

The integrated strategic change process to improve business strategy, leadership style, and employee job satisfaction

Julaporn Namchaisiri

Grant Thornton Services Limited, Pathum Wan, Bangkok 10330

E-mail: n.julaporn@gmail.com

LeeHsing Lu

Assumption University, 592/3 Soi Ramkhamhaeng 24, Ramkhamhaeng Road, Hua Mak, Bangkok, 10240

Correspondence concerning this article should be addressed to **Julaporn Namchaisiri**, Thornton Services Limited

Pathum Wan, Bangkok 10330

E-mail: n.julaporn@gmail.com

Received date: November 29, 2021 Revised date: January 11, 2022 Accepted date: March 8, 2022

Abstract

PURPOSES: To assess the current situation of ABC Management Company (Pre-Organization Development Intervention (Pre - ODI), to conduct Organization Development Intervention (ODI) based on Integrated Strategic Change (ISC), Strengths, Opportunities, Aspirations, and Results (SOARX, and Business Model Canvas frameworks, and to develop a business strategy that would serve the company's long-term vision and corporate goals. **METHODS:** The researcher applied Likert organization characteristic survey questionnaires, job satisfaction survey, the Vroom-Yetton-Jago Normative Decision Model, leadership coaching, SOAR workshop, strategic planning workshops, and semi-structured interviews to collect the data. ODIs were applied to assess the top executives' leadership style and employee job satisfaction. The study also included the assessment of the leadership style of the top executives at the Pre-ODI and Post-ODI stages. The participants were 2 top executives and 35 employees of the company. **RESULTS:** A statistically significant improvement from Pre-ODI to Post-ODI in top executives' leadership styles and employee job satisfaction. ISC-ODI resulted in a new business strategy with the corresponding organizational structure and action plans co-created by all participating employees. **THEORETICAL/POLICY IMPLICATION:** Proposed new business strategy, organization structure and action plan could serve long - term company vision and goals of the company.

Keywords: Integrated strategic change, Likert's management systems, Vroom-Yetton-Jago normative decision model, leadership style, job satisfaction

กระบวนการเปลี่ยนแปลงเชิงยุทธศาสตร์แบบบูรณาการเพื่อพัฒนา_yothศาสตร์ทางธุรกิจ ภาวะผู้นำ และความพึงพอใจของพนักงาน

จุฬารณ์ นำชัยศรี

Grant Thornton Services Limited ปทุมวัน กรุงเทพมหานคร 10330

E-mail: n.julaporn@gmail.com

LeeHsing Lu

มหาวิทยาลัยอัสสัมชัญ, 592/3 รายคำแหงซอย 24 ถนนรามคำแหง หัวหมาก กรุงเทพมหานคร, 10240

ติดต่อผู้เขียนบทความที่ จุฬารณ์ นำชัยศรี, Grant Thornton Services Limited ปทุมวัน, กรุงเทพมหานคร 10330

E-mail: n.julaporn@gmail.com

วันที่รับบทความ: 29 พฤษภาคม 2564 วันที่แก้ไขบทความ: 11 มกราคม 2565 วันที่ตอบรับบทความ: 8 มีนาคม 2565

บทคัดย่อ

วัตถุประสงค์: เพื่อประเมินสภาพปัจจุบันของบริษัท ABC Management จำกัด เพื่อดำเนินการแทรกแซงการพัฒนาองค์กร (ODI) ด้วยการเปลี่ยนแปลงยุทธศาสตร์บูรณาการ (ISC) กลยุทธ์ โอกาส ความตั้งใจและผล (SOAR) และกรอบแนวความคิด Business Model Canvas และ เพื่อพัฒนา_yothศาสตร์ทางธุรกิจซึ่งตอบสนองต่อวิสัยทัศน์และเป้าหมายระยะยาวของบริษัท **วิธีการวิจัย:** การวิจัยได้ประยุกต์การสำรวจทักษะองค์กรของ Likert ความพึงพอใจในงาน ตัวแบบการตัดสินใจของ Vroom Yetton Jago การฝึกผู้นำ ปฏิบัติการ SOAR ในการวางแผนยุทธศาสตร์และแบบสัมภาษณ์กับโครงสร้างในการสัมภาษณ์ ประยุกต์ ODIS ในการประเมินลักษณะผู้นำของผู้บริหารระดับสูงและความพึงพอใจของพนักงาน รวมทั้ง การประเมินค่าภาวะผู้นำของผู้บริหารระดับสูง 2 คน กับพนักงาน 35 คน ของบริษัท **ผลการวิจัย:** พัฒนาการที่ดีขึ้นระหว่างก่อน ODI และหลัง ODI ต่อลักษณะผู้นำของผู้บริหารระดับสูง และความพึงพอใจในงานของพนักงาน ISC-ODI เป็นเหตุให้เกิดยุทธศาสตร์ธุรกิจ พร้อมด้วยโครงสร้างองค์กร และแผนดำเนินงานซึ่งสร้างโดยการมีส่วนร่วมของพนักงาน **นัยทางทฤษฎี/นโยบาย:** ยุทธศาสตร์ทางธุรกิจ โครงสร้างองค์กร และแผนดำเนินงานใหม่ที่นำเสนอ อาจช่วยให้การบริหารเกิดประสิทธิผลตามวิสัยทัศน์ และเป้าหมายของบริษัท

คำสำคัญ: การเปลี่ยนแปลงเชิงกลยุทธ์แบบบูรณาการ ระบบการจัดการของ Likert แบบจำลองการตัดสินใจของ Vroom Yetton Jago สไตล์ความเป็นผู้นำ ความพึงพอใจในงาน

Introduction

This present study was a case study of ABC Management Co., Ltd. (ABC), a financial consulting firm in Thailand that was established over 30 years ago. It was one of the leaders in raising funds via Initial Public Offering (IPO) and listing companies on the Stock Exchange of Thailand (SET) and the Market for Alternative Investment (MAI). Concentrating on only one product, the company was affected by the country's sluggish growth and the Volatility, Uncertainty, Complexity, and Ambiguity (VUCA) effect, which caused disruptive changes across the industries.

ABC Management company experienced stagnant growth over the past 4 years with a decline in revenue in 2019 and 2020. It had an ambitious plan to list on the SET, which required revenue to grow at least 200% over the next 5 years and at least a 10% net profit margin. In 2021, the company lost 20% of its staff including the top 3 executives.

ABC's strengths lied in its strong brand image and countrywide distribution network but concentration on a single product made it vulnerable to intense competition in the IPO market and economic conditions. The lack of a business strategy and implementation plan prevented the

company from realizing its long-term goal. Interviews of lower-level executives and initial staff surveys pointed toward the desire to switch jobs, inadequate leadership style, the need for product diversification, supporting organizational structure, a standardized performance evaluation system, human resource development as well as a succession plan.

Research objectives

1. To assess the current situation of ABC Management Company (Pre-Organization Development Intervention, Pre-ODI) in terms of strategies, leadership style, and job satisfaction.
2. To design and implement ODIs for new strategies to meet the listing requirements and growth ambition.
3. To determine the differences between Pre-ODI and Post-ODI on leadership style and job satisfaction.
4. To assess the relationship between Integrated Strategic Change, leadership style, and job satisfaction.

Review of related literature

Strategic management

Strategic management is the formulation and implementation of an organization's strategies based on the environmental factors to which the organization belongs in order to meet

the organization's vision, mission, and objectives (Alkhafaji, 2003). The strategic management process involves analysis of internal and external factors facing the organization, strategy formulation, and goal setting. The implementation phase focuses on the organizational structure, control, and feedback. Since 1960, many strategic frameworks and tools have been established to assist organizations in analyzing, formulating, and implementing their business strategies.

Strengths, Opportunities Aspirations, and Results (SOAR) Model

The Strengths, Opportunities, Aspirations, and Results (SOAR) Model is a strategic planning technique that helps business organizations create a vision of future aspirations and desired results by focusing on positive factors such as strengths and opportunities. If implemented effectively, SOAR helps to identify measurable actions needed to achieve the organization's vision. The SOAR model was developed by Jacqueline Stavros (Stavros & Cole, 2014) based on the appreciative inquiry concept of Peter Cooperrider. The output of a SOAR analysis is a set of actions based on the strengths and opportunities perceived by the organizations and their shared aspirations with measurable results.

Business Model Canvas (BMC)

BMC is a strategic planning framework introduced by Alexander Osterwalder, a Swiss business theorist based on his Ph.D. dissertation in 2004 (Osterwalder, 2004) and was developed into its current form in 2008 (Osterwalder & Pigneur, 2010). BMC template consists of 9 building blocks, organized into 4 groups as follows:

- Infrastructure (3 blocks)
 - Key activities: The activities or process required to deliver the product/service effectively.
 - Key resources required include qualified staff, equipment, permits, and licenses.
 - Key partnerships: suppliers, business alliances, strategic partners, etc.
- Offering (1 block)
 - Value proposition: The unique value that we create for the customers including the customer profile, pain points, pain relievers, or gains to be achieved from our product/service (Ching & Fauvel, 2013).
- Customers (3 blocks)
 - Segments: Which customer segment that we plan to serve mass market, niche market, specialized segment, etc.
 - Channels: The channels used to communicate and deliver our products/services such as online, own stores, distributors, omnichannel, etc.

- Relationships: How to maintain a relationship with old, existing, as well as to gain new customers.
- Finances (2 blocks)
 - Revenue streams
 - Cost structure

Integrated Strategic Change (ISC)

Integrated Strategic Change (ISC) is the change model that combines the strategic planning and the implementation process considering the organizational design and structure to correspond with the new strategy, social, and business environment (Cummings & Worley, 2008) as shown in Figure 1.

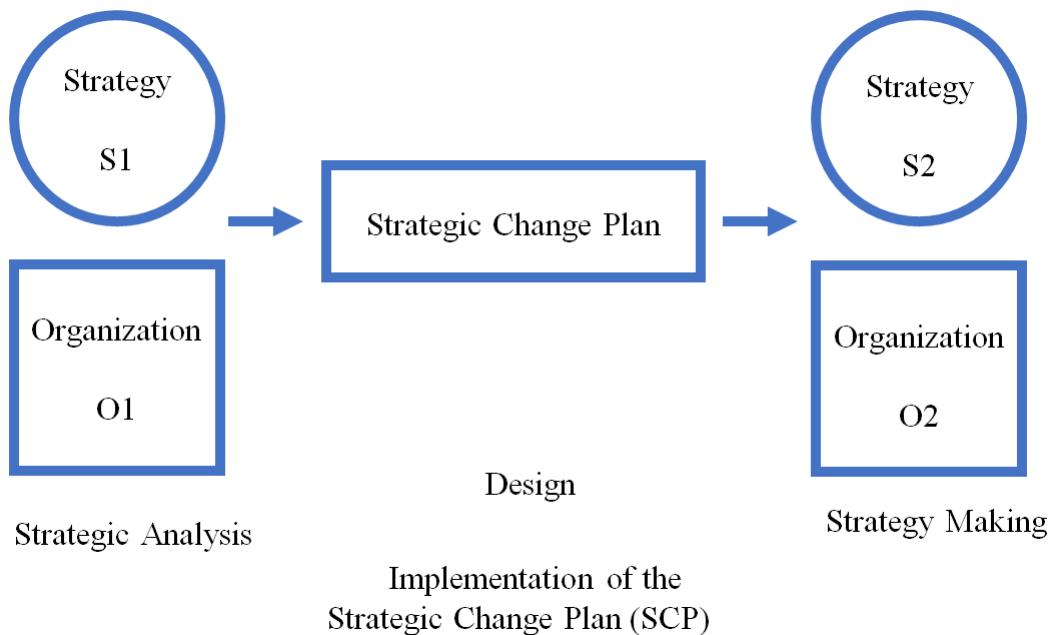


Figure 1 The Integrated Strategic Change (ISC) Model

The ISC process could be divided into four different stages, namely:

1. Strategy Analysis (Pre OD-Intervention), performance review, determines the effectiveness of the past strategy and identifies misfits

between strategy and organization design.

2. Strategy Making (OD-Intervention).

3. Design (OD-Intervention): Articulate a comprehensive change plan covering types of change, magnitude,

and timeline of the change activities and budget required.

4. Implementation (OD Intervention guideline only (not covered in this study).

Situational Leadership

First known as the Life Cycle Theory of Leadership, the theory was developed by Hersey and Blanchard in 1969 based on the assumption that there was no best leadership style for all situations. Good leaders would have to adapt their leadership style to suit both the development level of each individual and the situations. Therefore, effective leadership depends largely on the situation and the task required to do to best handle the situation.

Likert's Management Systems

Likert's management systems classified leadership styles into 4 categories (Likert, 1967 cited by Cummings & Worley, 2008), namely:

1. Exploitive authoritative systems (System 1) – The leader makes the decision alone.

2. Benevolent authoritative systems (System 2) – Master-servant relationship, little teamwork, motivation is based on a system of rewards.

3. Consultative systems (System 3) – There is a fair amount of teamwork, and communication occurs vertically and horizontally. The motivation is

based on rewards and involvement in the job—some discussion about job-related works.

4. Participative group systems (System 4) – High level of confidence in the team members and high level of teamwork, communication, and participation.

Vroom-Yetton-Jago Normative Decision Model

The model is based on a situational leadership theory first developed by Victor Vroom and Phillip Yetton in 1973 and later by Victor Vroom, and A.G. Jago in 1988. The Vroom-Yetton-Jago Model classified leadership into 5 different styles as follows:

1. Autocratic Type 1 (A1)

The leader uses the information he already has and makes the decision.

2. Autocratic Type 2 (A2)

The leader asks the team members for specific information, then makes the decision alone.

3. Consultative Type 1 (C1)

The leader shares the problem with individual team members, asking for opinions and then decides alone. However, the team members do not meet as a team, and the leader's decision may or may not reflect the team member's suggestions.

4. Consultative Type 2 (C2)

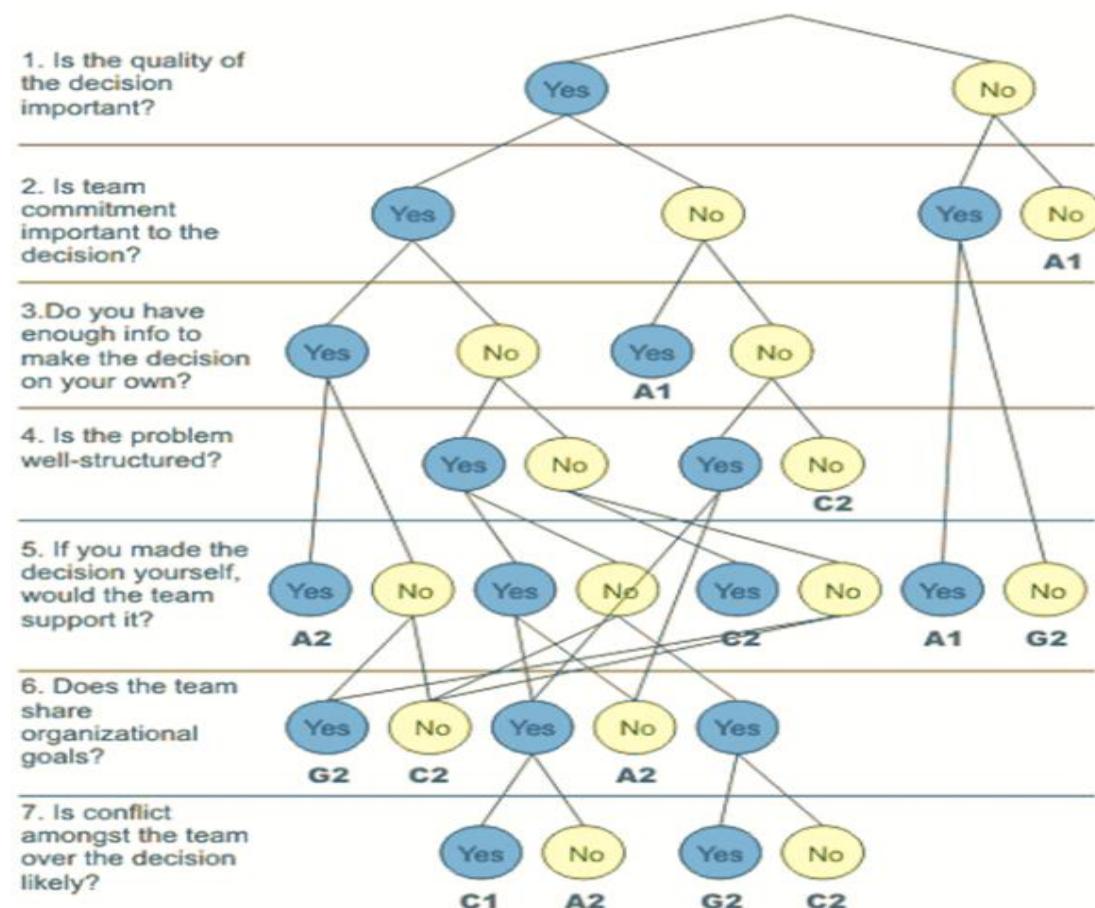
The leader shares the problem with some team members and asks for ideas and suggestions, then makes the decision.

5. Group-based Type 2 (G2)

The team makes a decision together. The leader accepts any decision and does not try to force his or her opinion. Instead, the leader plays a

facilitative role to help the team decide what everyone agrees on.

In this model, the leader will be asked to answer 7 questions. The classification of leadership style would depend on the positive or negative response to each answer as detailed in Figure 2.



Source: Samosudova (2017).

Figure 2 The Vroom-Yetton-Jago Decision Model

Job Satisfaction

Job satisfaction is the degree to which people feel positively and

negatively about their jobs. Satisfied employees increase the organization's productivity and create a positive

attitude in serving the customers, thus increasing customer satisfaction. Job satisfaction is defined as a combination of five aspects namely, colleagues, general working conditions, attitudes towards the education system, financial benefits, and supervision.

Conceptual framework

The conceptual framework shown in Figure 3 was based on the theoretical framework, which contends that the strategic management process consists of the creation of vision, mission, strategic objectives, strategic intent, and policies on the one hand; and the organizational structure, processes and systems and culture, on the other hand. Together they form

the components of the Strategic Orientation in the ISC framework.

The conceptual framework was hence designed to apply the ISC intervention, which is a form of transformational change, as the independent variable with the objective of formulating business that help the organizations to meet their vision, mission, and corporate objectives. The expected outcome of this ISC-ODI consists of an effective strategic change plan and a new leadership style of the top executives that would encourage employee participation in the decision-making process and enhance Employee Job Satisfaction as a result of the co-creation of strategies and organizational structure.

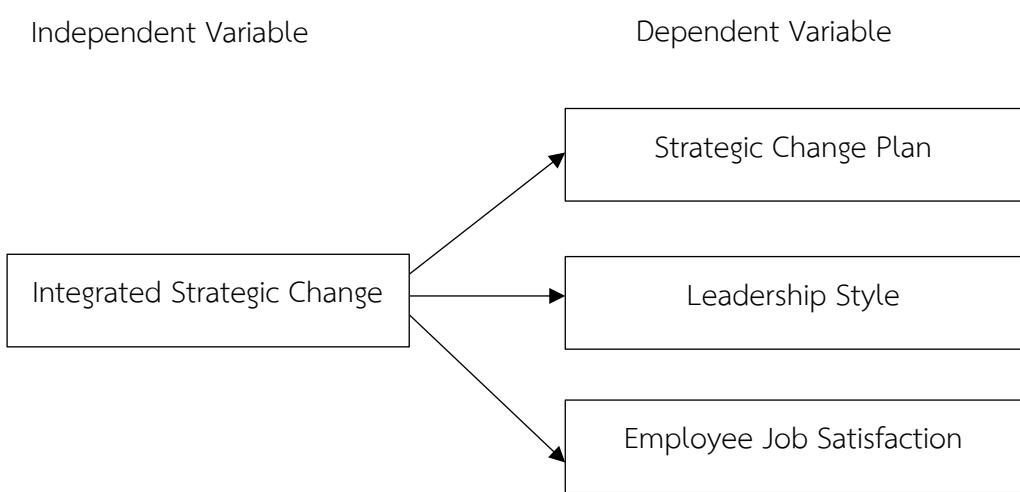


Figure 3 Conceptual framework

Figure 4 The research framework applied in the present study.

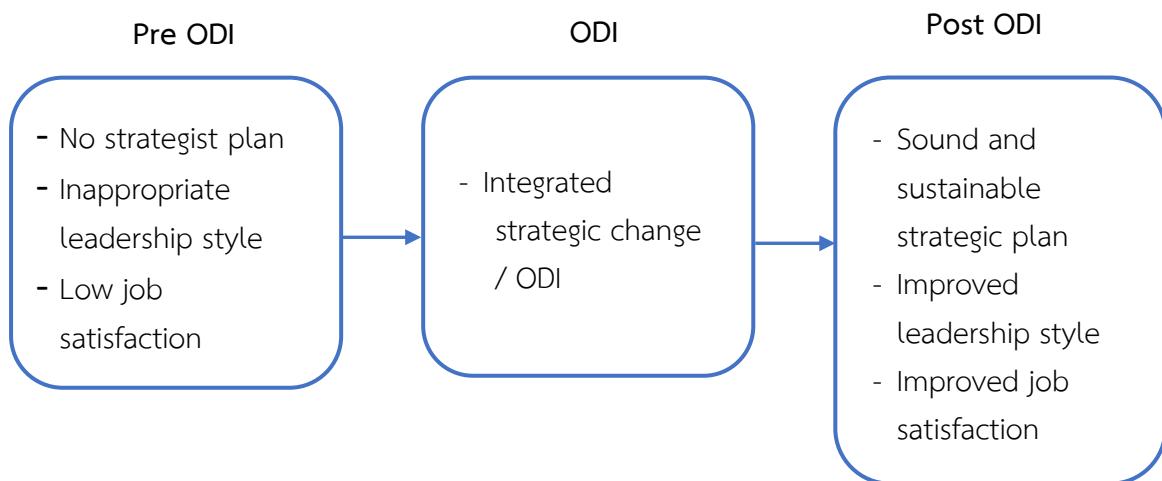


Figure 4 Action Research Framework

Research methods

Quantitative and qualitative approaches (mixed method) were applied. Structured interviews with key management personnel and strategic planning workshops were conducted together with relevant questionnaires to all employees both before and after OD interventions. The researcher created a modified ISC

framework by applying the SOAR and Business Model Canvas workshops in the Strategic Making Process and the development of Strategic Change Plan (SCP). 10 out of 13 steps of the Modified ISC framework illustrated in Figure 5 were completed during the period of study. The research instruments applied are listed in Table 1.

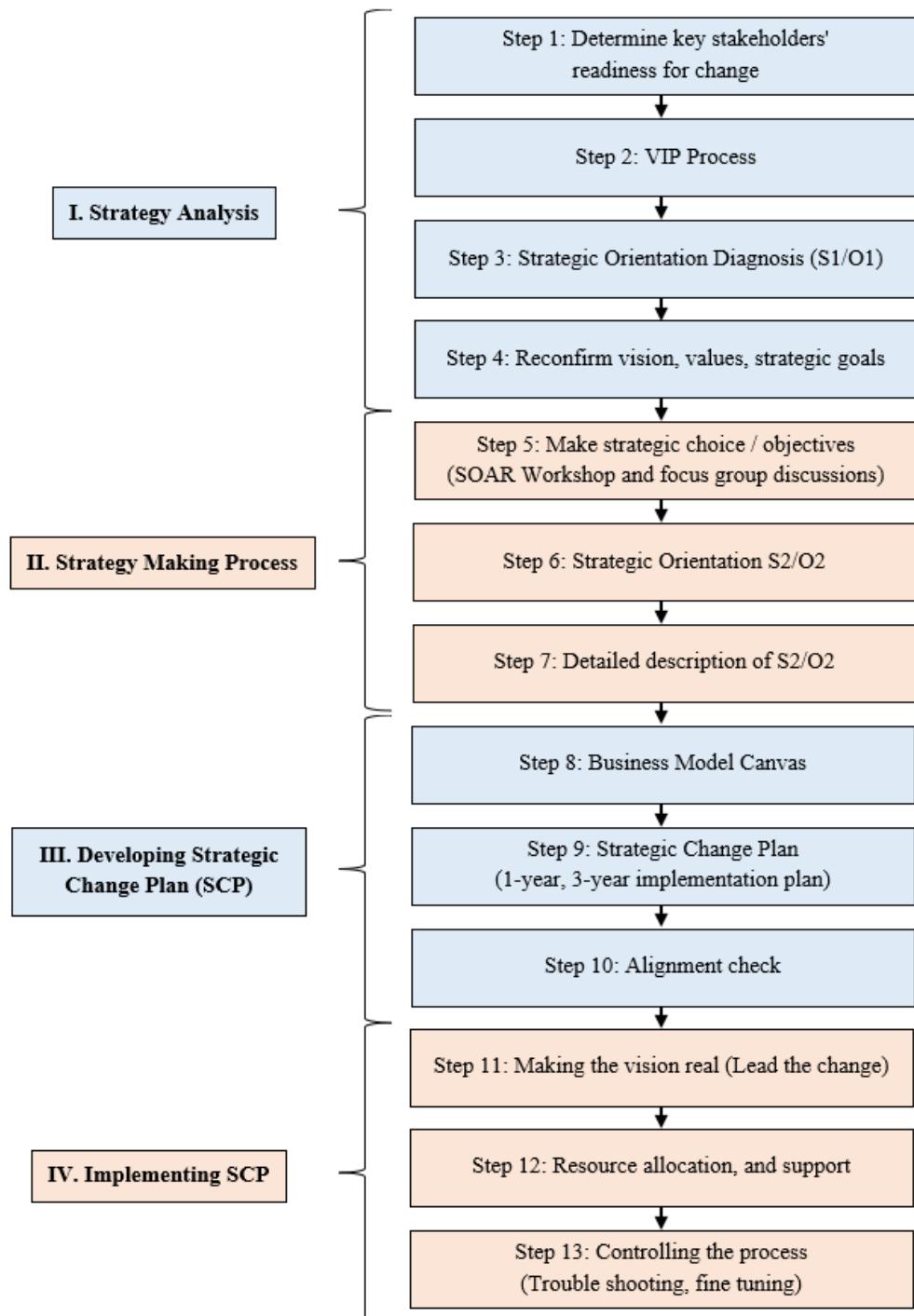


Figure 5 Modified Integrated Strategic Change framework

Table 1 Research instruments

Research Instrument	Construct Measured	Nature of Data	Respondents	Sample Size
Likert System Survey	Leadership style	Quantitative	All staff except Chairman & CEO	35
Decision-Making Tree Questionnaire	Leadership style	Quantitative	Chairman & CEO	2
Job Satisfaction Survey	Job Satisfaction	Quantitative	All staff except Chairman & CEO	35
SOAR Workshop/ Focus-Group Discussions	Strategic Planning Process	Qualitative	Top 15 executives (project champions)	15
SOAR Workshop/Team Building/BMC Training Session	Strategic Planning Process	Qualitative	All	35

Pilot testing for reliability and validity

Cronbach's alpha was used to test the reliability of the Likert System Survey and the Job Satisfaction Survey with the resulting scores of 0.6-0.9.

For the validity test, the researcher applied the Item-Objective Congruence (IOC) method to test the content validity by asking 3 expert validators to evaluate each question of the questionnaires. The results showed the IOC scores of 0.7-1.0.

Analysis of findings and discussion

Quantitative findings

A. Leadership Style of Chairman, and CEO (Pre-ODI/Ideal Situation)

Based on the questionnaire version modified by Dr. LeeHsing Lu

and Dr. NanThin Zar No, the results of the Likert System Survey on the leadership style of the Chairman and CEO Pre-ODI and the Ideal State are shown in Table 2. The Chairman's Pre-ODI leadership style was classified as a Benevolent authoritative system (2.51) in which there was little teamwork, and motivation was based on a system of rewards. However, the ideal leadership style preferred by the employees was a Consultative system (3.02).

As for the CEO, the Likert System Survey results indicated that he was a mild Consultative leader (2.77). The ideal situation was the same as that of the Chairman, which was a strong Consultative-style leader (3.07).

Table 2 A summary of findings between Pre ODIs and the Ideal Situation

Dimensions and variables	Pre ODI	Ideal	Pre ODI	Ideal	Mean
	Mean	Mean	S.D.	S.D.	Differences
Leadership style of Chairman	2.51	3.02	.460	.706	0.51
Leadership style of CEO	2.77	3.07	.410	0.640	0.30

B. Leadership Style Survey (Pre-ODI and Post-ODI)

The summary of findings between

Pre- and Post-ODI with paired sample statistics for leadership styles and job satisfaction are shown in Table 3.

Table 3 A summary of findings between Pre ODIs and Post ODI with Paired Samples Statistics

Dimensions and variables	Pre ODI Mean	Post-ODI Mean	Pre ODI S.D.	Post-ODI S.D.	t	Significant level
Leadership style of Chairman	2.51	3.07	.460	.197	-6.182	.000
Leadership style of CEO	2.77	3.19	.411	.137	-5.750	.000
Job Satisfaction	3.45	3.87	.731	.549	-5.264	.000

Hypothesis Testing**A. Research hypothesis 1**

H_{10} : There is no significant difference between Pre-ODI and Post-ODI leadership style (Chairman).

Paired t-test was used to test the improvement in the leadership style of the Chairman from the employees' perspective during the Pre- and Post-ODI periods. The result in Table 3 shows that there is a statistically significant improvement in the

scores between Pre-ODI (Mean = 2.51) and Post-ODI (Mean = 3.07) for the leadership style of the Chairman ($t = -6.182$, with p -value less than 5%). As such, the null hypothesis is rejected. It is also noted that the Post-ODI score was in line with the ideal situation preferred by the employees at 3.02 (Consultative systems 3/C2).

B. Research hypothesis 2

H_{20} : There is no significant difference between Pre-ODI and Post-ODI leadership style (CEO).

The result of the paired t-test in Table 3 shows that there is a statistically significant improvement in the scores between Pre-ODI (Mean = 2.77) and Post-ODI (Mean = 3.19) for the leadership style of the CEO ($t = -5.75$, with p-value less than 5%). As such, the null hypothesis is rejected. It is also noted that the Post-ODI score was in line with the ideal situation preferred by the employees at 3.07 (Consultative systems 3 /C2).

The rejection of the null hypothesis could be inferred that there is a causal relationship between ISC-ODI and the leadership style of the Chairman and CEO and proved the Action Research Framework to be valid.

C. Research hypothesis 3

H_{30} : There is no significant difference between Pre-ODI and Post-ODI job satisfaction.

The paired t-test result of the Job Satisfaction Survey in Table 3 shows that there is a statistically significant improvement in the scores between Pre-ODI (Mean = 3.45) and Post-ODI (Mean = 3.87) for employee job satisfaction ($t = -5.264$, with p-value less than 5%). As such, the null hypothesis is rejected and H_{3a} is accepted. The rejection of the null hypothesis hence could be inferred the causal relationship between the ISC-ODI and employee job satisfaction.

Qualitative findings on ISC-ODI, Leadership Coaching, and Feedback on Job Satisfaction

A. Integrated Strategic Change Process, activities, and outcome

Having gone through the 10 steps of the modified strategic change framework, the results could be summarized by the diagram shown in Figure 6.

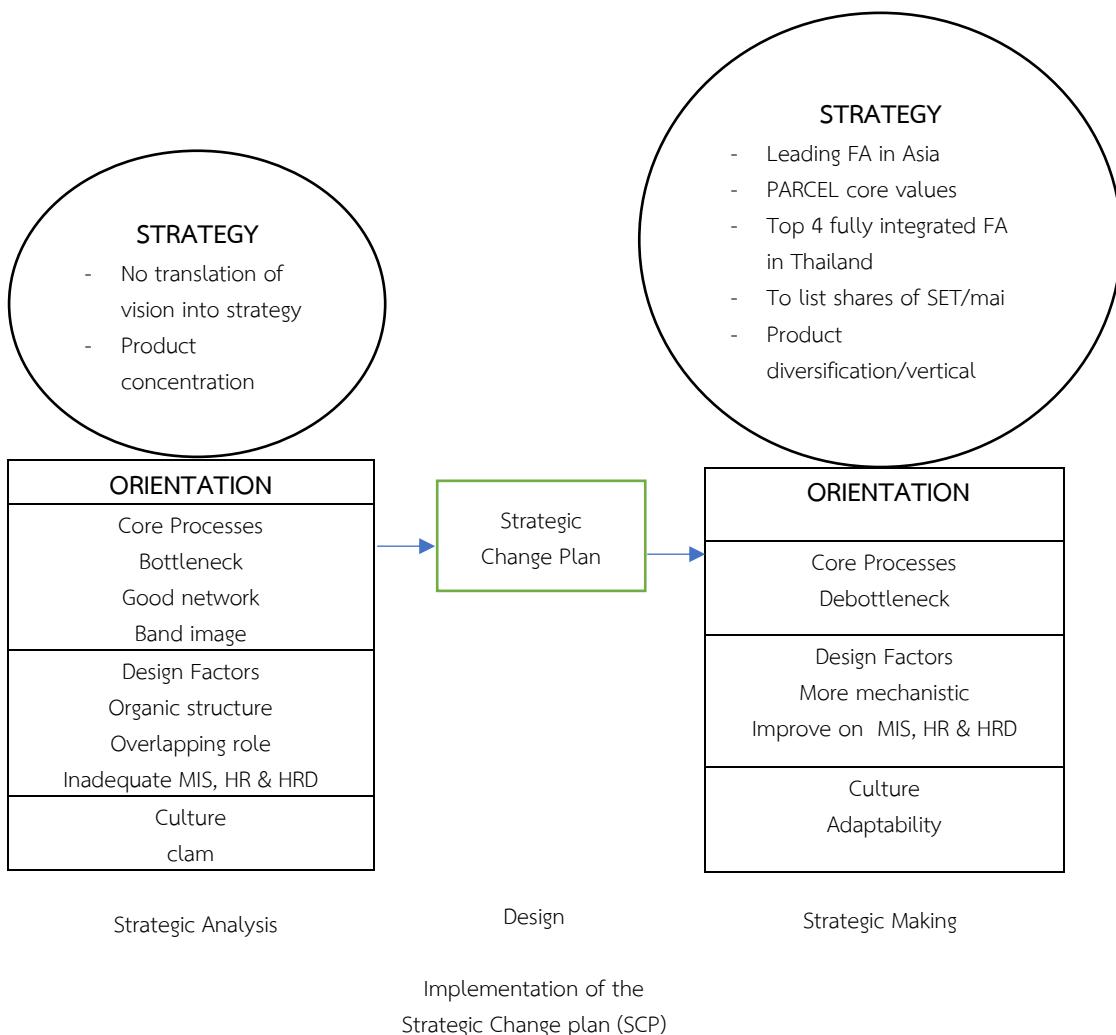


Figure 6 The ISC model with strategic orientation analysis

B. Developing Strategic Change Plan (SCP)

Following the strategic planning and the Business Model Canvas (BMC) workshops, the 7 working teams (3 senior-level officers, 4 AVPs, and below) were asked to present their respective BMC for both existing and new business lines. The

teams combined the plans into the company's 3-Year Activities Change Plan.

The proposed new business lines would add THB 124.77 million or 34% to the total ABC revenues by 2024 and would hence reduce the risk of product concentration by about one-third. The projected revenues are to grow up to THB 392 million in 3 years with an approximate

rate of 39% gross profit margin. At this rate, ABC should be financially qualified for listing on the stock exchange by year 4.

C. Leadership intervention

The Decision-Making Tree interview results in Table 5 confirmed the leadership style of the Chairman as Benevolent Authoritative which is comparable to Autocratic 2.

However, for the CEO, the Pre-ODI score indicated a mild Consultative leadership style as opposed to Autocratic from Decision Making Tree. A detailed response to questions number 4, 6, and 7 then showed an inclination toward his classification as an A2 leader.

The observed outcome of the ISC-ODI Intervention is summarized in Table 4.

Table 4 The observed outcome of the ISC-ODI

Research objectives	ODI	Outcome
Co-creation of new strategies by all employees	ISC-ODI workshops	Active participation by all employees, resulting in job satisfaction
Growth strategy development	ISC-ODI workshops	Strategic Orientation, 3-Year Activities Change Plan with projected 160% growth in revenue within 3 years and diversified service lines.
Qualified for listing on SET/mai in 5 years	ISC-ODI workshops	Close to THB400 million revenue projection by year 3 with 39% gross profit margin.
Improvement in leadership style, and job satisfaction	ISC-ODI workshops/Coaching sessions	Statistically significant improvement on Post-ODI Leadership and Job Satisfaction Survey Results and Content Analysis on Decision Tree Interviews.

Table 5 Comparison of results from Likert System Survey and Decision-Making Tree Interview Assessment

	Likert System Survey (Pre-ODI)	Decision-Making Tree (Pre-ODI)	Ideal (Pre-ODI)
Chairman	Benevolent Authoritative (System 2)	Autocratic 2 (A2)	Consultative (System 3)
CEO	Mild Consultative (System 3)	Autocratic 2 (A2)	Consultative (System 3)

Conclusion

The quantitative and qualitative results revealed significant improvement in the top executives' leadership style and employee job satisfaction because of ISC-ODI. The process involved the co-creation of the first-time ever Strategic Change Plan by the employees to serve the mutually agreed corporate vision and goals.

Unlike the strategic planning process of many corporations in which strategic planning is just an annual activity set by the executives to establish the future revenue and expense budget, the ISC process requires the participation and collaboration of all team members of the organization. With a combination of the Business Model Canvas, junior employees could come up with innovative ideas on unconventional business models and the supporting infrastructure. It is this active participation that creates good communication and a better understanding of the needs of all stakeholders as well as the willingness to implement the co-created strategy in achieving the shared vision and corporate goals.

This present research has met the objectives of assessing the relationship between the ISC-ODI, leadership style, and employee job satisfaction. The

company has been successful in the development of its first Strategic Change Plan with full participation from the employees and the process resulted in the improvement of leadership style, and employee job satisfaction at the Post-ODI stage.

Despite the positive outcome of the intervention, organization development is a continuous process, and the company must continue to improve by implementing the strategies and organizational plans to convert the company's vision into reality.

The implication of the study for the current theory

This was the first time that the Integrated Strategic Change (ISC) in combination with the Business Model Canvas framework was applied to prove the causal relationship between the leadership style and job satisfaction theories for a medium-sized consulting firm with limited resources as compared to major corporations. The research demonstrated that job satisfaction and participative leadership were made possible with employees' full participation in the strategic planning process. This practice could be replicated to help consulting firms develop strategies and organizational structures which are suitable to the

prevailing situation and resources while keeping employees happy with their careers and providing them the ability to co-create new business opportunities for their organizations

Limitations and recommendations for future research

This is a case study of only one consulting firm out of many. To generalize results for the financial consulting industry,

more case studies would be needed to reconfirm the positive impact of ISC-ODI with the full implementation of the Strategic Change Plan (which was not covered in this study). Cross-sectional studies in this area are also encouraged with the resulting classification of companies according to their group size (large, medium, small-sized consulting firms).

References

Alkhafaji, A. F. (2003). *Strategic management: Formulation, implementation, and control in a dynamic environment*. The Haworth Press, Inc.

Ching, H. Y., & Fauvel, C. (2013). Criticisms, variations, and experiences with business model canvas. *European Journal of Agriculture and Forestry Research*, 1(2), 26–37. <https://citeseerx.ist.psu.edu/viewdoc/download;jsessionid=7A76F43B9AC2A88563176A1DFB21E986?doi=10.1.1.452.1207&rep=rep1&type=pdf>

Cummings, T. G., & Worley, C. G. (2008). *Organization development & change, 9th edition*. South-Western Cengage Learning.

Osterwalder, A. (2004). *The business model ontology is a proposition in a design science approach*. http://www.hec.unil.ch/aosterwa/PhD/Osterwalder_PhD_BM_Ontology.pdf

Osterwalder, A., & Pigneur, Y. (2010). *Business model generation: A handbook for visionaries, game changers, and challengers (The Strategyzer series)*. John Wiley & Sons, Inc.

Samosudova, N. V. (2017). Modern leadership and management methods for development organizations. *MATEC Web of Conferences*, 106, 08062. <https://doi.org/10.1051/matecconf/201710608062>

Stavros, J. M., & Cole, M. L. (2014). SOARing towards positive transformation and change. *The ABAC ODI Journal*, 1(2), 10–34.