

Strategic Flexibility's Impact in Avoiding the Strategic Drift: Analytical Research in Hospitals of The Medical City in Baghdad (Research Extracted from An MA Thesis)

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ABSTRACT

The present research aims to recognize the role of the strategic flexibility in avoiding the strategic drift that may face the organizations' work being under the scope of this research , as well as indicates that there is a weakness in their strategic planning being clearly reflected in their performances and in their ability to face developments, especially in the field of technology, with a clear weakness in managers' strategic directions and their neglect of this vital role in monitoring and reviewing all the changes that occur in the business environment that they face during their work, which affect the planning and implementation of their strategies. The importance of this research has emerged by providing possible solutions to the problems and challenges that they face during performing their work according to the variables of the current study. Thus, two main hypotheses were identified, and several sub hypotheses were branched out of them for the purpose of testing the relationship and influence between the research variables. Moreover, the two researchers have relied on the descriptive and analytical method at presenting, collecting and analyzing the data.

This study was conducted on all hospitals in the City of Medicine in the Bab Al-Moazam area, which are (7) hospitals, and the study community reached (644) managers, and the questionnaire form was used as a tool of collecting the data. The exploratory and confirmatory factor analysis was conducted, besides the testing of the validity and reliability of the questionnaire. As a research sample (258) forms were distributed, and the total of the valid forms for statistical analysis reached to (243) forms. The current research reached a set of results, the most prominent of which was the existence of a positive relationship between the strategic flexibility and avoiding strategic drift.

Key words: *strategic flexibility, strategic drift, methods of avoiding strategic drift*

FIRST: INTRODUCTION

The complex and dynamic environment led to an interest in strategic planning in order to address all the problems and threats, which are facing the work of the organizations, so that they could achieve the goals that they are seeking. However, most of the organizations are continued to suffer from these threats despite their use of the strategic planning methodology, which was represented in spreading the strategic drift phenomenon being and occurred when there was a discrepancy or difference between the organization's strategy and the external changes surrounding it, as well as it might be caused by the managers' negligence in identifying and analyzing these changes, which give a warning to the organization that its adopted strategies are invalid.

thus, to avoid the strategic drift, the organizations are required to take proactive measures to deal with these changes that face their work through the use of methods such as (developing an early warning system, strategic recovery, organizational learning, strategic agility, and finally proactive change) especially when these changes in the environment are rapid. This is led to the interest of the researched organizations to focus on the strategic flexibility in order to respond better and faster to the changes that occur in the work environment, and their success or failure in the global market depends largely on their ability to understand, perceive and respond to the environments in which they are operating, where the advanced views of strategic management consider the strategic flexibility as a strategic presence in situations where it is difficult to anticipate what will happen in the environment, and we can summarize the research methodology as follows:-

1. Study's problem

The research's initial problem was embodied in the presence of weakness in the strategic planning, and this was clearly reflected in the performance of these hospitals, due to their inability to face the developments, particularly in the field of technology besides a clear weakness in the managers' strategic orientations. Based on the foregoing, the research's problem is crystallized with several questions which this current research tries to answer.

1. What is the level of availability of the strategic flexibility in the investigating organizations?
2. What is the availability level of the methods to avoid the strategic drift in the researched organizations?
3. What is the strategic flexibility relationship in avoiding the strategic drift?
4. What is the effect of strategic flexibility in avoiding the strategic drift?

2. Study's Importance:

The importance of the current study is determined by the following:-

- A- Giving an importance to the strategic flexibility and highlighting its important role in achieving the objectives of the researched organizations through implementing their actions and plans now and in the future, as they are the basis for raising their level of the performance and consequently they are avoiding the strategic drift.
- B - It is considered as one of the serious attempts that will be applied in the Iraqi environment, especially in the health sector, and the extent of its contribution to develop the field and apply aspect of the researched organizations.
- C- Clarify the problems and challenges that hinder the researched organizations in using the strategic flexibility in avoiding the strategic drift during providing the necessary mechanisms to address them.

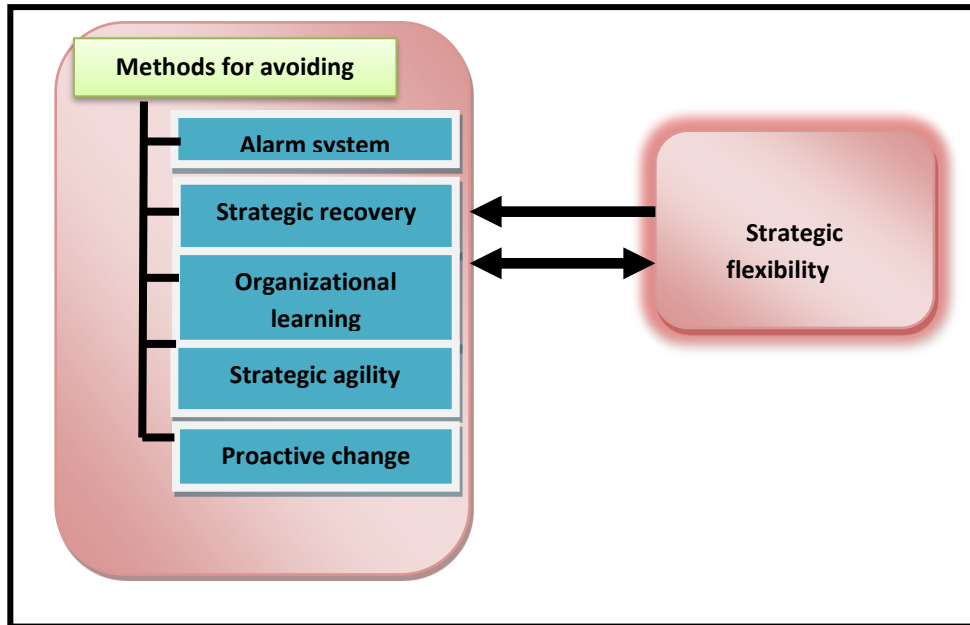
3. Study's objectives:

The current study seeks to achieve a set of objectives, which are embodied in the following:-

- A- What is the level of availability of the strategic flexibility in the researched organizations?
- B- Knowing the availability of methods to avoid the strategic drift in the researched organizations.

4. Research's model:

By defining the study's problem and achieving its objectives, a hypothetical scheme of the study was constructed for the purpose of knowing the strategic flexibility and its impact on avoiding the strategic drift through



5. The research's hypotheses:

The research begins its study by two main hypotheses:-

- A- There is a significant correlation between the strategic flexibility in avoiding the strategic drift.
- B- The strategic flexibility has a significant effect in avoiding the strategic drift.

6. Study's procedure and its limits:

The study procedure is described by the plan through which the methods and measures are defined and data are collected and analyzed. The descriptive and analytical approach was used because it is based on a comprehensive and detailed description of the problem of the study, and at the same time, a procedure by which the information and data are collected to define the problem, which is analyzed and to know the type of the relationship and influence between the dimensions of the main and sub-variables.

7. Study's community and Sample:

It includes all the hospitals of the Medicine City in Bab Al-Mozam, which are: Baghdad Teaching Hospital, martyr Ghazi Hariri Hospital for Specialized Surgery, Protecting children teaching Hospital, Teaching Hospital for Diseases and Gastrointestinal Surgery, Specialized Oncology Hospital, Private Nursing Home Hospital, and Specialized Burns Hospital. For determining the sample size, the stratified random sample method was chosen from the intended community (243 managers) including

hospital directors, department directors, divisional directors and unit directors because they are the most knowledgeable and experienced with the study's variables, and for their administrative and scientific level that they possess, in addition to their competencies in the job.

SECOND: STRATEGIC FLEXIBILITY

We live in a turbulent and fast-moving environment that is not stable, which requires from the organizations to give a clear importance to these changes that surround them by focusing on the strategic flexibility, which expresses the organization's ability to adapt and harmonize with changes in the external environment, and make its activities normal in dealing with problems and changes concerning the organizational strategies and structures (Ababaker, Wali & Abdullah, 2019: 455). (Aaker, 2000) defined the strategic flexibility concept as the ability of the organization to adapt to the changes that are surrounded it, and has a great impact on the performance of the organization, and regardless of this uncertain change, the organization shall be required to use its resources to predict and control these changes. But(Mullis and others) emphasized that the strategic flexibility is gained through the organization's reliance on available assets, in other words, although the

organization possesses the resources, it requires looking forward to secure those resources, and the competencies through which they can create alternatives for them (Asihkia 2006:50). Moreover, (Evans, 1991) added a proactive dimension when he was thinking about the strategic flexibility, in which he emphasized that the strategic flexibility does not include the ability to respond to the changes only, but rather its proactive ability is to identify the risks to which it is expected (Johnson 2003:76).

Abbot (2003) described the strategic flexibility into three types, and as follows:-

1. Market Flexibility: It represents an organization's ability to restore its efforts in response to environmental change within a short period of time.
2. Production elasticity: It represents the ability of the organization to provide goods and services within a short period of time at lower and more competitive costs.
3. Competitive flexibility: It represents the ability of the organization to compete with competitors in the environment, which is characterized by intense competitors, and uncertainty (Abbot 2003:3).

As for the importance of the strategic flexibility, most of the organizations have recognized the importance of the strategic flexibility as it is the lifeline that they stick to under the conditions of the rapidly changing environment. Therefore, it was considered as a condition to raise its capacity in the face of challenges in the environment and to keep pace with the needs and desires of customers, (Al-Sawalha, 2015: 22) and to determine the speed in providing services, and here it is providing great value in this concern. It also increases the efficiency, effectiveness, and strategic plans of the organization that oblige it to make adjustments to it, and assist the senior management in taking the right decision in a way that contributes to achieve the customer satisfaction, and develop new markets that are the main key for organizations to get rid of the state of stagnation, immobility and diversity in the strategic options (Mohsen, 2018:35).

THIRD: STRATEGIC DRIFT'S CONCEPT

Johnson (1988:75) defined the term "strategic drift" as a discrepancy between the changes in the organization's strategy and changes in the external environment. Thus, his research started through the logical hierarchy that

includes a certain management philosophy, as it is assumed that the strategy does not appear through a single decision taken once, because these decisions are not taken arbitrarily, but they are relying on the logic that depends on a deep analysis of the motivations in the environment, where the managers build their ideas and understanding of the environment through the external motivations and then work gradually to adjust the strategy after an unconscious vision. Thus, the development of the strategy path gradually moves away from changes in the external environment, which leads to the strategic drift. According to (Porter 1996), the strategies gradually fail to confront and address the strategic situation of the organization, consequently they are leading to a deterioration in the organization's performance due to its failure to keep pace with the changes in the environment (Al-Jubouri, 100: 2019). White (2004: 8) and Hills & Stewart (2007: 48) defined the strategic drift as the gap that occurs between the organization's strategies being implemented, which is away from its changing environment, while both researchers (Johnson et al 2008: 179) and (Bonnici 2014: 1) describe the gradual deterioration in competitive procedures resulting from the failure of the organization to accept and respond to the changes that occur in the external environment, are among the most important reasons that lead to strategic drift:-

1. Senior management's weakness: the organization is often engaged in running its routine business and does not pay any attention to the importance of the changes that occur in the demand for its products or services, and consequently, this leads to its drift. For avoiding this problem, there must be an interest on the part of the management in the new technology through which it can make the organization better and enable it to face the challenges in the external environment, but in the event that no action is taken, this will lead to the organization's drift (Al-Jamri, 2016:2).
2. The difference in the change in the organization's strategy from the changes that occur in the external environment surrounding the organization (Johnson, 2005:5).
- 3.

The environmental change may not always be gradual enough to be in harmony with the gradual change, and this makes the gradual change lagging behind the environmental change, so the organization becomes inconsistent with its external environment at a time when

it needs many basic changes (Dwyer & Edwards 2009: 327).

- 4. Lack of the organizational flexibility with a weak ability to make the changes when it is necessary.
- 5. The techniques of success are useless and inconsistent with the set goals (Alshebli 2016: 9).
- 6. The leadership's short-sightedness is realizing that adjustments to its strategies are not enough to keep pace with the environmental changes (Dziri 2011: 20).
- 7. Realizing the problem too late: the managers are sometimes afraid about the change and what they think that a successful strategy may need a long period of time (Joudat 2020:68).

As for the factors of strategic drift, they are divided into two parts:-

A. Internal factors: These factors include poor senior management performance, poor cost control, and organization's used philosophy, misuse of the organization's resources, as well as organization's poor internal investment and finally making some changes that are not understood by the organization's strategy, while Bonnici (2014) stressed that the inflexible culture is one of the most important factors of strategic drift (Jubouri 2019:105).

B. External factors: The factors that are surrounded the

organization and affected its performance significantly, they include economic, political, social and technological changes and at the same time changes that may occur in the market structure with the entry of new competitors, changes in competitors' positions, competitive innovations, changes in customer expectations (Wilson & Gilligan 2005:475).

FOURTH: ANALYSIS OF RESULTS AND THEIR INTERPRETATION

1. Presentation of the analysis results related to the coefficient of variation

By table (1) we can display and analyze the results related to the variation coefficient for the independent variable of strategic flexibility, the dependent variable related to the methods of avoiding the strategic drift with its five dimensions (Development of an early warning system, strategic recovery, organizational learning , strategic agility and anticipatory change) to find out which of the main variables and their dimensions have less difference from the studied sample, and it is clear from the following table the arrangement of these variables and the dimensions according to the difference coefficient index.

Table (1) the arrangement of the variables and the dimensions according to the variation coefficient

Changes	Variation coefficient	Dimensions	Ranking due to variation coefficient	Variation coefficient	Ranking due to variation coefficient
	19.2		second	19.2	Independent variable (strategic flexibility)
Fifth	23.2	*Development of an early warning system	first	18.4	The related variable (avoidance of strategic drift)
Third	21.2	*Strategic recovery			
Fourth	21.3	*Organizational learning			
First	19.4	*Strategic agility			
second	20.2	*Proactive change			

Source: Prepared by researchers based on the results of statistical analysis

With regard to the independent variable for the strategic flexibility, the coefficient of variation reached (19.2) and ranked second in terms of differences among the main variables, as for the second main variable, the related variable (methods of avoiding strategic drift), the coefficient of variation reached (18.4) and ranked first with regard to the differences among the main variables. As for the dimensions of the variable (methods of avoiding strategic drift), the dimension (strategic agility) ranked first, and has the lowest coefficient of variation which was (19.4), the dimension (proactive change) ranked second, with the variation coefficient reaching (20.2), and the dimension (strategic recovery) came in the third place, with the variation coefficient reaching (21.2), while the dimension (organizational learning) came in fourth place with variation coefficient reaching (21.3.), and finally the fifth place was obtained by the dimension (early warning system development) with the variation coefficient reaching(23.2).

2. The nature of the correlations between the study variables

By table (2) it is possible to know the nature of the relationship between the independent variable (strategic flexibility) and the dependent variable (methods of avoiding strategic drift) depending on the Kendall correlation coefficient and as follows:-

Table (2) shows the values of the Kendal correlation coefficient between the independent variable (strategic flexibility) and the second major variable, avoiding strategic drift and its dimensions

Methods for avoiding strategic drift	Proactive change	Strategic agility	Organizational learning	Strategic recovery	Developing an early warning system	
0.438	**0.362	**0.366	**0.390	0.417	**0.399	Strategic flexibility
0.000	0.000	0.000	0.000	0.000	0.000	P-value
Moral	Moral	Moral	Moral	Moral	Moral	significance level at 0.01 moral level

Source: Prepared by researchers based on the results of the electronic calculator

The Kendall correlation coefficient illustrates the nature of the correlations between the independent variable of the strategic flexibility and the second major variable (methods of avoiding strategic drift and its dimensions, the early warning system development, the strategic recovery, the organizational learning, the strategic agility and proactive change) where the Kendall correlation coefficient recorded a positive significant correlation between the independent variable(strategic flexibility)with methods of avoiding strategic drift (development of an early warning system , strategic recovery , organizational learning , strategic agility and proactive change) as it reached an amount of (0.362 0.366, 0.390, 0.417, 0.399) respectively and as shown in the below table which is a significant correlation at moral level (0.01) if P-value was (indication level) less than a moral level, therefore, there is a significant correlation, and this indicates a positive relationship between the strategic flexibility and each of (developing an early warning system, strategic recovery, organizational

learning , strategic agility and proactive change), as for the type of relationship, it is a positive relationship, that means, when the strategic flexibility is increased, (the development of an early warning system, the strategic recovery, the organizational learning, the strategic agility and proactive change) are increased too, and this is a justification in order to accept the first main hypothesis. The independent variable (strategic flexibility) achieved a significant correlation with the second major variable (methods of avoiding strategic drift), where the Kendall correlation coefficient reached (0.438), which is a positive significant correlation at a moral level (0.01) if P-value was (indication level) less than a moral level therefore, there is a significant correlation.

3. Nature of the influence relationships between study's variables

Table (3) shows the results of regression analysis of the strategic flexibility's impact in avoiding the strategic drift through its methods (developing an early warning system ,strategic recovery , organizational learning,

strategic agility and proactive change) and it notes that the strategic flexibility achieved a significant effect with all methods of avoiding strategic drift, i.e. there is a significant impact relationship between the strategic flexibility in the related variable (developing an early warning system, strategic recovery, organizational learning, strategic agility and proactive change), if the calculated value of (F) was (86.340, 111.026, 96.087, 78.424, 84.674), respectively, greater than the tabular value at indication level (0.05, 0.01) and below the degree of freedom (1, 241), (R^2) explained as its percentage (26%, 31%, 29%, 25%, 26%), respectively, of the amount of resulted contributions in (developing an early warning system, strategic recovery, organizational learning, strategic agility and proactive change). The value of (β) reached to (0.42, 0.501, 0.478, 0.487, 0.486), respectively, indicating that the change in the strategic flexibility by one unit leads to an increase in (developing

an early warning system, strategic recovery, organizational learning, strategic agility and proactive change) by (0.424, 0.486, 0.487, 0.478, 0.501) respectively. Since the value of (β) is positive, this means that the effect of strategic flexibility is positive in avoiding strategic drift through its methods. As for the strategic flexibility's impact on the variable of avoiding the strategic drift, where the results are recorded, this means that there is a significant impact relationship, as the calculated value (135.701) is greater than the tabular value at indication level (0.05, 0.01) and below the degree of freedom (1, 241), whereas (R^2) which ratio is (36%) of the amount of the resulted contributions to achieve the strategic drift, as the value of (β) is reached to (0.624), indicating that the occurred change in the strategic flexibility by one unit leads to an increase in the achievement of avoiding the strategic drift by (0.624), and this indicates acceptance of the second main hypothesis.

Table (3) shows the results of an independent variable impact of the strategic flexibility in avoiding the strategic drift with its methods

Indication level (0.05)	(F) calculated value	(R ²) coefficient value	(beta) coefficient value	Constant value(a)	Dependent variable	Independent variable
moral	86.340	%26	0.424	1.958	Developing an early warning system	Strategic flexibility
moral	111.026	%31	0.501	1.673	Strategic recovery	
moral	96.087	%29	0.478	1.767	Organizational learning	
moral	78.242	%25	0.487	1.739	Strategic agility	
moral	84.674	%26	0.486	1.755	Proactive change	
moral	135.701	%36	0.624	1.269	Methods for avoiding strategic drift	

Source: Prepared by researchers based on the results of the electronic calculator

* The tabular value of (F) is below the indication level (0.05) and the degree of freedom is (241, 1) = 5.02

* The tabular value of (F) is below the indication level (0.01) and the freedom degree is (241·1) = 7.88

FIFTH: CONCLUSIONS

In this paragraph, the most important conclusions that the researchers were able to come out with through the results of the statistical analysis in the previous mentioned paragraphs, and as follows:-

1. The results of the statistical analysis showed that the organization possesses strategic flexibility in facing the challenges that it faces, and it is the opposite of what was reported by the non-structured interviews, and this indicates that the investigated organizations are unable to cope with the challenges they face in the work

environment, and are unable to exploit the areas of strength that they possess towards the opportunities in the external environment. 2.

The researched organizations have methods to avoid strategic drift (developing an early warning system, strategic recovery, organizational learning, strategic agility, and proactive change). 3.

The results of the correlation analysis confirmed the effective role of strategic flexibility in avoiding the drift of the researched organizations, and this indicates acceptance of the first main hypothesis. 4.

The results of the influence relations were consistent with what was mentioned. This confirms the contribution of the strategic flexibility in avoiding strategic drift, and this indicates the acceptance of the second main hypothesis. 5.

The organization's inability to take any action about the changes that take place in the work environment is considered as one of the main causes of its drift.

SIXTH: RECOMMENDATIONS

1. The trend towards the use of modern technologies and methods in which the organization operates, so that it could be able to keep pace with technological developments that happen in the world. 2.

The researched organizations need to have the ability to anticipate and predict the changes that occur in the work environment and keep pace with them as a proactive step. 3.

The researched organizations should develop a flexible environment in which they can participate with individuals in order to listen for their opinions, because it is considered as an important factor that helps them in dealing with any expected strategic drift. 4.

To ensure that strategic drift is effectively addressed, there must be an interest in the strategic planning, rather than keeping on the followed strategy, which leads to a worse situation.

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