

The Impact of Strategic Thinking on Human Resources Development Strategy

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This study aims to identify the impact of strategic thinking on human resources development at one of the government organisations in Jordan. The study population consisted of 3,466 employees from different organisational levels. A total of 300 participants (e.g. from managers and their assistants to department heads and supervisors) were randomly selected. Strategic thinking competencies, such as vision-oriented, and innovative and systemic thinking, affect the overall human resources development strategy significantly. In addition, this study recommended managers to focus more on strategic thinking to enhance their human resource capabilities and concentrate on developing and empowering human resources.

Keywords: *Strategic thinking, Human resource development, Government organisations, Jordan.*

Introduction

Organisations do not live in a vacuum. That is, organisations work in an environment that shapes their actions and framework (Abdalla, Aziz, & Johari, 2015). Changes, and their pace are important components of any situation. Also, organisations typically face considerable changes that lead to different situations, such as opportunities, and threats (Ghafarian & Kiani, 2010). In the Harvard University Review, Clemons and Santamaria (2002) characterised the twenty-first century business environment with dramatic transitions, transient incentives, confusion, and chaos.

In chaotic situations, the laws of play are changing constantly and have no lasting benefit for the company, except for the continuous adaption to the environment, which means changing

the behavioural features for a beneficial and productive purpose in different environmental conditions (Ghafarian & Kiani, 2010). However, a good strategy is the key need of any company.

Organisations should have a clear view of how they plan to differentiate their products and offerings from other rivals for various customers. Otherwise, they will be defeated in an extremely competitive environment. In the past, performance was probable because the number of competitors and businesses were limited. However, traditional tactics are dismissed simply and cruelly nowadays. According to organisations, they should find a way to build and increase incentives instead of reducing or eliminating losses. As mentioned earlier, successful managers in today's world refer to those who can understand and take advantage of the opportunities to respond to environmental changes. The term 'strategic thinking' was firstly proposed at the beginning of the nineteen-nineties because the traditional methods for strategic preparation failed to predict and create a future for management literature (Nasi, 1991).

From the point of view of Heracleus (1998), strategic thinking means to develop new and innovative principles that can rewrite the rules of play, and build a possible view of the future that is significantly different from that of the present. According to Ghafarin and Kiani (2010), strategic thinking is often incorporated as insight and understanding that enables a human being to know which variables are effective and ineffective in achieving success (Ghafarian & Kiani, 2010). A thinking approach is an essential tool. Thus, nowadays, Chief Executive Officers should be armed with this instrument. This approach is regarded as a trump card in the social and economic realms that allow executives to assess the threats, benefits, and costs related to their actions. Strategic thinking is more concerned with strategy as an art than with a mechanism, and analytical dimension. It is also recognised as an effective approach to corporate leadership in today's evolving, but not forecasting setting.

This strategy can be advantageous for a company (Arayesh, Golmohammadi, Nekooezadeh & Mansouri, 2017). In the new era, policy preparation has ended, and its position has been transferred to strategic thinking. Many positive and beneficial approaches can be applied in this field. Thinking and proactive preparation should have a function that is similar to play. In this approach, thought provides a perspective, and strategy preparation is used to clarify and leverage the possibility (Arayesh et al., 2017). Some scholars described strategic thinking as 'an intuition and understanding of the present position to take advantage of opportunities'. In other words, the use of strategic thinking is a way to consider opportunities. Intuition or clear understanding of the current situation allows managements to understand the realities of the business and its laws and enables them to develop new and useful approaches. This research analysed the importance of applying the strategic thinking approach to enable organisation managers to maximise opportunities and address threats safely. Engaging in deep

commitment to reach organisational goals increases the need to use strategic thinking, which will lead organisations to excellence and human resource development.

Problem Statement

Governmental organisations are investing great amounts of money and time for the sake of developing human resources because there is no consistent support that these investments will yield positive impacts on the overall performance of the governmental organisations which is provided. Many studies demonstrated the positive impact of strategic thinking in human resource development activities upon the overall performance of a governmental organisation (Garavan, Costine & Heraty, 1995; Macky & Boxall, 2007). Furthermore, several studies did not find a bonding link between the strategic thinking in human resource strategies, and the overall governmental organisational performance which was observed (Combs et al., 2006); otherwise, the link is vague (Bartlett, 2001). Each study included the dissimilarities that constitute on the overall governmental organisation performance, and strategic thinking human resource development strategies. The main purpose of this study is to explore whether strategic thinking affects the human resource development strategies in Jordan.

Literature Review

Although two decades have passed since the introduction of strategic thinking theory in the strategic field, the literature has mostly been theoretical and empirical, and quantitative research in this area has been limited. Although the idea of strategic thinking has persisted in the literature for more than a quarter of a century, it has been incorrectly generalised to other facets of the creation of organisational action, such as ‘strategy’, ‘strategy management’, and ‘strategy preparation’ (Liedtka, 1998). The issue has two origins. Firstly, the discrepancy between theoreticians on how to construct organisational approaches. Secondly, the lack of a clear definition of strategic thinking in an abstract context (Goldman & Casey, 2010). Bonn (2005) suggested that the current disparity in the interpretation of strategic thinking is the result of a lack of awareness of this general concept, and a restricted growth of corporate leaders. Strategic thinking is slower, more complex, and more problem-oriented than practical activities, and its elements are studied reflectively and not in terms of experience (Goldman & Casey, 2010). Some theoreticians incorporate individual views and present strategic thinking as behaviour, such as organised vision, strategy setting, brilliant use of potential, time-frame thought, hypothesis-based approach, and evaluation (Liedtka, 1998). Abraham (2005) suggested that strategic thinking was similar to defining viable approaches or business models that were portrayed to valued customers.

Strategic thinking is the process of finding new ways to compete and create value for customers. Therefore, strategic thinking can be characterised as an alternative way or business model that creates value for consumers (Abraham, 2005). A person who applies strategic thinking (i.e. implementation of the policy) conducts research to establish the approach, such as analysis and questioning, issue, conceptualisation, and research (Goldman & Casey, 2010). After studying literature and history, Goldman and Casey (2010) described strategic thinking as conceptual, system-oriented, tactical, and opportunity-oriented thinking, which will result in new and creative organisational strategies.

Strategic Thinking Competencies

The origins of strategic thinking for organisations began in the early twentieth century. The most basic strategic thinking methods were developed between 1960, and 1990. According to Allio (2006), when strategic thinking flourished, as indicated by Lin et al. (2016), strategic planning was first introduced in the nineteen-fifties. Subsequently, it shifted its focus on strategic management until it reached strategic thinking.

Liedtka (1998) found that the term ‘strategic thinking’ became common in the area of the strategic approach. The term strategic thinking is used not to focus on a single type of thinking and features, but to describe a systematic thinking of planning. Strategic thinking is a way to solve practical challenges that incorporate logical and convergent methods with creativity, as well as focussed analysis (Bonn, 2005). In other words, Abraham (2005) described strategic thinking as the process of finding new ways to compete and give customers interest.

In addition, Karğın and Aktas (2012) found that strategic thinking capabilities mainly consisted of three skills: analytical thought, observation, and reframing. In addition, Moon (2013) described four strategic thinking capabilities: systematic, innovative, vision-oriented, and market-oriented thinking. In the current study, the researcher adopted a method that was specified by Moon (2013) to measure the major competencies of strategic thinking by measuring the first three competencies, for which they are considered the most appropriate for the current study.

Innovation Thinking Competence

Innovative thinking is a dynamic and purposeful mental operation guided by a strong desire to seek solutions or to arrive at original products or services, which were not known previously. Creative thinking is defined by comprehensiveness and difficulty because it includes cognitive, emotional, and ethical overlapping elements that constitute a specific state of mind (Jarwan, 1999). It has been described as a mixture of abilities, strategies, and

personal characteristics that can be elevated to mental processes, if an adequate atmosphere occurs to achieve original and useful results for the individual's previous experience, and for the experience of the organisation (Jarwan, 2002).

Therefore, the opportunity to use innovative thinking represents the creation of many possibilities and the likelihood of being exposed. clarified this point: 'Without innovative thinking, we cannot make full use of the knowledge and experience that is normally available to us, and thus we are trapped in old structures, outdated habits, traditional ideas, and vague expectations'.

Vision-oriented Thinking Competence

Al-Naimi (2003) defined vision-oriented thinking competence as an important potential exploration. The expectations of strategists are embodied in the desired state of the future of the company (David, 2009). In addition, Al-Naimi described the skill of vision-oriented thought as a collection of large and comprehensive expectations to characterise the exploration of the future with the precision of the methods used to achieve desired goals. The same direction is compatible with the statements of Johnson and Scholes (2008), as the relation between vision-oriented thought ability, and strategic purpose reflects the strategists' point of view, which is the ideal circumstance for the future of the business organisation. Consequently, the vision-oriented thought that pervades the company enhances and improves engagement instead of embracing and establishing the attitude of the culture that infiltrates the organisation, as a whole. It also increases the creativity or understanding of individuals and creates a direction that encourages individuals to participate in such ways. The skill of vision-oriented thought at the higher level helps give meaning, and provides guidance during decision-making (Liedtka, 1998)

Systematic Thinking Competence

Strategic thinking is described as a shift away from the view of an enterprise, as a divided society made up of separate parts that compete for resources to be seen and interacted with, as a comprehensive system that incorporated each component into a partnership. This definition requires the ability to get away from the problems of daily work, and notice how various situations and critical topics are related to one another. For example, a cure that impacts a particular area has the same effect in other areas (Liedtka, 1998). In any case, this holistic view of the company needs a comprehensive awareness and control of its internal and external complexities, particularly the issue of how organisation managements act to change over time, and the complexities of input that led to such adjustments. These circumstances include recognising how organisations become part of large and complex structures (Stacey, 2007).

Organisational Development Strategy

The creation of investment resources allows businesses to create competitive advantage and wealth. Most businesses struggle to inspire people to seek entrepreneurship opportunities, thereby reducing the competitive advantage of the company (Day & Wendler, 1998). Entrepreneurs can leverage opportunities to create a temporary advantage rather than a permanent one. This situation occurs when businessmen are not effective in handling capital strategies, thereby posing difficulties in a sustainable and lasting edge (Hitt, Ireland, Camp, & Sexton, 2001). As a consequence, performing opportunity-related (e.g. entrepreneurship), and advantage-related (e.g. plan management) activities become necessary to create capital. However, one opportunity is not adequate (Amit & Zott, 2001).

Hitt et al. (2001), and Ireland et al. (2003) discovered that entrepreneurship policy consists of competitive entrepreneurship. Enterprises may receive incentives, but they are not in the position to maximise them. Thus, future capital is not generated, and beneficiaries are not awarded with their privileges. Consequently, companies that demonstrate competitive advantage but are unable to identify new prospects pose challenges, such as market changes that may stop wealth creation or even minimise persistent wealth creation, from the beneficiaries. Wealth is created when companies mix the productive action of opportunism (entrepreneurship) with the successful activity of finding advantage (strategic management) (Ireland et al., 2003).

Strategic Thinking Elements

Takor indicated that strategic thinking consists of characteristics, such as being active, risk-taking, central control, and power communications (Robinson, 2012). The other aspects of strategic thinking, which include systemic perspective, time-based analysis, intentionality, and optimism, have been discussed by Liedtka (1998). If employees can think creatively, and the organisation has facilitated a high-quality designed system, then these aspects allow the organisation towards change, and will have a positive impact on its performance (Liedtka, 1998).

Abraham stated that the powerful reasons for enhancing strategic thinking include creativity, finding new possibilities, futurism, teamwork, and being distinctive (Abraham, 2005). Bonn considered three characteristics that are important for strategic thinking, namely, awareness of the internal and external environment, such as complexity, and networks; innovation; and vision. Liedtka (1998) added several other elements to Bonn's characteristics, including the maximisation of the available resources through possible opportunities, thinking based on time, and the ability to be speculated.

Strategic Human Resource Development

Strategic human resource development is a different conceptualisation of human resource development (Sambrook, 2000; Garavan & Carbery, 2012). In terms of general system theory, strategic human resource development is a component within the organisation structure. In addition, human resource development is the function of the strategic human resource development subsystem. Also, the main distinction between human resource development, and strategic human resource development is their scope. Human resource development incorporates all activities related to learning (Garavan, Costine & Heraty, 1995; Lammintakanen, Kivinen & Kinnunen, 2008; Sambrook, 2004).

Human resource development explores learning at all stages within the company, whereas human resource development examines practices at the strategic level. The functional framework involves operational goals and strategies for enhancing corporate efficiency (Blazey, 2013; Wognum & Lam, 2000). The distinction lies in the emphasis of human resource development on the structure level process selection, execution, and evaluation at the organisational framework level of the enterprise.

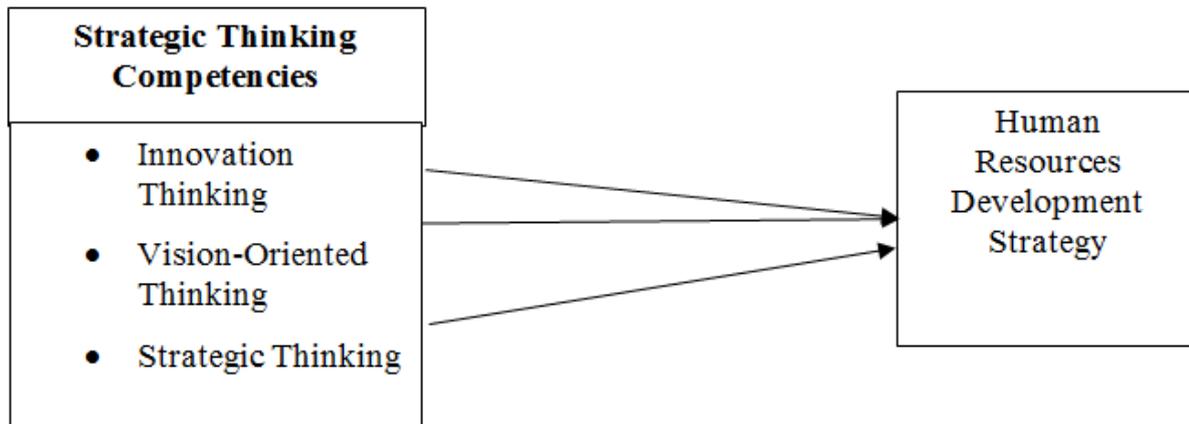
In human resource development, shifting the demographics of the population was a precipitating factor in altering the conceptualisation of human resource development operations within the company. At present, we are on the cutting edge of a new world system after suffering from the COVID-19 pandemic, and because of the changes in the world economic system a few decades ago.

Even with the increased need for and legitimacy of human resource development activities, many organisations began to reduce the amount of available human resource development to their employees. The increasing global economic competition, and decreased productivity in relation to international competitors has resulted in closer scrutiny of expenditures and reduced the number of training opportunities in many organisations (Oakes, 2014).

Early strategic human resource models illustrate how human resource development activities could improve organisational performance (Garavan, 1991; Torracco & Swanson, 1995). The models incorporated the word 'strategic' to make an explicit distinction between earlier human resource development models (Garavan 1991; Fredericks & Stewart 1996; Harrison, 1997; Lee, 1997; Sambrook, 2000). This distinction was predicated by the need to illustrate a more business-focussed approach for carrying out human resource development activities; one that emphasised ROI, and the impact human resource development activities could have on organisational goals. Additionally, the emphasis on strategy illustrated how human resource development could be impactful beyond simply training employees. Rather than using strategic human resource development, complete systems of human resource

development activities throughout the organisation could be aligned with strategic goals to affect the performance of the employees and organisations in the present, and future. According to the previous analysis of a literature review, this study proposed the following research models (Figure 1) followed with the research hypotheses.

Figure 1. Study Model Independent Variables' Dependent Variable



H01: strategic thinking has a significant impact on human resources development strategy at the level of ($\alpha \leq 0.05$).

H01a: systematic thinking has a significant impact on human resources development strategy at the level of ($\alpha \leq 0.05$).

H01b: innovative thinking has a significant impact on human resources development strategy at the level of ($\alpha \leq 0.05$).

H01c: vision-oriented has a significant impact on human resources development strategy at the level of ($\alpha \leq 0.05$).

Methods

To explore the impact of strategic thinking on human resource development strategy, this study adopted a quantitative technique in collecting and analysing data using the SPSS. The data were collected from managers in all levels at one of the government organisations in Jordan. The study population consisted of 3,466 employees from all different organisational levels. It was selected as a random sample of 300 managers and their assistants, and department heads and supervisors. The majority of respondents were male (65 per cent, $n = 195$), and most of them hold a bachelor degree (72 per cent, $n = 216$), while the remainder held a masters degree and Ph.D. Regarding the position, the majority of the study sample were supervisors and section heads (66 per cent, $n = 198$), followed by managers (23 per cent, $n = 69$), and a minority were deputy and assistant managers (11 per cent, $n = 33$). The internal consistency test (Cronbach alpha) was used to measure the consistency of the study measurement, and to obtain an alpha value ($\text{Alpha} \geq 0.60$), which is generally acceptable to

human sciences (Sekaran & Bougie, 2010). After the test, all the values obtained from the study variables were greater than the minimum acceptable value.

Results

To test the hypothesis of the study, a multiple regression analysis was used to investigate the impact of the dimensions of the strategic thinking (systemic, innovative, and vision-oriented thinking) among the managers in developing human resource strategies. The Table 1 shows the statistical analysis results. The results showed that strategic thinking (e.g. systemic, innovative, and vision-oriented thinking) has a statistically significant impact on human resources development strategy.

Table 1: Results of multiple regression analysis

Independent Variables		β	T	Sig.
Systematic	Thinking	0.237	2.200	0.030
Innovative	Thinking	0.208	2.137	0.035
Vision-Oriented Thinking		0.306	3.017	0.003
R= 0.625, R²=0.390, F=20.283.				
DV: Human Resources Development Strategy				

As shown in Table 1, the correlation coefficient R (0.625) was at ($\alpha \leq 0.05$). The coefficient of determination R² was 0.390, indicating that the changes in human resources development strategy was a result of the changes in strategic thinking (e.g. systemic, innovative, and vision-oriented thinking).

The values of the degree of impact of the beta for systemic, innovative, and vision-oriented thinking competence are ($\beta = 0.237$), ($\beta = 0.208$), and ($\beta = 0.306$), respectively. This result suggests that a one-degree increment in systemic, innovative, and vision-oriented thinking increases human resources development strategy by 23.7 per cent, 20.8 per cent, and 30.6 per cent, respectively. The significance of this effect confirms the calculated F value, which has reached 20.283 at a significant level of ($\alpha \leq 0.05$). All study hypotheses are accepted on the basis of these findings.

Discussion and Conclusions

The studied organisation uses strategic thinking to develop their human resources strategy. The findings of this study show that vision-oriented thinking was the most significant variable, followed by systematic thinking, and finally, innovating thinking. These findings are expected based on the nature of the study sample, firstly because the participants are working at a semi-military organisation. Thus, they have a strong bureaucracy, and a



systematic job design. The finding of this study has highlighted the importance of each dimension of strategic thinking in developing corporate and business strategies, specifically those for human resources.

This study concludes that the development of human resource strategies depends on strategic thinking. That is, through vision-oriented, systematic, and innovate thinking. Therefore, Jordan's government organisations should encourage their managers, in all levels, to be more vision-oriented when they are involved in formulating strategies. Also, managers should be aware of the impact of different work elements on one another, and within a whole system, which may help Jordan's government organisations in fostering the development of strategies, and human resources specifically. In addition, Jordan's government organisations should create an environment that encourages innovative thinking among employees to motivate them to share knowledge, experience, skills, and their ideas regarding the development of human resources, and other kinds of strategies. The study recommends decision makers in Jordan's governmental, and private organisations to pay more attention in all the dimensions of strategic thinking (e.g. systemic, innovative, and vision-oriented thinking), and rely on them when they intend to formulate a new strategy. In addition, this study recommends managers to focus on strategic thinking to enhance the capabilities of their human resources, and focus on empowering the development strategies implemented by the human resource department.

Moreover, future research should consider more variables, such as employee engagement, organisational citizenship behaviour, commitment, and other organisational and socio-psychological factors that may affect the development of human resource strategies.

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