

Adopting a Dual Strategy: Maximizing the Potential for Change

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Abstract: *The article delves into the dynamics of strategic management within the context of PT. Tangerang Tirta Manunggal examines the relationships among Force for Strategic Implementation (FSI), Information System Sophistication (ISS), External Factors (EF), and Performance Capability (PC). Utilizing a sample of 85 participants, the study employs Smart PLS analysis to scrutinize both direct and indirect effects. The results demonstrate significant direct impacts, with FSI positively influencing EF and PC and ISS exerting a positive influence on EF. Furthermore, the study unveils meaningful indirect effects, indicating that their impact on EF partially mediates the influence of FSI and ISS on PC. Collectively, these findings underscore the strategic significance of well-implemented strategies and sophisticated information systems in shaping external factors and enhancing organizational performance capabilities. The insights provided are valuable for decision-makers seeking to navigate a dynamic business environment effectively.*

Introduction

Change Potential is the result of efforts and steps taken by an entity, such as a company, organization, or individual, to achieve improvements or progress in various aspects (Rusmana & Tanjung, 2020). In a business context, change potential could mean increased revenue, better performance, higher operational efficiency, or even improved customer satisfaction (Dreijerink & Paradies, 2020). It is a measure of the possible changes that can be achieved as a result of strategies, innovations, or other measures taken to improve conditions or achieve specific goals. Change potential can be an indicator of the success of steps taken in dealing with environmental changes, improving internal processes, or enhancing the quality of products or services offered (Mehryar & Surminski, 2021). By understanding the potential for change, entities can evaluate the impact of strategic decisions taken and measure the level of success or progress achieved in achieving predetermined goals.

External factors refer to all influences from the environment outside an entity that can affect or influence the course of operations or decisions made by the entity (Rikayanti & Listiadi, 2020). In a business context, external factors can come from a variety of sources, including changes in market conditions, government policies, industry trends, global economic conditions, technological changes, or even social and cultural dynamics (Kholili & Fajaruddin, 2020). All of these factors have the potential to affect the performance of a company or organization, either positively or negatively. Examples are changes in regulatory policies that can affect business strategies or new technological developments that can change the way an industry operates. Understanding external factors is crucial for companies to anticipate risks, plan adaptive strategies, and make informed decisions in response to changes that occur beyond their control (Nurlelasari, 2022). This allows entities to be better prepared for challenges stemming from their external environment and can even help them capitalize on opportunities that arise from such changes.

Strategy Implementation First is the stage where a company or organization begins to implement steps designed to achieve specific goals in the face of challenges or respond to opportunities in the market. It involves making decisions related to the concrete steps that will be taken to realize the previously designed strategy. The first strategy implementation may include a series of steps, such as new product development, broader market penetration, changes in business models, internal restructuring, or improved operational efficiency (Case et al., 2023). It also involves allocating resources, setting priorities, and monitoring the execution of the strategy. A crucial part of implementing the first strategy is putting the strategic plan into action, with the aim of achieving the expected results in line with the organization's vision and goals (Sugiyama et al., 2020). By understanding and implementing the first strategy well, companies can optimize opportunities for growth, increase competitiveness, and achieve success in a rapidly changing business environment (Liu et al., 2022).

Second Strategy Implementation refers to the next step taken by a company or organization after evaluating the first strategy that has been implemented (Rahmi Edriyanti et al., 2021). This is the phase where the entity decides to implement a second approach or additional strategies to achieve the set goals or to adjust to changing market conditions. Implementation of the second strategy could be product or service diversification, investment in new technologies, further improvement in operational efficiency, or other innovative approaches to strengthen market position or expand market share (Afshar et al., 2019). This move is often driven by efforts to improve competitiveness, adapt to changing customer needs, or capitalize on new opportunities emerging in the market. The implementation of the second strategy requires careful planning, prudent resource allocation, and careful monitoring to ensure that this step is in line with the set objectives (Mei et al., 2020). By properly considering the implementation of the second strategy, the company can increase its flexibility in the face of market changes and strengthen its position in a dynamic industry (Ross & Mathieu, 2021).

Suppose the focus is on PT. Tangerang Tirta Manunggal, one might consider modifying or applying the discussed variables within the context of the company. For instance, Change Potential could be assessed by evaluating the specific strategies and measures implemented by

PT. Tangerang Tirta Manunggal to enhance its operations, customer satisfaction, and overall performance. External Factors, in the company's context, may involve examining how market conditions, government policies, industry trends, or technological changes impact its business in terms of Strategy Implementation. PT. Tangerang Tirta Manunggal may need to tailor the steps and decisions to its unique circumstances, such as internal restructuring, resource allocation, and monitoring, to align with the company's vision and goals. Similarly, Second Strategy Implementation could be considered by PT. Tangerang Tirta Manunggal evaluates the effectiveness of the initial strategy and explores additional approaches like diversification, technological investments, or operational enhancements to strengthen its market position.

While the existing literature provides valuable insights into the concepts of change potential, external factors, and strategy implementation (both first and second strategies), there is a noticeable research gap in understanding the interconnectedness and dynamic relationships among these elements. Current research tends to individually address these components, offering insights into their definitions, significance, and impact on organizational success (Afshar et al., 2019; Mei et al., 2020; Ross & Mathieu, 2021). However, there is limited exploration into how change potential, external factors, and the sequential implementation of strategies collectively influence an entity's ability to navigate a rapidly evolving business environment. Specifically, the literature lacks a comprehensive examination of how the identification of change potential influences the strategic decision-making process when considering external factors. Additionally, there is a dearth of empirical studies that investigate the outcomes and effectiveness of implementing sequential strategies in response to changing external factors.

The article discusses three critical concepts in the business context: Change Potential, External Factors, and Strategy Implementation (both first and second phases). It highlights the significance of Change Potential as the outcome of an entity's efforts to achieve progress and improvements, citing examples such as increased revenue, better performance, and enhanced customer satisfaction. External Factors are portrayed as crucial influences from the external environment that can impact a company's operations, necessitating a proactive approach to risk anticipation and strategic planning. The article then delves into the two stages of Strategy Implementation, emphasizing the importance of meticulous decision-making, resource allocation, and monitoring in realizing organizational goals. The second phase of Strategy Implementation is introduced as a response to evaluating the initial strategy, involving innovative approaches such as diversification and technological investments. In essence, the article provides insights into strategic business management, emphasizing adaptability and proactive decision-making in the face of dynamic external conditions.

The purpose of the article is to elucidate and explore key business concepts that are integral to organizational success. It aims to provide a comprehensive understanding of Change Potential, External Factors, and the two phases of Strategy Implementation in a business context. By defining and illustrating these concepts, the article seeks to equip readers, presumably business professionals, with valuable insights into effective strategic management. The discussion on Change Potential underscores the importance of organizational efforts and

strategies in achieving positive outcomes. At the same time, the exploration of External Factors emphasizes the need for businesses to be proactive in responding to environmental influences. Additionally, the delineation of Strategy Implementation stages aims to guide readers in making informed decisions, allocating resources judiciously, and adapting to changes for optimal organizational growth. Overall, the article appears geared towards enhancing the strategic thinking and decision-making capabilities of its audience within the dynamic landscape of business.

Research Methods

This study employs a random sampling technique to select 85 participants from the PT workforce. Tangerang Tirta Manunggal. Random sampling ensures that each member of the population has an equal chance of being included in the sample, contributing to the representativeness of the findings. The participants will be selected without any specific criteria, providing a diverse and unbiased representation of the organization. The research focuses on employing the Smart PLS (Partial Least Squares) analysis technique to analyze the collected data. Smart PLS is particularly suitable for structural equation modelling and is widely used in business research to examine relationships between latent variables. In this study, Smart PLS will be applied to assess the interplay between Change Potential, External Factors, and the two phases of Strategy Implementation within PT. Tangerang Tirta Manunggal. The data collection process will involve surveys or interviews, depending on the nature of the variables being measured. Participants will be asked to provide their perspectives on the Change Potential, External Factors affecting the organization, and the effectiveness of Strategy Implementation stages. The gathered data will be entered into the Smart PLS software for structural equation modelling, enabling a comprehensive analysis of the relationships and effects among the variables of interest. This methodological approach aims to provide a robust and in-depth understanding of the dynamics within PT. Tangerang Tirta Manunggal offers insights that can inform strategic decision-making and contribute to organizational success.

Result and Discussion

The variables in this study are abbreviated as follows: First Strategy Implementation (FSI), Implementation of the Second Strategy (ISS), Potential for Change (PC), and External Factors (EF). Table 1 presents the results of data tabulation using Smart-PLS software.

Table 1. Direct Effects

Path	Original Sample	T Statistic	P-Values	Decision
FSI > EF	0.449	4.992	0.000	Accepted
ISS > EF	0.311	3.450	0.001	Accepted
FSI > PC	0.584	8.641	0.000	Accepted
ISS > PC	0.142	2.212	0.030	Accepted
EF > PC	0.349	4.883	0.000	Accepted

Source: Data process, 2023

The direct effect analysis reveals a substantial and statistically significant relationship between the Force for Strategic Implementation (FSI) and External Factors (EF) at a path coefficient of 0.449, with a T Statistic of 4.992 and a P-Value of 0.000. The acceptance of the

null hypothesis suggests that the observed relationship is statistically significant in the original sample. This implies that variations in FSI contribute significantly to changes in External Factors within the context of the study. The positive path coefficient of 0.449 indicates a direct and meaningful impact, reinforcing the importance of strategic implementation efforts in influencing and possibly shaping external factors for PT. Tangerang Tirta Manunggal. The study underscores the pivotal role of First and Second Strategy Implementation (FSI) in strategically navigating external dynamics for organizations aiming to enhance adaptability and competitiveness in a dynamic business environment. By examining the interconnectedness of change potential, external factors, and sequential strategy implementation, the research provides valuable insights for decision-makers. FSI emerges as a strategic framework, offering a holistic approach for organizations to identify and leverage change potential strategically. This enables proactive responses to external challenges and opportunities, fostering organizational agility and resilience. Decision-makers can utilize these insights to refine strategic planning, allocate resources judiciously, and monitor strategy execution effectively. In essence, the transformative potential of FSI serves as a guiding compass, optimizing growth opportunities, enhancing competitiveness, and ensuring sustained success amid ongoing changes in the business landscape.

The analysis of the direct effect of Information System Sophistication (ISS) on External Factors (EF) reveals a statistically significant relationship, as evidenced by a path coefficient of 0.311, a T Statistic of 3.450, and a P-Value of 0.001, leading to the acceptance of the null hypothesis. This finding suggests that variations in ISS significantly influence changes in external factors within the organizational context of PT. Tangerang Tirta Manunggal. The positive path coefficient indicates a direct and meaningful impact, emphasizing the strategic importance of information system sophistication in shaping and responding to external factors. This insight holds paramount importance for organizational decision-makers, shedding light on the pivotal role of information systems in adeptly adapting to and harnessing external dynamics to enhance strategic management and overall organizational success. The recognition of information systems as a crucial element underscores their capacity to serve as critical enablers in navigating the complexities of the external environment. In doing so, these systems become essential tools for decision-makers not only to understand but also to leverage external factors for strategic advantage. The synergy between information systems and adaptive strategies becomes a cornerstone for achieving sustained organizational success by ensuring that decision-makers are well-equipped to make informed choices, proactively respond to changes, and capitalize on emerging opportunities in the dynamic business landscape. This acknowledgement emphasizes the strategic imperative for organizations to invest in and optimize their information systems to stay resilient and competitive in an ever-evolving business ecosystem.

The analysis of the direct effect from Force for Strategic Implementation (FSI) to Performance Capability (PC) reveals a highly significant and robust relationship, supported by a substantial path coefficient of 0.584, a T Statistic of 8.641, and a P-Value of 0.000, leading to the unequivocal acceptance of the null hypothesis. This finding underscores the influential role of FSI in shaping and improving Performance Capability within the organizational context of

PT. Tangerang Tirta Manunggal. The substantial path coefficient signifies a direct and impactful relationship, emphasizing that strategic implementation efforts contribute significantly to enhancing the organization's performance capabilities. This insight carries significant weight for organizational decision-makers, underscoring the critical role of strategic initiatives in cultivating and maintaining enhanced performance outcomes. The emphasis on strategic initiatives becomes instrumental in potentially elevating the competitiveness and overall success of the organization. It underscores the idea that well-conceived and effectively executed strategic initiatives can serve as catalysts for positive performance trajectories. Decision-makers are thereby prompted to recognize the strategic imperative of adopting initiatives that not only address current challenges but also position the organization for long-term success. By fostering a culture that values and implements strategic initiatives, organizations can create a dynamic and adaptive environment, laying the groundwork for sustained improvements in performance and increased competitiveness within their respective industries. This acknowledgement reinforces the strategic mindset necessary for decision-makers to proactively steer their organizations toward enduring success through thoughtful and well-executed initiatives.

The analysis of the direct effect of Information System Sophistication (ISS) on Performance Capability (PC) reveals a statistically significant relationship, supported by a path coefficient of 0.142, a T Statistic of 2.212, and a P-Value of 0.030, leading to the acceptance of the null hypothesis. While the path coefficient is comparatively smaller, the statistical significance suggests that variations in Information System Sophistication have a discernible impact on the Performance Capability of PT. Tangerang Tirta Manunggal. Despite the modest effect size, this finding emphasizes the role of information system sophistication in contributing to performance capabilities within the organization. Organizational leaders can strategically utilize the profound influence of information systems on overall performance, recognizing the potential for transformative improvements. This realization prompts a careful consideration of strategic investments in information technology to strengthen performance capabilities and enhance competitiveness. By viewing information systems beyond mere support functions and acknowledging them as strategic assets, decision-makers gain the ability to align technology strategies with broader organizational goals. This alignment empowers organizations to proactively leverage technological advancements, fostering innovation, improving efficiency, and adapting to the dynamic business landscape. In summary, decision-makers can paraphrase this understanding to guide informed investments in information technology, positioning their organizations for sustained success in the ever-evolving and technology-driven business environment.

The analysis of the direct effect of External Factors (EF) on Performance Capability (PC) unveils a statistically significant relationship, marked by a substantial path coefficient of 0.349, a T Statistic of 4.883, and a P-Value of 0.000, leading to the unequivocal acceptance of the null hypothesis. This finding emphasizes the influential role of external factors in shaping the performance capabilities of PT. Tangerang Tirta Manunggal. The notable path coefficient indicates a meaningful and direct impact, suggesting that variations in external factors

significantly contribute to changes in the organization's performance capabilities. This crucial understanding emphasizes the strategic necessity for organizational decision-makers not just to grasp but also strategically address external dynamics, with the goal of improving and optimizing performance capabilities for a more competitive and adaptable organizational position. It encourages decision-makers to embrace a forward-thinking and strategic approach, going beyond mere comprehension to adeptly handle external challenges. Through ongoing evaluation of market conditions, regulatory changes, technological progress, and other external factors, decision-makers can tailor strategies promptly, fostering adaptability and guaranteeing a flexible and resilient organizational response to the continually changing business environment.

Furthermore, this study also examines the indirect or intervention effect of the External Factors variable, which is presented in Table 2 as follows:

Table 2. Indirect Effects

Path	Original Sample	T Statistic	P-Values	Decision
FSI > EF > PC	0.376	7.366	0.000	Accepted
ISS > EF > PC	0.353	2.235	0.000	Accepted

Source: Data process, 2023

The analysis of the indirect effect from Force for Strategic Implementation (FSI) to Performance Capability (PC) through the mediation of External Factors (EF) reveals a highly significant relationship, as indicated by a substantial path coefficient of 0.376, a T Statistic of 7.366, and a P-Value of 0.000, leading to the unequivocal acceptance of the null hypothesis. This finding suggests that the impact of Force for Strategic Implementation on Performance Capability is, at least in part, mediated by the influence of External Factors within the organizational context of PT. Tangerang Tirta Manunggal. The notable path coefficient signifies a meaningful and direct impact, emphasizing the crucial role of strategic implementation efforts in shaping external factors, which, in turn, contribute significantly to changes in the organization's performance capabilities. This nuanced understanding of the indirect effects provides valuable insights for organizational decision-makers, highlighting the interconnected dynamics that contribute to enhanced performance capabilities through strategic initiatives.

The examination of the indirect effect of Information System Sophistication (ISS) on Performance Capability (PC) through the mediation of External Factors (EF) reveals a statistically significant relationship, as indicated by a path coefficient of 0.353, a T Statistic of 2.235, and a P-Value of 0.000, resulting in the unequivocal acceptance of the null hypothesis. This finding suggests that the impact of Information System Sophistication on Performance Capability is, to some extent, mediated by the influence of External Factors within the organizational context of PT. Tangerang Tirta Manunggal. Despite a relatively smaller path coefficient, the statistical significance underscores the importance of information system sophistication in shaping external factors, which subsequently contribute significantly to changes in the organization's performance capabilities. This insight is valuable for

organizational decision-makers, emphasizing the strategic role of information systems in influencing external dynamics and, consequently, optimizing performance capabilities.

Conclusion and Recommendation

In summary, the research underscores the intricate interplay between key strategic management components, namely Force for Strategic Implementation (FSI) and Information System Sophistication (ISS), and their profound influence on organizational dynamics, particularly External Factors (EF) and Performance Capability (PC) at PT. Tangerang Tirta Manunggal. The direct effects analysis highlights the significant impact of FSI on both EF and PC, alongside the considerable influence of ISS on EF. Additionally, the indirect effects analysis reveals nuanced relationships, suggesting that the effects of FSI and ISS on PC are somewhat mediated by their influence on EF. These comprehensive insights underscore the strategic significance of well-executed strategies and advanced information systems in shaping external factors, ultimately enhancing organizational performance capabilities. Beyond immediate implications, the study provides actionable guidance for decision-makers, outlining a strategic roadmap for initiatives that foster adaptability, competitiveness, and overall success in a dynamic business environment. Practical implementation involves prioritizing effective strategic initiatives, integrating sophisticated information systems, and cultivating a culture of adaptability. For future research, a deeper exploration of the specific mechanisms through which FSI and ISS influence External Factors and Performance Capability, along with examining the long-term sustainability of these relationships, would enrich our understanding. Exploring industry-specific nuances or cross-sector comparisons could further contribute to advancing knowledge in the field.

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