

Analyzing the Impact of Strategic Thinking Competencies in Building Intelligent Organization

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Abstract

The study aimed to identify the strategic thinking and its impact on building intelligent organizations in the King Abdullah II Design and Development Bureau.

The study population consisted of all companies at King Abdullah II Design and Development Bureau, It was selected as a random sample of (120) managers and their assistants, heads of departments and supervisors of production. The study reached a number of results, the most important of which is that there is a statistically significant impact of the strategic thinking competences (systemic thinking, innovative thinking and vision-oriented thinking) in building the intelligent organization. One of the most important recommendations of the study is that it is necessary to focus on strategic thinking in order to enhance the capabilities and focus on the building of the intelligent organization.

Keyword: Strategic Thinking, Strategic Thinking, Competencies, Intelligent Organization, Jordan.

Introduction

Due to organizations need to increase learning to deal with changes in the contemporary business environment, organizations need to be more open and receive new ideas and concepts; they also need to innovate new goods, services and methods, training of employees and encouraging them to take initiatives and be innovate while doing business. Because commitment to achieving organizational goals is the source of values and a driving force for managers, The emphasis of thinkers and leaders of organizations on the use of knowledge and skills by workers, As well as the use of their intelligence will lead to organizations arrival to the top of excellence (intelligent organization). Hence the importance of studying and analyzing the elements of intelligent organizations in the business environment in order to achieve adaptation to the environment in order to achieve growth and continuity.

Theoretical Foundations

Strategic Thinking Competencies

The roots of strategic thinking began in organizations in the early 20th century. Strategic thinking flourished between 1960 and 1990, when most of the basic tools developed (Allio, 2006).

Lin & et al. (2008) explained that strategic planning began in the 1950s, and then shifted the focus from strategic planning to strategic management, and now to strategic thinking.

Liedtka (1998) showed that the term strategic thinking has become widely used in the field of strategic management. The term strategic thinking is used to denote holistic thinking in strategy rather than to reflect on a particular type of thinking and characteristics.

Strategic thinking is a means of solving strategic problems that combine rational and convergent approaches with both innovation and a differentiated thought process (Bonn, 2005). In another context, Abraham (2005) strategic thinking represents the process of finding alternative ways to compete and provide value to customers.

Karğın & Aktas (2012) have shown that competencies of strategic thinking consist mainly of three competencies, they are: systematic thinking, reflecting, and reframing. Moon (2013) has identified four strategic thinking competencies, they are: systemic thinking, innovative thinking, vision-oriented thinking, and, finally, market-oriented thinking.

In the current study, the researcher adopted a method as specified by the Moon (2013) to measure the competencies of strategic thinking by measuring the first three competencies being the most appropriate measure in the current study environment, as follows:

1. Systemic Thinking Competence:

Kaufman & et.al (2003) identified strategic thinking as the shift from the vision of the organization as a fragmented society composed of separate parts competing for resources to see and deal with as a comprehensive system that integrates each part in a relationship with all, This in turn requires the ability to get away from the problems of daily work. And note how different problems and vital issues are linked to each other, A solution that affects a particular area has the same effect in other areas (Liedtke, 1998).

In any case, this integrated perspective of the Organization requires an inclusive understanding and management of the internal and external dynamics that constitute organizational life. In particular the question of how organizations and administrative actions change over time and the dynamics of these feedback processes that lead to such changes, This in turn involves understanding how organizations are embodied as part and parcel of large and complex systems such as markets, industries and nationalities (Stacey, 2007).

2. Innovative Thinking Competence:

Innovative thinking is a complex and purposeful mental activity directed by a strong desire to seek solutions or arrive at original products that were not previously known, the creative thinking is characterized by comprehensiveness and complexity because it involves cognitive and emotional and ethical overlapping elements constitute a unique state of mind (Jarwan, 1999). It has been defined as a combination of capacities, preparations and personal characteristics that, if an appropriate environment exists, can be elevated to mental processes

to produce original and useful outcomes, both for the individual's previous experiences and for the experiences of the organization (Jarwan, 2002).

Thus, the ability to use innovative thinking reflects the imagination of many alternatives and the possibility of revealing, here, De Bono (1996) explained this point: "Without innovative thinking, we cannot make full use of the information and expertise that is normally available to us, and thus we are locked in old structures, old patterns, classical concepts, and unclear perceptions".

3. Vision-Oriented Thinking Competence:

Al-Naimi (2003) described the competence of vision-oriented thinking as relevant to exploring the future. It is the desired state of the Organization's future that reflects the aspirations of strategists (David, 2009). White (2004) expresses the competence of vision-oriented thinking as a set of goals that are broad and inclusive, and towards thinking to describe the discovery of the future with the specificity of the means that are used to achieve desired ends. The same orientation is consistent with the assertions Johnson & Scholes (2008) as the link between vision-oriented thinking competence and strategic intent, considering that they represent the desired situation for the future of the business organization from the point of view of the strategists.

Therefore, the competence of vision-oriented thinking which pervades the organization reinforces and strengthens commitment rather than acquiescing and creating the spirit of the community that pervades the organization as a whole, it raises the ability of imagination or perception of individuals and provides a focus that enables individuals to contribute in ways that create the bulk of their experience and talents. At the higher level, the competence of vision-oriented thinking helps to provide meaning and gives a sense of direction from decision-making (Liedtka, 1998).

Intelligent Organizations

Intelligent organizations as a modern perspective call for a fundamental shift in the way organizations are managed, taking into account education, training and development. It is an approach or system that is intended to increase the organization's intelligence and its willingness to accept criticism, which gives the organization the ability to deal positively with change (Schwaninger, 2009).

Wiig (2000) identified intelligent organizations as organizations that act effectively in the present and have the ability to deal effectively with the challenges of the future, They are very interested in their vitality and success and look beyond the scope of daily work to long-term sustainable performance, as well as interest and the high level of service they seek to offer them. Vickers (2000) has described intelligent organizations as successful organizations that use long-term strategies to achieve long-term sustainable gains and that lead them to sacrifice short-term gains.

Poulsen & Arthur (2005) showed that the intelligent organization has three main characteristics: culture, capabilities, and links. Atos (2011) noted that the smart organization is based on three main axes: knowledge development, operations, and communication.

In the present study, the researcher was based on the characterization of the smart organization (continuous learning, generation of strategic alternatives and understanding of the environment) based on Schwaninger (2009) and Al-Tai et al. (2013):

1. Continuous learning:

The process of continuous acquisition of knowledge through experience leading to constant change in behavior (Buchanan & Huczynski, 2004) And using that knowledge to better align the organization and its environment and create greater value (Wheelen & Hunger, 2010). That is, the intelligent organization constantly learns how to generate greater value in the face of changes.

2. Generation of strategic alternatives:

Daft (2000) states that the process of generating strategic alternatives means that the organization develops new methods of action from which it chooses to meet its needs. Thus, the generation of a smart organization of alternatives means that it has developed a number of valuable options and new and alternative ways of working in advance to choose from them what meets their needs and to take strategic action.

3. Understanding of the environment:

Organizations typically deal with an ambiguous environment in terms of complexity and uncertainty and strive to understand the environment in which they operate. This understanding means that they understand complexity and uncertainty in ways that facilitate effective decision making (Matheson & Matheson, 1998) through the process of environmental surveying, which was identified by (Wheelen & Hunger, 2010) Monitoring, evaluation and dissemination of information from the external and internal environment of the principal persons of the Organization, They also noted that the organization is using this tool to avoid surprises at the strategic level and to ensure its long-term sustainability.

Importance of the study

The importance of the study derives through the following:

1. The importance of strategic thinking competences is a philosophical issue to determine its importance in building intelligent organizations.
2. Provide a systematic basis in measuring strategic thinking competences, which helps to rely on standards with a high degree of reliability and validity.
3. To provide business organizations in general with a basis for understanding the contents of intelligent organizations, and to what extent they are influenced by strategic thinking competences.

Questions of the study

A number of questions have been formulated which will be answered through the current study, as follows:

1. What is the reality of strategic thinking competences (systemic thinking, innovative thinking and vision-oriented thinking) among managers working at the King Abdullah II Design and Development Bureau?

2. What level do King Abdullah II Design and Development Bureau have for intelligent organization characteristics (continuous learning, generation of strategic alternatives, and understanding of the environment)?
3. What role do strategic thinking competences (systemic thinking, innovative thinking, and vision-oriented thinking) have for managers working at the King Abdullah II Design and Development Bureau in building the intelligent organization?

Objectives of the study

The current study seeks to achieve the following objectives:

1. Identify the intellectual and theoretical contents of each of the strategic thinking competences and intelligent organizations.
2. Identify the level of availability of the characteristics of the intelligent organization at King Abdullah II Design and Development Bureau.
3. Explain the impact of the competences of strategic thinking among managers working at the King Abdullah II Design and Development Bureau in building the intelligent organization.

Hypotheses of the study

The main hypothesis:

Ho: There is no significant impact of the competences of strategic thinking in building the intelligent organization at level ($\alpha \leq 0.05$).

Hoa: There is no significant impact of the competence of systemic thinking in building the intelligent organization at level ($\alpha \leq 0.05$).

Hob: There is no significant impact of the competence of innovative thinking in building the intelligent organization at level ($\alpha \leq 0.05$).

Hoc: There is no significant impact of the competence of vision-oriented thinking in building the intelligent organization at level ($\alpha \leq 0.05$).

Study Model

The model of the proposed study illustrates the variables of the current study, which illustrates the nature of the effects between the variables of the study.

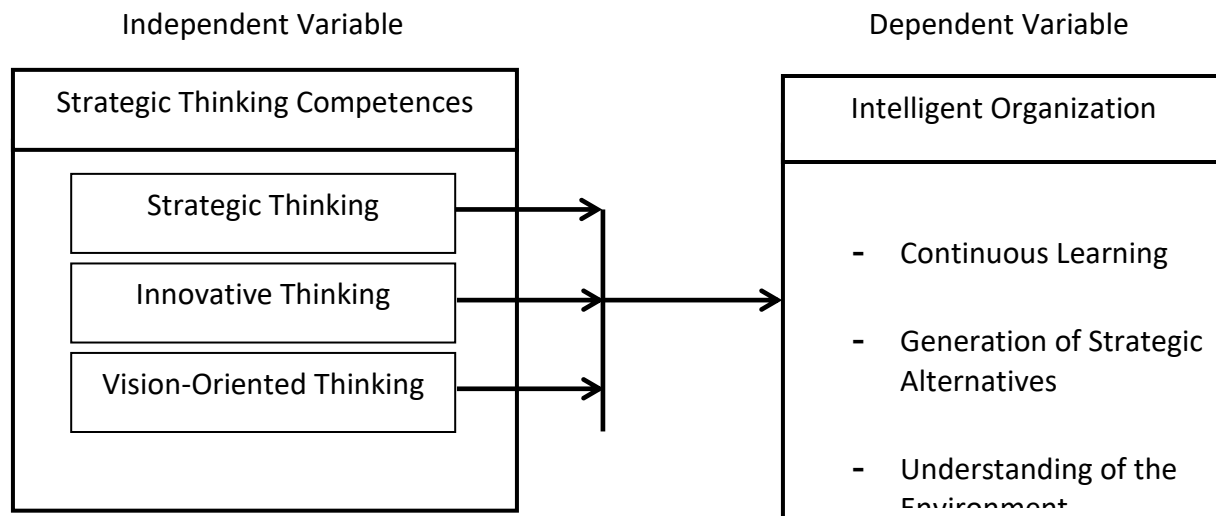


Figure 1: Study Model

Methodology of the study

Sample and Population

The study population consisted of all companies are King Abdullah II Design and Development Bureau, It was selected a random sample of (120) of managers and their assistants, heads of departments and supervisors of production. A total of 120 questionnaires were distributed, of which 107 were retrieved, of which 8 were excluded for incomplete data, so that the number of valid questionnaires for statistical analysis (99).

Measures

The measurement of the independent and dependent variables of the study was based on studies of:

Independent variables (strategic thinking competences: systemic thinking, innovative thinking, and vision-oriented thinking) (Moon, 2013).

Dependent variables (intelligent organization: continuous learning, generation of strategic alternatives and understanding of the environment) (Matheson & Matheson, 2011; Al- Ta'e et al., 2013).

Data Collection

Secondary sources: books, periodicals, articles, research and previous studies that dealt with the subject of the study.

Primary Sources: Collecting primary data through the questionnaire developed as the main tool for the study.

Instrument Validity and Reliability

Instrument validity

The questionnaire was presented to a number of arbitrators (14) professors in Jordanian universities specialized in business administration and marketing

Instrument reliability

The internal consistency test (Cronbach Alpha) was used to measure the consistency of respondents' answers to the question of resolution, and to obtain alpha ($\text{Alpha} \geq 0.60$) is generally acceptable to human sciences (Sekaran & Bougie, 2010). After the test, all the values of the study variables were greater than the minimum acceptable value.

Results

To test the hypothesis of the study, multiple regression analysis was used to investigate the impact of the dimensions of the strategic thinking competences (systemic thinking, innovative thinking, and vision-oriented thinking) among the managers of the King Abdullah II Design and Development Bureau in Building the intelligent Organization.

Table (1) shows the results of the statistical analysis; the results showed that there is a statistically significant impact of the strategic thinking competences (systemic thinking, innovative thinking, and vision-oriented thinking) among the managers of the King Abdullah II Design and Development Bureau in building the intelligent Organization.

The correlation coefficient R (0.625) was at ($\alpha \leq 0.05$). The coefficient of determination R^2 was (0.390), meaning that the value of (0.390) of the changes in building intelligent organization is a result of change in the strategic thinking competences (systemic thinking, innovative thinking, and vision-oriented thinking) among the managers of the King Abdullah II Design and Development Bureau. The results of the analysis showed that the Adjusted R^2 coefficient reached (0.371), which reflects the net level of interest in strategic thinking competences (systemic thinking, innovative thinking, and vision-oriented thinking) after eliminating the values of standard errors resulting from the building of intelligent organization.

The value of the degree of impact of the beta ($\beta = 0.237$) for systemic thinking competence, ($\beta = 0.208$) for the innovative thinking competence and ($\beta = 0.306$) for the vision-oriented thinking competence. This means that one degree increase in the interest level of strategic thinking competences (systemic thinking, innovative thinking, and vision-oriented thinking) among the managers of the King Abdullah II Design and Development Bureau leads to an increase in the building of intelligent organization value (23.7%) for the systemic thinking competence and (20.8%) for the innovative thinking competence and (30.6%) for the merit of vision-oriented thinking competence.

The significance of this effect confirms the calculated F value which reached (20.283) at a significant level ($\alpha \leq 0.05$).

Based on these findings, the null hypothesis is rejected and the alternative hypothesis is accepted.

Table (1): Results of multiple regression analysis

Dependent variable	R	R ²	Adjusted (R2)	F	Sig.	β		T	Sig.
Building of Intelligent Organization	0.625	0.390	0.371	20.283	0.000	Systemic Thinking	0.237	2.200	0.030
						Innovative Thinking	0.208	2.137	0.035
						Vision-Oriented Thinking	0.306	3.017	0.003

Conclusions

1. The strategic thinking represents a sophisticated way in the thinking of business organizations because it possesses the characteristics of the future industry.
2. The concept of "intelligence" in an intelligent organization is linked to the organization's ability to adapt, learn, and transform information into useful knowledge in decision-making.
3. It can become an intelligent organization by acting intelligently and use competitive information on its environment and its competitors to achieve its objectives.
4. Through the results of the practical study, the researcher found that the King Abdullah II Design and Development Bureau is one of the intelligent organizations.

Contribution

In this study strategic thinking competencies in building intelligent organization in the Jordanian business environment, this is opposite to several studies that made in advanced industrial countries. This is a research contribution that is a starting point for future research. It is also a contribution to a model that Jordanian business organizations can rely on in the process of transition to intelligent business organizations that can face environmental challenges.

Recommendations and Future Studies

1. It is necessary to focus on strategic thinking in order to enhance the capabilities and focus on the building of the intelligent organization.
2. To create conditions conducive to strategic thinking within the King Abdullah II Design and Development Bureau to improve the level of products and services provided to achieve customer satisfaction objectives.
3. The adoption of the future scenarios approach by the King Abdullah II Design and Development Bureau as a necessity to build future economic scenarios that include many comprehensive vision.

4. The study recommends that other studies should be conducted at the King Abdullah II Design and Development Bureau by other researchers dealing with another variable with intelligent organizations such as strategic values, strategic behavior, strategic ambition, etc.

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