utilize the significance of an organization's performance between past and future. Moreover, the comprehensive conceptual framework can help HR managers to understand and apply it to fit into their organizations. The present conceptual paper reflects two aspects of the contribution, which both practical and theoretical are. In the near future, many organizations must prepare to face shifted workforce from the impact based on the association of member networks of various countries (e.g. AEC); they need to use strategic talent management in order to survive and continually keep both a profit and talented employees among the volatility in the competitive environment of business. On the other hand, the theoretical aspect is regarded by human capital theory that helps to clearly understand the importance of humans as an important capital of firms, especially a talented person. In addition to, this the skill development of the employees is an investment for value-adding, due to competitiveness.

CONCLUSION

This paper presents an avenue of empirical research involved with talent management in that it is viewed as a classic human management topic of a practitioner. A conceptual framework demonstrates five dimensions are employee specialty competency, employee value-searching orientation, employee development investment emphasis, competency-motivation congruence awareness and employee ability enhancement concentration that reflect the respective steps of strategic talent management and its consequence. Human resource is one important factor of current firms that can drive an organization to competitiveness in the business world. The organization should concentrate on developing potential employees who are a key success in competition.

Generally, previous study does not clearly focus on the talent management dimension, in that it presents a wide aspect of talent management that affects organizational performance. Moreover, this paper provides that the consequences are viewed as the outcomes of strategic talent management. In the future, this paper should lead to investigate the propositions for declaring an empirical result.

REFERENCES

Adsule, K., & Badrinarayan, S.R. (2014). Analysing competency based models with its application. *Pezzottaite Journals*, Vol. 3, 2, April – June.

Álvarez, I., R., Marin & A. Fonfría. (2009). The role of networking in the competitiveness of firms. *Technological Forecasting & Social Change*.76(4), 10-421.

Andersson, M., &Loof, H. (2009). Learning-by-exporting revisited–the role of intensityand persistence. *Scandinavian Journal of Economics*, *111*(4), 893–916.

Ashton, C., & Morton, L. (2005).Managing talent for competitive advantage. *Strategic HR Review*, 4(5), 2

Avedon, M.J., Cerrone, S., Graddick-Weir, M. &Silzer, R. (2010).Chief humanresourceofficer perspectives of talent management. Strategy-Driver Talent Management, San Francisco, *CA: John Wiley and Sons.*

Axelrod, B., Handfield-Jones, H., & Michaels, E. (2002).A new game plan for C players. *Harvard Business Review, January*, 81–88.

Bartb, H. (2003). Fit among competitive strategy, administrative mechanisms, and performance:a comparative study of small firms in mature and new industries. *Journal of Small Business Management***,** 41(2),133-147.

Becker, G. S. & Lewis, H. (1973).On the interaction between the quantity and quality of children.*Journal of Political Economy*, 81, 279-288.

Beheshtifar, M. &Ziaadini, M. (2012).To promote job involvement via talent management.*Science Series Data Report*, 4 (1), 44-47.

Berger, Lance A. & Berger, Dorthy, R. (Eds.) (2010).Integrating coaching, training and development with talent management, *Tata McGraw Hill Education Pvt Ltd*, New Delhi.

Berry, M. (2007). Talent management tops European challenges list. *Perspective Today*, 19, 8.

Beta, G. and Lidaka, A. (2015). The aspect of proficiency in the theoretical overview of pedagogical practice of nurses. *Social and Behavioral Sciences*, 174, 1957 – 1965

Bhasin, M. (2001). Corporate governance and transparency scenario: An empirical study of Asia. *International Review of Business Research Papers,* 5(6), 269-297.

Birschel, D. (2006). Critical issues in HR drive: number1 is talent management. *Benefits Quarterly, 22*(1), 64.

Boyatzis, R. (1982). The competent manager: A model for effective performance. New York; *Wiley&Sons.*

Burbach, R., &Royle, T. (2010).Talent on demand?Talent management in the German and Irish subsidiaries of a US multinational corporation. *Personnel Review*, 39(4), 414-31.

Burgoyne J. (1977). The Learning Goals and outcomes of management development programmes.*Personnel Review*, 6(1), 5 – 16.

Cadez, S., &Guilding, C. (2008).An exploratory investigation of an integrated contingency model of strategic management accounting.*Accounting, Organizations and Society,* 33, 836-863.

Castellacci, F. (2010). How does competition affect the relationship between innovation and productivity? Estimation of a CDMmodel for Norway.*Economics of Innovation and New Technology*, 19: 1-22.
Chalatharawat, J., &Ussahawanitchakit, P. (2009).Accounting information usefulness for performance evaluation and its impact on the firm success: An empirical investigation of food manufacturing firms in Thailand.*Review of Business Research,* 9(2), 1.
Chambers, E., Foulon, M., Handfield-Jones, H., Hankin, S.,& Michaels III, E. (1998). The war for talent. *The McKinsey Quarterly*, 3, 44–57.
Chatman, J., &Barsade, S. (1995). Personality, culture and cooperation: Evidence from a business simulation. *Administrative Sciences Quarterly*, 40(3), 423-443.
Christopher, M. (1996). From brand values to customer values. *Journal of Marketing Practice: Applied Marketing Science*. 2(1), 55-66.
CIPD.(2012). Learning and talent development 2012. [online]. *Available from: http://www.cipd.co.uk/hr-resources/survey-reports/learning-talentdevelopment-2012.aspx.[accessed March 6, 2015]*
Coff, R.W. (2003). The emergent knowledge-based theory of competitive advantage: An evolutionary approach to integrating economics and management. *Managerial and Decision Economics,* 24, 245–251.
Collings, D.G. &Mellahi.K. (2009).Strategic talent management: a review and research agenda. *Human Resource Management Review*, 19(4), 304-13.
Crepon, B., Duguet, E., &Mairesse, J. (1998).Research, innovation, and productivity.NBER Working Paper No.6696.
D'Cruz, J.R. (1992). Playing the global game: International business strategies.*In J.Dermer(Ed.),* in the new world economic order: opportunities and threats from strategic briefings for Canadian enterprise series. Toronto: CaptusPress.
DEA.(2009). Project description. DEA: Copenhagen, Denmark.
Davies, H. & P. Walters. (2004). Emergent patterns of strategy environment and performance in a transition economy. *Strategic Management Journal***,** 25, 347-364.
Drever, J. (1952). A dictionary of psychology. *Baltimore: Penguin Books Ltd*.
Eggert, A. & W. Ulaga. (2002). Customer perceive value: A substitute for satisfaction in business markets.*Journal of Business and Industrial Marketing,*17(3), 107-118.
Filó, C. (2007). Territorial competitiveness and the human factors.*International conference of territorial intelligence*. Huelva.
Gerhart, B., &Rynes, S. L. (2003). Compensation:Theory, evidence, and strategic implications. Thousand Oaks, *CA: Sage*.
Goldstein, IL, &Ford JK. (2002). Training in organizations. Belmont, *CA: Wadsworth. 4th ed*.
Grale, B. T. (1994). Managing customer value: Creating and service that customers can see (Ed.)^(Eds.), New York, *The Free Press.*
Grant, R.M. (1996). Toward a knowledge-based theory of the firm.*Strategic Management Journal*, 17 (Winter Special issue), 109–122.
Guenzi, P. & G. Troilo. (2007). The joint contribution of marketing and sales to thecertain of superior customer value. *Journal of Business Research*, 60, 98-107.
Gumus, S., Hande. S. A., Gumus. H. G, &Kurban., Z. (2013). An application in human resources management for meeting differentiation and innovativeness requirements of business: talent management. *Social and Behavioral Sciences*, 99, 94 – 808.
Halpern, L., &Korosi, G. (2001). Efficiency and market share in the Hungarian corporate sector. *Economics of Transition*, 9(3), 559–592.
Hashi, I., &Stojcic, N. (2010). The impact of innovation activities on firm performance using a multistage model: evidence from the community innovation survey4.*CASE Network Studies and Analyses*, 410.
Hay, D.A., &Liu,G.S. (1997). The efficiency of firms: what difference does competition make? *The Economic Journal*, *107*, 597–617.
Heider, F. (1958).The psychology of interpersonal relations.*New York: Wiley*.
Heinen, J.S. &O'Neill, C. (2004).Managing talent to maximize performance. *Employment Relations Today,* 31(2), 67-82.
Hill, T. (2000). Operations Management: Strategic Context and Managerial Analysis, Palgrave, Basingstoke.
Hoffman, T. (1999). The meaning of competency. *Journal of European Industrial Training*, 23(6), 274-275.
Huang, G., M.H. Roy & Z.U. Armed. (2002). Bench marking the human capital strategies of MNCs in Singapore benchmarking: *An international*. 9(4), 357-373.

Huselid, M. A., Beatty, R. W., & Becker, B. E. (2005).A players or a positions: The strategic logic of workforce management. *Harvard Business Review, December*, 110 – 117.

Jenkins, M. (2006). Managing talent is a burning issue in Asia. *Leadership Action, 26*(5), 20.

Klemp, G.O. (1980). The assessment of occupational competence.*Report to the National Instituted Education*, Washington, DC.

Lawler, E.E. (2008). Talent making people your competitive advantage. *San Francisco: Jossey-Bass*.

Lee, C.H. & N. Bruvold. (2003).Creating value for employees: Investment in employee development. *International Journal of Human Resource Management*, 14, 981-100.

Levenburg, N. M. (2005). Delivering customer value online: An analysis of practices, applications, and performance.*Journal of Retailing and Customer Services*,12, 319-331.

Lewis, R. E., & Heckman, R. J. (2006). Talent management: A critical review. *Human Resource Management Review*, 16, 139–154.

Loch, C.H., S. Chick and A. Huchzermeier. (2007). Can European manufacturing companies compete? Industrial competitiveness, employment and growth in Europe.*European Management Journal*. 25(4), 251-265.

Lööf, H., &Heshmati, A. (2002). Knowledge capital and performance heterogeneity: a firm-level innovation study. *International Journal of Production Economics*, *76*(1), 61–85.

Lucas, R. E. (1988). On the mechanics of economic development. *Journal of MonetaryEconomics*, 22, 3-42.

Lucia, A.D., &Lepsinger, R. (1999). The art and science of competency model: Pinpoining critical success factors in organizations. *San Francisco: Jessey-Bass/Pfeiffer*.

Madhok, A. & A. Phene. (2001). The co-evolutional advantage: Strategic management theory and the eclectic paradigm. *International Journal of the Economics of Business*, 8(2), 243–256.

Mankiw, G. N., Romer, D. & Weil, D. N. (1992).A contribution to the empirics of economic growth. *Quarterly Journal of Economics*, 107(2), 407- 438.

Maxwell, G. A. & MacLean, S. (2008). Talent management in hospitality and tourism In Scotland: Operational implications and strategic actions. *International Journal of Contemporary Hospitality Management, 20*(7), 820 – 829.

Mc Clelland, D. C. (1973). Testing for competence rather than for "intelligence".*American Psychologist*, 28, 1-14.

Mc Dougall, G. H. G., & Leveque, T. (2000). Customer satisfaction with services: Putting perceived value into the equation. *Journal of Service Marketing*, 14(5), 392-410.

Mc Lagan, P.A. (1997). Competecies: The next generation, *training and development*, 51(5), 40-48.

Megginson, D. and Whitaker, V. (1998).Cultivating Self-development, London: *IPD*.

Mellahi, K., and Collings, D. G. (2010). The barriers to effective global talent management: The example of corporate élites in MNEs. *Journal of World Business, 45*(2), 143.

Mittal, B., &J. N. Sheth. (2001). Value space: Winning the battle for market leadership.*New York: McGraw-Hill*.

Morton, L. (2004). Integrated and integrative talent management: A strategic HRframework, research report R-1345-04-RR.New York: *The conference board*.

Nasution, H. N. and F. T. Mavondo. (2008). Customer value in the hotel industry: What managers believe they deliver and what customer experience.*International Journal of Hospitality Management*, 27, 204-213.

Nonaka, I.& Toyama, R. (2005). The theory of the knowledge-creating firm: Subjectivity, objectivity and synthesis. *Industrial and Corporate Change* 14(3), 419–436.

Nasution, H. N. & F. T. Mavondo. (2008). Customer value in the hotel industry: What managers believe they deliver and what customer experience. *International Journal of Hospitality Management*, 27, 204-213.

Naveh, E. and Marcus, A. (2005).Achieving competitive advantage through implementing a replicable management standard: Installing and Using ISO 9000.*Journal of Operations Management*, 24, 1-26.

O'Callaghan, A. (2008). Talent Management Review. Retrieved from *www.fasset.org.za/downloads/.../taleng_man_sdf_long_article_ website.pdf*[accessed 6 February 2015].

O' Reilly.C.A & Chatman.J.A. (1994).Working smarter and harder a longitudinal study of managerial success.*Administrative Science Quarterly*, Vol. 39, 603-627.

Pearce, R.D. (1999). Decentralized R&D and strategic competitiveness: Globalised approaches to generation and use of technology in multinational enterprises (MNEs). *Research Policy*, 28, 157-178.

Powell, M. &Lubitsh, G. (2007).Courage in the face of extraordinary talent. *Strategic HR Review*, 6(5), 24 – 27.

Proctor, T., Tan, K., & Fuse, K. (2004).Cracking the incremental paradigm of Japanese creativity. *Creativity and Innovation Management Journal*, 13 (4), 207-215.

Ritchie, L. & B.G. Dale. (2000). Self-assessment using the business excellence model: A study of practice and process. *International Journal of Production Economics*, 66(3), 241-254.

Russell, R.S. and Taylor, B.W. (1995), Production and operations management: focusing quality and competitiveness, *Prentice-Hall, Englewood Cliffs, NJ*.
Sengupta, A., Venkatesh, D.N., and Sinha, A.K. (2013). Developing performance-linked competency model: A tool for competitive advantage. *International Journal of Organizational Analysis* (UK, Emerald Publishing Group), 21(4).
Sita, V. &Pinapati, A. (2013). Competency management as a tool of talent management: A study in Indian IT organizations. *Journal of Economic Development, Management, IT, Finance and Marketing,* 5(1), 44-56.
Slack, N., Chambers, S. and Johnston, R. (2004). Operations Management, *4th ed., Pearson Education*, Melbourne.
Smith T.B. (1990). Editorial comment, *Industrial and commercial training*, 22, 17-19.
Sonntag, V. (2000).Sustainability-in light of competitiveness. *Ecological Economics.*34, 101-113.
Spencer, L. M., & Spencer, S. M. (1993).Competence at Work. *New York: Wiley*.
Stanley, F. & S. J., Naver.(1994). Market orientation, customer value, and superior performance.*Business Horizons*, 37(2), 22-28.
Tansley, C., Harris, L., Stewart, J., & Turner, P. (2006). Talent management: Understanding the dimensions. *The Chartered Institute of andDevelopment (CIPD),*1 –25.
Temporal, P. (1984).Helping self-development to happen.*In C. Cox & J. Beck, (eds.)* Management Development: Advances in Practice and Theory, Manchester: Wiley.
Treacy, M. & F. Wiersema.(1992). Customer intimacy and other value discipline.*Harvard Business Review*. January-February, 84-93.
Usssahavanitchakit, P. (2007). Innovation capability and export performance: An empirical study of textile business in Thailand. *International Journal of Business Strategy*, 6(1), 1-9.
Ussahawanitchakit, P.&Pongpearchan,P. (2010). Human capital orientation: Effects on organizational effectiveness and firm success of spa businesses in Thailand. *Journal of International Business and Economics,*10(3), 85-98.
Voulgarisa, F., & Lemonakisb, C. (2014). Competitiveness and profitability: The case of chemicals, pharmaceuticals and plastics. *The Journal of Economic Asymmetries,* 11, 46–57.
White, G. (1996). A survey and taxonomy of strategy-related performance measures for manufacturing.*International Journal of Operations & Production Management*, Vol. 16 No. 3, 42-61.
Wiek, A., Withycombe, L., & Redman, C. L. (2011). Key competencies in sustainability: a reference framework for academic program development. *Sustainability Science*, 6(2), 203-218.
Wolfe, D. A. &Bramwell, A. (2008). Innovation, creativity and governance: Social dynamics of economic performance in city regions, special issue on innovation and the city, Innovation: *Management, Policy & Practice*, 10(2), 170-182.
Woodruff, R. B. (1997). Customer value: The next source for competitive advantage. *Journal of the Academy of Marketing Science*, 25(2), 139-153.
Wyatt, A., & H. Frick. (2010). Accounting for investments in human capital: A review. *Australian Accounting Review*, 20(3), 199-220.
Zeithaml, V. A. (1988). Customer perceptions of price, quality, and value: A means-end model and synthesis of evidence. *Journal of marketing*, 52, 2-22.

PERSON-ENVIRONMENT FIT RELATIONSHIP WITH JOB SATISFACTION AND TURNOVER: THE MEDIATING INFLUENCE OF LEADER-MEMBER EXCHANGE

Renaud Jutras, Université du Québec à Trois-Rivières
Cynthia Mathieu, Université du Québec à Trois-Rivières

KEYWORDS: Leader-Member Exchange, Person-Organization Fit, Perceived Leadership, Job Satisfaction, Turnover

INTRODUCTION

Work environment is composed of many intricate mechanisms potentially influencing employee's attitudes and behaviors. In this regard, leader-member exchange theory's (LMX) impact on job outcomes, presented as an individual dyadic relationship, has been a burgeoning subject of interest in the past years and a now well studied alternative path on traditional leadership research. Moreover, person-organization fit (P-O fit) literature seems to also have considerably focused on the relevance of P-O fit as a predictor of employee's job outcomes, notably potential turnover. However, LMX and P-O fit's relationships with job satisfaction, turnover intention and actual turnover are largely independently studied. Accordingly, few scholars have tried to combine both frameworks in order to comprehend the intertwined dynamics of those two theories in the workplace. This study presents a review of both theories as well as the results and a discussion about the possible mediating influence of LMX quality on P-O fit- Job satisfaction and turnover relationship.

RESULTS

This comparative and exploratory review of both frameworks leads us to believe that an employee's perceived fit with the organization (P-O fit) influences job outcomes but that the effect may be mediated by employee's relationship with his leader (LMX). We propose that, from a follower's perspective, LMX quality may be associated with perceived organizational fit, direct supervisors embodying the organization to the followers.

DISCUSSION

From an academic standpoint, we believe that further research combining LMX and P-O fit frameworks should be done. The mediating effect of LMX on the association between P-O fit and job outcomes has yet to be empirically tested. Nonetheless, review of both theories suggest that these dimensions of employee's environment may have an interactive role in the workplace. From a practitioner's perspective, our theoretical findings suggest that direct supervisor's relationship with employee's may have a non-negligible impact on how employees perceive their organization. These perceptions may translate into shift of attitudes and behaviors, thus potentially being directly related to job outcomes, namely job satisfaction, turnover intention and actual turnover.

Direct supervisors are, to an extant, daily representatives of head management. We propose that values and behaviors transmitted by direct supervisors are perceived by employees as a reflection of organizational values. Our theoretical results suggest that focusing on leader's relationship quality with employees may therefore influence employee's perceptions of their organization, thus influencing job outcomes. Theoretical findings and future possible avenues of research will be discussed.

A CONCEPTUAL MODEL OF STRATEGIC MANAGEMENT RENEWAL ORIENTATION AND FIRM PERFORMANCE

Promchira Chaola, Mahasarakham University
Karun Pratoom, Mahasarakham University
Saranya Raksong, Mahasarakham University

ABSTRACT

Over the past few decades, most organizations have face to strong pressure for an intensely change more than ever before. Many businesses are encounter to change, such as in new competition, arrival of new technologies, organizational structures, cultural of organization, and globalization, which necessitate exploration. Thus, this conceptual paper aims at investigating the relationship of strategic management renewal orientation and firm performance. The paper presents five new dimensions of strategic management renewal orientation, include: organizational change management capability, business adaptation enhancement orientation, competitive operation flexibility emphasis, environmental learning focus and dynamic management ability awareness. Accordingly, firm outcome is a precise key in business excellence, operational productivity, organizational achievement, and firm performance that positively affect the relationships of the construct. In future research, the researcher might use the suggestions of this paper to extend their study. Finally, the evidence of empirical research still needs to continuously investigate. Therefore, the ICT business is expected to study for empirical research.

INTRODUCTION

In the past decade, many large organizations have felt strong pressure for a dramatically change more than ever before. Most industries are powerful forces to change, such as in new competition, arrival of new technologies, organizational structures, cultural of organization, and globalization, which necessitate exploration (Baden- Fuller, Volberda, & van den Bosch, 2001).

In order to reply to this situation, firms have adopted a wide variety of approaches, including downsizing and rejuvenation. In trying to explain many changing situations, “strategic renewal” is one of the several terms that have begun to replace the older phase of “Strategic Change” (Huff, Huff, &Tomas, 1992).Prior research mentions that organizational success is the fundamental of strategic renewal. It is often used in terms of a motivating example of strategic change in order to highlight the process of change (Agarwal & Helfat, 2009).Much research broadly defines strategic renewal as an evolution of the firm process that is related to accommodating, promoting, and utilizing new innovative behavior and knowledge in order to generate firm core competencies of change and/or a change in its product market domain (Floyd &Lane, 2000). The success of strategic renewal requires addressing the tension between change and stability (Nelson &Winter 1982; Huff, Huff et al., 1992; Volberda, Baden-Fuller et al., 2001) and has to overcome the inertial forces embedded in a firm’s prior and existing strategy (Hannan& Freeman 1984; Miller &Chen 1994; Burgelman 2002).

This paper implements the perception of strategic renewal to a management term; namely, strategic management renewal orientation. The reason it applies strategic renewal to a management concept is because business operations always change in order to reach the goal of an organization (Filler & Volberda, 2003). Therefore, strategic management renewal orientation can be defined as the abilities of firm to refresh or replace the qualities of the firm that influence theprospective to substantially affect its long-term prospects (De Rond & Thietart, 2007; Garvin, 1993).

Hence, strategic management renewal orientation is an important strategy of the firms that can respond to change in business operations in many competitive environments. Firms with strategic management renewal orientation tend to achieve competitive advantage over rivals in environmental dynamism (Hart, 1992).

Furthermore, based on the literature of management research, most studies in strategic management renewal orientation have little empirical research. Moreover, this study also investigates new dimensions of strategic management renewal orientation. These issues become research gaps in the paper. Hence, the key aim of this paper is to explore the relationship of strategic management renewal orientation and firm outcome. Moreover, the precise research purposes of this paper are as follows:

1. To investigate the effects of each dimension of strategic management renewal orientation (organizational change management capability, business adaptation enhancement orientation, competitive operation flexibility emphasis, environmental learning focus and dynamic management ability awareness) on business excellence, operational productivity, organizational achievement, organizational competitiveness, and firm performance.
2. To investigate the relationship between business excellence, operational productivity, organizational achievement, and organizational competitiveness.
3. To investigate the influence of organizational competitiveness on firm performance.

Specifically, the research questions of this study are the following:

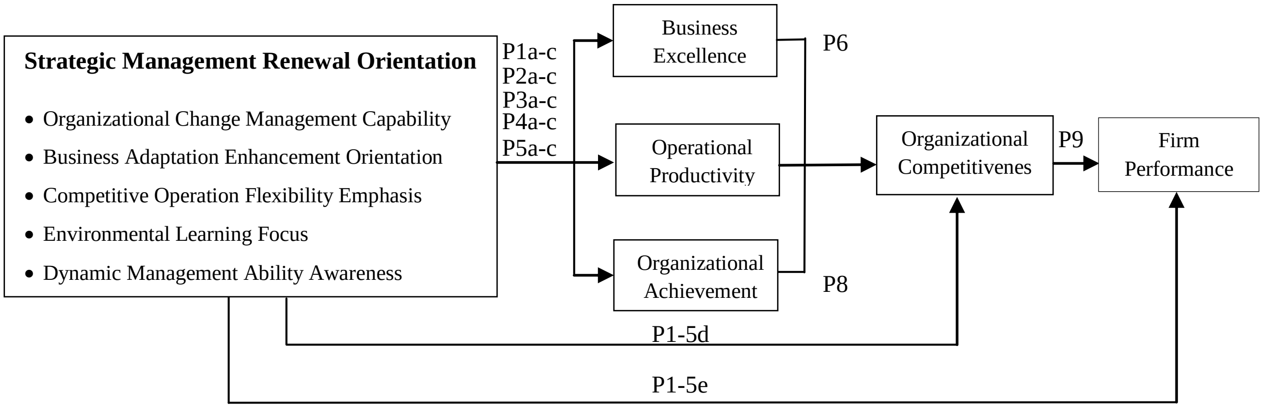
1. How does each dimension of strategic management renewal orientation have influence on business excellence, operational productivity, operational achievement, organizational competitiveness and firm performance?
2. How do business excellence, operational productivity, and organizational achievement affect marketing organizational competitiveness?
3. How does organizational competitiveness influence firm performance?

Then, it reviews the literature and describes the conceptual model that is presented in the next part. Moreover, the explanation of link between the construct of the each variable is established, and the related proposition for the study is also developed. Furthermore, on the contribution part illustrates a suggestion for future research, and managerial contributions. Lastly, the findings of the study are summarized in the conclusion section.

LITERATURE REVIEW

In this paper, a conceptual model of strategic management renewal orientation and firm performance is obviously discussed and delicately examined. Consequently, the conceptual, linkage, and research models are provided in Figure 1.

Figure 1
A CONCEPTUAL MODEL OF STRATEGIC MANAGEMENT RENEWAL ORIENTATION AND FIRM PERFORMANCE



Strategic Management Renewal Orientation

In order to respond to a competitive climate, firms are required to create new strategies that take root in the conditions of changing competitiveness. Certainly, in an increase of the rates of change in competitive markets (D'Aveni, 1994), the strategic management field has raised the importance for the need of firms to continually renew or recreate their strategies (Huff, Huff, & Thomas, 1992; Leonard-Barton, 1993, Hortal, Araújo, & Lobo, 2009).Therefore, strategic management renewal orientation is significant for firms to survive in rivalry and gain competitive advantage. Strategic renewal is generally defined as the process of evolution related to accommodating, promoting, and operating new knowledge and innovative behavior in order to bring about change in an organization's main capabilities and in market product domain change (Floyd & Lane, 2000).Many researchers describe strategic renewal in several terms as presented in Table 1 below. In order to study about strategic renewal, this study will focus on strategic management renewal that influences business competitiveness. Strategic management renewal orientation is strategic actions in order to support the capabilities of a firm with in the internal and external environment, to increase the competitive advantage (Flier, Van Den Bosch & Volberda, 2003).

Strategic management renewal orientation is a key system to firm success. Strategic management renewal orientation has several key characteristics. First, strategic management renewal orientation relates to the potential that substantially affects the long-term prospects of a firm. Second, strategic renewal incorporates the process, content, and outcome of renewal. Third, strategic management renewal orientation includes the replacement or refreshment of characteristics of the firm. Fourth, such replacement or refreshment purposes to provide a basis for development or future growth of firm. Then, strategic management renewal orientation is a content, process, and result of replacement or refreshment of characteristics of a firm that have the potential to substantially affect its long-term prospects (Benner & Tushman, 2003). This description is broadly defined. The main features of this definition communicate to replacement and refreshment, rather than to all types of change, and to the long-term visions of a firm without requiring the precise nature of the process, content, or result of the renewal of the firm. Moreover, strategic management renewal orientation also is defined as a process of important change with respect to the key firm characteristics to sustain long-term visions and viability (Agarwal & Helfat, 2009). It can be concluded that strategic management renewal orientation has three dimensions, including the content, context, and process of strategic management renewal orientation (Flier, Van Den Bosch & Volberda, 2003).

Based on an integrative prior literature review, this paper defines strategic management renewal orientation as the capabilities of an organization that focus on refreshing or replacing qualities of a firm that have the potential to substantially affect its long-term prospects (Volberda, Baden- Fuller & van den Bosch, 2001). Furthermore, the conceptual model provides five dimensions of strategic management renewal including: organizational change management capability, business adaptation enhancement orientation, competitive operation flexibility emphasis, environment learning focus, and dynamic management ability awareness.

Table 1
SUMMARY OF STRATEGIC MANAGEMENT RENEWAL ORIENTATION

Author	Definition
Guth and Ginsberg, (1990)	Strategic renewal is anevolution of firmover the renewal of the key concepts on which they are built.
Burgelman(1991)	Strategic renewal is a process of firm evolutions that related with promoting, utilizing new knowledge and innovative behavior and also include accommodating to transfer change in a firm's core competencies andproduct market domain changing.
(Zahra, 1996)	Strategic renewal is a firm's transformation the scope of business or strategic approach in terms of changing.
Leavy (1997)	The process of firm renewal in characterized by long phases of progress change interspersed with sharp, short and bursts of more revolutionary and disruptive transformation.
Covinand Miles (1999)	Strategic renewal is the phenomenon whereby the organization seeks to redefine its relationship with its markets or industry competitors by fundamentally altering how it competes.
Sharma and Chrisman (1999)	Strategic renewal involves significant changes to an organization's business or corporate level structure or strategy
Ravasi and Lojacono(2005)	Strategic renewal is a concept of activities that a firmassumes to alter strategic course and its resource pattern, in order to improve its overall economic performance.
Yui, Lau, and Bruton (2007)	Strategic renewal is a creation of new knowledge through new combinations of resources. It includesa firm's opportunity of competitive approach, business change, building and acquiring new abilities and creatively leveraging them to add shareholder value.

Organizational Change Management Capability

Due to a complex and competitive global business environment, a firm must be concerned with to the condition of environmental change by continuously offering changes in order to remain profitable and competitive (Mayrhofer, 1997). Organizational change management capability refers to the procedure of continually renewing a firm's track, capabilities, and structure to attend the needs of ever-changing external and internal customers" (Moran & Brightman, 2001). Moreover, organizational change management capability is also defined as a comprehensive and dynamic organizational capability that forces firms to adapt old capabilities to new threats and opportunities, as well as changes in new business processes, firm structure, or cultural changes which create new capabilities of the firm (Strom, 1996).

The topic of organizational change management capability is continued to be discussed in previous organizational change literature. For example, the themes of renewal capability, dynamic capabilities (Kianto, 2008), and the dynamic view (Kianto, 2007) are related to organizational change. According to Dharmaraj et al., (2006) organizational change management capability is implemented to succeed changes in project scope and examine the influence of change in the scope on cost and time. Estrella (2013) posited that projects should change over time because business requires new processes of operational productivity. Also, that to be successful in business, one needs to include these changes in strategic projects. As a result, organizational change management is an instrument that uses an increased level of business excellence and firm performance. Another important key of organizational change management capability (Worch, 2012) involves firm restructuring and downsizing of the number of employees. The main aims of the organizational change were the improvement of operational productivity and a better cooperation between departments (Hayes, 2006).

Base on the literature above, organizational change management capability indicates a transformation of the firm between two points in time. The content of the change can be analyzed by comparing the firm before and after the transformation to see what it is that has changed (Barnett & Carroll, 1995). Thus, organizational change management capability tends to increase business excellence, operational productivity, organizational achievement, organizational competitiveness, and firm performance. Hence, the first proposition is as follows:

P1 Organizational change management capability will have a positive influence on a) business excellence, b) operational productivity, c) organizational achievement, d) organizational competitiveness, and e) firm performance.

Business Adaptation Enhancement Orientation

The capability of a firm to rapidly adapt a procedure to changing business requirements is among the top drivers of an irm to employ business process management. This situation is regularly the case that requires new business to transfer into firm over time. Business adaptation enchantment orientation refers to the capability of a firm to promote and enable the firm to adapt its business to situations that arise (Hallen et al., 1991).

Business adaptation enhancement orientation can be of critical importance in matching operational productivity that helps to increase the competitive advantage of a firm. Opportunities of business adaptation enhancement orientation are created by such factors as demographic change, new sources of financing, new knowledge, and changes in industry structures that are influenced by the external environment (Drucker, 1985). Business adaptation enhancement orientation is the one of several processes that enables a firm to reach business success and increase the business operations. Firms do survive or failed pending on their fit within strategic planning and an ecological niche in the marketplace (Evans & Davis, 2005). The strong survive who do not do enough for the adaptation of business, but also it includes those who are best able to read and interpret patterns in the environment and adapt over time.

Based on the literature review above, business adaptation enhancement orientation plays important keys to increasing business excellence and the competitive advantage of the firm. Hallen et al., (1991) explain the content of adaptation as a central feature of working business relationships. Adaptation may imply considerable investment by one party to a relationship, often a non-transferable investment that creates durable economic bonds between the firms (Hakansson& Sharma, 1996). Thus, business adaptation enhancement is more likely to encourage firms to achieve their business excellence, operational productivity, organizational achievement, organizational competitiveness, and firm performance. Hence, the propositions are elaborated as follows:

P2 Business adaptation enhancement orientation will have a positive influence on a) business excellence, b) operational productivity, c) organizational achievement, d) organizational competitiveness,and e) firm performance.

Competitive Operation Flexibility Emphasis

Competitive operation flexibility emphasis is the outcome of a firm and the will to identify, to analyze, and to respond to firm competitive actions. This involves the construction and identification of competitive advantages in terms of specific functionalities or quality; and enables the firm to position the new product well (De Meyer et al., 1989). The competitive operation flexibility emphasis of a firm is a key to drive an ability that preserves employees striving for personal and professional growth. In this study, competitive operation emphasis flexibility refers to the ability of a firm that has adopted an aggressive competitive environment according to internal and external organizations for providing high benefits to the operation (Garvin, 1993).

Competitive operational emphasis flexibility deals with environmental change, which is a driver of greater productivity and enhances organizational achievement. It is a force to transform the industry, and it is a substance in reconstruction through a refocused value system (Lengnick, 1992; Stumpf & Vermaak, 1996). In order to enhance the competitive operation, a firm should create superior performance which means that the firms provide for the success of operation efficiency in which an operation develops excellence. Then, they ensure distinguished business creation from existing/potential competitors (Ng & Gujar, 2010).

Based on the literature review, competitive operation flexibility emphasis is more likely to enhance firms to reach business excellence, operational productivity, organizational achievement, organizational competitiveness and firm performance. Thus, the proposition is elaborated upon as follows:

P3 Competitive operation flexibility emphasis will have a positive influence a) business excellence, b) operational productivity, c) organizational achievement, d) organizational competitiveness, and e) firm performance.

Environmental Learning Focus

Environment learning focus is able to increase firm capability. According to Satish, (2006), environmental learning increases firm information processing capacity, global and dynamic business environments, and also enhances both the structure and content of that environmental information. Environmental learning focus is described as the competence of a firm to learn about the market, competitors, and conditions that allow the firm to enhance the highest benefit of that firm.

Accordingly, environmental learning offers both problems and opportunities of the firm. As interpretative systems (Daft & Weick, 1984), organizations can become overwhelmed with information. Most researchers and theorists have identified environment learning focus as one of the important parts of firm knowledge. Emery and Trist (1965) were among the first to recognize that environmental learning focus is related to marketing position, competitor learning, and the condition of the market. Environmental learning focus also increases the need for radical adaptations by needing strategic budgetary collaboration. In addition, Palfrey & Rosenthal (1985) also suggested that environment learning focus has an effect on business excellence because it enables a firm to understand the competitor. Moreover, operational productivity is also influenced by environmental learning focus, especially when a firm focuses on the external environment (Tolman & Brunswik, 1935; McArthur& Nystrom, 1991; Wiersema & Bantel, 1993). Furthermore, organizational achievement is also affected by an environmental learning focus that will lead to firm performance as well.

Hence, environmental learning tends to affect business excellence, operational productivity and organizational achievement. Thus, the hypotheses are proposed as follows:

P4 Environmental learning focus will have a positive influence on a) business excellence, b) operational productivity, c) organizational achievement, d) organizational competitiveness, and e) firm performance.

Dynamic Management Ability Awareness

Dynamic management ability awareness is the key of several significant research questions, such as those that explore managerial contributions to firm performance and executive compensation investment, economic effects of corporate ownership, decisions, cross-country productivity differences, and corporate governance. The research specifies that manager precise types (style, ability, talent, or reputation) affect economic outcomes and also are important for business success. This study focuses on dynamic management ability awareness as an upper-level capability of a firm's process on criteria, including the following: ability to respond quickly to customers' needs, survival among turbulent competition, and ability to complete an operation. Furthermore, productivity of a firm has an effect on the overall performance as well. Dynamic management ability awareness refers to the capability of a firm in order to manage various situations overtime, with market expectations and changes in the competitive market in the future (Kumar & Gulati, 2010).

Importantly, dynamic management ability of strategic renewal of a firm is always business success, operational productivity, and organizational achievement (Bobtchef, 2012). Dynamic management ability awareness with best operating performance is considered an important factor to competitive advantage (Rampini & Viswanathan, 2008). The prior research of strategic management suggests that operation performance has a varied effect on performance depending on the way in which firms arrange themselves with their business environment (Ambrosini & Bowman, 2009). Many firms are aggressively seeking better ways to operate because of the increase of competition in the business world. Dynamic management ability awareness with the best operational productivity is considered an important factor to competitive advantage in a dynamic environment. Moreover, in order to achieve in an organization, a firm has to protect itself from a turbulent environment (Bogner & Thomas, 1994).

The linkage of literature reviews are drawn by the relationship between dynamic management ability awareness on business excellence, operational productivity, organizational achievement, organizational competitiveness and firm performance. Thus, the proposition is proposed as follows:

P5 Dynamic management ability awareness will have a positive influence on a) business excellence, b) operational productivity, c) organizational achievement, d) organizational competitiveness and e) firm performance.

Business excellence

Business excellence represents a reform for any enterprise, but its achievement requires a continuous cycle of evaluations, because only the evaluation of the result will open a potential for complex improvement within the entire enterprise (Konthong & Ussahawanitchakit, 2010). Business excellence refers to an outcome of a firm that is measured by the satisfaction level of the customers, employees and the stakeholders at the same time in the organization, in order to gain a comprehensive evaluation of the performance of the organization (Kanji, 2002).

The perception of business excellence is a very common focus on the discussion of management representatives and executive business. Business excellence was establish in the1980s within the intensive discussion between scientists, industrialists and American government experts for the persistence in completing a competitive advantage for American enterprises and products in American domestic and foreign markets (Dobni, 2010).The standards of ISO 9000 series sector standards are individual systems of indicators. Six Sigma and TQM controls are the assessments of business excellence that can serve as guides and that are called Models of Business Excellence.

Furthermore, Enrique Claver-Cortes et al., (2007) mentioned that business excellence was presented as addressing the needs of both internal customers and stakeholders, and encourage the business to meet set goals and objectives. Business excellence is also measured to be a long-term competitive process, concerned with key strategic issues such as to be the best, developing core functional processes, to develop a quality framework and to get people to perform better in order to provide an excellent competitive advantage of the firm.

However, based on the literature review, business excellence might have an effect on organizational competitiveness. The firm that reaches the measurement of business excellence will increase in organizational competitiveness. Therefore, the proposition is posited as follows:

P6 Business excellence will has a positive influence on organizational competitiveness.

Operational Productivity

Presently, many companies face a convergence of several powerful forces and market developments. Therefore, a firm has to look for a way to improve its business process in order to increase competitive advantage over the competitors. Operational productivity is the one of several ways that firms use to increase their efficiency of the business. In this study, operational productivity is defined as the outcome of a firm to attain its absolute level of effective goals and purposes of activities (Ostroff & Schmitt, 1993; Kumar & Gulati, 2010).

Operational productivity seems to be the value of all future earnings of a firm; it is not a specific of firm outputs, but the process also relates to a firm and its components. Also, it is related to the firm's strategy to continuously generate sustainable business competitiveness. (Mouzas, 2006; Bolat, & Yılmaz, 2009; Kumar & Gulati, 2010). Lemon & Sahota (2004) state that businesses survival directly impacts operational productivity (Kumar & Gulati, 2010). Furthermore, operational productivity is the significant key to encourage the competitive advantage of a firm in a continuously changing environment. Moreover, operational productivity allows the firm to be superior over its competitors, create entry barriers, establish a leadership position to garner new customers, and open up new distribution channels to improve market position (Chandy & Tellis, 2000). Furthermore, operational productivity seems as an upper-level achievement of a firm's operation on criteria, including the following: the ability to respond quickly to customers' need, ability to complete an operation, and survival in turbulent competition.

Additionally, operational productivity has an impact on the competitive advantage of a firm and the overall performance (Kumar & Gulati, 2010). Thus, the higher the operational productivity is, the more likely that firms will gain greater organizational competitiveness. Therefore, the proposition is posited as follows:

P7 Operational productivity increase will have a positive influence on organizational competitiveness.

Organizational Achievement

Achievement in organizations needs both sound managers and inspirational leaders. In order to reach increased and sustainable results, a firm needs to engage employees and perform strategies. Analyzing where the firm is in regards to its goals and its mission is a measurement of success (Dunphy, Turner & Crawford, 1997). Organizational achievement refers to the outcome of business operations or an obtained result which will enable firms to achieve the objectives set by linking to strategies, visions, and missions (Schutjens & Wever, 1996).

A firm needs to reflect about the future of the business and search for better ways to achieve. The firm views organizational achievement as challenges that influence the outcomes of being in competition with others or an opportunity to drive the firm further in order to move one step closer to reaching its full potential which is a key to being successful. Organizational achievement is also influenced by abilities, both personal and firm. The firm maintains the needs to be able to manage both current business to achieve sustainable growth and change, and the abilities required for the management of change and current business differ (Turner, 2000; Turner & Crawford, 1998). Certainly, the study of Chatman and Barsade (1995) exhibits that organizational achievement is related to strategic capabilities which need to manage firm performance or survival in a highly competitive situation.

In order to achieve in the business, firms have to create direction to gain the advantage from competition, increase global opportunities, highly complex regulations, and growing of new technology intensity. (Mohrman, Finegold & Mohrman, 2003). Therefore**,** the proposition is posited as follows:

P8 operational achievement increase will have a positive influence on organizational competitiveness.

Organizational Competitiveness

Currently, most firms have to deal with competitive crises and world economic complexity in global markets and provide an environmental workplace that has highly innovative ideas, and encourages, and inspires employees in order to increase the performance of the firm. In this paper, organizational competitiveness is defined as an outcome of firm to create a process that increases the level of competitive advantage in terms of the capabilities and resources of the firm over its competitors (Coo & Auster, 1993). Furthermore, Lall (2001) also defined competitiveness as the ability of a product or a firm to compete with others, and the desire to be successful over the other competitors.

Due to the description above, organizational competitiveness seem to be the ability of the firm to stay competitive which, in turn, reflects the capability of a firm to improve or protect its position in relation to competitors which are active in the same market. Therefore, the competitiveness of a firm enables to transfer ability over comparable firms in market shares, profitability, or sales.

In order to gain superior competitiveness, firms have to improve profitability outside their geographical borders due to the frame of focus that a manager has on stock prices and short-term profits rather than sustainability (Deepen, Goldsby, & Knemeyer, 2008). Furthermore, this broader global has caused conflicts in social structures within communities that once were supported by non-global oriented organizations. To integrate lifelong learning potential for employees, and increase the performance of the firm, businesses should recognize that old structures supported a very different organizational model, and those must be revamped from leadership paradigms and practices. (Zahra & O'Nell, 1998).

Therefore, organizational competitiveness is identical with a firm's long-term performance, and its ability to reward its employees and provide superior returns to its owners. Thus, the higher the organizational competitiveness is, the more likely that firms will gain greater firm performance. Therefore, the proposition is posited as follows:

P9 Organizational competitiveness increase will have a positive influence on firm performance.

Firm Performance

In this research, firm performance refers to the overall outcome of a firm which achieves a goal with effectiveness (Lahiri & others, 2009).

Strategic management renewal orientation is a part of change. It is related to firm performance, profitability, and growth (Zahra, 1993; Covin& Miles, 1999; Lee, Lee, & Pennings, 2001 ;). From the previous research, it created the link between entrepreneurial orientation (e.g., strategic management renewal orientation) and firm performance that is significant and even increases over time (Wiklund 1999). Liberman & Montgomery (1988) state that the positive relationship between strategic management renewal orientation and firm performance is correlated to first-mover advantages, and that the tendency of firms to take advantage of emerging opportunities implied by change. Moreover, strategic management renewal orientation also enables firms to force their competitors, gaining a competitive advantage that leads to superior performance. Firms can gain first-mover advantages by acting earlier than their competitors. Renewal actions, such as developing new technologies, launching new products/services, entering new markets, and starting new marketing campaigns often generate first-mover advantages. As such, these initiatives often lead to advantageous positions that are difficult and costly for competitors to replicate (i.e. expose limits to competition).

Therefore, in this research, firm performance will be measured by subjective performance. Finally, this research expects strategic management renewal orientation to be positively related to firm performance.

CONTRIBUTIONS

This paper attempts to understand the relationships among strategic management renewal orientation and new five dimensions (organizational change management capability, business adaptation enhancement orientation, competitive operation flexibility emphasis, environment learning focus, and dynamic management ability awareness) that are valuable for the researcher in order to extend their study in the future.

Moreover, it is also useful for managing directors, general managers, and top manager of firms to be concerned about strategic management renewal that has a direct effect on the firm performance. Strategic management renewal orientation is of key importance to the performance of a firm that is relevant to competitive advantage of firm's operations system, and firm success. Therefore, this paper may encourage the manager to have concern for the development and improvement of strategic management renewal orientation in order to increase the sustainability of competitive advantage, firm performance, and include business success and sustainability.

For future research indications, the researcher proposed that Information and Communication Technology (ICT) business most suitably show evidence of this conceptual model for which there are three reasons: firstly, this business in Thailand has rapid growth and makes huge profit for the country. Secondly, due to the ICT business having a high level of change and short life cycle, it is necessary to have effective strategic management renewal to respond to this situation, especially in the ICT business in Thailand that face the change of new technology and a dynamic environment (Liedtka, 2004). Lastly, strategic management renewal orientation is useful for firms to face several changes (Miller, 1994). Therefore, future research is required to verify, expand, and examine hypotheses with empirical research in ICT businesses that have continuous high growth.

CONCLUSION

This paper has attempted to understand the relationships between strategic management renewal orientation and firm performance. Furthermore, it has concern for five dimensions of strategic management renewal orientation; namely, organizational change management capability, business adaptation enhancement orientation, competitive operation flexibility emphasis, environmental learning focuses, and dynamic management ability awareness. Moreover, this paper also has proposed its consequence that will have an effect on firm performance.

Even though, based on the literature review, it seems that all propositions have a positive relationship between each dimension of strategic management renewal orientation and its consequents, the empirical research still will be required to extend a continuous deep study.

REFERENCES

Volberda, H., C. Baden-Fuller and F. A. J. van den Bosch. (2001). Mastering Strategic Renewal. Mobilizing renewal journeys in multi-unit firms, Long Range Planning. 34, 159-178.

Huff, J. O., Huff, A. S., and H. Thomas.(1992). Strategic renewal and the interaction of cumulative stress and inertia.Strategic Management Journal.13, 55-75.

Agarwal, R and Helfat, E. (2009). Strategic renewal of organizations. Organization science, 20(2).

Floyd, S. W. and P. Lane. (2000). Strategizing throughout the organization: managing role conflict in strategic renewal, Academy of Management Review. 25(1), 54-177.

Nelson, R.R., and S.G. Winter. (1982). An evolutionary theory of economic change. Cambridge: Harvard University Press.

Hannan, M, Freeman.J.(1984). Structural inertia and organizational change.American sociological review.149-164.

Miller D, Chen M-J.(1994). Sources and consequences of competitive inertia.Administrative Science Quarterly. 39(1), 1-17.

Burgelman.(2002). R.A. Strategy as vector and the inertia of co-evolutionary lock-in. Administrative Science Quality. 2(47).

Flier, B., Van Den Bosch and Volberda . (2003). Co-evolution in strategic renewal behavior of British, Dutch and French financial incumbents: Interaction of environmental selection, institutional effects and managerial intentionality. Journal of Management Studies. 40, 2163-2187.

De RondM, and Thietart. (2007). Choice, chance and inevitability in strategy. Strategic Management Journal. 28(5), 535-551.

Hart, S. (1992). An integrative framework for strategy-making processes.Academy of Management Review. 17, 327-351.

Garvin, D.A.(1993). Manufacturing Strategic Planning. California Management Review, 35, 4, 85–106. 1993.

Hortal, J., Araújo, M.B. & Lobo, J.M. (2009).The effectiveness of discrete and continuous environmental diversity as a surrogate for biodiversity. Ecological Indicators, 9, 138-149.

Leonard-Barton, D. (1993). Core Capabilities and Core Rigidities: A Paradox in Managing New Product Development. Strategic Management Journal. 13(Summer), 111-125.

Benner, M. J. and M. L. Tushman. (2003). Exploitation, exploration, and process management: The productivity dilemma revisited. Academy of Management Review 28(2), 238-256.

Guth, W.D. and A. Ginsberg. (1990). Guest editors' introduction: Corporate entrepreneurship. Strategic Management Journal. 11(Summer), 5-15.

Burgelman, R.A. (1994). Fading Memories: A Process Theory of Strategic Business Exit in Dynamic Environmental.Administrative Science Quarterly. 5, 24-56.

Zahra, S. A. (1996). Business strategy, technological policy, and firm performance. Strategic Management Journal, 14, 451-478.

Leavy, B. (1997). Strategic renewal is disruptive revolution unavoidable?.Strategic Change.6, 283-298.

Covin, J. G., & Miles, M. P.(1999). Corporate entrepreneurship and the pursuit of competitive advantage. Entrepreneurship Theory and Practice, 23(3), 47-65.

Simić,I. (1998). The key to successful management of transformational organizational change. Faculty of Economics, University of Niš, Trg

Yiu, D. W., Lau, C., &Bruton, G. D. (2007). International venturing by emerging economy firms: the effects of firm capabilities, home country networks, and corporate entrepreneurship. Journal of International Business Studies. 38(4), 519-540.

Mayrhofer, W. (1997), "Warning: flexibility can damage your organizational health!", Employee Relations, Vol. 19, 519-34.

Storm, P. (1996).The Management of Soft Projects. IPMA, World Congress of Project Management, Elsevier Applied Science, 803–810.

Kohli, A.K. and Jaworski, B.J. (1990). Market orientation: the construct, research propositions, and managerial implications. Journal of Marketing. 54,1-18.

Dharmaraj. N, Lewlyn L.R. Rodrigues, B.R. ShrinivasaRao. (2006). System dynamics approach for change management in new product development", Management Research News, 29(8), 512 – 523.

Estrella, M.(2013). Learning from Change: Issues and experiences in participatory monitoring and evaluation.

Worch, H. (2012). Strategic renewal and the change of capabilities in utility firms.European Business Review, 24(5).

Barrett, S. and B. Konsynski.(1982). Inter-organization information sharing systems. MIS Quarterly. 6(4), 93−105.

Hallen, L., J. Johanson and N. Seyed-Mohamed. (1991). "Interfirm Adaptation in Business Relationships", Journal of Marketing, April, 29-37.

Drucker, P.F. (1985). The Practice of Innovation", Innovation and Entrepreneurship Practice and Principles, Harper & Row, New York, 19-33.

Evans, W. R. and Davis, W. D. (2005). High-performance work system and organizational performance: The mediating role of internal social structure. Journal of Management, 31, 758-775.

Hakansson, H and D.D. Sharma (1996) .Strategic Alliances in a Network Perspective. Networks in Marketing, Sage Publications, 108-124.

De mayer, A., Nakane, J., Miller, J.G. and Ferdowns, K. (1989). Flexibility: the Next Competitive Battle The Manufacturing Futures Survey. Strategic Management Journal, 10(2), 135–144.

Garvin, D.A. (1993). Manufacturing Strategic Planning," California Management Review, 35(4), 85–106.

Lengnick-Hall, C. (1992). Innovation and competitive advantage: What we know and what we need to know. Journal of Management, 18(2), 399-429.

Stumpf, WE &Vermaak, AP. (1996).The role of technology in reconstructing South Africa's economy towards global competitiveness. International Journal of Pressure Vessels and Piping, 66(1), 3-16.

Ng,K.Y.A., and Gujar, G.C. (2009). Government Policies, Efficiency and Competitiveness: The case of dry ports in India. Transport policy, 16(5).

Satish, J. (2006). “The Role of Relational Embeddedness in New Product Selection by Retail Buyers,” Journal of Marketing Research, 43 (November), 580-587.

Daft, R. L., &Weick, K. E. (1984).Toward a model of organizations as interpretation systems. Academy of Management Review, 9(2), 284-295.

Emery, F. E. and Trist E. L.(1965). The causal texture of organizational environments. Hum. Relat.18:21-32.

Palfrey, Thomas R. and Howard Rosenthal.(1985). Voter Participation and Strategic Uncertainty.American Political Science Review.79, 62—78.

Tolman, E.C. and E. Brunswik. 1935. The Organism and the Causal Texture of the Environment. Psychological Review, 42:43-77.

McArthur, A.W and Nystrom; P.C. (1991).Environmental Dynamism, Complexity, and Munificence as Moderators of Strategy-Performance Relationships. Journal of Business Research, 23(4), 349-361.

Wiersema, M. F., &Bantel, K. A. (1993). Top management team turnover as an adaptation mechanism: The role of the environment. Strategic Management Journal, 14, 485-504.

Kumar, S., and Gulati, R.(2010). Measuring Efficiency, Effectiveness and Performance of Indian Public Sector Banks. International Journal of Productivity and Performance Management, 59 (1), 51-74.

Bobtcheff, C. (2012). Optimal Dynamic Management of a Renewable Energy Source under Uncertainty. JEL Classification .

Rampini, A., and Viswanathan, S. (2008). Dynamic risk management. JEL classification.

Ambrosini, V. and Bowman,C. (2009). What are dynamic capabilities and are they a useful construct in strategic management?. International Journal of Management Reviews 11(1), 29–49.

Bogner, W.C and Thomas, H.(1994). Core competence and competitive advantage: A model and illustrative evidence from the pharmaceutical industry. In Competence-Based Competition. Wiley: Chichester .111-143.

Konthong, K. and P. Ussahawanitchakit.(2010). AIS Competency, Accounting Implementation and Corporate Performance of Thai-Listed Firms. Journal of International Management Studies.10(3): 43-67. 2010.

Dobni, C.B. (2010). Achieving Gynergy Between Strategy and Innovation: The Key to Value Creation. Journal of Business Science and Applied Management. 5, 48-58.

Osborne, J.W. and Waters, E. (1999). Four Assumptions Of Multiple Regression That Researchers Should Always Test. North Carolina State University and University of Oklahoma.

Mouzas S. (2006). Efficiency versus effectiveness in business networks.Journal of Business Research. Volume 59(10–11), 124–113.

Leong, L. and Jarmoszko A. T. (2010).Analyzing capabilities and enterprise strategy: a value proposition framework. International Journal of Management and Information Systems, 14(1), 53-59.

Dunphy.D, Turner.D, and Crawford. M, (1997).Organizational learning as the creation of corporate competencies. Journal of Management Development, 16 (4), 232 – 244.

Turner, D.E. & Crawford, M. (1998). Change Power: Capabilities that Drive Corporate Renewal. Business and Professional Publishing, Sydney.

Choo, C. W. and E. Auster. (1993). Scanning the Business Environment: Acquisition and Use of Information by Managers. Information Science and Technology. 28, 92-115.

Deepen, J., T.J. Goldsby, A.M. Knemeyer and C.M. Wallenburg. (2008). Beyond Expectations: An Examination of Logistics Outsourcing Goal Achievement and Goal Exceedance. Journal of Business Logistics, 29(2).

Zahra, S. A.(1993). Business strategy, technological policy, and firm performance. Strategic Management Journal, 14, 451-478.

Wiklund, J.(2009). Entrepreneurial orientation and small business performance: a configurationally approach. Journal of Business Venturing 20, 71–91.

Lahiri S.K and GhantaK.C .(2009). Computational Fluid Dynamics Simulation of the Solid liquid slurry flow in a pipeline. Hydrocarbon Processing, 88(4), 99-104.

Covin, J. G., & Miles, M. P. (1999).Corporate entrepreneurship and the pursuit of competitive advantage. Entrepreneurship Theory and Practice, 23(3), 47-65.

Lee, C., Lee, K. &Pennings, J. M. (2001). Internal capabilities, external networks, and performance: A study of technology bases ventures. Strategic Management Journal, 22, 615-640.

Zahra, S. A.(1993). Business strategy, technological policy, and firm performance. Strategic Management Journal, 14, 451-478. 1993.

Lieberman, M.B. and Montgomery, D.B.(1988). First-mover advantages” Strategic Management Journal. 9(1), 41–58.

Miller D, Chen M-J. (1994). Sources and consequences of competitive inertia.Administrative Science Quarterly. 39(1), 1-17.

Liedtka, J. (2004). Strategy as Design.University of Toronto.

A CONCEPTUAL MODEL OF STRATEGIC ENTREPRENEURIAL CAPABILITY AND SERVICE SUCCESS

Sasithorn Kokfai, Mahasarakham University
Karun Pratoom, Mahasarakham University
Kesinee Muenthaisong, Mahasarakham University

ABSTRACT

The business environment is changing constantly. The success in business environments, such as in results through strategic entrepreneurship, has become particularly important to survival and competitive advantage. This addresses issues of interest to search. Therefore, is conceptual paper aims at investigating the relationship of strategic, entrepreneurial capability and service success. There are five dimensions of strategic entrepreneurial capability that includes: proactive business operation, free enterprise creation, effective risk management, new ideas generation, and competitive mindset enhancement. Consequently, the outcome of this strategy is that service creativity, service innovation, service excellence, service competitiveness, and service success all assume a positive relationship with the construct. In future investigation, research should be based on the recommendations of this paper. Interestingly, as the service businessis about evidence, it will be obvious that the investigations of the SEC covers the success of service.

INTRODUCTION

Now, the business environment has transformed dramatically and the competition has become more intensive (Smirnova et al., 2011). In the competitive worldwide economy, firms have been challenged by the internet, technology, andglobalization, which lead to a dramatic move in strategy toward the entrepreneurial capability to better attend to customer needs (Frels, Shervani & Srivastava, 2003). Business corporations in the world face speedy changes in complexity, uncertain requirements, high rivalry in, and customer needs both the service sectors and manufacturing. The services businessin various nation states makes up the mainstream of the economic basis and advance potential (Sundbo & Gallouj, 1998). The service business makes up more than 70 percent of the world's advanced economies' gross domestic product (GDP). The nature of the service businesses is classically intangible, which means that the new service analysis is challenging (Mohammed & Easingwood, 1993). Service businesses attempt to change them in order to continue competing in today's market. Another wayto subsist in the market is to strategic entrepreneurial capability. In addition, the new way that employs to manage the present business is strategic entrepreneurial capability.

The importance of strategic entrepreneurial capability is a principal role in determining a strategic plan, direction, strategic practice, evaluation and control, which produce firm performance (Gilson & Shalley, 2004). Previous studies indicated that strategic entrepreneurial capability leads to efficiency and effectiveness. The majority of the studies on strategic enterprises involve the creation of wealth and growth. (Amit & Zott, 2001; Hitt, Ireland, Camp &Sexton 2000; Hitt, Ireland, Camp & Sexton, 2001). Some of these studies have proposed that strategic entrepreneur attention on newness and novelty in the form of new processes, new products, and new markets are the drivers of wealth creation (Sharma &Chrisman, 1999; Lumpkin &Dess, 1996; Daily, McDougall, Covin& Dalton, 2002; Smith & Di Gregorio, 2002). Certainly, the capability to create additional wealth accrues to businesses as well as higher skills in sensing and seizing entrepreneurial opportunities (Teece, Pisano & Shuen, 1997). Also, many researchers (Hitt & Ireland, 2000) debate that entrepreneur is increasingly viewed as anincentive to wealth creation, initially inadvanced economies, as a outcome of the actions of businesses. Likewise, strategic entrepreneurial capability is involved in understanding the causes for differences among firms' wealth creation in several economies (Teece, Pisano & Shuen, 1997). The concept of the strategic entrepreneur is combined with that of strategy and entrepreneurial capability (Entrialgo, Fernandez & Vazquez, 2001; Ireland & others, 2001).

In the review of the literature, previous studies on strategic entrepreneurship have been concerned with many aspects, such as, entrepreneurial leadership, entrepreneurial culture, entrepreneurial mindset, strategically managing resources, developing innovation and applying creativity (Hitt & others, 2001; Ireland & others, 2001; Ireland, Hitt, & Sirmon, 2003; Schumpeter,1934; Smith & Di Gregorio, 2002). More surprisingly, there is only a little empirical research on service business strategic entrepreneurial capability. Consequently, the main purpose of this paper is to examine the relationship of strategic entrepreneurial capability and service success. Furthermore, the specific research objectives of this paper are as follows:

1. To examine the effects of each dimension of strategic entrepreneurial capability (proactive business operation, free enterprise creation, effective risk management, new ideas generation, and competitive mindset enhancement) on service creativity, service innovation, service excellence, service competitiveness, and service success,
2. To investigate the relationships of service creativity among service innovation, service excellence, service competitiveness, and service success,
3. To investigate the influence of service innovation and service excellence on service competitiveness and service success, and
4. To investigate the influence of service competitiveness on service success.

Specifically, the research questions of this study are the following:

1. How does each dimension of strategic entrepreneurial capaility have an influence on service creativity, service innovation, service excellence, service competitiveness, and service success ?
2. How doesservice creativity affect service innovation, service excellence, service competitiveness, and service success?
3. How does service innovation and service excellencehave an influence on service competitiveness, and service success?
4. How does service competitiveness have an influence on service success?

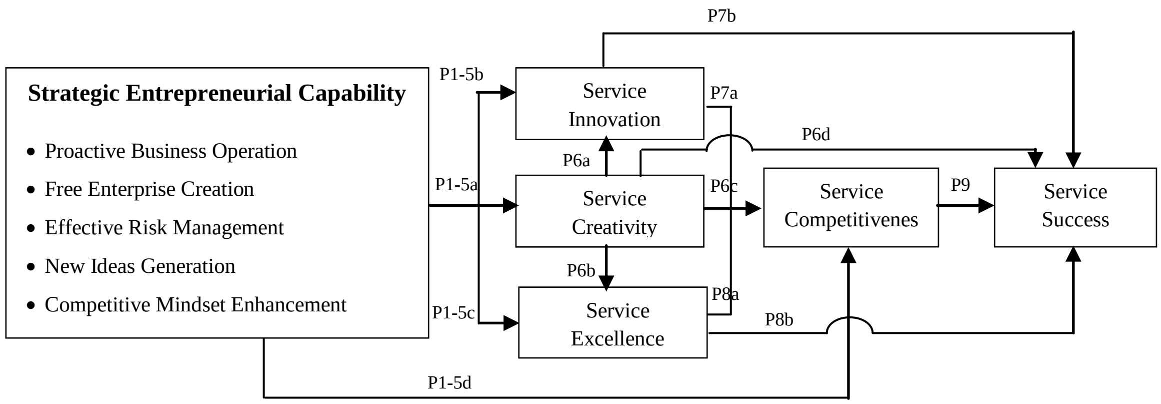
The next section reviews the literature, and specifies and describes the conceptual model. Also, the link between the construct of the each variable is established, and develops the related proposition for the study. The sections on contributions describe suggested directions for future research, and managerial contributions. Finally, the paper poposes the conclusion section.

LITERATURE REVIEWS AND CONCEPTUAL FRAMEWORK

In this study, a conceptual model of strategic entrepreneurial capability and service successis obviously discussed and elaborately surveyed. Hence, the conceptual, linkage, and research models are provided in Figure 1.

The subsequent conceptual model shown here includes one main construct; namely, strategic entrepreneurial capability proposed in five dimensions. These elements of strategic entrepreneurial capability are a composite of proactive business operation, free enterprise creation, effective risk management, new ideas generation and competitive mindset enhancement. Furthermore, the consequent factors of strategic entrepreneurial capability are service creativity, service innovation, service excellence and service competitiveness. This affects service success.

Figure 1
CONCEPTUAL MODEL OF STRATEGIC ENTREPRENEURIAL CAPABILITY AND SERVICE SUCCESS



Strategic Entrepreneurial Capability

Strategic entrepreneurial capability is an important component of this study. The term “capability” highlights the role of strategic management in integrating, appropriately adjusting, and reconfiguring external and internal organizational resources and the capability to match the requirements of the changing environment (Teece, Pisano & Shuen, 1997). Hence, entrepreneurial capability is dependent on the ability of a firm to integrate, search, utilize, and set a unique action. In this study, strategic entrepreneurial capability refers to the ability of a firm to be successful in a business operation, now and in the future under existing competitiveness. Consequently, these reflect that resources and capabilities are main success factors for sustainability competitive advantage (Barney, 1991); and strategic entrepreneurial capability becomes an increasingly key element of business success (Kroes & Ghosh, 2010). Also connected to the literature of strategic management and strategic entrepreneurial capability is an important choice to manage that can be explained by the performance of different firms within the industry (Easterby-Smith & Prieto, 2008; Zott, 2003). The strategic entrepreneurial capability is regarded as an antecedent of organizational innovation(Zott, 2003).

This research proposes five dimensions of strategic entrepreneurial capability with in the literature. Thisis applied to the entrepreneurial orientation of Lumpkin & Dess (1996). Those five distinctive dimensions consist of proactive business operation, free enterprise creation, effective risk management, new ideas generation and competitive mindset enhancement. A more detailed discussion of these dimensions is provided below.

Proactive Business Operation

Proactive business operation in an organization is increasingly important to an organization's success. This is a high-leverage concept that is more than just another management business that can affect increased organizational effectiveness (Crant, 2000). Today, the environment has become more complex and turbulent. In order to guarantee the success of the organization in the long term, organizations need to be proactive business operations in the ongoing (Dencker & others, 2009). Proactive business operation is managing the organization with regard to the situation in the future. It can be defined as the company actively seeking to opportunities predicted to develop and introduce new products or product improvement, causing a change in the current strategy, and monitoring future developments in the market. Hence, acting as a leader not as a follower, proactiveness has the will and foresight to seize new opportunities, even if it is not continually the first to do so (Lumkin & Dess, 1996).

Proactive business operationis usually trying to find an opportunity and exploitation of resources that can be a source of innovation, service creativity, service excellence, service competitiveness and competitive advantage in the market place (Eggers et al., 2013; Ireland et al., 2006). Another way of looking forward is positive thinking that can help organizations use technicality or the development of advanced knowledge employed to help overcome the changes that are always happening. Proactive business operation is expected to be important in the treatment of the superior performance of the firm (Baker & Sinkula, 2009). According to the studyof Nieto et al., (2013) it was found that the PBO can be driven to lead innovation to meet customer needs. LaPort & Consolini (1991) show that the proactive business operationis better than working in areaction, which way affects the response function with different performance. Moreover, as to the effects of proactive business operation that were different to the performance of the firms, it was found that proactive business operationis becoming increasingly important for the successof the firms witha more dynamic working pattern (Lin & Carley, 1993: Crant, 2000). Itenables firms to respond effectively to the changing environment and to introduce new products and services. The firms will enhance the skill sand knowledge of an existing proactive business process. They also improve the services creative designthat recognized and expanded product and service excellence,which increases their service competitiveness (Chang & Hughes, 2012).

Service creativity, service innovation, service excellence and service competitiveness that completely rely on the use ofproactive business operationcan be considered through prototyping, testing, research and discovery. The service businessas aproactive business operationis likely to cause change in new products and services by using new technology and information to improve the performance of the firms. For this reason,a service business with such potential can have service creativity, service innovation, service excellence and service competitiveness in more operations than those lacking proactive business operation. Based on the foregoing, the proposition is:

P1a-d Proactive business operation will have a positive influence on (a) service creativity, (b) service innovation,(c) service excellence, and (d) service competitiveness.

Free Enterprise Creation

Free enterprise creation refers to the capability of organizations to improve management operations independently, in order to positively affect the organization. Independence or the freedom of the necessary operations to grow the business is the driving forcein creating strategies that work to succeed (Burgelman,2001). Free enterprise creation is an important process of leveraging the strengths of existing firms to create operations that are beyond the current capabilities of the organization and promote the development innovation and/or improve work to achieve competitive advantage (Lumpkin,Cogliser, & Schneider, 2009). Many scholars have suggested that free enterprise creation is essential to creativity without causing innovation and is considered to be the feature of strategic entrepreneurial capability (Antoncic & Hisrich, 2003).

In order to encourage free enterprise creation, business operations will use both "top-down" and "bottom-up" approaches. The top-down approach includes management support functions, providing incentive to encourage the workforce climate, and support for effective decision-making (Dess & Lumpkin, 2005). Dess et al., (2003) suggests that the design features of businesses are critical to strategic entrepreneurial capability. To promote the free enterprise creation from the bottom-up, one needs to have a special motivation and designed structure to develop and support operations. In addition, many businesses have been involved in actions such as flathierarchy and decentralized operating units. These moves are intended to promote the free enterprise creation (Mumford, Scott, Gaddis & Stange, 2002). Therefore, the relationship between the free enterprise creation and firm performanceare positive including innovative (Casillas & Marena, 2010) and creative implementation (Gürbüz & Aykol, 2009). Previous research (Rauch et al., 2009; Brock, 2003) also supports the view offree enterprise creation that encourages innovation, promotes the emergence of new products, and enhances the competitiveness and performance of the business.

Therefore a service business is operated as free enterprise creation, and the nature is likely to support service creativity, service innovation, service excellence and service competitiveness. Based on the foregoing, one thus propositions the following:

P2a-d Free enterprise creation will have a positive influence on (a) service creativity, (b) service innovation, (c) service excellence, and (d)service competitiveness.

Effective Risk Management

Strategic effective risk management suggests a willingness to agree to greater levels of uncertainty about the result of some action. Effective risk management defined by Dewett (2004) is the uncertainty about the scope of the potential signification, and/or to realize the deplorable results of the decision. Mullins & Forlani (2005) say that risk characteristics are both the potential to perform too rapidly on unsubsantiated opportunity or a potential, or waiting too long before taking action. Effective risk managemet will serve to eliminate losses, but it also attempts to identify, develop and exploit the opportunities (Andersen, 2006; Slywotzky, 2007). It allows the firm to respond to the effects of various environmental risks, and furnish a stream of business opportunities that altogether will reduce variability in the profitability of the firm and stakeholders who have relied upon the long-term (Smith, 1995). The inclusion of effective risk management as a separate managerial function entails many advantages, and is a strategy in general, controlling tasks that help to increase value (Suranarayana, 2003). Baird & Thomas (1985) suggest three dimensions of strategic effective risk management: venturing into the unknown, committing a relatively large portion of assets, and borrowing heavily. Although virtually all decisions include uncertain consequences, some decisions involve superior risk because a firm's entrepreneur may not understand what resources are essential to perform a decision. Businesses may find it difficult to imitate a competitor because they do not know what aspect of the competition to imitate. To succeed in the future organizations must have effective risk management (McGrath & MacMillan,2000).

According to the studyof Andersen (2009) one finds thateffective risk management is related to performance and has a superior sound, like a positive innovation. Jorion (2001), said that the success ofthe organization depends one effective risk management. It can also help reduce the volatility of revenues, adding value to shareholders, enhance securityin the workplace, and have the financial stability of the organization. As an outcome, operational excellence increases competitiveness (Lam, 2001). The firm has features with the ability to have effective risk management that is likely to experiment with new technology, is eager to seize market opportunities, and is ready to run the risk (Lumpkin & Dess, 1996). The cause of such behavior in the creative can make innovation, service excellence, and competitiveness. Thus, several researchers agree that effective risk management is critical to the success of the organization (Rauch et al., 2009; Wiklund & Shepherd, 2005). Then, effective risk management reflects the ability of the firm to seize opportunities that ensure successful consequence. It is about managing uncertainty and threat in the activities and resources to the firm related to superior outcomes (Hughes & Morgan, 2007).

Therefore a service businessis operatedby an effective risk management nature that is likely to be supportive in service creativity, service innovation, service excellence and service competitiveness. Based on the foregoing, one thus propositions the following:

P3a-d Free enterprise creation will have a positive influence on (a) service creativity, (b) service innovation, (c) service excellence, and (d)service competitiveness.

New Ideas Generation

New ideas generation refers to the competency of a firm to create new operational processes, promote staff for new concepts and knowledge increase, and support a financial plan for the creation of new ideas to increase the potential, effectiveness, and efficiency of the businesses (Grandi & Grimaldi, 2005; Howell & Boies, 2004). Kamm & Nurick (1993) suggest that the procedure through which the primary business concept is changed into a service/product prepared for commercialization, turnsprimary informal social group into an entrepreneurial group. In addition, there is general literature on organizational aspects, supporting successin innovative processes in industrial contexts, from the generation of new ideas to their commercial exploitation (Roberts & Fusfeld, 1981). The previous study of Foo, Wonga & Ong (2005) reveals that business effectiveness is the effect of the quality of a plan and the quality of new ideas generation. McFadzean, O'Loughlin & Shaw, (2005) state that new ideas generation tends to support novelty, testing, and the creative method that may result in the outcome of a new product/new service, able to meet the market demand, including increased competitiveness. It willcontribute to changes in the products and services to a varietyof businesses in the market and proved to be a source of significant potential advantage of strategic and competitive advantage (Schilling, 2005).

Most studies have found a positive relationship between new ideas generation and Innovation, creativity, excellence in business performance, competitiveness and growth (Rauch *et al.*,2009; Morena and Casillas,2008; Subramanian & Nilakanta, 1996). As a result, there is greater recognition that new ideas generation has become a source of sustainable growth, competitiveness and richness (Drejer, 2006). According to Wiklund & Shepherd (2003) confirm that business has new ideas generationcan generate extraordinary results of operations and has been described as the engine of economic growth.

Therefore service businessis new ideas generation likely to be supportive service creativity, service innovation, service excellence and service competitiveness. Based on the foregoing, one thus propositions the following:

P4a-d New ideas generation will have a positive influence on (a) service creativity, (b) service innovation, (c) service excellence, and (d)service competitiveness.

Competitive Mindset Enhancement

Competitive mindset enhancement refers to an attempt of a firm to challenge the competitors and compete intensely to develop as superior position over competitors in same industry. Competitive mindset enhancementthe intention to reflect the outstanding development and operational improvements that can respond to the competitive environment now and in the future, which will help respond to compete effectively in all situations (Lumpkin & Dess, 2001). Including this, the business is focused on personnel who have studied and understand were the competitive environment is going, allows it to determine the direction of better performance, and results in competitive advantage. The company has more competitive mindset enhancement actions to be a competition barrier, and therefore, createsits own advantage (D 'Aveni, 1994). The literature suggests that competitive midset enhancement behavior is related to firm performance (e.g., Lumpkin & Dess 2000; Chen & McMillan, 1992). Chen & McMillan (1992) show that competitive mindset enhancement behavior is directly associated with performance, as evidenced by increases in market share. As a result, scholars argue that competitive mindset enhancement typically encapsulates sales orientation (e.g., Lumpkin & Dess,2001), and this is highlighted in its emphasis on market share gains for improved performance (Chen & Hambrick,1995). Lumpkin & Dess(2001) found that high, competitive mindset enhancement levels are positively related to an improvement in market position.

Hence, firms with high levels of competitive mindset enhancement should be more capable of activating resources to directly attack or overcome competitors to increase performance (Morgan & Strong 2003). Therefore, service businessis a competitive mindset enhancement, likely to be supportive of service creativity, service innovation, service excellence and service competitiveness. Based on the foregoing, one thus propositions the following:

P5a-d Competitive mindset enhancement will have a positive influence on a) service creativity, b) service innovation, c) service excellence, and d) service competitiveness.

Service Creativity

Service creativity refers to the research, trial, initiative, and developing of a service model that is unique, stands out superior over the competitors, and is responsive to customer requirements (Woodman et al., 1993). Zhou & Shalley(2003) state that service creativity refers to both processes of implementation and the results. Service creativity is what customers are looking for and need. So, if the firms have created a service that will lead to service excellence which will help bring happiness to customers and a good memory, it can also create innovative services such the applying technology for service to achieve operational efficiency. The current complexity and changes as well as the intense competition show that firms with service creativity can have an important stimulus for operational management efficiency. Lee et al., (2004) surveyed service creativity and service innovation in Korean companies, and they found that the generation, communication, and the implementation of services creativity it had a positive effect on corporate core competencies and innovation. In addition Guenzi & Troilo (2007) indicated that service creativity is important to service success and competitive advantage.

However, based on the literature review, service creativity might be obtained from using strategic entrepreneurial capability. A firm's processes can create service creativity to provide a new service model that is different from past service. After that, a firm with high service creativity efficiency is likely to have a positive influence on service innovation, service excellence, service competitiveness and service success. Based on the foregoing, one thus propositions the following:

P6a-d Service creativity will have a positive influence on (a) service innovation, (b) service excellence,(c) service competitiveness, and (d) service success.

Service Innovation

Service innovation refers to innovation taking place in the various contexts of service, including the introduction of new servces or incremental improvements of existing services (Durst, Mention, &Poutanen, 2015). Whilst service innovation is especially important for business operations and results in a sustainable competitive advantage (Miller et al., 2007), it enables service organizations to be superior over their its competitors (Cainelli et al., 2004), increases opportunities to generate quality and efficiency inthe delivery process, and supports the idea of providing new services (Van der Aa & Elfring, 2002). Service innovation not only involves new services, but also new technologies, new organizational forms, new methods, systems, new leaders, and new business models (Edvardsson & Enquist, 2011).

Service innovation is a key issue in businesses performance as anoutcome of the growth of the competitive environment (Wheelwright & Clark, 1992; Newey & Zahra, 2009). The significance of service innovation for good long-term firmoutcomes is now widely recognized and has been extensively reported in the literature. Consequently, service innovation efficiency is considered to have a direct effect on businesses performance (Wheelwright & Clark, 1992; Renko, Carsrud, & Brännback, 2009; Baker & Sinkula, 2009). Walker & Ruekert (1987) debated that service innovation can generate service competitiveness through the high quality of products that are generated by worthy service at premium prices. The businesses havea strong service innovation to help ensure the ability to create a competitive advantage. The organization will have the ability to develop new services to market to build the capacity of competition in services and excellent performance outstanding the competition, how to work and working patterns of potential and service equality (Wang et al., 2006). However, for service innovation to increase new customers, the performance is on target as planned, has client acceptance, and receives in come from operations that were worth it (Merrilees, Rundle-Thiele & Lye, 2011).

Therefore the review of the literature ensures that service innovation is likely to be supportive of service competitiveness and service success. Based on the foregoing, one thus propositions the following:

P7a-b Service innovation will have a positive influence on (a) service competitiveness, and (b) service success.

Service Excellence

Globalizationhas encouragedbusiness services to increase their capacity to provide services that can meet the needs of customers through service excellence, which gives them to have service competitiveness and established relationships with customers in the long-term (Gouthier, Giese & Bartl, 2012). Horwitz & Neville (1996) said that service excellence follows when customers have been aided by over-expectation. Service excellence can develop a critical achievement factor for businesses. Service excellence refers to presentation of the service model, new opportunitiesin business and excellent performance above the expectations of the customer (Dobni, 2002; Khan & Matlay, 2009; Edvardsson & Enquist, 2011). Crotts & Ford (2005) believe tha firms with policies and have a procedures that are consistent with external systems are working well and competitive advantage through excellent service. Firms with explicit targets and excellent delivery services support the system, policies and procedures that will enhance the success of the firm's efficiency and profit that grows steadily. Allowing to Schneider et al., (2003), the systems, policies, procedures, functions are focused on the same goal. They will help reduce the loss of resources for work; and will enhance quality services to respond to expectations of customers and customer loyalty, which lead to a competitive advantage.

However, based on the literature review, it is shown that service excellence has a positive influence on service competitiveness and service success. Consequently, firms with high service excellence tend to attain greater service competitiveness and service success. Based on the foregoing, one thus propositions the following:

Pa-b8 Service excellencewill have a positive influence on (a) service competitiveness, and (b) service success.

Service Competitiveness

Service competitiveness is defined as the sustained capability to gain, improve, and maintain profitable market share advantages that are possessed by a certain firm over other firms in a related industry, and in financial performance (Ussahawanichakit, 2007). Service competitivenessis able to understand the business strategies that have led to the process and outcome of the process, leading to the business results (Mayer et al., 1999). In sustaining service competitiveness, firms must improve quality management, which emphasizes social relationship considerations, core business processes, association with partnersand competitors (Loch, Chick, & Huchzermeier, 2007), or cooperative networks (Álvarez, Marin, & Fonfría, 2009). On the other hand, for useful service competitiveness action, firms focus to change the business environment in the industry. For instance, when a firm accelerates launching service innovation to the marketplace, it provides a faster product cycle presaging new service variants, increased customers' needs, and increases sustainable consumption (Sonntag, 2000). Similar to Santos, Wennersten, Oliva, & Filho (2009), it is suggested that firms can improve their environment by improving core internal processes, which focus on information and communication service to interface with customers for creating sustainability.

Therefore,the review of literature ensures that service competitiveness is likely to be supportive of service success. Based on the foregoing, one thus propositions the following:

P8 Service competitivenesswill have a positive influence on service success.

Service Success

Service success is the extent to which the outcome of strategic entrepreneurial capability can be included inthe market share, recognized by customersandincreased profits. Turner & Crawford (1998) argued that service success is impacted by capabilities, both individual and organizational. They further discussed that an organization needs to be intelligent to manage both change and current business to succeed sustainable growth; and that capabilities obligatory for the management of change and current business, vary (Turner, 2000). Especially, they demonstrated that the consequent change in management is illustrious by the capabilities of engagement and development; while capabilities in marketing and selling the technology are peculiar to the industry, and is important for the management of the present business. Service success outcomes depend on effective in organization. Thus, service creativity, service innovation, service excellence and service competitiveness affect service success.

CONTRIBUTIONS

Theoretical Contribution

This paper purposes to more clearly understand the relationships between strategic entrepreneurial capabilitiy and service creativity, service innovation, service excellence, service competitiveness, and service success. Moreover, this paper emphasize five dimensions of strategic entrepreneurial capability; specifically, proactive business operation, free enterprise creation, effective risk management, new ideas generation, and competitive mindset enhancement. Additionally, this paper also has suggested that its consequence that will influence service success.

Managerial Contribution

This paper provides useful contributions and implications to the researcher, managing director managing, partner, general manager and interested parties who should be involved in strategic entrepreneurial capabilityin the organization. The strategic entrepreneurial capability is relatedwith the operation to be successful under competition, both now and in the future. Currently, strategic entrepreneurial capability has received attention as well. Although the strategic entrepreneurial capability recognized the trend to have a positive impact on the operational outcomes of fims, this association will have to check a wider dimension, and in the middle, between strategic entrepreneurial capability and firm performance. Thus, the strategic entrepreneurial capability will, as a guide line of operations for organization, improve its business growth and will be able to leverage and increase business potential.

SUGGESTIONS AND FUTURE RESEACH DIRECTIONS

This paper suggests an obvious understanding of relationships between strategic entrepreneurial capability and service success. Nevertheless, while depend on the literature review look all are positively associate with each dimension of strategic entrepreneurial capability and it consequent. The empirical investigation at the firm level that is one that is known of as the unit of analysis which is essential to be obvious.

A future research idea for proposes that the spa business should be the most appropriate to evidence this conceptual model for which there are four reasons: First, the spa business is important to this nation's is economic development; it can help generate a national economy. Second, the spa business is a corporate service, primarily about generating competitive advantage and mostly meeting the needs of consumers. Third, the recent environment has changed above the years to modify firm business strategies for business survival. Finally, rivals arrive on the market with new adaptive services to meet the needs of consumers in the form of a diversity of activities. Therefore, future research should involve in verifying and expanding astudy hypothesis with empirical research in the spa business.

CONCLUSION

The study of strategic entrepreneurial capability has become an area that is important for business success. This is because the strategic entrepreneurial capability relates to the adaptation to suit, integrates, and configurates both internaland outside enterprise resources, and the ability to respond to a changing environment. Each organization attempts to fulfill the organization's ability to achieve competitive advantage. Included is on attempts to create service creativity, service innovation, service excellence, and service competitiveness to meet the needs of customers and provide customer satisfaction. This will result in service success. The importance of the above leads to the presentation of the conceptual framework of the relationships between each dimension of strategic entrepreneurial capability and service success. The results of the literature review on such relationships expect that when the organization has strategic entrepreneurial capability, it is likely to have service creativity, service innovation, service excellence, and service competitiveness. All this leads to service success.

REFERENCES

Alvarez, I., Marin,R.,& Fonfría,A. (2009). The role of networking in the competitiveness of firms. *Technological Forecasting & Social Change*, 76, 410-421.

Amit, R. &Zott, C. (2001). Value creation in e-business. *Strategic Management Journal*. 22(Special Issue), 493-520.

Andersen, T.J. (2006). Global derivatives: a strategic risk management Perspective, *Pearson Education, Harlow.*

Antoncic, B. & Hisrich, R.D. (2003). Clarifying the intrapreneurship concept. *Journal of Small Business and Enterprise Development*, 10, 7–24.

Baird, I.S. & Thomas, H. (1985). Toward a contingency model of strategic risk taking. *Academy of Management Review*, 10, 230-43.

Baker, W.E. & Sinkula, J.M. (2009). The complementary effects of market orientation and entrepreneurial orientation on profitability in small business. *Journal of Small Business Management*, 47(4), 443-464.

Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17, 99-120.

Bo Edvardsson & Bo Enquist. (2011). The service excellence and innovation model: lessons from IKEA and other service frontiers, 22(5), 535 – 551.

Brock, D.M. (2003). Autonomy of individuals and organizations: towards a strategy research agenda. *International Journal of Business and Economics,* 2(1), 57-73.

Burgelman, R.A. (2001). Strategy is destiny: how strategy-making shapes a company's future. *New York: Free Press.*

Cainelli, G., Evangelista, R. & Savona, M. (2004). The impact of innovation on economic performance in services. *Service Industries Journal*, 24(1), 16-130.

Casillas, J.C. & Moreno, A.M. (2010). The relationship between entrepreneurial orientation and growth: The moderating role of family involvement. *Entrepreneurship & Regional Development*, 22(3-4), 265-291.

Chang, Y.Y., & Hughes, M. (2012). Drivers of innovation ambidexterity in small to medium-sized firms. *European Management Journal*, 30, 1-17.

Chen, M. J. & Hambrick, D. C. (1995). Speed, stealth, and selective attack: how small firms differ from large firms in competitive behavior. *Academy of Management Journal*, 38, 453-482.

Chen, M. J.&MacMillan, I. (1992). Nonresponse and delayed response to competitive moves: the roles of competitor dependence and action irreversibility. *Academy of Management Journal*, 35: 539-570.

Crant, J. M. (2000). Proactive Behavior in Organizations. *Journal of Management*, 26(3), 435-462.

Crotts, J.C., Dickson, D.R. & Ford, R.C. (2005), Aligning organizational processes with mission: the case of service excellence. *Academy of Management Executive*, 19 (3), 54-68.

Daily, C. M. McDougall, Covin& Dalton. (2002). Governance and strategic leadership in entrepreneurial firms. *Journal of Management*, 28, 387-412.

D'aveni, R.A. (1995). Coping with hypercompetition: utilizing the new 7S's framework. *Academy of Management Executive*, 9, 45-57.

Dencker, K., Fasth, A., Stahre, J. & Martensson, L. (2009). Proactive Assembly Systems-Realizing the Potential of Human Collaboration with Automation. *Annual Reviews in Control*, 33, 230-237.

Dess, G.G. & Lumpkin, G.T. (2005). The role of entrepreneurial orientation in stimulating effective corporate entrepreneurship. *Academy of Management Executive*,19(1), 147-156.

Dewett, T. 2004. Employee creativity and the role of risk. *European Journal of Innovation Management*, 7(4), 257-266.

Dobni, B. (2002). A model for implementing service excellence in the financial services industry. *Journal of Financial Services Marketing*, 7(1), 42-53.

Durst,S., Mention, A.& Potanen, P., (2015). Service innovation and its impact: what do we know about?.*Investigaciones Europeas de Dirección y Economía de la Empresa* 21 (2015), 65–72

Easterby-Smith,M. & Prieto I. (2008). Dynamic capabilities and knowledge management: an integrative role for learning?.*British Journal of Management*, 19, 235–249.

Edvardsson, B. & Enquist, B. (2011). The service excellence and innovation model: lessons from IKEA and other service frontiers. *Total Quality Management & Business Excellence*, 22(5), 535-51.

Eggers, F., Kraus, S., Hughes, M., Laraway, S.& Snycerski, S. (2013). Implications of customer and entrepreneurial orientations for SME growth. *Management Decision*, 51 (3), 524-546.

Eggers, F., O’Dwyer, M., Kraus, S., Vallaster, C., & Güldenberg, S. (2013). The impact of brand authenticity on brand trust and SME growth: A CEO perspective. *Journal of World Business*, 48(3), 340-348.

Entrialgo, M., E. Ferna´ndez &C. J. Va´zquez. (2001). Linking entrepreneurship and strategic management: evidence from Spanish SMEs. *Technovation*, 20, 427-436.

Foo, M. D., Wonga,P. K. & A. Ong. (2005). Do others think you have a viable business idea? Team diversity and judges’ evaluation of ideas in a business plan competition. *Journal of Business Venturing*. 20, 385-402.

Frels, Judy, K., Tasadduq A. Shervani &Rajendra K. Srivastava (2003). The integrated networks model: explaining resource allocations in network markets. *Journal of Marketing*, 67 (January), 29-45.

Gilson, L. L. & Shalley, C. E. (2004). A little creativity goes a long way: an examination of teams’ engagement in creative processes. Journal of *Management*, 30, 453–470.

Gouthier, Giese, & Bartl. (2012). Service excellence models: a critical discussion and comparison. *Managing Service Quality* , 22 (5), 447-464.

Grandi, A. & Grimaldi,R. (2005). Academics’ organizational characteristics and the generation of successful business ideas. *Journal of Business Venturing*, 20, 821-845.

Guenzi, Paolo, & Gabriele Troilo. (2007). The joint contribution of marketing and sales to the creation of superior customer value. *Journal of Business Research,* 60 (2), 98–107.

Gürbüz, G. & Aykol, S. (2009). Entrepreneurial management, entrepreneurial orientation and Turkish small firm growth. *Management Research News*, 32(4):321 -336.

Hitt, M. A., Ireland, R. D., Camp, S. M., & Sexton, D. L. (2000). Strategic entrepreneurship: entrepreneurial strategies for wealth creation. *I22 (special issue)*, 479–91.

________,. ___________,. ________., & __________. (2001). Strategic Entrepreneurship: entrepreneurial strategies for wealth creation. *Strategic Management Journal*, 22, 479–491.

Horwitz, F.M. & Neville, M.A. (1996). Organization design for service excellence: a review of the literature.*Human Resource Management*, 35(4), 471-92.

Howell, J. M. & M. Boies. (2004). Champions of technological innovation: the influence of contextual knowledge, role orientation, idea generation, and idea promotion on champion emergence. *The Leadership Quarterly,* 15, 123-143.

Hughes, M., & Morgan, R.E. (2007). Deconstructing the relationship between entrepreneurial orientation and business performance at the embryonic stage of firm growth. *Industrial Marketing Management*, 36(5), 651–661.

Ireland, R. D., Hitt, M. A., Camp, S.M., &Sexton, D.L. (2001). Integrating entrepreneurship and strategic management action to create firm wealth. *Academy of Management Executive*, 15(1), 49-63.

__________., ________.,& Sirmon, D. G.. (2003). A model of strategic entrepreneurship: the construct and its dimensions.*Journal of Management*, 29(6), 963-989.

___________., Kuratko,D.F. &Morris, M.H.. (2006). A health audit for corporate entrepreneurship: innovation at all levels: Part I. *Journal of Business Strategy*, 27(1), 10-17

______., ____________.,&_____________. (2006). A health audit for corporate entrepreneurship: innovation at al levels. Part II. *Journal of Business Strategy*, 27(2), 21-29.

John C. Crotts & Robert C. Ford. (2008). Achieving service excellence by design: the organizational alignment audit. *Business communication Quarterly*, June, 233 – 239.

Jorion, P. (2001). Value at risk – the new benchmark for managing financial risk. *McGraw-Hill, New York, NY.*

Kamm, J. B. & Nurick,A. J. (1993). The stages of team venture formation: a decision making model. *Entrepreneurship Theory and Practice,* 17(2), 17-25.

Khan, H. & Matlay, H. (2009). Implementing service excellence in higher education. *Education Training*, 51 Nos 8/9, 769-80.

Kroes, J. R. & Ghosh,S. (2010). Outsourcing congruence with competitive priorities: impact on supply chain and firm performance. *Journal of Operations Management*, 28, 124-143

Lam, J. (2001). Risk management – the CRO is here to stay. *Prentice-Hall, New York, NY*.

LaPort, T. & Consolini,P. (1991). Working in practice but not in theory: theoretical challengers of high-reliability organizations. *Journal Public Administrative Res. Theory,* 1(1), 19-47.

Lee K, Rho S, Kim S, &Jun G.J. (2007). Creativity–innovation cycle for organisational exploration and exploitation: lessons from Neowiz—a Korean Internet company. *Long Range Plan*, 40, 505–523

Lee, S.Y., Florida, R. & Acs, Z.J. (2004). Creativity and entrepreneurship: a regional analysis of new firm formation. *Regional Studies*, 38 (8), 879- 891.

Lin, Z. & Carley,K. (1993). Proactive or reactive: an analysis of the effect of agent style on organizational decision-making performance. *Intelligent Systems in Accounting, Finance and Management,* 2, 271-289.

Loch, C.H., Chick ,S. & Huchzermeier,A. (2007). Can European manufacturingcompanies compete? industrial competitiveness, employment and growth in Europe. *European Management Journal,* 25(4), 251-265.

Lumpkin, G. T. & Dess, G. G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management Review*, 21, 135-171.

___________.,& _________. (2001). Linking two dimensions of entrepreneurial orientation to _rm performance: the moderating role of environment and industry life cycle. *Journal of Business Venturing,* 16(5), 429−451.

___________., Cogliser, C.C.,& Schneider, R.D., (2009). Understanding and measuring autonomy: an entrepreneurial orientation perspective. *Entrepreeurship theory and practice*, January, 47-69.

Matthias Gouthier, Andreas Giese& Christopher Bartl. (2012). Service excellence models: a critical discussion and comparison. *Managing service Quality,* 22(5), 447-464.

Mayer J.D., Caruso D.R., &Salovey P. (1999). Emotional intelligence meets traditional standards for an intelligence. *Intelligence*, 27, 267–98.

McFadzean, E., O'Loughlin, A. & Shaw, E. 2005. Corporate entrepreneurship and innovation Part 1: the missing link. *European Journal of Innovation Management*, 8(3), 350-372.

MeGrath, R.G. & MacMillan, 1.(2000). The entrepreneurial mindset. *Boston, MA: Harvard Business School Publishing.*

Merrilees, Bill, Rundle-Thiele, Sharyn and Lye, &Ashley. (2011). Marketing capabilities: antecedents and implications for B2B SME performance. *Industrial Marketing Management*, 40, 368-375.

Meyer, A, Chase, R, Roth, A, Voss, C., Sperl, K.-U., Menor, L. & Blackmon, K. (1999): Service competitiveness: an international benchmarking comparison of service practice and performance in Germany, UK and USA.*International Journal of Service Industry Management,* 10(4), 369-379.

Miller, D.J., Fern, M.J. & Cardinal, L.B. (2007). The use of knowledge for technological innovation within diversified firms. *Academy of Management Journal*, 50 (2), 308-326.

Mohammed, S. & Easingwood, C. (1993). Why European financial institutions do not test market new consumer products?. *International Journal of Bank Marketing*, 11(3), 23-7.

Morena, A.M. & Casillas, J.C. (2008). Enfrepreneurial orientation and growth of SMEs: A causal model. *Entrepreneurship Theory and Practice,* 32(3), 507-528.

__________., & Strong, C.A. (2003). Business performance and dimensions of strategic orientation. *Journal of Business Research*, 56(3), 163-176.

Mullins, J.W. & Forlani, D. (2005). Missing the boat or sinking the boat: astudy of new venture decision making. *Journal of Business Venturing*, 20(l), 47-69.

Mumford, M.D., Scott, G.M., Gaddis, B. & Stange, J.M. 2002. Leading creative people: orchestrating expertise and relationships. *The Leadership Quarterly*, 13(6), 705-750.

Newey, L.R. & S.A. Zahra (2009). The evolving firm: how dynamic and operating capabilities interact to enable entrepreneurship. *British Journal of Management*, 20, S81-S100.

Nieto, M.J., Santamaria, L., & Fernandez, Z. (2013). Understanding the innovation behavior of family firms. *Journal of Small Business Management*, Aritcle first published online, DOI: 10.1111/jsbm.12075

Rauch, A., Wiklund, J., Lumpkin, G.T. & Frese, M. (2009). Entrepreneurial orientation and business performance: an assessment of past research and suggestions for the future. *Entrepreneurship Theory and Practice,* 33(3), 761-787.

Renko Maija, Carsrud Alan & Brännback Malin. (2009).The effect of a market orientation, entrepreneurial orientation, and technological capability on innovativeness: a study of young biotechnology ventures in the US and in Scandinavia. *Journal of Small Business Management*, 47(3), 331-369.

Roberts, E. B. and Fusfeld,A. R. (1981). Staffing the innovative technology based organisation. *Sloan Management Review*, 19-34.

Santos, R.Wennersten, R.Oliva, E.B.L.&Filho, W.L. (2009). Strategies for competitiveness and sustainability: a daptation of a Brazilian subsidiary of a Swedish Multinational corporation. *Journal of Environmental Management,* 90, 3708–3716.

Schilling, M.A. (2005). Strategic management of technological innovation. *Boston, MA: McGraw-Hill Irwin.*

Schneider, B., Hayes, S. E., Lim, B., Raver, J. A., Godfrey, E. G., Haung, M., et al. (2003). Employee experience of strategic alignment in a service organization. *Organizational Dynamics*, 32, 122-141

Schneider, M., J. Scholz, M. Lubell, D. Mindruta, & M. Edwardsen. (2003). Building consensual institutions: Networks and the National Estuary Program.*Am. J. Polit. Sci.* 47, 143–158.

Schumpeter, J. A. (1934). The theory of economic development (Ed.)^(Eds.), Vol. Cambridge: MA: Harvard University Press.

Sharma, P. & Chrisman,J. J. (1999). Toward a reconciliation of the definitional issues in the field of corporate entrepreneurship. *Entrepreneurship Theory and Practice.* 23(3), 11-27.

Slywotzky, A.J. (2007), The upside: how to turn your greatest threat into your biggest growth opportunity. *Copstone Publishing*, Chichester.

Smirnova, M., Naudé, P., Henneberg, S.C., Mouzas, S., & Kouchtch, S.P., (2011). The impact of market orientation on the development of relational capabilities and performance outcomes: the case of Russian industrial firms. *Industrial Marketing Management*, 40, 44- 53.

Smith, C.W. (1995). Corporate risk management: theory and practice. *Journal of Derivatives*, 2, 4.

Smith, K. G. & Di Gregorio, D. (2002). Bisociation, discovery and the role of entrepreneurial action. In Hitt, M. A., Ireland, R. D., Camp, S. M. and Sexton, D. L. (Eds), Strategic entrepreneurship: creating a new mindset. *Oxford: Blackwell Publishers*, 130–50.

Sonntag, V. (2000). Sustainability-in light of competitiveness. *Ecological Economics*, 34, 101-113.

Sundbo, J. & Gallouj,F. (1998). Innovation in services. *SI4S Synthesis Papers No. S2.*

Suranarayana, A. (2003). Risk management models: a primer. *ICFAI Reader, ICFAI Press,* New Delhi, January.

Teece, D. J., Pisano,G.& Shuen,A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), 509-533.

Turner, D & Crawford,M. (1998). Competencies for the achievement of value creating change. *Centre for Corporate Change, AGSM, Sydney, Australia University of NSW, CCC Working Paper No. 029.*

Turner, D. (2000). Leadership of corporate change. *New Directions in Corporate Change, AGSM, Sydney, Australia, University of NSW. Working Paper No. 040.*

Ussahawanichakit, P. (2007). Linking entrepreneurial orientation to competitiveness: how do Thai SMEs make it works successfully*?. International Journal of Business Strategy,* 7(3), 1-12.

Van der Aa,W. & Elfring, T. (2002). Realizing innovation in services. *Scandinavian Journal of Management,* 18 (2), 155-171.

Walker, O.C., & Ruekert, R.W. (1987). Marketing’s role in the implementation of business strategies: a critical review and conceptual framework. *Journal of marketing*, 15, 15-33.

Wang, Yonggui, Lo, Hing-Po, Zhang, Quan, & Xue, Youzhi. (2006). How technological capability influences business performance an integrated framework based on the contingency approach. *Journal of Technology Management in China*, 1(1), 27-52.

Wheelwright, S.C. & Clark,K.B. (1992). Revolutionizing product development – quantum leaps in speed, efficiency, and quality. *New York: The Free Press.*

Wiklund, J. & Shepherd, D. (2005). Entrepreneurial orientation and small business performance: a configurational approach. *Journal of Business Venturing,* 20 (1), 71-91

Wiklund, J., & Shepherd, D. (2003). Knowledge-based resources, entrepreneurial orientation, and the performance of small and medium-sized businesses. *Strategic Management Journal*, 24(13), 1307–1314.

Woodman, R. W., Sawyer, J. E., & Griffin, R. W. (1993). Toward a theory of organizational creativity. *Academy of Management Review*, 18(2), 293–321.

Zhou, J., & Shalley, C. E. (2003). Research on employee creativity: a critical review and directions for future research. In J. Martocchio (Ed.), Research in personnel and human resource management, 165–217. *Oxford, England: Elsevier.*

Zott C. (2003). Dynamic capabilities and the emergence of intra-industry differential firm performance: insights from a simulation study. *Strategic Management Journa,l* 24(2), 97-125.

VIEWING THE MILES AND SNOW FRAMEWORK THROUGH A REAL OPTIONS LENS

Shawn M. Riley, Kutztown University of Pennsylvania
Sandra Mao, HGDF Familien holding Ltd. & Co. KG
Eileen Hogan, Kutztown University of Pennsylvania

Research has demonstrated that the use of real options can benefit firms. Real options – sometimes known as strategic options – are situations firms create that give them flexibility in that they have the possibility of pursuing a certain course of action but not the obligation of doing so. The concept of real options is similar to that of financial options, in that in both cases the firm has a right to act in a particular way, but is not required to do so. Despite findings that the use of real options can benefit firms, few managers actually employ this tactic, in large part because they find the concept vague and difficult to apply. The present article seeks to narrow the gap between the theoretical benefits to managers and firms of employing real options and their limited use in practice by viewing them through the Miles and Snow framework of organizational strategy. Types of real options that are likely to be more effective for different organizational types are identified. Opportunities for further research are discussed.

THE INFLUENCE OF SERVICE EXCELLENCE STRATEGY ON FIRM PERFORMANCE: A CONCEPTUAL FRAMEWORK

Warawan Chuwiruch, Mahasarakham University, Thailand
Prathanporn Jhundra-Indra, Mahasarakham University, Thailand
Sutana Boonlua, Mahasarakham University, Thailand

ABSTRACT

Firms with traditional approaches are difficult to compete with under changing and intensive competitions. Firms need to emphasize competitive stregies to handle when they face those situations. One of several strategies regarding service, which have an effective way to enhance customer satisfaction and firm performance is service excellence strategy. Hence, this research suggests five new dimensions of service excellence strategy and propose the positive relationships between service excellence strategy and firm performance. The five new dimensions of service excellence strategy consist of customer learning focus, service creativity concern, service diversity concentration, service response orientation, and customer relationship awareness. In addition, superior customer satisfaction, outstanding customer acceptance, advanced customer involvement, and firm performance are its consequences. These relationships are proposed in positive effects. Theoretical, managerial contribution and a suggestion for futher study are provided.

INTRODUCTION

In an economic world presently, there are several phenomenon that impact a large number of firms such as an economic crisis and changing environment phenomenon (i.e. technological evolution and globalization). Also, changing markets directly affect customer satisfaction, technology competition and the survival of firms (Zhang & Zhang, 2003). Firms with traditional approaches are difficult to compete with under those circumstances. As a result, firms have the necessity to adapt themselves, ensuring survival and reaching their performance in the future (Danneel, 2002). Furthermore, as goods have become commoditized, service is the key point that many firms attempt to seek to differentiate themselves from their rivals (Pine & Gilmore, 1998). In other words, firms need to emphasize competitive strategies so as to handle when they face those situations.

One of several strategies regarding service, which has an effective way to enhance customer satisfaction and firm performance is service excellence strategy. Customer service excellence and high customer satisfaction have become a main concern for operating management in service industries (Alin et al., 2009). Cina (1990) suggests five steps to service excellence which consist of 1) knowing a firm's moments of truth (customer contacts), 2) gaining inventory the firm's moments of truth, 3) assessing importance/ performance of each contact, 4) establishing a service management discipline, and 5) implementing the firm's action plan to accomplish service excellence. Likewise, Johnston (2004) states that delivering the promise, providing a personal touch, going the extra mile, and dealing well with problems and queires are four key elements of service excellence, while three elements of service excellence indicated by Radomir (2013) comprise a good organization includinging competencies and knowledge, good processes, and good management system in place. In other words, providing extra services or supplementary, unpredicted benefits and basic service which positively surprises customers during their use of the service can increase customer satisfaction (Crotts & Magnini, 2011).

Service excellence can be utilized in a variety of businesses' types. For example; in luxury hotels, Ritz Carton and Four Seasons do habitually prepare each room consistent with the specific needs of the guest by listening to and recording customer preferences, empowering employees to solve a customer problem and/or surpassing a customer's expectation (Solnet & Kandampully, 2008). In addition to hotel business, Hilton promotes the Hilton Club concept to meet the regular international users' exacting needs and requirements (Teare, 1992). In the bank business; high performance banks move a focus from organization to process such as how the work is done to satisfy customers' needs or a target market (Kim & Kleiner, 1996). Banks improve their process by effectively using the technology to obtain more information on what customers need and when they satisfy those needs subsequent banks' competitive advantages. Furthermore, service excellence can be a result from service quality, partnership quality and image quality, while it cause behavioral intention (Wiertz et al., 2004).

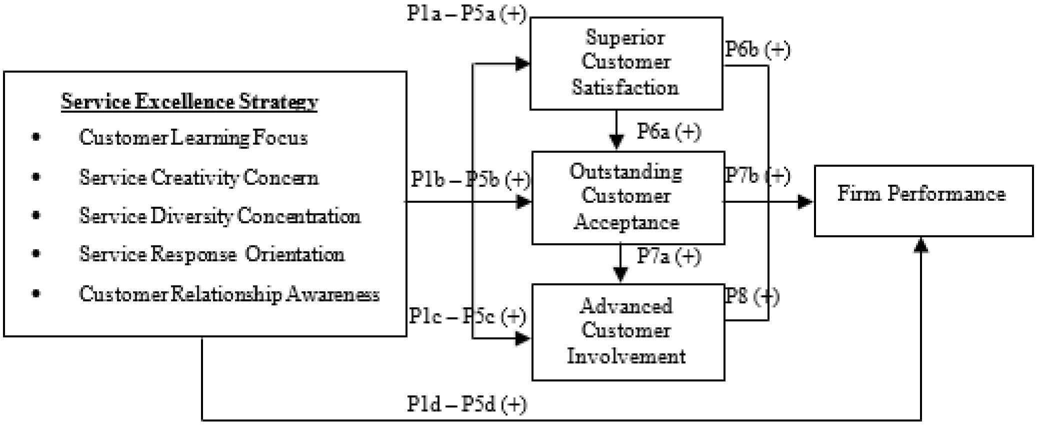
To my knowledge, there are a small number of literature that indicates the dimensions of service excellence strategy. For example, service delivery, servicescapes, customer participation, and service responsiveness are four key dimension of service excellence strategy (Hariandja et al., 2014). Moreover, a prior literature investigating hospital businesses point out that service excellence strategy contain three critical service excellence's dimensions, namely employee orientation, patient orientation, and competitor orientation (Voon et al., 2014). Most studies focus on the consequences of service excellence strategy and its dimensions. Therefore, the aim of this research is to examine the relationship between service excellence strategy and firm performance.

This research is organized as follows: the first part presents the relevant literature reviews and the linkage to propositions that are presented in the conceptual framework. Then, the contribution consist of directions for future research and managerial contributions. Lastly, the conclusion of this research is presented.

LITERATURE REVIEW

This conceptual paper attempts to link the relationships between each dimension of service excellence strategy (customer learning focus, service creativity concern, service diversity concentration, service response orientation, and customer relationship awareness) and its consequences (superior customer satisfaction, outstanding customer acceptance, advance customer involvement, and firm performance). The conceptual framework of service excellence strategy and firm performance is discussed and scrutinized obviously. Therefore, a developed conceptual framework is shown in Figure 1.

Figure 1
A CONCEPTUAL FRAMEWORK OF SERVICE EXCELLENCE STRATEGY AND FIRM PERFORMANCE



Service Excellence Strategy

Currently, employing appropriate strategy to compete with competitors in intensive competition is extremely important for firm to improve firm performance (Kotey & Meredith, 1997), especially in service industries relating to various emotion and different perceptions of customers. Subsequently, the strategy should be focused. Hart and Banbury (1994) define strategy as the rule or practice of firms that suit for internal and external enviorments in order to accomplish their objectives. In other words, the strategy is the pattern of resource allocation supporting firms to retain or enhance their performance (Barney, 1996). Hence, if firms desire to improve their performance, they should emphasize the strategy. The critical strategy for the profitability and for the survival of the firms is service excellence.

The concept of service excellence has been defined in similar ways. Limpsurapong and Ussahawanitchakit (2011) define service excellence as more of the service features greatness and superiority than the firms' competitors and higher customers' expectations. Radomir (2013) defines a firm's capability to provide best-in class service. In another view, service excellence refers to being "easy to do business with" (Johnston, 2004), delivers promises and is an expression of very high satisfaction (Hariandja et al., 2014). Gouthier et al. (2012) state that service excellence results in not only customer satisfaction, but also customer delight and greater customer loyalty. Edvardsson and Enquist (2011) indicate that it also causes the long-term profitability.

According to prior literature, this research defines service excellence strategy as anticipating the customers' needs and surpassing their expectations constantly (Hinds, 2006). Additionally, this concept is divided into five dimensions including customer learning focus, service creativity concern, service diversity concentration, service response orientation, and customer relationship awareness. The consequences of service excellence strategy comprise superior customer satisfaction, outstanding customer acceptance, advanced customer involvement, and firm performance.

Customer Learning Focus

Learning orientation refers to the activities of the organization to adding and using knowledge in order to increase competitiveness (Calantone et al., 2002). Learning orientation including commitment to learning, shared vision, and open-mindedness (Nasution et al.,

2011) seems to be a reflection of the effort increased of employees regards to expanding his or her existing collection of technical and social skills, thus learning new and better ways of collaboration with customers (Henning-Thurau & Thurau, 2004). In particular, if firms emphasize on customer orientation, which refers to the degree to which the hotel gain and employ information from customers, develops a strategy that will meet customer needs, and implements that strategy by being responsive to customers' needs and wants (Ruekert, 1992), they will concern on customer interests first.

Therefore, this research applies frameworks of learning orientation and customer orientation from prior research and then defines customer learning focus as continuously enhancing actions through greater knowledge and understanding of customer needs (Cummings & Worley, 1997). Customer learning focus will be effective, as it depends on three critical factors containing management customer orientation or organizational values, customer feedback, and employee learning orientation (Bernard et al., 2011). For example, Ritz Carlton, a high-end luxury hotels, employs the term "customer customization" to communicate the importance focused on personalized service (Solnet & Kandampully, 2008). It also utilizes various methods to effectively listen to their customers' preferences such as training their staffs to collect on cues from customers that can later be used to surprise the customer as well as empowering employees to solve a customer's problem and/or exceed his/her expectations. Such these practices, service excellence strategy is more likely to generate great customer satisfaction, increase the acceptance of customers, stimulate more customer involvement, and improve higher firm performance. From the aforementioned arguments on customer learning focus, the first hypothesis can be proposed as:

P1 *Customer learning focus is positively related to (a) superior customer satisfaction, (b) outstanding customer acceptance, (c) advance customer involvement, and (d) firm performance.*

Service Creativity Concern

In terms of creativitiy, various definitions are provided. Colurcio (2005) defines creativity as a firm's ability to influence, exploit, and link knowledge with the aim of generating new ideas that are unpredicted and made surprising in their originality. Corresponding to Chiu and Tu (2014), creativity is the ability of firm to link among concepts and to develop original and appropriate ideas. In the service context, customers frequently advise or inform what they expect and what their perceptions regarding the service and the service process are such as comments to frontline employees or complaints (Gouthier & Schmid, 2003). Such circumstances, the customers should be considered as important sources for planning and introducing new services as well as improving the services to be better. In terms of service creativity concern, it is the generation of a new and meaningful service concept or idea (Dahlen, 2008).

Generating pioneering services causing from customers' ideas, advises or comments may benefit firms to meet their expectations easily that result in higher customer satisfaction as well as customer acceptance. Particularly, if firms focus dramatically on seeking the creative services and serve them in excess of customers' expectations, it is likely to increase superior customer satisfaction and the acceptance of customer. Simultaneously, firms may gain customers to be as co-development (Anderson & Crocca, 1993) or knowledge co-creation (Blazevic & Lievens., 2008). This is a result of outstanding customer involvement. In addition, when customers are fulfilled as they need or want, it may cause repurchase or spread positive word-of-mouth resulting in greater firm performance. From the aforementioned arguments on service creativity concern, the second hypothesis can be proposed as:

P2 Service creativity concern is positively related to (a) superior customer satisfaction, (b) outstanding customer acceptance, (c) advance customer involvement, and (d) firm performance.

Service Diversity Concentration

Service diversity concentration refers to creating a variety of services, which is defined as customization, in order to response the different customers' needs (Robert, 2008). For examples, in the transport industries, a cluster of online self-services comprise services such as online ticket booking, online check-in services, online live services updates, and so on (Lu et al., 2009).

Service diversity provides both drawbacks and benefits to firms. In terms of its drawbacks, customers have to spend more time making decisions for the best fits their preferences. Kuksov and Villas-Boas (2010) state that greater searching effort of customers may cause to an avoidance of making a purchase completely. These can be concluded that if the service diversity or variety of services of firms rises, total revenue of firms will slightly increase due to increasing significantly of total cost (Syam and Bhatnagar, 2015). In other words, firms' profits will decrease due to increasing total cost, but decreasing rate of total revenue.

Nevertheless, service diversity can help transport firms concerning standardization of service delivery, if the firms can implement online self-services successfully (Lin & Filieri, 2015). Furthermore, it provides more benefits such as reducing labor costs and expanding the options for service delivery. Firms that have a large variety of service choices can satisfy and stimulate customers to join more activities of services (Madera et al., 2013). Lancaster (1990) states that a firm with a greater variety can obtain a larger market share as a result of the greater possibility of a match arising between customer needs and service assortment of firm. From the aforementioned arguments on service diversity concentration, the third hypothesis can be proposed as:

P3 Service diversity concentration is positively related to (a) superior customer satisfaction, (b) outstanding customer acceptance, (c) advance customer involvement, and (d) firm performance.

Service Response Orientation

The word "response" or "responsiveness" is viewed as a cumulative capability. Gaither and Frazier (2002) state that capabilities include costs, time, quality, and flexibility. Customer responsiveness is the performing in response to market intelligence with reference to individual needs of target customers (Kohli & Jaworski, 1990). Generally, customers expect firms to respond according to their requirements. Ludwiczak (2014) suggests that if the firms desire to generate or retain customers, they should firstly know what product requirements are established by the customers and how to deliver them. Moreover they should examine the requirements related to the product and generate whether they are able to fulfil them. Hence, this research defines service response orientation as providing speedy services, a variety of services, and the willingness to support customers within service delivery processes (Asree et al., 2010).

Firms should respond to customers' requirements appropriately and immediately. Davidow (2014) indicates that timeliness is one of six dimensions of organizational response. It involves response speed in which Conlon and Murray (1996) found that it results positively in response satisfaction and intentions to repurchase. In other words, service takes shorter time in responding to customers, it can bring about higher customer satisfaction (Davis &

Vollmann, 1990) and also relate to customer switching behavior (Keaveney, 1995). Responding customer immediately and appropriately possibly not only cause customer satisfaction, but also affect acceptance and involvement of customers. In addition, Asree et al. (2010) found that service response affects positively to firms' revenue. From the aforementioned arguments on service response orientation, the fourth hypothesis can be proposed as:

P4 Service response orientation is positively related to (a) superior customer satisfaction, ((b) outstanding customer acceptance, (c) advance customer involvement, and (d) firm performance.

Customer Relationship Awareness

Customer relationship awareness refers to the translation of customer data to customer relationships through active use of and learning from the information collected (Brohman et al., 2003) in order to retain customers. In other words, customer relationship awareness is similar to the concept of customer relationship management (CRM) which refers to maintaining present customers and building profitable and long-term relationship with them (Kotler et al., 1999).

Firms with superior CRM capability are in greater position in gathering and storing customer knowledge, which can track customer behavior in order to gain insights into customers' needs, wants, and preferences as well as determining how to profitably satisfy those needs (Battor & Battor, 2010). Consequently, firms should focus on developing customer relationships, making customers trust in and doing them commit to the firms (Luo et al., 2004) because customer trust and commitment provide various benefits to firms such as reducing customer transaction uncertainty (e.g. performance unpredictability's customer avoidance) as well as increasing expressive association (e.g. bonding to firm's brand of customers) (Bendapudi & Berry, 1997).

Firms that can generate stronger relationship with customer can gain greater profitability (Reinartz et al., 2005) as well as shareholder value and superior corporate performance (Srivastava et al., 2001). Mullins et al. (2014) state that strong relationship perceptions have focused on three elements including commitment, trust, and satisfaction. To increase higher performance, firms need to develop closed and trusting relationships in order to enhance customer perceived value. When customers perceive value of service, they may tend to increase their acceptance and involvement with service firms. Moreover, if firms can serve valuable services, which are greater than their expectation or are unexpectation, customers perhaps are satisfied. From the aforementioned arguments on customer relationship awareness, the fifth hypothesis can be proposed as:

P5 Customer relationship awareness is positively related to (a) superior customer satisfaction, (b) outstanding customer acceptance, (c) advance customer involvement, and (d) firm performance.

Superior Customer Satisfaction

Superior customer satisfaction refers to the great level of customers' judgement when they compare perceived service performance with their expectation (Anderson & Sullivan, 1993). In the vein of Ryan and Ramaswamy (1995), customer satisfaction refers to overall judgment of customers on variance between expected and perceived service performance. Satisfaction equation comes from the difference between perceived performance and expectations (Stahl, 1999). Customers feel pleasure or disappointment steming from comparing a product/or service's perceived performance concerning their expectations. If the performance does not meet expectations, the customers are dissatisfied; whereas the performance do meet expectation, the customers are satisfied. Futhermore, if the performance do greater expectation, the customer are delighted or highly satisfied (Kotler and Keller, 2006).

Delight, which is a type of emotion is caused by unpredictably good performance that is excellent service (Yu & Dean, 2001). Customer satisfaction is deliberated to be the crucial success element for every firm because it leads to superior market share, greater customer retention (Ćoćkalo et al., 2011), lower marketing costs and increased revenues (Fung et al., 2007) . Moreover, if firms can offer excellent service to customers and make them satisfied, they are likely to be less price sensitive, less persuaded by rivals, and also stay loyal longer (Dimitriades, 2006). Moreover, they tend to provide positive feedbacks or viewpoints for optimizing services. In the hospitality and tourism industry, customer satisfaction positively affect the firms' value and profitability, which increase financial performance (Sun & Kim, 2013). From the aforementioned arguments on superior customer satisfaction, the sixth hypothesis can be proposed as:

P6 Superior customer satisfaction is positively related to (a) outstanding customer acceptance and (b) firm performance.

Outstanding Customer Acceptance

Outstanding customer acceptance is defined as the viewpoints or feedbacks of customers concerning admirable service in order to provide valuable information (Limpsurapong & Ussahawanitchakit, 2011). They state that customer feedbacks reflect customer acceptance of new products or service transactions' history or customer rejeccction by former buyers. Importantly, previous customer feedbacks cause market reputation and potential customer's purchase decisions. Chailom and Ussahawanitchakit (2009) found that, in a media release and marketing activities, reputation results in e-commerce performance.

The acceptance of customer on service presented is regularly correlated to the familiarity and the degree of awareness and usage of any given tool (Ahmad & Nadiah, 2012). Outstanding customer acceptance occurs when customers have a large tendency of using service offered. In other words, customer acceptance could be observed when customers are willing to take part in anything that are associated to the product or service offered (Mansor et al., 2011). The more customers use services, the more valuable services develop. In other words, customers with high positive experiences and/or feedbacks tend to open mind to accept services of firms easier. Furthermore, customers are likely to involve with firms and possibly lead to firm performance. From the aforementioned arguments on outstanding customer acceptance, the seventh hypothesis can be proposed as:

P7 Outstanding customer acceptance is positively related to (a) advanced customer involvement and (b) firm performance.

Advanced Customer Involvement

Advanced customer involvement refers to a large degree of participation between firms and customers in assorted activities for developing more excellent service (Dadfar et al., 2013). In the vein of Alam (2006), in service innovation, customer involvement refers to the degree of interaction between service producers and current representatives of one or more customers at diverse stages of the new service development process.

From literature, customer involvement can be seen from different words such as customer involvement, customer participation, user involvement, co-development, and co-creation. The roles of customer involvement are diverse from low to high, depending on the types of services (Lagrosen, 2005). High-involved customers tend to have a positive attitude for maintaining long-term relationships rather than taking a risk by starting a new relationship (Varki & Wong, 2003). Customers with high involvement are likely to think themselves as a part of service firms when they interact with employees in different activities such as providing suggestions or feedbacks for improving of service firms' quality.

Customer involvement provides a variety of benefits such as superior and differentiated service, reducing the development time, improve market acceptance, and establishing a long-term relationship (Prahalad & Ramaswamy, 2002). According to these benefits, customer involvement probably affect firm performance. From the aforementioned arguments on advance customer involvement, the eighth hypothesis can be proposed as

P8 Advanced customer involvement is positively related to firm performance.

CONTRIBUTIONS

This research provides both theoretical and managerial contributions. Theoretically, this research offers a supplementary insights because it identifies new five dimensions of service excellence strategy. According to the strategies previously reviewed, this research help top management to omprove service excellence. Kotey and Meredith (1997) state that employing appropriate strategy is very significant for firm owing to resulting in firm performance. However, top managements need to know that service excellence leading to great firm performance requires commitments from every level of the firm including the firm's culture, the senior management, employees, and process (Kim & Kleiner, 1996). Importantly, the firm that can generate service excellence affect superior customer satisfaction, outstanding customer acceptance, advanced customer involvement, and firm performance.

The direction for further research is the empirical examination in order to gain more intense understanding of the phenomenon. In addition, for this conceptual framework, the researchers suggest that hotel businesses in Thailand are appropriated to be investigated for two reasons. Firstly, hotel businesses frequently encounter a large number of customers which have positive or negative judgement concerning service excellence (Torres & Kline, 2013). Secondly, the government of Thailand promotes slogan "Amazing Thailand: Always Amazes You" to encourage both Thai and international tourists to travel and occupancy at hotels in Thailand (Tourism Authority of Thailand, n.d.). However, although hotel businesses are investigated, there are a new viewpoint (the new dimensions of service excellence) that should concern.

CONCLUSION

Currently, firms with traditional approaches are difficult to compete with under intense competitions. As a result, firms have the necessity to adapt themselves, ensuring survival and reaching their performance in the future. Subsequently, firms should concern and employ appropriate strategy to direct to the way desired. An important strategy is service excellence strategy. This research suggests five new diemensions of service excellence strategy comprising customer learning focus, service creativity concern, service diversity concentration, service response orientation, and customer relationship awareness. Furthermore, the consequences are presented including superior customer satisfaction, outstanding customer acceptance, advanced customer involvement, and firm performance. Their relationships are proposed in positive effect.

Hopefully, this research will encourage other researchers to study the service excellence strategy that affect firm performance of hotel businesses in Thailand. Moreover, the researcher attempts to fulfill the conceptual framework by appropriately finding the antecedents, moderating factor, and control factors in order to test empirical study with proper statistics.

REFERENCES

Alam, I. (2006). Removing the Fuzziness from the Fuzzy-End of Service Innovations through Customer Interactions. *Industrial Marketing Management,* 35(4), 468-480.

Aline, J.M., V. Juin, M.M.K. Man & A.H.Harun (2009). Quality Dimensions of the Customer Satisfaction: The Empirical Research of Government Hospitals Support Services in Sabah State, Malaysia. *Pranjana: The Journal of Management Awareness*, 12(1), 1-15.

Ahmad, S.A.B. & A.N. Nadiah (2012). Customer Acceptance on Islamic Pawn Broking: A Malaysian Case. *Interdisciplinary Journal of Contemporary Research in Business*, 3(10), 748-763.

Anderson, E.W. & M.W. Sullivan (1993). The Antecedents and Consequences of Customer Satisfaction for Firms. *Marketing Science*. 12, 125-143.

Anderson, W.L. & W.T. Crocca (1993). Engineering Practice and Co-Development of Product Prototypes. *Communications of the ACM*, 36(6), 49-56.

Asree, S., M. Zain & M.R. Razalli (2010). Influence of Leadership Competency and Organizational Culture on Responsiveness and Performance of Firms. *International Journal of Contemporary Hospitality Management*, 22(4), 500-516.

Barney, J. (1996). *Gaining and sustaining competitive advantage*. Reading: Addison-Wesley Publishing.

Battor, M. & M. Battor (2010). The Impact of Customer Relationship Management Capability on Innovation and Performance Advantages: Testing a Mediated Model. *Journal of Marketing Management*, 26(9-10), 842-857.

Bendapudi, N. & L. Berry (1997). Customers' Motivation for Maintaining Relationships with Service Providers. *Journal of Retailing*, 73(1), 15-38.

Bernard, E.K., T. Osmonbekov & D. McKee (2011). Customer Learning Orientation in Public Sector Organizations. *Journal of Nonprofit & Public Sector Marketing*, 23, 158-180.

Blazevic, V. & A. Lievens (2008). Managing Innovation through Customer Coproduced Knowledge in Electronic Services: An Exploratory Study. *Journal of the Academy of Marketing Science*, 36(1), 138-151.

Brohman, M.K., R.T. Watson, G. Piccoli & A. Parasuraman (2003). Data Completeness: A Key to Effective Net-Based Customer Service Systems. *Communication of the ACM*, 46(6), 47-51.

Calantone, R.J., S.T. Cavusgil & Y. Zhao (2002). Learning Orientation, Firm Innovation, and Firm Performance. *Industrial Marketing Management*, 31(6), 515-524.

Cina, C. (1990). Five Steps to Service Excellence. *Journal of Service Marketing*, 4(2), 39-47.

Chailom, P. & P. Ussahawanitchakit (2009). Strategic Focus through E-Commerce-Based Operations and Performance of E-Commerce Businesses in Thailand. *European Journal of Management*, 9(4), 1-20.

Chiu, F-C. & P. L-P. Tu (2014). The Priming Effect of Military Service on Creativity Performance. *Psychological Reports: Relationship & Communication*, 114(2), 509-527.

Ćoćkalo, D., D. Đorđević & Z. Sajfert (2011). Customer Satisfaction and Acceptance of Relationship Marketing Concept: An Exploratory Study in QM Certified Serbian Companies. *Organizacija*, 44(2), 32-46.

Colurcio, M. (2005). La Generazione Delle Idee. In "*La Gestione Dei Percorsi Di Innovazione*. Giappicheli Editore, 73-109.

Conlon, D.E. & N.M. Murray (1996). Customer Perceptions of Corporate Responses to Product Complaints: The Role of Explanations. *Academy of Management Journal*, 39(4), 1040-1056.

Crotts, J.C. & V.P. Magnini (2011). The guest delight construct: Is surprise essential? *Annals of Tourism Research*. 37(4), 719-722.

Cummings, T.G. & C.G. Worley (1997). *Organization Development and Change (Sixth Edition).* Cincinnati, Ohio: South-western College Publishing Company.

Dadfar, H., S. Brege & S.S.E. Semnani (2013). Customer Involvment in Service Production, Delivery and Quality: the Challenges and Opportunites. *International Journal of Quality and Service Sciences*, 5(1), 46-65.

Dahlen, M. (2008). *Creativity Unlimited*. West Sussex: John Wiley & Sons.

Danneels, E. (2002). The Dynamics of Product Innovation and Firm Competences. *Strategic Management Journal*, 23, 1095-1121.

Davidow, M. (2014). The A-Craft Model of Organizational Responses to Customer Complaints and Their Impact on Post-Complaint Customer Behavior. *Journal of Consumer Satisfaction*, 27, 70-89.
Davis, M.M. & T.E. Vollmann (1990). A Framework for Relating Waiting time and Customer Satisfaction in a Service Operation. *Journal of Services Marketing*, 4(1), 61-69.
Dimitriades, Z.S. (2006). Customer Satisfaction, Loyalty and Commitment in Service Organizations: Some Evidence from Greece. *Management Research News,* 29(12), 782-800.
Edvardsson, B. & B. Enquist (2011). The Service Excellence and Innovation Model: Lessons from IKEA and Other Service Frontiers. *Total Quality Management*, 22(5), 535-551.
Fung, P.K.O., I.S.N. Chen & L.S.C. Yip (2007). Relationships and Performance of Trade Intermediaries: An Exploratory Study. *European Journal of Marketing*, 41(1/2), 159-180.
Gaither, N. & G. Frazier (2002). *Operation Management,* Southwestern Thomson Learning, Ohio.
Gouthier, M & S. Schmid (2003). Customers and Customer Relationships in Service Firms: The Perspective of the Resource-Based View. *Marking Theory*, 3(1):119–143.
Gouthier, M., A. Giese & C. Bartl (2012). Service Excellence Models: A Critical Discussion and Comparison. *Managing Service Quality*, 22(5), 447-464.
Hariandja, E.S., T.M. Simatupang, R.A. Nasution & D. Larso (2014). Dynamic Marketing and Service Innovation for Service Excellence. *Gadjah Mada International Journal of Business*, 16(2), 143-166.
Hart, S. & C. Banbury (1994). Strategy-Making Processes Can Make A Difference. *Strategic Management Journal*, 15(4), 251-269.
Henning-Thurau, T. & C. Thurau (2004). Customer Orientation of Service Employees – Its Impact on Customer Satisfaction, Commitment, and Retention. *International Journal of Service Industry Management*, 15(5), 460-478.
Hinds, M. (2006). Achieving Service Excellence in Barbados – The Service Leadership Factor. *International Journal of Contemporary Hospitality Management,* 18(7), 563-573.
Johnston, R. (2004). Towards a Better Understanding of Service Excellence. *Managing Service Quality: An International Journal*, 14(2/3), 129-133.
Keaveney, S.M. (1995). Customer Switching Behavior in Service Industries: An Exploratory Study. *Journal of Marketing*, 59(2), 71-82.
Kim, S. & B.H. Kleiner (1996). Service Excellence in the Banking Industry. *Managing Service Quality*, 6(1), 22-27.
Kohli A. & B.J. Jaworski (1990). Market Orientation: The Construct, Research Propositions and Managerial Implications. *Journal of Marketing Research*, 54, 1-19.
Kotey, B. & G.G. Meredith (1997). Relationships among Owner/Manager Personal Values, Business Strategies, and Enterprise Performance. *Journal of Small Business Management*, 35(2), 37-64.
Kotler, P., G. Armstrong, J. Saunders & V. Wong (1999). *Principles of Marketing, 2nd European Edition*. Milan, Italy: Prentice Hall Europe.
Kotler, P. & K.L. Keller (2006). *Marketing Management*. 12th Edition. Pearson Prentice Hall.
Kuksov, D. & J.M. Villas-Boas (2010). When More Alternatives Lead to Less Choic. *Marketing Science*, 29(3), 507-524.
Lagrosen, S. (2005). Customer Involvement in New Product Development: A Relationship Marketing Perspective. *European Journal of Innovation Management*, 8(4), 424-436.
Lancaster, K. (1990). The Economics of Product Variety: A Survey. *Marketing Science*, 9(3), 189-206.
Limpsurapong, C. & P. Ussahawanitchakit (2011). Dynamic Service Strategy and the Antecedents and Consequences: Evidence from Spa Businesses in Thailand. *Journal of International Business and Economics*, 11(4), 52-80.
Lin, Z. & R. Filieri (2015). Airline Passengers’ Continuance Intention towards Online Check-In Services: The Role of Personal Innovativeness and Subjective Knowledge. *Transportation Research Part E*, 81(September), 158-168.
Lu, J., H-Y. Chou & P-C. Ling (2009). Investigating Passengers’ Intentions to Use Technology-Based Self Check-In Services. *Transportation Research Part E*, 45(2), 345-356.
Ludwiczak, A. (2014). The Role of Customer Orientation in Improving Services in Public Administration. *Management*, 18(1), 356-369.
Luo, X., D.A. Griffith, S.S. Liu & Y-Z. Shi (2004). The Effects of Customer Relationships and Social Capital on Firm Performance: A Chinese Business Illustration. *Journal of International Marketing*, 12(4), 25-45.
Madera, J.M., M. Dawson & J.A. Neal (2013). Hotel Managers’ Perceived Diversity Climate and Job Satisfaction: The Mediating Effects of Role Ambiguity and Conflict. *International Journal of Hospitality Management*, 35(December), 28-34.

Mansor, N., A.C. Hamid & Wan Abd. Manan Wan Muda (2011). The Acceptance of Proposed Tourism Development Project in Newly Developed District. *International Journal of Business and Social Science*, 2(20), 106-115.
Mullins, R.R., M. Ahearne, S.K. Lam, Z.R. Hall & J.P. Boichuk (2014). Know Your Customer: How Salesperson Perceptions of Customer Relationship Quality Form and Influence Account Profitability. *Journal of Marketing*, 78(6), 38-58.
Nasution, N.H., F.T. Mavondo, M.J. Matanda & N.O. Ndubisi (2011). Entrepreneurship: Its Relationship with Market Orientation and Learning Orientation and as Antecedents to Innovation and Customer Value. *Industrial Marketing Management*, 40, 336-345.
Pine, B.J. & J.H. Gilmore (1998). Welcome to The Experience Economy. *Harvard Business Review*, 76, 97-105.
Prahalad, C.K. & V. Ramaswamy (2002). The Co-Creation Connection. *Strategy and Business*, 27, 50-61.
Radomir, Š. (2013). Service Quality and Process Maturity Assessment. *Journal of Competitiveness*, 5(4), 43-56.
Reinartz, W., J.S. Thomas & V. Kumar (2005). Balancing Acquisition and Retention Resources to Maximize Customer Profitability. *Journal of Marketing*, 69(January), 63-79.
Robert, D.M. (2008). *The Integration of Service Innovation into an Existing Model for Volume and Variety*. ProQuest Dissertations Publishing, Rensselaer Polytechnic Institute.
Ruekert, R.W. (1992). Developing a Market Orientation: An Organizational Strategy Perspective. *International Journal of Research in Marketing*, 9(3), 225-245.
Ryan, M.J., T. Buzas & V. Ramaswamy (1995). On Improving Customer Satisfaction Measurement as a Decision Tool. *Marketing Research*, 7(3), 11-16.
Solnet, D. & J. Kandampully (2008). How Some Service Firms Have Become Part of "Service Excellence" Folklore: An Exploratory Study. *Managing Service Quality*, 18(2), 179-193.
Srivastava, R., L. Fahey & H.K. Christensen (2001). The Resource-Based View and Marketing: The Role of Market-Based Assets in Gaining Competitive Advantage. *Journal of Management*, 27(6), 777-802.
Stahl, M.J. (1999). *Perspectives in Total Quality*. Milwaukee, WI: Blackwell.
Sun, K-A. and D-Y. Kim (2013). Does Customer Satisfaction Increase Firm Performance? An Application of American Customer Satisfaction Index (ACSI). *International Journal of Hospitality Management*, 35(December), 68-77.
Syam, S.S. & A. Bhatnagar (2015). A Decision Support Model for Determining the Level of Product Variety with Marketing and Supply Chain Considerations. *Journal of Retailing and Consumer Services*, 25, 12-21.
Teare, R. (1992). Promoting Service Excellence through Service Branding. *International Journal of Contemporary Hospitality Management*, 4(1), 3-6.
Torres, E.N. & S. Kline (2013). From Customer Satisfaction to Customer Delight: Creating A New Standard of Service for the Hotel Industry. *International Journal of Contemporary Hospitality Management*, 25(5), 642-659.
Tourism Authority of Thailand (n.d.). Annual Report. Retrieved June 17, 2015, from http://thai.tourismthailand.org/about-tat/annual-report.
Varki, S. & S. Wong (2003). Consumer Involvement in Relationship Marketing of Services. Journal of Service Research, 6, 83-91.
Voon, B.H., F. Abdullah, N. Lee & K. Kueh (2014). Developing a HospiSE Scale for Hospital Service Excellence. *International Journal of Quality & Reliability Management*, 31(3), 261-280.
Wiertz, C., K. De Ruyter, C. Keen & S. Streukens (2004). Cooperating for Service Excellence in Multichannel Service Systems: An Empirical Assessment. *Journal of Business Research*, 57, 424-436.
Yu, Y.T. & A. Dean (2001). The Contribution of Emotional Satisfaction to Customer Loyalty. *International Journal of Service Industry Management*, 12(3/4), 234-251.
Zhang, X. & K.H. Zhang (2003). How Does Globalization Affect Regional Inequality within a Developing Country? Evidence from China. *Journal of Development Studies*, 39(4), 47-67.

A CONCEPTUAL MODEL OF MANAGERIAL PROFESSIONALISM STRATEGY AND FIRM SUCCESS

Konkanok Donsophon, Mahasarakham University
Prathanporn Jhundra-indra, Mahasarakham University
Saranya Raksong, Mahasarakham University

ABSTRACT

The paper aims to investigate the relationship between managerial professionalism strategy and firm success. This paper provides new dimensions of managerial professionalism strategy that include leader-member exchange orientation, employee innovation focus, social responsibility emphasis, ethical operation concentration, and business excellence awareness implementation. In addition, based on the literature review, propositions predict all positively related variable linkages between managerial professionalism strategy and its consequences in the conceptual framework. The consequences of managerial professionalism strategy are employee satisfaction, organizational citizenship behavior, stakeholder acceptance, organizational creativity, business goal achievement, and firm success. This conceptual paper can build understanding in managerial professionalism strategy and its consequence relationships. Moreover, this paper provides new dimensions of managerial professionalism strategy. It is new knowledge that could be verified by empirical research in future research. One contribution can help managers in planning, designing, and setting the operational processes in order to create competitive advantage, sustainability, and success for the organization. Future research is suggested to seek an appropriate sample to test the hypotheses following a literature review. The dynamic contextual business and business concern with professionalism in managing the operation to enhance the firm to success should select a sample for future research. Thus, the sample should be the hotel business or a dynamic business operation in order to use verifier by empirical research. Thus, this conceptual framework will explain the managerial professionalism strategy and its consequence relationships. The remaining of this paper includes a literature review and proposition development. Moreover, contributions, suggestions, directions for future research, and conclusion are included.

INTRODUCTION

Recently, many service businesses are facing serious problems, working under changes because of the needs of customers and a highly competitive situation (Raju & Lonial, 2002; Hon, 2013). This has resulted in the organization adapting its administration to be competitive, to attain a competitive advantage through the development of organizational managerial professionals, and to build up firm success and survival (Hamel, 2006; Roland & Huang, 2012). Managerial professionalism strategy refers to a modern administration focusing on creating skills, abilities, experiences, and continuous adaptation regarding the changes in the environment, leading to accomplishing the organization's goals (Burgess, 2011; Ko, 2012; Lee, 2014). Moreover, new innovations in products and services development are continuously created. Besides, managerial professionalism strategy enables the organization to operate in sharing information, being responsible for the environment and society, and having ethics in operations, leading to create customer satisfaction in products or services that are received from the organization (Kang, Lee & Huh, 2010). In the meanwhile, the acceptance of the administration of the stakeholders arises from the focus on building up the adaptive administration to respond to the continuous changes, to maintain the ability for gaining profit, and to reduce the operational costs of the organization (Schaefer, Lloyd & Stephenson, 2012). Employee satisfaction, which helps create inspiration in performing an organizational citizenship behavior, drives the organization to reach goal achievement (Rhoade & Eisenberger, 2002).

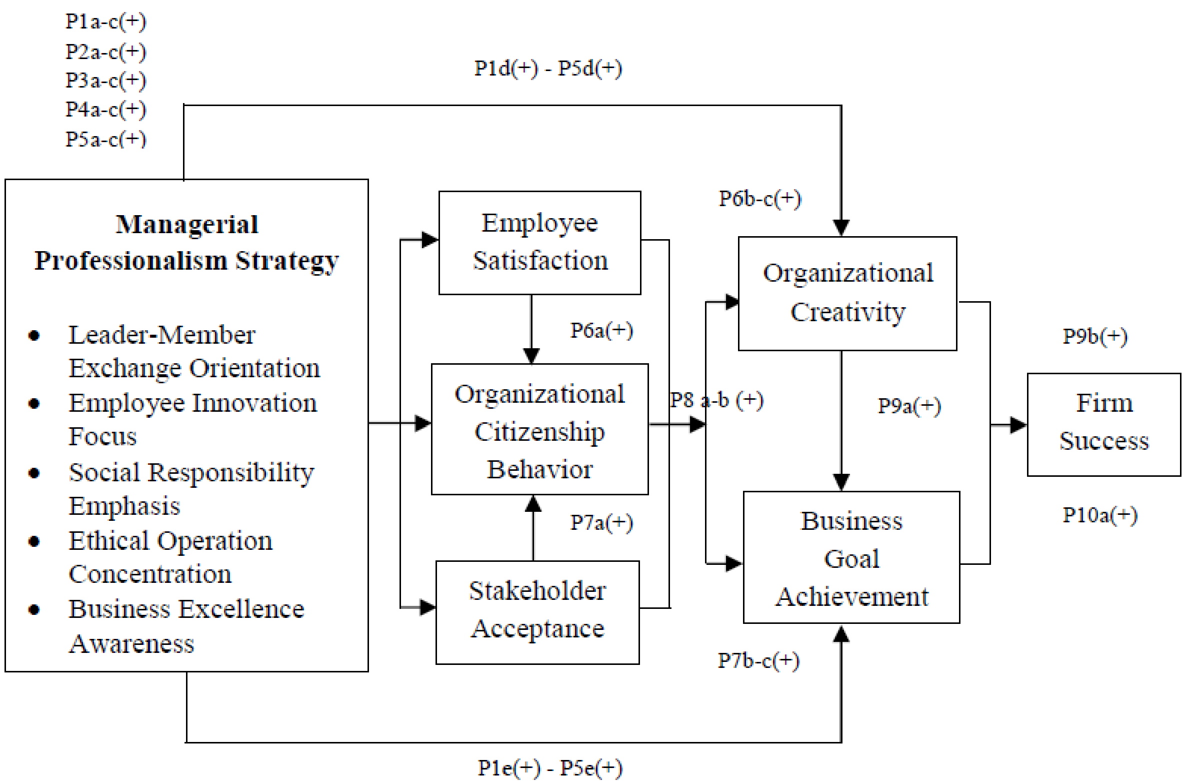
Managerial professionalism strategy is the method of an organization showing its knowledge, ability, and skill in mastering administration to reduce the failures or mistakes in working; and to create excellent problem-solving, planning, and controlling the operation to satisfy the stakeholders (Woo & Ennew, 2005; Ooncharoen & Ussahawanitchakit, 2009). As mentioned earlier, one can see that managerial professionalism strategy is the key of an organization in creating potentiality and advantage in competition, depending on the study of customers and competitors, and the participation of the staff in creating professionalism in the administration. Besides, this paper is aimed at investigating managerial professionalism strategy through the application of dimensions, including leader-member exchange orientation, employee innovation focus, social responsibility emphasis, ethical operation concentration, and business excellence awareness Bradburn & Staley, (2012); Brown, (2013); Lee, (2014); Pellegrino, (2002); Uryuhara, (2014). In the meanwhile, this study also investigates the outcomes of managerial professionalism, which includes employee satisfaction, organizational citizenship behavior, stakeholder acceptance, organizational creativity, business goal achievement and firm success, respectively.

The remainder of this study is outlined as follows. The first discusses the relationship between managerial professionalism strategy and its consequences. The second provides the literature review and proposition development. The third section is contributions and future research directions. Finally, the fourth provides the conclusion of the paper.

REVIEWS THE RELEVANT LITERATURE

This paper examines the relationships among managerial professionalism strategy and firm success, through the mediating functions of employee satisfaction, organizational citizenship behavior, stakeholder acceptance, organizational creativity, and business goal achievement. Therefore, the conceptual, linkage, and research models present the relationships among managerial professionalism strategy and firm success as shown in Figure 1.

Figure 1
A CONCEPTUAL MODEL OF RELATIONSHIPS BETWEEN MANAGERIAL PROFESSIONALISM STRATEGY AND FIRM SUCCESS



Managerial Professionalism Strategy

Modern management needs to depend on managerial professionalism strategy (MPS) which is maybe building skills, capability, experience, and adaptation in accordance with environmental change, and leads to the goal achievement of the firm (Cardy & Selvarajan, 2006; Lee, 2014). In addition, information transformation has an importance to enhance all understanding about managerial techniques, operational management, and modern policy adjustment (Meyer & Leonard, 2014). Moreover, innovation is one factor that reflects managerial professionalism, because it maybe helps the firm to differentiate and attain competitive advantage beyond the competitors. Thus, the firm should be careful about communities, societies and environments that may affect a firm's operations. If the firm omitted a society and environment, it confronts the problem of a going concern. Next, managerial professionalism-building has to include morals and ethics in operational management (Pellegrino, 2002). It proposes fair judgment, equality, and equilibrium in the organization. Likewise, the firms should be concerned about best operations for rapid response to customer needs. Those are the characteristics of managerial professionalism strategy of the firm which can improve competitive advantage, performance, and the success of the organization. Managerial professionalism is the operational means of the organization that reflects excellence in operation, knowledge, capabilities, and skills that lead to more failure reduction or less errors. This attribute can lead the firm to best operations for problem solving, operation planning, policy-setting, and operational control; leading to all involvement satisfaction (Ooncharoen & Ussahawanitchakit, 2009). Managerial professionalism is a key for success. It can improve organizational citizenship behavior by focusing on ethical and social responsibility (Yoon & Suh, 2003). In addition, managerial professionalism can enhance employee satisfaction and organizational creativity (Bittner & Heidemeier, 2013). Furthermore, managerial professionalism can lead the firm to stakeholder acceptance because the firm can use ability to better operate (Reynolds, Shoes & Jundt, 2015).

Managerial professionalism strategy can lead the firm to sustainability by depending on the build-up of teamwork; supporting new ideas, concepts, and means of operations; drawing conform with communities and societies, operation compliance with generally-accepted standards, coupled with ethics; and best internal administration. In addition, Bradburn & Staley, (2012); Brown, (2013); Lee, (2014); Pellegrino, (2002); Uryuhara, (2014) suggest that the firm that needs managerial professionalism should emphasize leader-member exchange orientation, employee innovation focus, social responsibility emphasis, ethical operation concentration, and business excellence awareness. Thus, managerial professionalism strategy in this paper refers to procedures and guidelines for the management of the organization. The cause of managerial professionalism strategy is several factors such as leader-member exchange orientation, employee innovation focus, social responsibility emphasis, ethical operation concentration, and business excellence awareness. Moreover, managerial professionalism strategy affects outcome factors such as employee satisfaction, organizational citizenship behavior, stakeholder acceptance, organizational creativity, business goal achievement and firm success.

Leader-Member Exchange Orientation

The first dimension of managerial professionalism strategy is leader-member exchange. It is a relationship between the upper and lower staff of an organization together with the interchange of information to encourage job performance and business goal achievement. In addition, this leader-member exchange serves organizational commitment, innovation, creativity, and customer and employee satisfaction. This is done with an emphasis on communication and the exchange of skills, knowledge, capabilities, the means of work success, information usefulness, work attitudes, work policy, and the morals of work processes. The characteristic of leader-member exchange is interaction between manager level and staff level. The exchange technique and strategy is operated both intra-group and inter-group. Wilson, Sin & Conlon (2010) state that the leader-member exchange (LMX) can improve member outcomes in areas such as employee satisfaction, member attitudes, business goal achievement, and performance. In addition, it can build new resources and information that are necessary for professional operations by focusing on information and resource exchanges with the members. Moreover, Kimura (2013) indicates that political skill and leader-member exchange influences organizational politics and affective commitment. It means that if the firm has strong relationships between managers and employees in the firm, can serve organizational citizenship behavior and stakeholder acceptance to attain superior firm success (Wong, Wong & Ngo, 2012).

Crucial leader-member exchange orientation is a factor to improve firm success. In this paper, leader-member exchange orientation refers to the ability of a firm to build up the teamwork which focuses on direct and indirect sharing of opinions and principles between the administrators and staff for the benefit of the organization, to improve organizational citizenship behavior, creativity, and better firm success. Leader-member exchange orientation outcomes are consistent with several authors' studies which mention that the leader-member relationships have an influence on work satisfaction, organizational commitment, and member performance based on the allocation and development of resources. Moreover, it can reduce turnover and the turnover intention of employers (Goh & Wasko, 2012; Monahan, 2013; Cheng et al., 2012).

However, Zhang, Waldman & Wang (2012) found that the leader-member exchange orientation as formal leaders and a team shared a vision in jointly supporting the informal leader emergence, whereby affecting individual performance and the team effectiveness of the firm. Moreover, it is an important factor for enhancing job involvement, job satisfaction, and work outcomes (Lawrence & Kacmar, 2012; Loi, Mao & Ngo, 2009; Cheung & Wu, 2012). Zhong, Lam & Chen (2011) indicate that leader-member exchange is positively related to organizational citizenship behavior. Next, this paper assumes that a higher leader-member exchange orientation is a positive influence on employee satisfaction, organizational citizenship behavior, stakeholder acceptance, organizational creativity, and business goal achievement. Thus, these ideas lead to posit the following proposition:

P1 *Leader-member exchange orientation has a positive influence on (a) employee satisfaction, (b) organizational citizenship behavior, (c) stakeholder acceptance, (d) organizational creativity, and (e) business goal achievement.*

Employee Innovation Focus

The environmental change makes for an organizational need to rapidly adapt for survival by building new innovation for the firm, but it is difficult to make it a success. The ability of the employee is one factor that helps organizations create new innovation and innovation management. The person has useful ideas in the workplace, which is an innovation of the employee (Janssen, 2005). Employee innovation is the person's behavior by having a new idea activity, and they can suggest new ideas for using improved new processes of production, services, and operation. Innovation is the factor to build opportunity for the firm by a useful co-creation story between the old knowledge and new knowledge of employees (Alvarez, Young & Woolley, 2015). The indicators of employee innovation are an employee's creativity, new ideas, proactive operational behavior, and opportunity for acquisition of work to improve stakeholder acceptance and more firm success (Dodescu & Chirila, 2012; Parker, Williams & Turner, 2006).

In this paper, employee innovation focus refers to the ability of a firm to promote and support the staff to continually develop concepts, principles, and methods of the new administration. Authors such as Love, Roper & Bryson (2011) show that the firm's ability is a strong capability to absorb external knowledge for creating innovation linkage to customer requirements based on the innovation process. Those are also consistent with Dodescu & Chiril (2012) who state that the firm that has more innovation relates to more competitive advantage, governance, and success. The firm focus on the support of employee innovation can enhance better employee satisfaction and organizational citizenship behavior (Nielsen, Hrivnak & Shaw, 2009). In addition, the firm has more employee innovation can improve greater stakeholder acceptance and organizational creativity. Moreover, the firm emphasis on employee innovation can lead the firm to business goal achievement (Janssen, 2005; De Jong & Den Hartog, 2010). This paper expects that greater employee innovation focus has a positive effect on its consequents. Thus, these reasons lead to posit the following proposition:

P2 Employee innovation focus has a positive influence on (a) employee satisfaction, (b) organizational citizenship behavior, (c) stakeholder acceptance, (d) organizational creativity, and (e) business goal achievement.

Social Responsibility Emphasis

Social responsibility is the firm awareness of social benefit by developing operational policy for avoiding social and environmental effects of the operational processes of the firm. In addition, the firm's moving forward and success is affected by profitability and capabilities of the firm in financial operations, but are not enough for performance measurement, both in financial performance and non-financial performance. Currently, society is a factor influencing the growing concerns of the firm. The social responsibility focuses on resolving problems about an operation that affects society and the environment (Low & Ang, 2013). This implies that social responsibility can create good business management, labor practices, and ethical decision-making. These outcomes can enhance organizational and business goal achievement that leads the firm to success. In this paper, social responsibility emphasis refers to the ability of a firm in the administration, which realizes the impacts of operations on the community, society, and environment in both the present and future. This is a firm's operational concern and effort: to manage problems that affect communities and societies, as well as protecting from problems that may occur (Vallaster, Lindgreen & Maon, 2012). If the firm obtains trust from society, the firm can move forward and have convenience for operations management leading to firm sustains. Social responsibility is concerned about violating the environment, society, and managing problems with rapid problem solutions. Duarte, Gomes & Das Neves (2014) indicate that social responsibility can be used as a source of competitive advantage. This social responsibility can enhance stakeholder acceptance, all satisfaction, organizational creativity, and business goal achievement. Kemper et al., (2013) indicate that social responsibility is the driver of firm performance. If the firm has a higher social responsibility, it can reduce social pressure and the enabling of the firm's success.

This paper predicts that greater social responsibility emphasis is a positive influence on employee satisfaction, organizational citizenship behavior, stakeholder acceptance, organizational creativity, and business goal achievement. Social responsibility, corporate citizenship, social performance, and a sustainable, responsible business are correlated (Frolova & Lapina, 2014). Thus, these ideas lead to posit the following proposition:

P3 Social responsibility emphasis has a positive influence on (a) employee satisfaction, (b) organizational citizenship behavior, (c) stakeholder acceptance, (d) organizational creativity, and (e) business goal achievement.

Ethical Operation Concentration

Ethical operation concentration is the firm management that has truth, honesty, a sense of duty, patience, fair play and consideration for others. They are norms in management of the firm that is accepted by all groups. In addition, ethical operation concentration is an important management strategy of the firm because ethical operation concentration can improve organizational image, reputation, and the credibility of the firm; it enhances the customers, stakeholders, government, and shareholders. The set of ethical principles of management can improve firm governance and management at different levels and it is basic to achieving ethical responsibility, sustainability, and organizational creativity (Rossi, 2015). This is the norm of the firm, to promote superior operation for enhancing overall satisfaction and involvement behavior. In addition, an ethical operation can lead the firm to achieve success, competitive advantage, survival, and profitability (Mishra, Dangayach & Mittal, 2011). Those are crucial roles of an ethical operation which is a modern operation for creating trust from all shareholders and reducing all external pressure. In this paper, ethical operation concentration refers to the ability of a firm in operating and reflecting the operation, which is strictly run under laws, ethics, or generally accepted standards.

Zhuang, Herndon & Tsang (2014) state that ethical judgment of the practice is the capability of a firm to have a modern operation that responds to all stakeholders such as employees, the government, shareholders, and suppliers. Ethical operation concentration causes the capability of a firm to rapidly respond to environmental change, strategic flexibility, and operational efficiency (Kortmann et al., 2014). Furthermore, Basart, Farrus & Serra (2015) demonstrate that morals and ethics are essential to better decision-making and rational arguments, leading to best operational practices. According to Ormerod & Ulrich (2013), ethical operational concentration is the heart of the great governmental and commercial issues of the day. It can enhance economic growth and instability. Moreover, it can improve inequality and injustice. This outcome can lead to firm success and sustainability. In addition, several authors found that the ethical climate has an effect on work engagement, and co-operation can improve decision-making and sustainable sourcing. (Yener, Yaldiran & Ergun, 2012; Theys & Kunsch, 2004; Schwepker, 2001).

In brief, a higher level of ethical operation concentration enables an effect on employee satisfaction, organizational citizenship behavior, stakeholder acceptance, organizational creativity, and business goal achievement. Hence, these reasons lead to posit the following proposition:

P4 Ethical operation concentration has a positive influence on (a) employee satisfaction, (b) organizational citizenship behavior, (c) stakeholder acceptance, (d) organizational creativity, and (e) business goal achievement.

Business Excellence Awareness

Business excellence is increasing business competitiveness by focusing on developing goods, services, transfer of technologies and know-how, and it may be the key to firm success. This is the ability of the firm to respond to customer need over competitors and over the expectation of the customer. It is an outstanding management of the firm and achieving a firm' formulation. The firm that needs successful survival must create business excellence (Jankalova, 2012). Business excellence characteristics are the firms that can use worthy resources in services and production activities for improving faster environmental change. Ackroyd et al., (2006) propose that business excellence can increase the orientation of the benefits of enhanced resource efficiency, and achieve cost and material reduction. Moreover, business excellence is the need for change with the benefits of improved practice. Furthermore, the firm finds the best ways to operate under managerial governance and a standard that implies that the firm with higher business excellence awareness can improve higher employee satisfaction, organizational citizenship behavior, stakeholder acceptance, organizational creativity, and business goal achievement. In this paper, business excellence awareness is defined as the ability of a firm's internal administration under high competition, leading to the over-expectation of customers.

Several research studies indicate that the importance of business excellence awareness is regarding firm success and its outcomes, such as Cucculelli & Goffi (2015), who propose that higher business excellence can help firm success and enhancing tourism destination competitiveness. It is the ability of the firm in planning, organizing, and controlling of the operational activities such as performance indicator usage, cost prediction, use of worthy material, and the control of waste. Moreover, Dragicevi, Klaic & Pisarovic (2014) demonstrate that the implementation of business excellence improves the level of quality and safety of agricultural tourism products. Furthermore, it can improve business goal achievement, business creativity, and firm success. The theoretical linkage and literature reviews draw the relationships between business excellence awareness and its consequences, comprising employee satisfaction, organizational citizenship behavior, stakeholder acceptance, organizational creativity, and business goal achievement. Thus, the propositions are proposed as follows:

P5 Business excellence awareness has a positive influence on (a) employee satisfaction, (b) organizational citizenship behavior, (c) stakeholder acceptance, (d) organizational creativity, and (e) business goal achievement.

Employee Satisfaction

Employee satisfaction is the level of good perception of employees and their mindfulness to work, including personal life (Eskildsen & Nussler, 2000). Moreover, employee satisfaction is the way people felt about security, suitable working conditions and fairness. Employee satisfaction may be building more of the firm's revenues and profitability as well as firm sustainability (Judge et al., 2001). Most firms need to maintain the expertise and capability of employees because they are a valued resource of the firm that can enhance the firm's long-term growth, success, and sustainability. Employee satisfaction can build involvement, creativity, and goal achievement of the firm. In addition, employee attitudes have an effect on performance (Saari & Judge, 2004). That means employee satisfaction is an important resource to build organizational citizenship behavior, organizational creativity, and the business goal achievement of the firm. Moreover, if employees believe that they are a valued and important part of the firm, they will commit to the firm. This is consistent with Macintosh & Krush (2014) who demonstrate that the firm is concerned about building job satisfaction and employee satisfaction, which can build the commit to the firm.

However, employee satisfaction is often used as an operational indicator of the firm and it is the basic factor to measure resources using effectiveness, material allocation efficiency, firm performance, and firm success (Cankar & Petkovšek, 2014). This can imply that the firm with higher employee satisfaction can improve greater efficiency and motivation leading the firm to achieve goals and long-term success. In addition, Belonio (2012) indicates that leadership styles positively affects employee job satisfaction, and employee job satisfaction positively influences employee job performance. In this paper, employee satisfaction refers to the perception of the staff, which affects their satisfaction; and the feeling of a person which affects the satisfaction, opinion, and behavior showing the willingness and collaboration in working. Furthermore, improving employee satisfaction helps to raise organizational citizenship behavior, organizational creativity, and the business goal achievement of the firm, leading to firm success. Therefore, the proposition is proposed as follows:

P6 Employee satisfaction has a positive influence on (a) organizational citizenship behavior, (b) organizational creativity, and (c) business goal achievement.

Stakeholder Acceptance

Most research that studies about stakeholder acceptance demonstrates that it is the recognition of trust, creativity, and achievement of goals. In addition, the important element of stakeholder acceptance includes reliability, credibility, and non-bias from the stakeholder. It is cognitive with best modern operation to better the firm success, competitive advantage, and profitability. This is also consistent with Boschetti et al., (2012) who point out that stakeholder acceptance of a model often hinges on data accuracy, credibility, reliability, and problem uncertainty. It depends on context, type of problem, the implications of the model, characteristics of the participant, and stakeholders. Stakeholder acceptance can improve an image, trust, reputation, and acceptance of the firm. Moreover, Château et al., (2012) indicates that stakeholder acceptance is important to provide valuable information to actualize feasible strategies for the eco-energy technique to meet local expectations.

In this paper, stakeholder acceptance refers to the perception, confidence, and trust of the stakeholders in the operational activities in the organization. Prager & Freese (2009); Haatanen et al., (2014) state that stakeholder involvement can enhance the decision-making process of the firm to the better success of the firm. Furthermore, if the firm has increased acceptance of stakeholders' influence on the plan and goal achievement of the firm, it can enhance engagement behavior and creativity of the firm (Waligo & Hawkins, 2014). Those are consistent with the studies and research of Kunseler et al., (2015) who indicate that stakeholder acceptance reflects the credibility and legitimacy of the firm. In addition, it can improve firm growth, sustainability, and success (Schaefer, Lloyd & Stephenson, 2012). The above reasons can predict if the firm has satisfaction, trust, credibility, reliability of stakeholders, higher organizational citizenship behavior, organizational creativity, and business goal achievement. Thus, the following proposition is posited as follows:

P7 Stakeholder acceptance has a positive influence on (a) organizational citizenship behavior, (b) organizational creativity, and (c) business goal achievement.

Organizational Citizenship Behavior

Organizational citizenship behavior is positive thinking and practice in helping a coworker to work for drives altruism courtesy. The elements of organizational citizenship behavior include altruism, conscientiousness, sportsmanship, courtesy, and civic virtue (Organ, 1988). The staff effort uses capability and concern with the main benefits of the firm. Also, they fulfill in helping the firm to work together, for leading the firm to higher organizational creativity and business goal achievement. The above organizational citizenship behavior is the characteristic of enhancing firm performance. Several research studies, such as that of Tang & Tang (2012), indicate that higher organizational citizenship behavior positively affects on high performance. Moreover, Zhang, Wan & Jia (2008) demonstrate that high-performance resume practices influenced corporate entrepreneurship via organizational citizenship behavior. Those are important characteristics of organizational citizenship behavior, which view improves organizational creativity, business goal achievement, and firm success.

However, the organizational citizenship behavior causes organizational creativity. Attribution can improve coworker justice perceptions and organizational citizenship behavior (Farrell & Finkelstein, 2011). Furthermore, organizational citizenship behavior has a crucial role in affecting several outcomes. For example, Barksdale & Werner (2001) indicate that organizational citizenship behavior can lead to better performance. According to Kidder (2002), performance of organizational citizenship behavior has a positive effect on firm performance. This paper defines organizational citizenship behavior as behavior and cooperation in various aspects where employees have to do for the organization more than the organization has expected. It includes activities that promote social relationships and cooperation within the organization such as altruism, conscientiousness, sportsmanship, courtesy, and civic virtue, which contribute to firm success. Those reasons can assume that the firm with greater organizational citizenship behavior can improve higher organizational creativity and business goal achievement. Thus, these reasons lead to posit the following proposition:

P8 Organizational citizenship behavior has a positive influence on (a) organizational creativity and (b) business goal achievement.

Organizational Creativity

Currently, the firm confronts extreme competition, leading to the firm to find high organizational creativity for improving goal achievement and firm success. Thus the firm should have adjustments, idea change, and process change in accordance with rapid economic, environmental changes for enhancing the competitive advantage and survival of the firm. In addition, creativity occurs with persons in cultural organizations that focus on continuous learning, useful information exchange, and involvement behavior. This is consistent with Tu (2009) who states that creativity is a key resource to enhance goal achievement and new product development efficiency. In addition, Bittner & Heidemeier (2013) suggest that creativity can improve broad ideas over regulation and the mindsets of the firm, leading to competitive advantage and firm success. Moreover, organizational creativity may be crucial in ensuring organizational performance (Coelho, Augusto & Lages, 2011). Those are important for organizational creativity to provide new ideas, processes, functions, products, and capabilities of the firm to enhance better competitive advantage over its competitors.

Furthermore, organizational creativity occurs from organizational structure (Holagh, Noubar & Bahador, 2014). This is consistent with Tang (2014) who suggests that research and development, employee creativity occurs by professional virtual forums, team members and external persons that it combines with, to enhance goal achievement and firm success. It deserves leadership and competitive advantage based on creativity and innovativeness (Muceldili, Turan & Erdil, 2013; Gumusluoglu & Ilsev, 2009). The above reason can expect that the firm with higher organizational creativity can improve business goal achievement and firm success. Thus, these ideas lead to posit the following proposition:

P9 Organizational creativity has a positive influence on (a) business goal achievement and (b) firm success.

Business Goal Achievement

Business goal achievement is desired as best management in that the firm reduces loss of resources, time and money. It provides cognitive models that motivate the firm's appropriate policy-setting and achievement. Moreover, the attributes of business goal achievement are formed by a combination of different motives, and it can lead to superior performance outcomes. This is consistent with Bipp & Van Dam (2014) who point out that achievement goals can enhance better performance. These are the reasons why the firm needs to achieve goals, because it reflects the managerial professionalism of the firm. Moreover, it can be used as performance indicators for firm success measurement. This is consistent with Senko, Hama & Belmonte (2013) who demonstrate that performance that approaches goals, relies on continuous learning. Business goal achievement is objective success based on administration, practices, and operations of the firm such as appropriately allocating resources, increasing strategic success, and professionally administrating according to the objectives of the organization (Deepen, Goldsby & Knemeyer, 2008; Kumar & Gulati, 2010).

In this paper, business goal achievement refers to the success in objectivity, resulting from the administration, performance, and operation of the organization, leading to the success of the objectives, missions, and vision of the organization. Much research on business goal achievement such as that of Miron-Spektor & Beenen (2015) demonstrate that performance achievement goals may improve product novelty and usefulness. This is a prediction, that business goal achievement leads to competitive advantage and firm value. Business goal achievement occurs from best employee engagement, satisfaction, overall acceptance, creativity, and innovation. Wirthwein et al., (2013) suggest that the achievement of goals may improve firm performance. In addition, it should be connected to the missions, vision, strategies, and capabilities of modern operations of the firm. These are crucial attributions of business goal achievement that can enhance firm success. Thus, these reasons lead to posit the following proposition:

P10 Business goal achievement has a positive influence on firm success.

Firm Success

Firm success is dependent variable and is defined as as the description of the growth rate of sales volume, market share, and continual business growth (Naidoo, 2010). This is consistent with Maltz, Shenhar & Reilly (2003); Cardez & Guilding (2008) suggestion that firm success refers to firms that are to be able to perform to achieve the firm's goals by both finance and the market, including customer satisfaction, stakeholder relationship, sales growth, market share, and profitability, to increase corporate sustainability. It is an achievement of the organization, contributed by both personal and organizational capabilities (Turner & Crawford, 1998). Previous research often uses finance measure as an indicator of firm success. However, the new idea of success in recent years expands the organizational perspective beyond financial and non-financial measures. Thus, this paper, defines firm success as the operation to achieve the objectives of the firms in terms of four main perspectives of the performance, such as financial, customers, internal business process, and growth (Waranantakul, Ussawanitchakit & Jhundra-indra, 2013). Moreover, firms have increased success from the market and financial outcomes that are positively related to corporate sustainability (Phokha & Ussahawanitchakit, 2011).

CONTRIBUTIONS AND FUTURE DIRECTIONS FOR RESEARCH

Contributions

This paper will have managerial implications for practitioners and managers, and can contribute to managerial professionalism practices. Firstly, it proposes new dimensions of managerial professionalism strategy. Lastly, it proposes the consequences, antecedents and moderators of managerial professionalism strategy under the empirical approach, thoroughly employed in the research, and thoroughly in terms of managerial professionalism strategy. Finally, it illustrates the importance of managerial professionalism strategy by helping the organization enhance competitive advantage and success, and by creating new strategies which managers can apply to manage and support their decision-making.

Suggestions for Future Research

The literature review provides evidence and relationships between managerial professionalism strategy and firm success. Future research may use the above conceptual model to develop propositions for hypotheses. These can verify a model for generalization and testing to affect managerial professionalism strategy in its outcomes. The nature of managerial professionalism strategy is a modern administration focusing on creating skills, abilities, experiences, and continuous adaptation regarding the changes of the environment, leading to accomplishing the organization's goals. Future research may consider a sample for hypothesis testing. The sample should have a dynamic context and have professionalism in managing operations to move the firm toward success. Thus, future research may attempt to seek a sample in order to represent the story of this paper such as the hotel business, manufacturing business, and information technology business.

CONCLUSION

This paper highlights a gap in professionalism as a resource of organizations. In addition, this paper concerns the crucial elements and steps involved in operational managing and using experiences and skill for problem-solution. These can generate more professionalism, leading the organization to competitive advantage and firm success. This paper examines the relationship between managerial professionalism strategy (leader-member exchange orientation, employee innovation focus, social responsibility emphasis, ethical operation concentration, and business excellence awareness), employee satisfaction, organizational citizenship behavior, stakeholder acceptance, organizational creativity, business goal achievement, and firm success. The conceptual framework predicts positive relationships in all concept of the model. The contributions of this paper may help managers to manage problems in operational management and planning operations to generate firm success. This paper proposes new dimensions of managerial professionalism strategy and proposes the consequences of managerial professionalism strategy. In addition, this paper illustrates the crucial of managerial professionalism strategy that reflects the ability of the organization to improve competitive advantage and firm success. Furthermore, this paper can contribute to developing new strategies which managers can utilize to manage and support their planning and decision-making. Moreover, this paper can make understanding of the relationships between managerial professionalism strategy and firm success. Future research may verify the conceptual model by testing it with empirical research for more understanding its effects. The characteristics of managerial professionalism strategy were modern operations using past experience for managing and adapting to operational environmental change for enhancing firm success. In order to generalize, one should test the effect of managerial professionalism strategy on its outcomes by considering a suitable sample for hypothesis testing in future research. The sample should have a dynamic context, and have professionalism in managing operations in order to move enhance the firm toward success. Thus, in the future, this conceptual model may attempt to seek a sample in order to empirical examine by using a sample that represents interesting literature such as the hotel business or a dynamic business operation.

REFERENCES

Ackroyd, J., Coulter, B., Phillips, P. S., & Read, A. D. (2006). Business excellence through resource efficiency (betre): An evaluation of the UKs highest recruiting, facilitated self-help waste minimisation project. *Resources, conservation and recycling*, *38*(4), 271-299.

Alvarez, S. A., Young, S. L., & Woolley, J. L. (2015). Opportunities and institutions:A co-creation story of the king crab industry. *Journal of Business Venturing*, *30*(1), 95-112.

Barksdale, K., & Werner, J. M. (2001). Managerial ratings of in-role behaviors, organizational citizenship behaviors, and overall performance: testing different models of their relationship. *Journal of Business Research*, *51*(2), 145-155.

Belonio, R. J. (2012). The Effect of Leadership Style on Employee Satisfaction and Performance of Bank Employees in Bangkok. *AU-GSB e-JOURNAL*, *5*(2).

Bipp, T., & van Dam, K. (2014). Extending hierarchical achievement motivation models: The role of motivational needs for achievement goals and academic performance. *Personality and Individual Differences*, *64*, 157-162.

Bittner, J. V., & Heidemeier, H. (2013). Competitive mindsets, creativity, and the role of regulatory focus. *Thinking skills and creativity*, *9*, 59-68.

Boschetti, F., Richert, C., Walker, I., Price, J., & Dutra, L. (2012). Assessing attitudes and cognitive styles of stakeholders in environmental projects involving computer modelling. *Ecological Modelling*, 247, 98-111.

Bradburn, M., & Staley, H. (2012). *Professionalism. Surgery (Oxford)*, *30*(9), 499-502.

Brown, E. (2013). Vulnerability and the basis of business ethics: From fiduciary duties to professionalism. *Journal of business ethics*, *113*(3), 489-504.

Burgess, C., (2011). Are hotel managers becoming more professional: the case of hotel financial controllers?. *International Journal of Hospitality Management*, *23*(5), 681-695.

Cadez, S. and Guilding, C. (2008). An Exploratory Investigation of an Integrated Contingency Model of Strategic Management Accounting. *Accounting, Organizations and Society*, *33*(4), 836-863.

Cankar, S. S., & Petkovšek, V. (2014). Measuring Employee Satisfaction In Public Sector Organizations: A Case Study From Slovenia, 626-634.

Cardy, R.L. & T.T. Selvarajan. (2006). Competencies: Alternative Frameworks for Competitive Advantage. *Business Horizons*, *49*,235-245.

Château, P. A., Chang, Y. C., Chen, H., & Ko, T. T. (2012). Building a stakeholder's vision of an offshore wind-farm project: A group modeling approach. *Science of the Total Environment*, *420*, 43-53.

Cheng, T., Huang, G. H., Lee, C., & Ren, X. (2012). Longitudinal effects of job insecurity on employee outcomes: The moderating role of emotional intelligence and the leader-member exchange. *Asia Pacific Journal of Management*, *29*(3), 709-728

Cheung, M. F., & Wu, W. P. (2012). Leader-member exchange and employee work outcomes in Chinese firms: the mediating role of job satisfaction. *Asia Pacific Business Review*, *18*(1), 65-81.

Coelho, F., Augusto, M., & Lages, L. F. (2011). Contextual factors and the creativity of frontline employees: The mediating effects of role stress and intrinsic motivation. *Journal of Retailing*, *87*(1), 31-45.

Cucculelli, M., & Goffi, G. (2015). Does sustainability enhance tourism destination competitiveness? Evidence from the Italian Destinations of Excellence. *Journal of Cleaner Productio*n, 1-13.

Deepen, J.M., T.J. Goldsby & A.M. Knemeyer. (2008). Beyond Expectations: An of Logistics Outsourcing Goal Achievement and Goal Exceedance. *Journal of Business Logistics*, *29*, 75-105.

De Jong, J. P. J. & Den Hartog, D. (2010). Measuring Innovative Work Behavior. *Creativity and Innovation Management*, *19*(1), 23.

Dodescu, A., & Chirilă, L. F. (2012). Regional Innovation Governance in the Context of European Integration and Multi-level Governance Challenges. A Case Study of North-West Region of Romania. *Procedia Economics and Finance*, *3*, 1177-1184.

Dragicevi, M., Klaic, M., & Pisarovic, A. (2014). Implementation of Business Excellence Models-the Path for Improving the Level of Quality and Safety of Agricultural Touristic Product. *Procedia Economics and Finance*, *15*, 1192-1196.

Duarte, A. P., Gomes, D. R., & Das Neves, J. G. (2014). Tell me your socially responsible practices, I will tell you how attractive for recruitment you are! The impact of perceived CSR on organizational attractiveness. *Tékhne*, *12*, 22-29.

Eskildsen, J. K., & Nussler, M. L. (2000). The managerial drivers of employee satisfaction and loyalty. *Total Quality Management*, *11*(4-6), 581-588.

Farrell, S. K., & Finkelstein, L. M. (2011). The impact of motive attributions on coworker justice perceptions of rewarded organizational citizenship behavior. *Journal of Business and Psychology*, *26*(1), 57-69.

Frolova, I., & Lapina, I. (2014). Corporate Social Responsibility in the Framework of Quality Management. *Procedia-Social and Behavioral Sciences*, *156*, 178-182.

Goh, S., & Wasko, M. (2012). The effects of leader–member exchange on member performance in virtual world teams. *Journal of the Association for Information Systems*, *13*(10), 861-885.

Gumusluoğlu, L. & Ilsev, A. (2009). Transformational Leadership and Organizational Innovatiom: The Role of Internal and Support for Innovation, *Journal of Production Innovation Management*, *26*, 264-277.

Haatanen, A., den Herder, M., Leskinen, P., Lindner, M., Kurttila, M., & Salminen, O. (2014). Stakeholder engagement in scenario development process–Bioenergy production and biodiversity conservation in eastern Finland. *Journal of environmental management*, *135*, 45-53.

Hamel, G. (2006). The why, what and how of management innovation. *Harvard Business Review*, *84*(2), 72-84.

Holagh, S. R., Noubar, H. B. K., & Bahador, B. V. (2014). The Effect of Organizational Structure on Organizational Creativity and Commitment within the Iranian Municipalities. *Procedia-Social and Behavioral Sciences*, *156*, 213-215.

Hon, A. H. (2013). Does job creativity requirement improve service performance? A multilevel analysis of work stress and service environment. *International Journal of Hospitality Management*, *35*, 161-170.

Jankalová, M. (2012). Business Excellence evaluation as the reaction on changes in global business environment. *Procedia-Social and Behavioral Sciences*, *62*, 1056-1060.

Janssen, O. (2005). The joint impact of perceived influence and supervisor supportiveness on employee innovative behaviour. *Journal of occupational and organizational psychology*, *78*(4), 573-579.

Judge, T. A., Thoresen, C. J., Bono, J. E., & Patton, G. K. (2001). The job satisfaction-job performance relationship: A qualitative and quantitative review. *Psychological Bulletin, 127*, 376-407.

Kang, K. H., Lee, S., and Huh, C. (2010). Impacts of positive and negative corporate social responsibility activities on company performance in the hospitality industry. *International Journal of Hospitality Management*, *29*(1), 72-82.

Kemper, J., Schilke, O., Reimann, M., Wang, X., & Brettel, M. (2013). Competition-motivated corporate social responsibility. *Journal of Business Research*, *66*(10), 1954-1963.

Kidder, D. L. (2002). The influence of gender on the performance of organizational citizenship behaviors. *Journal of management*, *28*(5), 629-648.

Kimura, T. (2013). The moderating effects of political skill and leader–member exchange on the relationship between organizational politics and affective commitment. *Journal of business ethics*, *116*(3), 587-599.

Ko, W.H., (2012). The relationships among professional competence, job satisfaction and career development confidence for chefs in Taiwan. *International Journal of Hospitality Management*, *31*(3), 1004-1011.

Kortmann, S., Gelhard, C., Zimmermann, C., & Piller, F. T. (2014). Linking strategic flexibility and operational efficiency: The mediating role of ambidextrous operational capabilities. *Journal of Operations Management*, *32*(7), 475-490.

Kumar, S. & Gulati, R. (2010). Measuring efficency, effectiveness and performance of Indian public sector bank. *International Journal of Productivity and Performance Management*, *59*(1), 51-74.

Kunseler, E. M., Tuinstra, W., Vasileiadou, E., & Petersen, A. C. (2015). The reflective futures practitioner: Balancing salience, credibility and legitimacy in generating foresight knowledge with stakeholders. *Futures*, *66*, 1-12.

Lawrence, E. R., & Kacmar, K. M. (2012). Leader-member exchange and stress: The mediating role of job involvement and role conflict. *Journal of Behavioral and Applied Management*, *14*(1), 39-52.

Lee, K. J. (2014). Attitudinal dimensions of professionalism and service quality efficacy of frontline employees in hotels. *International Journal of Hospitality Management*, *41*, 140-148.

Loi, R., Mao, Y., & Ngo, H. Y. (2009). Linking Leader-Member Exchange and Employee Work Outcomes: The Mediating Role of Organizational Social and Economic Exchange. *Management and Organization Review*, *5*(3), 401-422.

Love, J. H., Roper, S., & Bryson, J. R. (2011). Openness, knowledge, innovation and growth in UK business services. *Research Policy*, *40*(10), 1438-1452.

Low, K. C., & Ang, S. L. (2013). Confucian ethics, governance and corporate social responsibility. *International Journal of Business and Management*, *8*(4).

Macintosh, G., & Krush, M. (2014). Examining the link between salesperson networking behaviors, job satisfaction, and organizational commitment: Does gender matter?. Journal of Business Research, *67*(12), 2628-2635.

Maltz, A. C., Shenhar, A. J. & Reilly, R. R. (2003). Beyond the Balanced Scorecard: Refining the Search for Organizational Success Measures. *Long Range Planning*, *36*, 187-204.

Meyer, A. L., & Leonard, A. (2014). Are we there yet? En route to professionalism. *Public Relations Review*, *40*(2), 375-386.

Miron-Spektor, E., & Beenen, G. (2015). Motivating creativity: The effects of sequential and simultaneous learning and performance achievement goals on product novelty and usefulness. *Organizational Behavior and Human Decision Processes*, *127*, 53-65.

Mishra, P., Dangayach, G. S., & Mittal, M. L. (2011). An Ethical approach towards sustainable project Success. *Procedia-Social and Behavioral Sciences*, *25*, 338-344.

Monahan, K. (2013). What Do Values Have to Do with It?: An Exploration into the Moderating Impact of Work Values on the Relationship between Leader-Member-Exchange and Work Satisfaction. *Academy of Strategic Management Journal*, *12*(1), 95.

Müceldili, B., Turan, H., & Erdil, O. (2013). The influence of authentic leadership on creativity and innovativeness. *Procedia-Social and Behavioral Sciences*, *99*, 673-681.

Naidoo, V., (2010). Firm survival through a crisis: The influence of market orientation, marketing innovation and business strategy. *Industrial Marketing Management*, *39*(8), 1311-1320.

Nielsen, T. M., Hrivnak, G. A., & Shaw, M. (2009). Organizational Citizenship Behavior and Performance: A Meta-Analysis of Group-Level Research. *Small Group Research*, *40*(5), 555-577.

Ooncharoen, N. & Ussahawanitchakit, P. (2009). New Service Development (NSD) Strategy, and its Antecedents and Consequences: An Empirical Examination of Hotel Business in Thailand. *Journal of International Business and Economics*, *9*(4), 1-25.

Organ, D.W. (1988). Organizational citizenship behavior: The good soldier syndrome. *Lexington Books, Lexington, MA.*

Ormerod, R. J., & Ulrich, W. (2013). Operational research and ethics: A literature review. *European journal of operational research*, *228*(2), 291-307.

Parker, S. K., Williams, H. M., & Turner, N. (2006). Modeling the antecedents of proactive behavior at work. *Journal of Applied Psychology*, *91*(3), 636-652.

Pellegrino, E. D. (2002). Professionalism, Profession and the Virtues of the Good Physician. *The Mountsinal Journal of Medicine*, *69*(6), 378-384.

Phokha, A. & Ussahawanitchakit, P. (2011). Marketing Leadership Strategy, Marketing Outcomes and Firm Sustainability: Evidence from Food Product Businesses in Thailand. *International Journal of Strategic Management*, *11*(3).

Prager, K., & Freese, J. (2009). Stakeholder involvement in agri-environmental policy making-learning from a local- and a state-level approach in Germany. *Journal of environmental management*, *90*(2), 1154-1167.

Raju, P.S. & S.C. Lonia. (2002). The Impact of Service Quality and Marketing on Financial Performance in the Hospital Industry: an Empirical Examination. *Journal of Retailing and Consumer Services*, *9*(6), 335-348.

Rhoade, L. & R. Eisenberge. (2002.) Perceived organizational support: A review of literature. *The Journal of Applied Psychology*, *87*(4), 698-714.

Roland, T.R. & Ming-Hui H. (2012). Optimizng Service Productivity. *Journal of Marketing*, *76*(2), 47-66.

Rossi, G. (2015). Achieving ethical responsibilities in water management: A challenge. *Agricultural Water Management*, *147*, 96-102.

Saari, L. M., & Judge, T. A. (2004). Employee attitudes and job satisfaction. *Human resource management*, *43*(4), 395-407.

Schaefer, M. S., Lloyd, B., & Stephenson, J. R. (2012). The suitability of a feed-in tariff for wind energy in New Zealand-A study based on stakeholders' perspectives. *Energy Policy*, *43*, 80-91.

Schwepker, C.H. (2001). Ethical climate's relationship to job satisfaction, organizational commitment, and turnover intention in the sales force. *Journal of Business Research*, *54*, 39-52.

Senko, C., Hama, H., & Belmonte, K. (2013). Achievement goals, study strategies, and achievement: A test of the "learning agenda" framework. *Learning and Individual Differences*, *24*, 1-10.

Tang, T. W., & Tang, Y. Y. (2012). Promoting service-oriented organizational citizenship behaviors in hotels: The role of high-performance human resource practices and organizational social climates. *International Journal of Hospitality Management*, *31*(3), 885-895.

Tang, C. (2014). The impact of connecting with Professional Virtual Forum, team member and external person on R&D employee creativity. *Computers in Human Behavior*, *39*, 204-212.

Theys, M., & Kunsch, P. L. (2004). The importance of co-operation for ethical decision-making with OR. *European Journal of Operational Research*, *153*(2), 485-488.

Tu, C. (2009). A multilevel investigation of factors influencing creativity in NPD teams. *Industrial marketing management*, *38*(1), 119-126.

Turner, D. & Crawford, M. (1998). Change Power: *Capabilities that Drive Corporate Renewal*. Sydney: Business and Professional Publishing.

Uryuhara, Y. (2014). Professionalism and Human Resource Management of Donor Coordinators: Results of an International Comparison. *In Transplantation proceedings*, *46*(4), 1054-1056.

Vallaster, C., Lindgreen, A., & Maon, F. (2012). Strategically leveraging corporate social responsibility to the benefit of company and society: a corporate branding perspective. *California Management Review*, *54*(3), 34-60.

Waligo, V. M., Clarke, J., & Hawkins, R. (2014). The Leadership–Stakeholder Involvement Capacity nexus in stakeholder management. *Journal of Business Research*, *67*(7), 1342-1352.

Waranantakul, O., Ussahawanitchakit, P., & Jhundra-indra, P. (2013). Service innovation creation capability of spa businesses in Thailand: An ampirical investigation of the antecedents and consequences. *Review of Business Research*, *13*(4), 39-76.

Wilson, K. S., Sin, H. P., & Conlon, D. E. (2010). What about the leader in leader-member exchange? The impact of resource exchanges and substitutability on the leader. *Academy of Management Review*, *35*(3), 358-372.

Wirthwein, L., Sparfeldt, J. R., Pinquart, M., Wegerer, J., & Steinmayr, R. (2013). Achievement goals and academic achievement: A closer look at moderating factors. *Educational Research Review*, *10*, 66-89.

Wong, Y.T., Wong, C.H., & Ngo, H.Y. (2012). The effects of trust in organisation and perceived organizational support on organisational citizenship behavioural: a test of three competing models. *The International Journal of Human Resource Management*, *23*(2), 278-293.

Woo, Ka-shing & C.T. Ennew. (2005). Measuring Business-to-business Professional Service Quality and it Consequence. *Business Research*, *58*(9), 1178-1185.

Yener, M., Yaldıran, M., & Ergun, S. (2012). The effect of ethical climate on work engagement. *Procedia-Social and Behavioral Sciences*, *58*, 724-733.

Yoon, M. H., & Suh, J. (2003). Organizational citizenship behaviors and service quality as external effectiveness of contact employees. *Journal of Business Research*, *56*(8), 597- 611.

Zhang, Z., Wan, D., & Jia, M. (2008). Do high-performance human resource practices help corporate entrepreneurship? The mediating role of organizational citizenship behavior. *The Journal of High Technology Management Research*, *19*(2), 128-138.

Zhang, Z., Waldman, D. A., & Wang, Z. (2012). A multilevel investigation of leader–member exchange, informal leader emergence, and individual and team performance. *Personnel Psychology*, *65*(1), 49-78.

Zhong , J.A, Lam, W. & Chen, Z. (2011). Relationship between leader–member exchange and organizational citizenship behaviors: Examining the moderating role of empowerment. *Asia Pac J Manag*, *28*, 609-626.

Zhuang, G., Herndon, N. C., & Tsang, A. S. (2014). Impact of firms′ policies on Chinese industrial purchasers′ ethical decision making. *Journal of Purchasing and Supply Management*, *20*(4), 251-262.

A Conceptual Model of Strategic Organizational Flexibility Capability and Business Survival

Pattariya Prommarat, Mahasarakham University
Karun Pratoom, Mahasarakham University
Kesinee Muenthaisong, Mahasarakham University

ABSTRACT

Strategic flexibility is an ability of the organization to allocate its resource deployment and to shift the pattern of resource deployment. It has received much interest from both researchers and practitioners as a source of competitive advantage because it reflects ability in responding and conforming to new or changing unforeseen situations.Therefore, this conceptual paper aims to investigate the relationship of strategic organizational flexibility capability and business survival. There are four dimension of strategic organizational flexibility capability, namely, organizational outsourcing orientation, business alliance capability, inter-organizational teamwork concern, and strategic linkage concentration. Consequently, strategic organizational flexibility capability outcome are organizational adaptation, organizational excellence, organizational value creation, business performance, and business survival in that all relationships of the construct are positively expected. The contributions of this paper are useful for research to develop theory in strategic management, and provide suggestions for practitioners to implement for business administration. In future research, outbound tourism business in Thailand expects that empirical research will manifest strategic organizational flexibility capability, whether or not it will comprehensively accomplish business survival.

INTRODUCTION

Changes in the business environment have been evolving, continuous, and intense. Most organizations faced with dynamic environments have included both the micro and macro business environment. Such macro environments were economic, social, cultural, and technological; while the micro environments include the threat of new entrants and established competitors, substitute products, and the bargaining power of suppliers and customers (Porter, 1979). Rapid changes from the external environment could yield possible advantageous or disadvantageous outcomes to the firms. Therefore, the firm must achieve its capability by managing its people, processes, and structures through organizational strategy to achieve competitive advantage and superior performance in complex environments (Mintzberg, Lampel & Ahlstrand, 2005). Since the 1970, business environmental changes have been increasing because of uncertainty in globalization and information technology. They are important driving forces for why customers change their desires more quickly. These preference changes make product life cycles shorter and drive market competition that is increasing and severe. The increase of environmental dynamism has forced firms to flexible concentrate on defending and improving their competitive position (Miller & Shamsie, 1996).

"Flexibility" has received much interest from business researchers and practitioners as the source of competitive advantage because it reflects ability in responding and conforming to new or changing situations (Sharma et al., 2010). It also contributes to organizational change and adaptability of some organizations when the environment changes. An organization is expected to deploy proper strategy for its successful adjustment. This decision demonstrates the flexibility of choices for a strategic plan. The organization has to decide how to adapt in changing environmental conditions by allowing flexibility to operate. Moreover, Evans (1991) describes strategic flexibility as a tendency in the ability to do something rather than original intention in response to changes in external environment. Similarly, strategic flexibility is the way to change and adapt quickly through constant and new thinking over the current strategy (Sanchez, 1995). It indicates the resources or capability that each organization had, or used, which was not enough to maintain a competitive advantage. Thus, the issue of flexibility is of interested by many researchers on how to strategic pursue new capabilities in new ways.

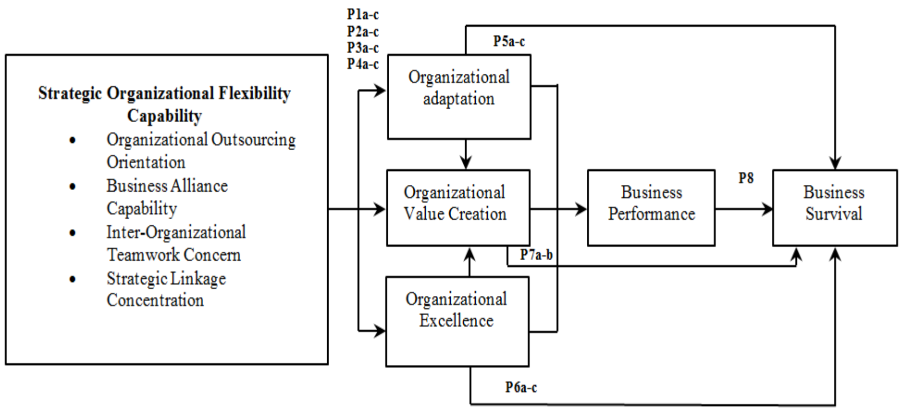
Based on the literature of management research, most research in strategic flexibility has focused on two main aspects: (1) organizations internalize structure for allocating their resource deployment and competitive advantage, and (2) the diversity and frequency in shifts of the patterns of resource deployment (Eisenhardt & Martin, 2000). However, there are a few researches which investigate the strategic organizational flexibility capability and its outcome. From the literature review, these issues are elucidating on the research gaps. Therefore, the key purpose of this paper is to examine the relationship of strategic organizational flexibility capability and business survival. Moreover, for theoretical development in management research, this paper presents dimensions of strategic organizational flexibility capability that consist of, organizational outsourcing orientation, business alliance capability, inter-organizational teamwork concern, and strategic linkage concentration. Moreover, the main purpose of this research is to examine the effects of strategic organizational flexibility capability on business survival.

The next section is the literature reviews that describe the conceptual model. Therefore, the relationships between the construct of the each variable is established, and develops the related proposition for study. Next, the sections describe the theoretical contribution, managerial contributions, and suggested directions for future research. Finally, the findings of the study are summarized in the conclusion section.

LITERATURE REVIEWS

In this paper discusses and examines a conceptual model of strategic organizational flexibility capability and business survival. Thus, the conceptual, relationship, and research models are provided in Figure 1.

Figure 1
A CONCEPTUAL MODEL OF STRATEGIC ORGANIZATIONAL FLEXIBILITY CAPABILITY AND BUSINESS SURVIVAL



Strategic Organizational Flexibility Capability

Flexibility has received much interest from both researchers and practitioners as a source of competitive advantage (Dreyer & Gronhaug, 2004). In the 1960s and 1970s, the competitive environment has been replaced by increasing business environmental uncertainty, customers are changing their desires faster, there are shorter product life cycles, and competition has become increasingly ferocious. The globalization of economic activity and information technology with rapid developments are significant driving forces behind these developments. Moreover, increasing environmental dynamism has forced companies to shift their concentration from the economies of scale to product manufacturing flexibility to meet customer needs with the aim of defending and improving their competitive position (Sharma, Sushil & Jain, 2010).

The topic of flexibility has comprehensively in several disciplines such as in manufacturing management, economics, strategic management, and IT management (Dreyer & Gronhaug, 2004). There are a number of reviews of definitions and typologies of flexibility that are different. Many researchers view attaining flexibility at the expense of desirable characteristics like quality, precision, accuracy, and efficiency (Jha, 2008). An example is Evans (1991) who considers flexibility as a means of adaptability for occasional and permanent adjustment to change. Flexibility is the organization's ability to respond to an increasing variety of customer expectations without excess cost, time, organizational disruption, and performance losses (Zhange, 2006). As, Sharma, Sushil & Jain (2010) suggest, flexibility is defined as the quality of responding to change or conforming capability to new situations. Flexibility is a multi-dimensional concept with demanding agility and ability. It is associated with change, newness, and innovation that are linked with robustness and elasticity. Flexibility is implies that capabilities may evolve over time (Sharma, Sushil & Jain, 2010). The challenge for organizations is to attain flexibility without compromising any desirable characteristics. Therefore, it is important to understand how these organizations have developed their flexibilities, how they are used for achieving business excellence (Jha, 2008), and how they enable firms to achieve competitive advantage in a competitive business environment (Zhou et al., 2005). Specifically, flexibility in the manufacturing management literature is incorporated into the strategic processes of any organization, and becomes very important at various levels (i.e. strategic, tactical, and operational) in all the perspectives of the organization (Roberts & Stockport, 2009).

In the perspective of strategic flexibility, Evans (1991) describes strategic flexibility as probably the closest to an everyday understanding of flexibility. It is the ability to do something other than that which had been originally intended. Eppink (1978) explicates strategic flexibility as capabilities that relate to the organization's goals. Flexibility is more qualitative that involves changes in the nature of organizational activities. It is necessary when the organization faces unfamiliar change that has far-reaching consequences and needs to be responded to quickly. Therefore, strategic flexibility is essential to compensate for strategic changes which originate in the direct and indirect environment of the organization. All organizations achieve their objectives by managing their resources such as people, processes and structures through organizational strategy. Thus, to survive in the competitive environment, an organization must use its flexibility capability to determine the organizational strategy and to take action to respond to external environmental change (Shimizu & Hitt, 2004). A long-term perspective of strategic flexibility emphasizes a firm's managerial capability to identify, generate, and maintain different strategy for responding to environmental uncertainties (Li et al., 2011). Strategic flexibility is one dynamic capability through which firms confront environmental change (Nadkarri & Narayanan, 2007).

In the prior literature review, this paper defines strategic organization flexibility capability as the ability to adjust the organizational change promptly according to an organization's administration and management. It also includes application in administration and management to adapt resources and abilities within the organization for the changing environment (Evans, 1991; Sanchez, 1995; Burnes, 1992; Lao, 2000). The advantage of strategic organization flexibility capability is that it is able to use the organization's strategy to accomplish business survival**.** Furthermore, this paper exhibits the conceptual model that provides four dimensions of strategic organization flexibility capability which are based on strategic organizational flexibility capability as one dynamic capability of the firm through which firms confront change. The new dynamic capabilities focus on the ability of the firm to orchestrate quickly and reconfigure externally-sourced competences (Shuen & Sieber, 2010). It explains how organizations integrate, build and reconfigure internal and external talent into new capabilities that meet the rapidly changing environment (Teece, Pisano & Schuen, 1997). In addition, considers modern organization management that has an organizational structure looking like a web, flat, and horizontal. The links connect employees, suppliers, customers, partners, and external contractors in numerous forms of coordination for sharing resources and having interdependence to enhance competitive environment dynamism.

Organizational Outsourcing Orientation

Organizational outsourcing orientation refers to the use of external capability in an organization's operations. Outsourcing enhances the efficiency of cost which increases the operation for higher advantages. External capability includes skills, knowledge, and superior ability from outside the organization (Varadarajan, 2009; Whitaker, Mithas & Krishnan, 2011). Outsourcing has an increasing role in business. It has also been adopted rapidly in strategic areas to compete in a global business environment (Kroes & Ghosh, 2010). The concept of outsourcing is described as the operation of the firm in shifting a transaction governed from the internal to an external supplier in a long-term contract (Quelin & Duhamel, 2003). Outsourcing is a management approach in which a firm allows delegating processes or services from inside to an external agent for operational responsibility. Besides, outsourcing refers to the practice of a firm to authorize an activity that was performed formerly internally to an external entity (Varadarajan, 2009). In summary, outsourcing is the firm's use of external suppliers to provide necessary business functions which cannot be performed in-house.

Originally, outsourcing was a practice or a scientific concept (Busi & McIvor, 2008). Many researchers suggest that outsourcing is typical of a make-or-buy decision, because it comprises a comparison between various kinds of cost calculations (Leiblein, Reuer & Dalsace, 2002). Nowadays, the view of outsourcing is changing from a traditional concept to strategy (Busi & McIvor, 2008). Outsourcing does not only take form of transaction cost perspective, but also the form of transformational perspective. Moreover, outsourcing is a core competence of the firm for the acquirement of competitive advantage, business competitiveness, and firm performance (McIvor, 2009). Transformational outsourcing focuses on creating value to align with the business processes that are changed to align with strategic goals (Mazzawi, 2002). The firm should establish cooperation with outsourcing partners by using their ability to create value for customers. Outsourcing is an important factor that contributes to the competitiveness of the organization's resources and capabilities (Barney, 1991; Varadorajan, 2009). Moreover, firms focus towards achieving a high level of competence with a core set of activities that are critical to being successful in an industry, and they outsource activities that are not critical for distinctive capability (Varadarajan, 2009).

Accordingly, organizational outsourcing orientation causes the effective resource management that provides a source of competitive advantages. It is crucial for enhancing the core knowledge base of the firm, innovation, and learning for value creation. The firm not only develops strategies based on its core knowledge and capabilities, but also works to restructure, rebundle, and leverage its external partnerships to create value in dynamic environments (Mukherjee,Gaur & Datta ,2013). Organizational outsourcing orientation can reduce costs, improve cost structures, increase the competitiveness of the firm, providing greater capacity of flexibility (Nellore & Soderquist, 2000), and spreading and sharing the risks of business (Wu & Park, 2009). Therefore, the first proposition is as follows:

P1 Organizational outsourcing orientation will have a positive influence on a) organizational adaptation, b) organizational excellence, and c) organizational value creation.

Business Alliance Capability

Business alliance capability refers to the ability to seek potential business that has desirable qualifications for an organization's demand to cooperate as a business alliance. Such agreement contributes to an organization's operation and objectives as stated (Parkhe, 1991; Varadarajan & Cunningham, 1995). Today one can observe that more and more companies decide to establish business alliances in all kinds of relationships with one or few potential market partners. The business alliance is an alternative strategy of the business. It is an important tool for achieving and maintaining competitiveness in unpredictable business environments (Elmuti, Abou-Zaid & Jia, 2012).

Business alliance is an organizational strategy which is an organization's capability to partnership between organizations, to contribute various types of resources and share in the outcome of the created entity (Barney, 2011). The business alliance is interdependence between companies. The relationship between the companies may be a relationship such as coexistence, co-operation, competition and coopetition (Kozyea, 2011). Besides, Das & Rahman (2010) found that the alliance has three types of equity: joint venture, minority equity alliance, and non-equity alliance. The key factor in making a business alliance is to choose a partner that promotes endurance in the value chain of the company (Hess & Rothaermel, 2011). In particular, long-term relationships with one's partners create marketing strategic alliances in three steps, which are: (1) the choosing of partners, (2) developing a long-term relationship, and (3) maintaining a long-term relationship. The most important step for the success of the organization is to develop a long-term relationship (Hsu and Tang, 2010), the ability to communicate with each other (Agarwal, Croson & Mahoney, 2010), the process towards cooperation outcome both in finance and workflow (Luo, 2008).

Firms use the business alliance capability consisting of: reducing the cost of research and development, accessing complementary technology/ resource, learning know-how and the technological advances of the partner, and accessing new markets/customers (Kozyra, 2012). To be successful as an alliance partner depends on the partnership's ability to behave by the commitments of relationships and adjustments on the part of the collaboration for continued value creation and the alliance governance to support the alliance performance (Pittino, Angela & Mazzurana, 2012). Included is the role of cooperative work within a team and efficient coordination (Zoogah et al., 2011). In turn, this leads the firm to have a competitive advantage and superior performance. Hence, the proposition is elaborated as follows:

P2 Business alliance capability will have a positive influence on a) organizational adaptation, b) organizational excellence, and c) organizational value creation.

Inter-Organizational Teamwork Concern

Inter-organizational teamwork concern refers to the organization's ability to collaborate with other organizations. This concern emphasizes human resources in terms of knowledge, capability and attitude. Teamwork enhances the ability to collaborate with other organizations for various benefits in maximum yields (Chen, Donahue & Moski, 2004). Teamwork is a group of two or more people who interact with each other. Teamwork is mutually accountable for achieving common goals that are associated with organizational objectives, and perceive themselves as a social identity within an organization. Teamwork is a set of flexible and adaptive behavior characteristics, cognitions, and attitudes by members who are willing to work with other members (Baker, Day & Salas, 2003).

The organizations facing a competitive environment are supposed to generate flexible organizational structures which become important to organizational adaptation. Thus, many organizations give much more precedence to teamwork (Chen, Donahue & Klimoski, 2004). The firm must perform not only within organizations but also the relationships between organizations should be generated for the current environment. The organizations concerned with collaboration with their team members are held together by their interdependence and need for coordination to achieve a common goal (Salas, Burke & Bowers, 2000). All teamwork requires some form of communication to facilitate development and greater understanding of complex competition (Kotabe, Martin & Domoto, 2003). In addition, the critical success of teamwork is trust. It affects all relationships between the individuals and the groups or teams (Yang & Maxwell, 2011). The firms are more respectful toward others' capabilities and have a greater commitment to teamwork; it seems to be a way of further enriching experience and potential performance. Team members use skill in monitoring each other's performance, knowledge of themselves and teammates, and a positive attitude toward working in a team (Sims, Salas & Burke, 2004). Inter-organizational teamwork concern exists to fulfill some purpose such as assembling a product, providing a service, designing a new manufacturing facility, making an important decision, and thinking together for problem-solving (Edmondson, 2002).

The benefit of inter-organizational teamwork concern includes increased workplace productivity, service quality, a reduced management structure, and organizational effectiveness (Bryk & Schneider, 2002). Based on the discussion, inter-organizational teamwork concern increases cooperation, interdependence, and maintains added-value between organizations (Costa, 2003). Inter-organizational teamwork engenders tactical sharing, information, and knowledge that enable an organization to have flexibility, and can become successful in competition (Misener & Doherty, 2013). Thus, the proposition is elaborated upon as follows:

P3 *Inter-organizational teamwork concern will have a positive influence on a) organizational adaptation, b) organizational excellence, and c) organizational value creation.*

Strategic Linkage Concentration

Strategic linkage concentration refers to the ability to incorporate the administrative policy into organizational management and the process of strategic formulation. The linkage is involved with the consolidation of resources, personal, and operational processes in order to achieve a long-term good (Venkatraman, 1989; Grant, 1991). Researchers give attention to the significance of building, protecting, and sustaining competitive advantage through analysis, and organizational planning in long-term vision (Mayfield & Mayfield, 2008). The companies facing environmental conditions need to simultaneously adopt behaviors intended to gain and sustain competitive advantage (Barney, 2011; Hitt et al., 2001). Hence, the contributions of strategic management's perspectives are complementary.

Organizational strategies can be classified into three different levels according to the level of strategic decision-making; namely, corporate-level strategy, business-level strategy and functional-level strategy (Burnes, 1992). The corporate-level strategy is concerned with domain selection, including the vertical, horizontal, diversification, linkage, and level of agglomeration among different businesses. Next, business-level strategy is concerned with the navigation domain of the firm; that is to describe how the firm competes effectively in an industry. Lastly, the functional-level strategies focus on the maximization of resource productivity within each specific function. They are generally derived from the business strategy (Yeung et al., 2006; Rajendran et al., 2008). In addition, Porter (1980) has distinguished three main generic business-level strategies that include: cost leadership strategy, differentiation strategy, and focus strategy. The cost leadership strategy determines firms that gain market share and improve their cost structure. Firms can compete by their costs of production, to preserve higher margins than their competitors. Differentiation strategy refers to the firm that may establish a competitive advantage by gaining customer loyalty in innovating, upgrading, and offering a valued unique image of their products via marketing. Lastly, focus strategy is the firm application of either cost leadership or differentiation strategy to targeted customers (Yeung et al., 2006; Rajendran et al., 2008). The implementation of the strategy of the organization achieves the target. The organization should use its capability to improve access development in all aspects. The capability to combine the resources, personnel, and processes; or the ability to use existing resources to achieve results, can measure up to efficiency and effectiveness (Grant, 1991).

Strategic linkage capability can cause a firm's ability to reconfigure resources and coordinate processes to face environmental changes (Gibson & Birkinshaw, 2004). The firm has a tendency towards the initiation and implementation of different innovations types, such as technological, administrative, product and process (Jeong et al., 2006). The firm adopts new and advanced technologies to improve customer benefits that are relative to existing products for customers in the markets (Zhou et al., 2005). The firm has an ability to deal with shortages in inventory, responses to customers in short-term fluctuation demands, and solving problems that occur in production by reason of product modification (Rudolf & Anthony, 2004). Therefore, the propositions are assigned as follows:

P4 Strategic linkage concentration will have a positive influence on a) organizational adaptation, b) organizational excellence, and c) organizational value creation.

Organizational Adaptation

Organizational adaptation refers to the application of learning and integration of techniques and technology into an organizational operation. Adaptation cause continual modification and development in a work process to react with the changing environment. This will increase the organization's efficiency to survive and succeed in the market (Iven, 2005; Taylor et al., 2008). The business environment has radically changed in fast-moving, turbulent and unpredictable terms. These changes need a firm to adjust it and seek for ways to react quickly to changing conditions, and gain an advantage over its competitors (Long, 2001; Palanisamy, 2003). Accordingly, the firm has to be fast and proficient in the organization and must know how it can react to new challenges, new customer demands, and new technology. Usually, adaptation is viewed by a firm as having the ability to respond to the environmental change by internal adjustment in the organization with a program and strategy in order to succeed and survive in the market (Leonidou, Palihawadana & Chari, 2011).

The organizations in each adaptive state would have strategic and structural alignments which produce certain performance. Moreover, those organizations with an optimal strategy-structure match would have more superior performance over other organizations in the same adaptive state. Organizational adaptation is a core competency and critical factor in success and survival (Ivens, 2005). The component of organizational adaptability is the capacity of the organization to itself reorient flexible towards the external environment. It reflects the degree to which the organization encourages customer focus, risk-taking, learning, and the ability to create change. These benefits facilitate organizational adaptation by creating a flexible and dynamic working environment, and lead to fitting with environmental changing which it operates (Taylor et al., 2008).

Organizational adaptation has increasingly received academic attention. It is assumed to be the most important major aspect that can be considered as a company-specific skill for enhancing firms' competitiveness (Dreyer & Gronhaug, 2004). Also, it becomes the most important factor in achieving competitive advantage that concerns preconditions for successful business (Tuominen, Rajala & Moller, 2004). As well, previous studies have supported that organizational adaptation affects new product development (Yi, Yuan & Zelong, 2009), a firm's success (Johnson, Lee & Saini, 2003), and firm performance (Dreyer & Gronhaug, 2004). Hence, the proposition is assigned as follows:

P5 Organizational adaptation will have a positive influence on a) organizational value creation, b) business performance, and c) business survival.

Organizational Excellence

Organizational excellence refers to the operational process in using resources with an economical approach. Excellence makes operations to achieve the determined plan with efficiency. The goals of organizational excellence are aimed at achievement and advantage over the competitors (Reijers & Manser, 2005; Jirawuttinunt & Ussahawanitchakit, 2011). Competition in the business world is increasing more than in the past. Competition causes many firms to aggressively seek superior ways. Organizational excellence considers a long-term process and is concerned with key strategic-issue operations based on best operational process, with the management evidencing superior standards over the competitors (Reijersa & Mansar, 2005).

The organization uses managerial technical proficiency to create value for customers and stakeholders (Ritchie & Dale, 2000). In addition, the operational process is an organizational function such as in strategic management, allocation of people in work, competitive improvement, the amount of resources used to transform inputs into outputs, and providing value to customers (Jirawuttinunt & Ussahawanitchakit, 2011). They integrate their organizational components for the best strategies, which are activities, core processes, and resources to support the mission's accomplishments, and which may be chosen by best operational processes and firms. Absolutely, the best operational process helps firms to complete their business goals, and increase the firms' performance (Gordon, Loeb & Tseng, 2009). Management is everything in the administration of the organization for achieving goal-setting (Boonmunewai & Ussahawanitchakit, 2010). Firms should seek sustainable competitive advantage by focusing on improving superior standard management with a willingness for improving products, processes and services to achieve performance and to consistently meet or exceed customer expectations (Kaynak & Hartley 2005). New ways of managing and organizing is required by the acquisition of new skill (Tarafdar & Gordon, 2007). An important issue for firms is that they attempt to upgrade their productivity, procedures, competitiveness retaining, and new management methods.

The excellent process can support the firm to improve production processes. That is, it can produce goods rapidly and can organize efficient planning of production (Reijersa & Mansar, 2005). Absolutely, organizational excellence helps firms to complete their operational goal performance (Gordon, Loeb & Tseng, 2009), reduce costs (Sousa & Voss, 2002), reduce waste, improve efficiency and profitability (Sila & Ebrahimpour, 2005), and effectively respond to the customer with various innovations of performance (Akgun, Keskin & Aren, 2007). Hence, the propositions are proposed as follows:

P6 Organizational excellence will have a positive influence on a) organizational value creation, b) business performance, and c) business survival.

Organizational Value Creation

Organizational value creation refers to the formulation of an organization's innovative creation in terms of product and operational processes. This enables the organization to respond to needs and to create satisfaction among customers and stakeholders (Bourguignen, 2005;

Wikstorm, 1996). The term “value creation” refers to the way to achieve and retain a competitive advantage with a process consisting of a set of activities starting with the design and development of what is going to be produced, and of the interaction between consumer and company in creating value (Woodruff & Gordial, 1996).

Customer value creation includes: (1) the establishment of appropriate market objectives, (2) the selection broader industry setting in specific market segment, (3) the value creation of a proposition established to position competitive advantage, and (4) the development of capabilities being necessary to understand customer demands and delivering the promised value (Eggert & Ulaga, 2002). Ravald & Gronroos (1996) view customer value perception as a trade-off between perceived benefits and perceived sacrifice. The options for creating value are of two ways: increasing the benefits to the core product, and reducing customer-perceived sacrifice. In addition, the firm stresses creating and delivering customer value. Quality of the product alone is not enough to ensure a firm’s survival. Moreover, the most important success factor of a firm is the ability to deliver better customer value than the competitors. Product quality and service quality are the platforms that support value-based prices (Naumann, 1995). Organizational value is defined as the capability of a firm to create customer service, launch a good product, maintain a good perception among customers, and respond to the requirement of stakeholders (Bourguignon, 2005). From the firm’s perspective, customer value creation is essential in that the organization must recognize its own positive economic consequences for the firm (DeSarbo, Jedidi & Sinha, 2001).

Superior value for customers is important for business success. Moreover, it is the source of competitive advantage (Nasution & Mavondo, 2008). The previous literature represents that firms emphasize creating and delivering a better value to offer to their customers and stakeholders over their competitors, and which should obtain positional advantage, satisfaction (Blocker et al., 2011), loyalty, and intention to repurchase, leading to long-term competitive advantage (Troilo, Luca & Guenzi, 2009), and firm performance (Guenzi & Troilo, 2007). Therefore, the proposition is posited as follows:

P7 Organizational value creation will have a positive influence on a) business performance, and b) business survival.

Business Performance

Business performance refers to the overall outcome of corporate performance that achieves the goal with efficiency. Performance can be evaluated by both financial performance and non-financial performance (Venkatraman & Ramanujam, 1986; Lahiri et al., 2009). Measuring firm performance has long been a source of challenge for managers and researchers (Mouzas, 2006). This approach is also significant for a researcher, to attract their attention, and to have an understanding of the factors that influence a firm’s capability to retain customers and achieve goals. Moreover, many researchers expose important insights for the understanding of the factors influencing a firm’s success.

Actually, today’s global economic competitiveness has affected multiple dimensions in organizational competencies, including cost, quality, productivity, customer focus, speediness, innovation, technical excellence and financial performance (Mohrman, Finegold & Mohrman, 2003). Previous researchers often used financial and non- financial measures as indicators of measures in assessing firm performance (Lahiri et al., 2009). The financial measures consist of sales, profits, return on assets (ROA), and return on investment (Choe, 2004). As well, the non-financial measures refers to non-monetary and qualitative measures such as customer satisfaction, product quality, corporate image, and firm reputation (Lin,Yang & Liou, 2009). However, recent years have expanded organizational perspectives beyond financial and non-financial measures. Measures of assessing firm performance to achieve overall firm objectives, focus on four types, namely: finance, customers, internal business processes, and learning and growth (Chalathrawat & Ussahawanitchakit, 2009). Gao (2010) proposes that firm performance is a firm's success, comprising an organization's capability in response to customer demands and the adaptation capabilities in environmental change. Murray & Chao (2005) suggest using new product development speed, development cost efficiency, and product quality in order to reflect the performance, reflecting on profitability, sales growth, and market share.

Business performance is complicated, with a firm's emphasis on success, which includes organizational capability concerning a variety of activities, providing characteristics that correspond with a dynamic environment (Santarelli & Vivarelli, 2007). Therefore, the firms were more likely to survive in business environments, such as the growth rate of sales volume, market share, and continuous business growth (Eckert & West, 2008; Sapienza et al., 2006). Hence, the proposition is proposed as follows:

P8 Business performance will has a positive influence on business survival.

Business Survival

Business survival refers to the result of the organization's performance in managing the competitive environment after uncertain conditions for a certain period of time. It yields business stability and economic growth to the business in sustainable and long-term periods (Persson, 2004; Schwartz, 2009). Organizational survival depends on not only a function of economic performance but also a firm's own initiation of performance. Firm survival refers to the ability of management in an uncertain competitive environment during a period of time of stability (Persson, 2004), sustainable economic growth, and long-term business (Schwartz, 2009).

CONTRIBUTIONS

Flexibility is important at various levels in all perspective of the organization. It is very importance for the organizations to gain competitive advantage leads to better organizational performance (Sharma, Sushil & Jain, 2010). In the perspective of the strategic level of the organization, many researchers suggest strategic flexibility as an organization's capability to allocate their resources to deploy for creating competitive advantage over competitors (Sanchez, 1995). In addition, they must have ability to diversity and frequent shifts patterns of resource deployment to respond quickly to the business environment (Eisenhardt & Martin, 2000). This paper defines strategic organizational flexibility capability as the ability to adjust organizational change promptly according to an organization's administration and management. It also includes application in administration and management to adapt resources and abilities within the organization for the changing environment (Evan, 1991; Sanchez, 1995; Burnes, 1992; Lao, 2000). The literature review found a lack of literature on the role of strategic organizational flexibility capability and organization performance (Dryer & Gronhaung, 2004). Therefore, the main aim of this paper has been to consider the conceptual framework of strategic organizational flexibility capability and business survival.

This paper provides a useful theoretical contribution in management research by determining the relationship between strategic organizational flexibility capability and business survival through its consequent constructs; namely, organizational adaptation, organizational excellence, organizational value creation, and business performance in that all expect a positive relationship from the construct. Furthermore, this conceptual paper develops dimensions of strategic organizational flexibility capability that are bases on modern organization management, in that the structure of the organization should prefer flatter and horizontal. It is a link that connects employees, suppliers, customers, partners, and external contractors in numerous forms of coordination for sharing the resources and having interdependence to enhance success and obtain superior performance in competitive environment dynamism (Cingoz & Akdogan, 2013). The dimensions of strategic organizational flexibility capability consist of: organizational outsourcing orientation, business alliance capability, inter-organizational teamwork concern, and strategic linkage concentration. Moreover, for managerial implications, this paper provides strategic organizational flexibility capability as an alternative organization strategy for practitioners which challenge competitive advantage that leads to business survival.

For future research, the researcher should have proof of this paper's suggestion. The service business sector such as the tourism business should be suitable to show evident of this conceptual model which has three reasons. Firstly, the tourism industry creates a high level of employment and yields potential impact on economic and social development. Thus, it is a high value service business. Secondly, tourism business faces continued, uncontrolled operation in society, economy, and politics of each country such as, legal restrictions over the workforce in the tourism business. Joining the workforce in tourism personnel would eliminate possible barriers of business operations and enhance its proficiency. The tourism business should consider outsourcing partners for its business proficiency. Some possible solutions are signing contracts with tourism suppliers and tourism attractions. Hence, the tourism business should take strategic organizational flexibility capability for its operation. Lastly, the tourism business is limited with operational resources. Most businesses are small and medium- size. They need to seek options to run a business on such limited resources to make a higher profit and to increase the market share over competitors. A small and medium tourism business is better to consolidate with an alliance to overcome the limitation of operational resources. Therefore, future research is require to confirm, expand, and examine the hypothesis with empirical in the outbound tourism business in Thailand. It expects that empirical research will manifest strategic organizational flexibility capability, whether or not it will comprehensive accomplishment business survival.

CONCLUSION

This paper is intended to provide an obvious understanding of relationships between strategic organizational flexibility capability and business survival. Additionally, this paper focuses on four dimensions of strategic organizational flexibility capability; namely, organizational outsourcing orientation, business alliance capability, inter-organizational teamwork concern, and strategic linkage concentration. Moreover, this paper has proposed its consequence that will effect business survival. However, although based on the literature review, all relationships between each dimension of strategic organizational flexibility capability and its consequents look seem positive. The contributions of this paper are useful to expand strategic management theory, and implement suggestions for practitioners to business administration. Future research, outbound tourism business in Thailand expects that empirical research will manifest strategic organizational flexibility capability comprehensively and that will accomplish business survival.

REFERENCES

Agarwal, R., R. Croson & J.T. Mahoney (2010). The role of incentives and communication in strategic alliances: an experimental investigation. *Strategic Management Journal*, 31(4), 413–437.

Akgun, A. E., H. Keskin & S.Aren (2007). Emotional and learning capability and their impact on product innovativeness and firm performance.*Technovation*, 27, 501-513.

Baker, B.P., R. Day & E. Salas (2003). Teamwork as an essential component of high-reliability organizations. *Health Research and Educational Trust*, 41, 1576-1598.

Barney, J. (2011). *Gaining and sustaining competitive advantage (4th ed.)*. Upper Saddle River, NJ: Pearson Education.

Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17, 99-120.

Blocker, C.P., D.J. Flint, M.B. Myers & S.F. Slater (2011). Proactive customer orientation and its role for creating customer value in global markets. *Journal of the Academy of Marketing Science*, 39(2), 216-233.

Boonmunewai, S. & P. Ussahawanitchakit (2010). Internal audit competency, organizational outcomes, and firm success: An empirical evidence from Thai-Listed firms. *Journal of International Management Studies*, 10(4),1-24.

Bourguignon, A. (2005). Management accounting and value creation: the profit and loss of reification. *Critical Perspectives on Accounting*, 16, 353-389.

Bryk, A. & B. Schneider (2002). *Trust in schools: A core resource for improvement*. Russell Sage Foundation, New York, NY.

Burnes B. (1992). *Managing change: A strategic approach to organizational development and renewal*. London, Pitman Publishing.

Busi, M. & R. McIvor (2008). Setting the outsourcing research agenda: The top-10 most urgent outsourcing areas. *Strategic Outsourcing: An International Journal*, 1(3), 85-97.

Chalatharawat, J. & P. Ussahawanitchakit (2009). Accounting information usefulness for performance evaluation and its impact on the firm success: An empirical investigation of food manufacturing firms in Thailand. *Review of Business Research*, 9(2).

Chen,G., L.M. Donahue & R.J. Klimoski (2004). Training undergraduates to work in organizational teams. *Academy of Management Learning and Education*, 3(1), 27–40.

Choe, J. (2004). The relationships among management accounting information, organizational learning and production performance. *Journal of Strategic Information Systems*, 13, 61–5.

Cingoz, A. & A. A. Akdogan (2013). Strategic flexibility, environmental dynamism, and innovation performance: An empirical study. *Procedia - Social and Behavioral Sciences*, 99, 582–589.

Costa, A. C. (2003). Work team trust and effectiveness. *Journal of Personnel Review*, 32(5), 605-622.

Das T. K. & N. Rahman (2010). Determinants of partner opportunism in strategic alliances: A conceptual framework. *Journal of Business Psychology*, 25, 55–74.

DeSarbo, W.S., K. Jedidi & I. Sinha (2001). Customer value analysis in a heterogeneous market. *Strategic Management Journal* , 22-9, 845–857

Dreyer, B. & K. Gronhaug (2004). Uncertainty, flexibility, and sustain competitive advantage. *Journal of Business Research*, 57, 484-494.

Eckert, A. & D.S. West (2008). Firm survival and chain growth in a privatized retail liquor store industry. *Review of Industrial Organization*, 32, 1-18.

Edmondson, A.C. (2002). *Managing the risk of learning: Psychological safety in work teams, Forthcoming in West, M*. (Ed) International Handbook of Organizational Teamwork, London: Blackwell.

Eggert, A. & W. Ulaga (2002). Customer perceive value: A substitute for satisfaction in business markets. *Journal of Business and Industrial Marketing*, 17(2), 107-118.

Eisenhardt, K. M. & J. A. Martin (2000). Dynamic Capabilities: What are They?. *Strategic Management Journal*. 21(10-11), 1105-1121.

Elmuti, D., A.S. Abou-Zaid & H. Jia (2012). Role of strategic fit and resource complementarity in strategic alliance effectiveness. *Journal of Global Business and Technology*, 8(2), 16.

Eppink, D. J. (1978). *Planning for strategic flexibility*. Long Range Planning, 11(4), 9-15.

Evans, J. S. (1991). Strategic flexibility for high technology manoeuvres: A conceptual framework. *The Journal of Management Studies*, 28(1), 69-89.

Gao,Y. (2010). Measuring marketing performance, a review and a framework. *The Marketing Review*, 10 (1), 25-40.

Gibson,C.B. & J. Birkinshaw (2004). The antecedents, consequences, and mediating role of organizational ambidexterity. *Academy of Management Journal*, 47(2), 209–226.

Gordon, L.A., M.P. Leob & C.Y. Tsang (2009). Enterprise risk management and firm performance: A contingency perspective. *Journal of Accounting and Public Policy*, 28(4), 301- 27.

Grant, R. M. (1991). The resource-based theory of competitive advantage: Implications for strategy formulation. *California Management Review*, 33, 114-135.

Guenzi, P. & G. Troilo (2007). The joint contribution of marketing and sales to the creation of superior customer value. *Journal of Business Research*, 60(2), 98-107.

Hess, A.M. & F.T. Rothaermel (2011). When are assets complementary? Star scientists, strategic alliances, and innovation in the pharmaceutical industry. *Strategic Management Journal*, 32, 895-909.

Hitt ,M., R.D. Ireland, S.M. Camp & D.L. Sexton (2001). Strategic entrepreneurship: Entrepreneurial strategies for wealth creation. *Strategic Management Journal* , 22, 479-491.

Hsu. H.H. & J.W, Tang (2010). A model of marketing strategic alliances to develop long-term relationships for retailing. *International Journal of Business and Information*, 5(2), 51-171.

Ivens, B.S. (2005). Flexibility in industrial service relationships: The construct, antecedents, and performance outcomes. *Industrial Marketing Management*, 34, 566-576.

Jha, V.S. (2008). Strategic flexibility for business excellence - the role of human resources flexibility in select Indian companies. *Global Journal for Flexible Systems Management*, 9(1), 41-51.

Jeong, I., J. H. Pae & D. Zhou (2006). Antecedents and consequences of the strategic orientations in new product development: The case of Chinese manufacturers. *Industrial Marketing Management*, 35, 348-358.

Jirawuttinunt, S. & P. Ussahawanitchakit (2011). Strategic human capital orientation and sustainable business performance: An empirical assessment of hotel business in Thailand. *International Journal of Strategic Management*, 11(3), 49-75.

Johnson J. L., R.P. Lee, A. Saini & B. Grohmann (2003). Market-focused strategic flexibility: conceptual advances and an integrative model. *Journal of the Academy of Marketing*, 31(1), 74-89.

Kaynak, H. & J.L. Hartley (2005). Exploring quality management practices and high tech firm performance. *Journal of High Technology Management Research*,16(2), 255–272.

Kotabe, M., X. Martin & H. Domoto (2003). Gaining from vertical partnerships: Knowledge transfer, relationship duration, and supplier performance improvement in the U.S. and Japanese automotive industries. *Strategic Management Journal*, 24, 293- 316.

Kozyra, B.(2012). Strategic Alliance as a particular form of coopetition. *Global Management Journal*, 4(1), 27–38.

Kroes, J. R. & S. Ghosh (2010). Outsourcing congruence with competitive priorities: Impact on supply chain and firm performance. *Journal of Operations Management*, 28(2), 124-143.

Lahiri, S., B.L. Kedia, S. Raghunath, & N.M. Agrawal (2009). Anticipated rivalry as a moderator of the relationship between firm resources and performance. *International Journal of Management*, 26(1), 146-158.

Leiblein, M., J. Reuer & F. Dalsace. (2002). Do make or buy decision matter? The influence of organization governance of technological performance, strategic. *Management Journal*, 23(9), 817-833.

Leonidou, L.C., D. Palihawadana, S. Chari & C. Leonidou (2011). Drivers and outcomes of importer adaptation in international buyer-seller relationships. *Journal of World Business*, 46, 527-543.

Li, Y., Z. Su, Y. Liu & M. Li (2011). Fast adaptation, strategic flexibility and entrepreneurial roles. *Chinese Management Studies*, 5(3), 256–271.

Lin, C., H. Yang & D. Liou (2009). The Impact of corporate social responsibility on financial performance: Evidence from business in Taiwan. *Technology in Society*, 31, 56–63.

Long, R.J. (2001). Pay System and Organizational Flexibility. *Canadian Journal of Administrative Sciences*, 18(1), 25-32.

Lou,Y. (2000). Dynamic capabilities in international expansion. *Journal of World Business*, 35(4), 355-378.

Lou,Y.(2008). Procedural Fairness and Interfirm Cooperation in Strategic alliances. *Strategic Management Journal*, 29, 27–46.

Mayfield, M. & J. Mayfield (2008). Leadership techniques for nurturing worker garden variety creativity. *Journal of Management Development*, 27, 976-86.

Mazzawi, E. (2002). Transformational outsourcing. *Business Strategy Review*, 13(3), 39-43.

McIvor, R. (2009). How the transaction cost and resource-based theories of the firm inform outsourcing evaluation. *Journal of Operations Management*, 27, 45- 63.

Mintzberg, H., B. Ahlstrand & J. Lampel (2009). *Strategy safari,2nd Edition.* Harlow prentice Hall.
Misener, K. & A. Doherty (2013). Understanding capacity through the processes and outcomes of interorganizational relationships in nonprofit community sport organizations. *Sport Management Review*, 16, 135–147.
Mohrman S.A., D. Finegold & A.M. Mohrman (2003). An empirical model of the organization knowledge system in new product development firms. *Journal of Engineering and Technology Management*, 20(1), 7-38.
Mouzas, S. (2006). Efficiency versus effectiveness in business networks. *Journal of Business Research*, 59, 1124–1132.
Mukherjee, D., A. Gaur & A. Datta (2013). Creating value through offshore outsourcing: An integrative framework. *Journal of International Management*, 19 (4), 377-389.
Murray, J. Y. & M.C.H. Chao (2005). A cross-team framework of international knowledge acquisition on new product development capabilities and new product market performance. *Journal of International Marketing*, 13(3), 54-78.
Nadkarni, S. & V.K. Narayanan (2007). Strategic schemas, strategic flexibility, and firm performance: The moderating role of industry clockspeed. *StrategicManagement Journal*, 28, 243–270.
Nasution, H. N. & F. T. Mavondo (2008). Customer Value in The Hotel Industry:What Managers Believe They Deliver and What Customer Experience. *International Journal of Hospitality Management*, 27, 204-213.
Naumann, E. (1995). *Creating customer value: The linkage between customer value, customer satisfaction, customer loyalty, and profitability*. Cincinnati, OH: Thompson Executive Press.
Nellore, R. & K. Soderquist (2000). Strategic outsourcing through specifications. *Omega*, 28, 525-540.
Palanissamy, R. (2003). Measurement and enablement of information systems for organizational flexibility: An empirical study. *Journal of Services Research*, 3(2), 81-103.
Parkhe, A. (1991). Interfirm diversity, organizational learning, and longevity in global strategic alliances. *Journal of International Business Studies*, 22, 579-601.
Persson, H. (2004). The survival and growth of new establishments in Sweden, 1987–1995. *Small Business Economics*, 23, 423-440.
Pittino,D., P. Angela & M. Mazzurana (2012). Alliance governance and performance in SMEs: Matching relational and contractual governance with alliance goals. *Entrepreneurship Research Journal*, 39(1), 62-83.
Porter, M. (1980). *Competitive strategy*. New York: Free Press.
Que'Lin, B. & F. Duhamel (2003). Bringing together strategic outsourcing and corporate strategy: Outsourcing motives and risks. *European Management Journal*, 21(5), 647–661.
Rajendran, R. & K.Vivekanandan (2008). Exploring relationship between information systems strategic orientation and small business performance. *International Journal of E-Business Research*, 4(2), 14-28.
Ravald, A. & C. Gronroos (1996). The value concept and relationship marketing. *European Journal of Marketing*, 30(2), 19-30.
Reijersa, H.A. & S.L. Mansar (2005). Best practices in business process redesign: an overview and qualitative evaluation of successful redesign heuristics. *The International Journal of Management Science*, 33(4), 283-306.
Ritchie, L. & B.G. Dale (2000). Self- assessment using the business excellence model, a study of practice and process. *International Journal of Production Economics*, 66(3), 241-254.
Roberts, N. & G.J. Stockport (2009). Defining strategic flexibility. *Global Journal of Flexible Systems Management*, 10(1), 27-32.
Rudolf, R,S, & S.R. Anthony (2004). Strategic orientation, capabilities, and performance in manufacturer-3pl relationships. *Journal of Business Logistics*, 25(2), 43.
Sanchez, R. & A. Heene (1997). *Strategic learning and knowledge management.* Chichester, England: John Wiley and Sons.
Santarelli, E. & M. Vivarelli (2007). Entrepreneurship and the process of firms' entry, survival and growth. *Industrial and Corporate Change*, 16(3), 455.
Sapienza, H. J., E. Autio, G.George & S.A. Zahra (2006). A capabilities perspective on the effects of early internationalization on firm survival and growth. *Academy of Management Review*, 31(4), 914-933.
Schwartz, M. (2009). Beyond incubation: an analysis of firm survival and exit dynamics in the post-graduation period. *The Journal of Technology Transfer*, 34, 403–421.
Sharma, M.K., Sushil & P.K. Jain (2010). Revisiting flexibility in organizations: Exploring its impact on performance. *Global Journal of Flexible Systems Management*, 11(3), 51-68.
Shimizu, K. & M.A. Hitt (2004). Strategic flexibility: Organizational preparedness to reverse ineffective strategic decisions. The Academy of Management Executive, 18(4), 44-9.

Shuen, A. & S. Sieber (2010). *Orchestrating the New Dynamic Capabilities*. IESE Insight.
Sila, I. & M. Ebrahimpour (2005). Critical linkages among TQM factors and business results. *International Journal of Operations and Production Management*, 25, 1123-1155.
Sims, D.E., E. Salas & C.S. Burke (2005). *Promoting effective team performance through training*. In S.A. Wheelan (Ed.), The Handbook of Group Research and Practice, 407-425. Thousand Oaks, CA: Sage.
Sousa, R. & C.A. Voss (2002). Quality management re-visited: A reflective review and agenda for future research. *Journal of Operations Management*, 20, 91-109.
Tarafdar, M. & S.R. Gordon (2007). Understanding the influence of information systems competencies on process innovation: A resource-based view. *Strategic Information System,* 16, 353-392.
Taylor, S., L. Orly, Nakiye, A. Boyacigiller & B. Schon (2008). Employee commitment in MNCs: Impacts of organizational culture, HRM and top management orientations. *The International Journal of Human Resource Management,* 19(4), 501-527.
Teece, D.J. ,G. Pisano & A. Shuen (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), 509-533.
Troilo, G., L.M.D. Luca & P. Guenzi (2009). Dispersion of influence between marketing and sales: Its effects on superior customer value and market performance. *Industrial Marketing Management*, 38(8), 872-882.
Tuominen, M., A. Rajala & K. Moller (2004). How does Adaptability drive Firm Innovativeness? *Journal of Business Research,* 57, 495-506.
Varadarajan, P.R. & M.H. Cunningham (1995). Strategic alliances: A synthesis of conceptual foundations. *Journal of the Academy of Marketing Science*, 23, 282-296.
Varadarajan, P.R. (2009). Outsourcing: Think more expansively. *Journal of Business Research*, 62, 1165-1172.
Venkatraman,N. (1989). Strategic orientation of business enterprises: The Construct, Dimensionality, and Measurement. *Management Science*, 35(8), 942-962.
Venkatraman,N. & V. Ramanujam (1986). Measurement of Business Performance in Strategy Research: A Comparison of Approaches. *Academy Management Review*, 11(4), 801–814.
Whitaker, J., S. Mithas & M.S. Krishnan (2011). Organization learning and capabilities for onshore and offshore business process outsourcing. *Journal of Management Information Systems,* 27(3), 11-42.
Wikstrom, S. (1996). Value creation by company-consumer interaction. *Journal of Marketing Management*, 12(5), 359-374.
Woodruff, R.B. & S.F. Gardial (1996). *Know your consumer: New approaches to consumer value and satisfaction.* Cambridge, MA.: Blackwell Business.
Wu, L. & D. Park (2009). Dynamic outsourcing through process modularization. *Business Process Management Journal,* 15(2), 225-244.
Yang. T.M. & T.A. Maxwell (2011). Information-sharing in public organizations: A literature review of interpersonal, intra-organizational and inter-organizational success factors. *Government Information Quarterly*, 28,164–175.
Yeung, J., H. Y. W. Selen, C.C. Sum & B. Huo (2006). Linking financial performance to strategic orientation and operational priorities an empirical study of third-party logistics providers. *International Journal of Physical Distribution and Logistics Management,* 36(3), 210-230.
Yi, L., L.Yuan & W. Zelong (2009). How organizational flexibility affects new product development in an uncertain environment: Evidence from China. *International Journal Production Economics*, 120, 18-29.
Zhang, M.J. (2006). IS support for strategic flexibility, environmental dynamism, and firm performance. *Journal of Managerial,* 1, 84-103.
Zhou , K, Z., G.Y. Gao, Z. Yang & N, Zhou (2005). Developing strategic orientation in China: antecedents and consequences of market and innovation orientations. *Journal of Business Research,* 58(8), 1049-1058.
Zoogah, D., D. Vora, O. Richard & M.W. Peng (2011). Strategic alliance team diversity, coordination, and effectiveness. *The International Journal of Human Resource Management*, 22(3), 510–529.

BALANCING ORGANIZATIONAL GROWTH: AN EXAMINATION OF LARGE CORPORATE FAILURES – THE PROBLEM OF EXECUTIVE DIFFUSION

Zelimir W. Todorovic, Indiana University – Purdue University, Fort Wayne
Gordon B. Schmidt, Indiana University – Purdue University, Fort Wayne
Jun Ma, Indiana University – Purdue University, Fort Wayne

ABSTRACT

Lately, many have observed that organizations of all sizes can and have failed. Although these failures are shocking, these failures are predictable. We observe that despite a wealth of cautionary tales, organizations make similar mistakes again and again. And these organizations making such mistakes are often industry leaders, including companies such as Wal-Mart, General Motors, and MacDonald's, a subject of our discussions. Why do organizations continue to make such blunders?

We review the relevant literature, draw connections between these literature streams. Further, we discuss three cases studies conceptually, drawing on data from case analysis by senior level management undergraduates. This data is used to support our theoretical observations and conceptual model development. We proceed to show how across the three cases there are similar issues of each organization, having the wrong balance of entrepreneurial and managerial skills, compared to the organization's needs. Finally we discuss implications of these findings for how we understand and explain organizational actions.

Building upon the insights of the Resource Based View, Dynamic Capabilities Approach, and incorporating insights from different bodies of knowledge this paper looks for underlying commonalities is less than lack luster performance of Walmart, General Motors and McDonald's. Utilizing focus groups consisting of graduating business students over a period of five years, we look at these three – otherwise different companies – and seek evidence of commonalities issues and observations.

This paper seeks existence of major commonalities that can explain why such failures happen. We seek to generate greater knowledge by combining knowledge from Resource Based View literature (Armstrong & Shimizu, 2007; Barney, Wright, Ketchen, 2001; Kraaijbrink, Spender, & Groen, 2010), the organization capabilities literature (Barreto, 2010; Eisenhardt et al. 2000;Winters, 2003), an extension of the Competing Values model (Quinn, 1988) by Todorovic (2007), and product life cycle theory (Kuratko & Hodgetts, 2004; Leavitt, 1965; Rink et al., 1999) to describe how organizations can often make significant blunders due to not recognizing changing stages in the lifecycle or organizational needs and abandoning or weakening important resources crucial to success.

To our surprise, we observed a rather consistent failure of management to maintain simultaneous balance between entrepreneurial emphasis and managerial emphasis in favor of profit maximization. In other words, in our opinion the management of these companies, and by extension, possibly many other companies, failed to exercise a BALANCE of entrepreneurial

(innovative) emphasis and managerial emphasis in favor of immediate, often short term, rewards of profit maximization. We named this phenomenon a "Problem of Executive Diffusion". Problem of Executive Diffusion is defined as a failure of management to maintain simultaneous balance between entrepreneurial emphasis and managerial emphasis in favor of profit maximization.