A Conceptual Model of Strategic Organizational Flexibility Capability and Business Survival

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ABSTRACT

Strategic flexibility is an ability of the organization to allocate its resource deployment and to shift the pattern of resource deployment. It has received much interest from both researchers and practitioners as a source of competitive advantage because it reflects ability in responding and conforming to new or changing unforeseen situations.Therefore, this conceptual paper aims to investigate the relationship of strategic organizational flexibility capability and business survival. There are four dimension of strategic organizational flexibility capability, namely, organizational outsourcing orientation, business alliance capability, inter-organizational teamwork concern, and strategic linkage concentration. Consequently, strategic organizational flexibility capability outcome are organizational adaptation, organizational excellence, organizational value creation, business performance, and business survival in that all relationships of the construct are positively expected. The contributions of this paper are useful for research to develop theory in strategic management, and provide suggestions for practitioners to implement for business administration. In future research, outbound tourism business in Thailand expects that empirical research will manifest strategic organizational flexibility capability, whether or not it will comprehensively accomplish business survival.

INTRODUCTION

Changes in the business environment have been evolving, continuous, and intense. Most organizations faced with dynamic environments have included both the micro and macro business environment. Such macro environments were economic, social, cultural, and technological; while the micro environments include the threat of new entrants and established competitors, substitute products, and the bargaining power of suppliers and customers (Porter, 1979). Rapid changes from the external environment could yield possible advantageous or disadvantageous outcomes to the firms. Therefore, the firm must achieve its capability by managing its people, processes, and structures through organizational strategy to achieve competitive advantage and superior performance in complex environments (Mintzberg, Lampel & Ahlstrand, 2005). Since the 1970, business environmental changes have been increasing because of uncertainty in globalization and information technology. They are important driving forces for why customers change their desires more quickly. These preference changes make product life cycles shorter and drive market competition that is increasing and severe. The increase of environmental dynamism has forced firms to flexible concentrate on defending and improving their competitive position (Miller & Shamsie, 1996).

"Flexibility" has received much interest from business researchers and practitioners as the source of competitive advantage because it reflects ability in responding and conforming to new or changing situations (Sharma et al., 2010). It also contributes to organizational change and adaptability of some organizations when the environment changes. An organization is expected to deploy proper strategy for its successful adjustment. This decision demonstrates the flexibility of choices for a strategic plan. The organization has to decide how to adapt in changing environmental conditions by allowing flexibility to operate. Moreover, Evans (1991) describes strategic flexibility as a tendency in the ability to do something rather than original intention in response to changes in external environment. Similarly, strategic flexibility is the way to change and adapt quickly through constant and new thinking over the current strategy (Sanchez, 1995). It indicates the resources or capability that each organization had, or used, which was not enough to maintain a competitive advantage. Thus, the issue of flexibility is of interested by many researchers on how to strategic pursue new capabilities in new ways.

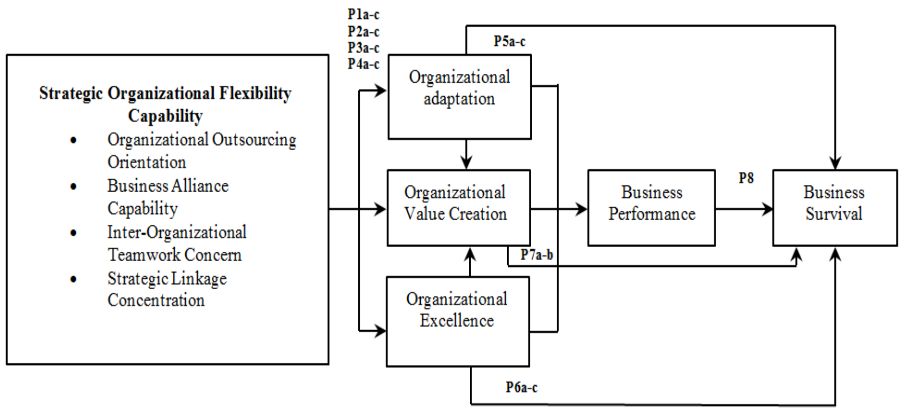
Based on the literature of management research, most research in strategic flexibility has focused on two main aspects: (1) organizations internalize structure for allocating their resource deployment and competitive advantage, and (2) the diversity and frequency in shifts of the patterns of resource deployment (Eisenhardt & Martin, 2000). However, there are a few researches which investigate the strategic organizational flexibility capability and its outcome. From the literature review, these issues are elucidating on the research gaps. Therefore, the key purpose of this paper is to examine the relationship of strategic organizational flexibility capability and business survival. Moreover, for theoretical development in management research, this paper presents dimensions of strategic organizational flexibility capability that consist of, organizational outsourcing orientation, business alliance capability, inter-organizational teamwork concern, and strategic linkage concentration. Moreover, the main purpose of this research is to examine the effects of strategic organizational flexibility capability on business survival.

The next section is the literature reviews that describe the conceptual model. Therefore, the relationships between the construct of the each variable is established, and develops the related proposition for study. Next, the sections describe the theoretical contribution, managerial contributions, and suggested directions for future research. Finally, the findings of the study are summarized in the conclusion section.

LITERATURE REVIEWS

In this paper discusses and examines a conceptual model of strategic organizational flexibility capability and business survival. Thus, the conceptual, relationship, and research models are provided in Figure 1.

Figure 1
A CONCEPTUAL MODEL OF STRATEGIC ORGANIZATIONAL FLEXIBILITY CAPABILITY AND BUSINESS SURVIVAL



Strategic Organizational Flexibility Capability

Flexibility has received much interest from both researchers and practitioners as a source of competitive advantage (Dreyer & Gronhaug, 2004). In the 1960s and 1970s, the competitive environment has been replaced by increasing business environmental uncertainty, customers are changing their desires faster, there are shorter product life cycles, and competition has become increasingly ferocious. The globalization of economic activity and information technology with rapid developments are significant driving forces behind these developments. Moreover, increasing environmental dynamism has forced companies to shift their concentration from the economies of scale to product manufacturing flexibility to meet customer needs with the aim of defending and improving their competitive position (Sharma, Sushil & Jain, 2010).

The topic of flexibility has comprehensively in several disciplines such as in manufacturing management, economics, strategic management, and IT management (Dreyer & Gronhaug, 2004). There are a number of reviews of definitions and typologies of flexibility that are different. Many researchers view attaining flexibility at the expense of desirable characteristics like quality, precision, accuracy, and efficiency (Jha, 2008). An example is Evans (1991) who considers flexibility as a means of adaptability for occasional and permanent adjustment to change. Flexibility is the organization's ability to respond to an increasing variety of customer expectations without excess cost, time, organizational disruption, and performance losses (Zhange, 2006). As, Sharma, Sushil & Jain (2010) suggest, flexibility is defined as the quality of responding to change or conforming capability to new situations. Flexibility is a multi-dimensional concept with demanding agility and ability. It is associated with change, newness, and innovation that are linked with robustness and elasticity. Flexibility is implies that capabilities may evolve over time (Sharma, Sushil & Jain, 2010). The challenge for organizations is to attain flexibility without compromising any desirable characteristics. Therefore, it is important to understand how these organizations have developed their flexibilities, how they are used for achieving business excellence (Jha, 2008), and how they enable firms to achieve competitive advantage in a competitive business environment (Zhou et al., 2005). Specifically, flexibility in the manufacturing management literature is incorporated into the strategic processes of any organization, and becomes very important at various levels (i.e. strategic, tactical, and operational) in all the perspectives of the organization (Roberts & Stockport, 2009).

In the perspective of strategic flexibility, Evans (1991) describes strategic flexibility as probably the closest to an everyday understanding of flexibility. It is the ability to do something other than that which had been originally intended. Eppink (1978) explicates strategic flexibility as capabilities that relate to the organization’s goals. Flexibility is more qualitative that involves changes in the nature of organizational activities. It is necessary when the organization faces unfamiliar change that has far-reaching consequences and needs to be responded to quickly. Therefore, strategic flexibility is essential to compensate for strategic changes which originate in the direct and indirect environment of the organization. All organizations achieve their objectives by managing their resources such as people, processes and structures through organizational strategy. Thus, to survive in the competitive environment, an organization must use its flexibility capability to determine the organizational strategy and to take action to respond to external environmental change (Shimizu & Hitt, 2004). A long-term perspective of strategic flexibility emphasizes a firm’s managerial capability to identify, generate, and maintain different strategy for responding to environmental uncertainties (Li et al., 2011). Strategic flexibility is one dynamic capability through which firms confront environmental change (Nadkarri & Narayanan, 2007).

In the prior literature review, this paper defines strategic organization flexibility capability as the ability to adjust the organizational change promptly according to an organization’s administration and management. It also includes application in administration and management to adapt resources and abilities within the organization for the changing environment (Evans, 1991; Sanchez, 1995; Burnes, 1992; Lao, 2000). The advantage of strategic organization flexibility capability is that it is able to use the organization’s strategy to accomplish business survival**.** Furthermore, this paper exhibits the conceptual model that provides four dimensions of strategic organization flexibility capability which are based on strategic organizational flexibility capability as one dynamic capability of the firm through which firms confront change. The new dynamic capabilities focus on the ability of the firm to orchestrate quickly and reconfigure externally-sourced competences (Shuen & Sieber, 2010). It explains how organizations integrate, build and reconfigure internal and external talent into new capabilities that meet the rapidly changing environment (Teece, Pisano & Schuen, 1997). In addition, considers modern organization management that has an organizational structure looking like a web, flat, and horizontal. The links connect employees, suppliers, customers, partners, and external contractors in numerous forms of coordination for sharing resources and having interdependence to enhance competitive environment dynamism.

Organizational Outsourcing Orientation

Organizational outsourcing orientation refers to the use of external capability in an organization’s operations. Outsourcing enhances the efficiency of cost which increases the operation for higher advantages. External capability includes skills, knowledge, and superior ability from outside the organization (Varadarajan, 2009; Whitaker, Mithas & Krishnan, 2011). Outsourcing has an increasing role in business. It has also been adopted rapidly in strategic areas to compete in a global business environment (Kroes & Ghosh, 2010). The concept of outsourcing is described as the operation of the firm in shifting a transaction governed from the internal to an external supplier in a long-term contract (Quelin & Duhamel, 2003). Outsourcing is a management approach in which a firm allows delegating processes or services from inside to an external agent for operational responsibility. Besides, outsourcing refers to the practice of a firm to authorize an activity that was performed formerly internally to an external entity (Varadarajan, 2009). In summary, outsourcing is the firm's use of external suppliers to provide necessary business functions which cannot be performed in-house.

Originally, outsourcing was a practice or a scientific concept (Busi & McIvor, 2008). Many researchers suggest that outsourcing is typical of a make-or-buy decision, because it comprises a comparison between various kinds of cost calculations (Leiblein, Reuer & Dalsace, 2002). Nowadays, the view of outsourcing is changing from a traditional concept to strategy (Busi & McIvor, 2008). Outsourcing does not only take form of transaction cost perspective, but also the form of transformational perspective. Moreover, outsourcing is a core competence of the firm for the acquirement of competitive advantage, business competitiveness, and firm performance (McIvor, 2009). Transformational outsourcing focuses on creating value to align with the business processes that are changed to align with strategic goals (Mazzawi, 2002). The firm should establish cooperation with outsourcing partners by using their ability to create value for customers. Outsourcing is an important factor that contributes to the competitiveness of the organization's resources and capabilities (Barney, 1991; Varadorajan, 2009). Moreover, firms focus towards achieving a high level of competence with a core set of activities that are critical to being successful in an industry, and they outsource activities that are not critical for distinctive capability (Varadarajan, 2009).

Accordingly, organizational outsourcing orientation causes the effective resource management that provides a source of competitive advantages. It is crucial for enhancing the core knowledge base of the firm, innovation, and learning for value creation. The firm not only develops strategies based on its core knowledge and capabilities, but also works to restructure, rebundle, and leverage its external partnerships to create value in dynamic environments (Mukherjee,Gaur & Datta ,2013). Organizational outsourcing orientation can reduce costs, improve cost structures, increase the competitiveness of the firm, providing greater capacity of flexibility (Nellore & Soderquist, 2000), and spreading and sharing the risks of business (Wu & Park, 2009). Therefore, the first proposition is as follows:

P1 Organizational outsourcing orientation will have a positive influence on a) organizational adaptation, b) organizational excellence, and c) organizational value creation.

Business Alliance Capability

Business alliance capability refers to the ability to seek potential business that has desirable qualifications for an organization's demand to cooperate as a business alliance. Such agreement contributes to an organization's operation and objectives as stated (Parkhe, 1991; Varadarajan & Cunningham, 1995). Today one can observe that more and more companies decide to establish business alliances in all kinds of relationships with one or few potential market partners. The business alliance is an alternative strategy of the business. It is an important tool for achieving and maintaining competitiveness in unpredictable business environments (Elmuti, Abou-Zaid & Jia, 2012).

Business alliance is an organizational strategy which is an organization's capability to partnership between organizations, to contribute various types of resources and share in the outcome of the created entity (Barney, 2011). The business alliance is interdependence between companies. The relationship between the companies may be a relationship such as coexistence, co-operation, competition and coopetition (Kozyea, 2011). Besides, Das & Rahman (2010) found that the alliance has three types of equity: joint venture, minority equity alliance, and non-equity alliance. The key factor in making a business alliance is to choose a partner that promotes endurance in the value chain of the company (Hess & Rothaermel, 2011). In particular, long-term relationships with one's partners create marketing strategic alliances in three steps, which are: (1) the choosing of partners, (2) developing a long-term relationship, and (3) maintaining a long-term relationship. The most important step for the success of the organization is to develop a long-term relationship (Hsu and Tang, 2010), the ability to communicate with each other (Agarwal, Croson & Mahoney, 2010), the process towards cooperation outcome both in finance and workflow (Luo, 2008).

Firms use the business alliance capability consisting of: reducing the cost of research and development, accessing complementary technology/ resource, learning know-how and the technological advances of the partner, and accessing new markets/customers (Kozyra, 2012). To be successful as an alliance partner depends on the partnership's ability to behave by the commitments of relationships and adjustments on the part of the collaboration for continued value creation and the alliance governance to support the alliance performance (Pittino, Angela & Mazzurana, 2012). Included is the role of cooperative work within a team and efficient coordination (Zoogah et al., 2011). In turn, this leads the firm to have a competitive advantage and superior performance. Hence, the proposition is elaborated as follows:

P2 *Business alliance capability will have a positive influence on a) organizational adaptation, b) organizational excellence, and c) organizational value creation*.

Inter-Organizational Teamwork Concern

Inter-organizational teamwork concern refers to the organization's ability to collaborate with other organizations. This concern emphasizes human resources in terms of knowledge, capability and attitude. Teamwork enhances the ability to collaborate with other organizations for various benefits in maximum yields (Chen, Donahue & Moski, 2004). Teamwork is a group of two or more people who interact with each other. Teamwork is mutually accountable for achieving common goals that are associated with organizational objectives, and perceive themselves as a social identity within an organization. Teamwork is a set of flexible and adaptive behavior characteristics, cognitions, and attitudes by members who are willing to work with other members (Baker, Day & Salas, 2003).

The organizations facing a competitive environment are supposed to generate flexible organizational structures which become important to organizational adaptation. Thus, many organizations give much more precedence to teamwork (Chen, Donahue & Klimoski, 2004). The firm must perform not only within organizations but also the relationships between organizations should be generated for the current environment. The organizations concerned with collaboration with their team members are held together by their interdependence and need for coordination to achieve a common goal (Salas, Burke & Bowers, 2000). All teamwork requires some form of communication to facilitate development and greater understanding of complex competition (Kotabe, Martin & Domoto, 2003). In addition, the critical success of teamwork is trust. It affects all relationships between the individuals and the groups or teams (Yang & Maxwell, 2011). The firms are more respectful toward others' capabilities and have a greater commitment to teamwork; it seems to be a way of further enriching experience and potential performance. Team members use skill in monitoring each other's performance, knowledge of themselves and teammates, and a positive attitude toward working in a team (Sims, Salas & Burke, 2004). Inter-organizational teamwork concern exists to fulfill some purpose such as assembling a product, providing a service, designing a new manufacturing facility, making an important decision, and thinking together for problem-solving (Edmondson, 2002).

The benefit of inter-organizational teamwork concern includes increased workplace productivity, service quality, a reduced management structure, and organizational effectiveness (Bryk & Schneider, 2002). Based on the discussion, inter-organizational teamwork concern increases cooperation, interdependence, and maintains added-value between organizations (Costa, 2003). Inter-organizational teamwork engenders tactical sharing, information, and knowledge that enable an organization to have flexibility, and can become successful in competition (Misener & Doherty, 2013). Thus, the proposition is elaborated upon as follows:

P3 Inter-organizational teamwork concern will have a positive influence on a) organizational adaptation, b) organizational excellence, and c) organizational value creation.

Strategic Linkage Concentration

Strategic linkage concentration refers to the ability to incorporate the administrative policy into organizational management and the process of strategic formulation. The linkage is involved with the consolidation of resources, personal, and operational processes in order to achieve a long-term good (Venkatraman, 1989; Grant, 1991). Researchers give attention to the significance of building, protecting, and sustaining competitive advantage through analysis, and organizational planning in long-term vision (Mayfield & Mayfield, 2008). The companies facing environmental conditions need to simultaneously adopt behaviors intended to gain and sustain competitive advantage (Barney, 2011; Hitt et al., 2001). Hence, the contributions of strategic management's perspectives are complementary.

Organizational strategies can be classified into three different levels according to the level of strategic decision-making; namely, corporate-level strategy, business-level strategy and functional-level strategy (Burnes, 1992). The corporate-level strategy is concerned with domain selection, including the vertical, horizontal, diversification, linkage, and level of agglomeration among different businesses. Next, business-level strategy is concerned with the navigation domain of the firm; that is to describe how the firm competes effectively in an industry. Lastly, the functional-level strategies focus on the maximization of resource productivity within each specific function. They are generally derived from the business strategy (Yeung et al., 2006; Rajendran et al., 2008). In addition, Porter (1980) has distinguished three main generic business-level strategies that include: cost leadership strategy, differentiation strategy, and focus strategy. The cost leadership strategy determines firms that gain market share and improve their cost structure. Firms can compete by their costs of production, to preserve higher margins than their competitors. Differentiation strategy refers to the firm that may establish a competitive advantage by gaining customer loyalty in innovating, upgrading, and offering a valued unique image of their products via marketing. Lastly, focus strategy is the firm application of either cost leadership or differentiation strategy to targeted customers (Yeung et al., 2006; Rajendran et al., 2008). The implementation of the strategy of the organization achieves the target. The organization should use its capability to improve access development in all aspects. The capability to combine the resources, personnel, and processes; or the ability to use existing resources to achieve results, can measure up to efficiency and effectiveness (Grant, 1991).

Strategic linkage capability can cause a firm's ability to reconfigure resources and coordinate processes to face environmental changes (Gibson & Birkinshaw, 2004). The firm has a tendency towards the initiation and implementation of different innovations types, such as technological, administrative, product and process (Jeong et al., 2006). The firm adopts new and advanced technologies to improve customer benefits that are relative to existing products for customers in the markets (Zhou et al., 2005). The firm has an ability to deal with shortages in inventory, responses to customers in short-term fluctuation demands, and solving problems that occur in production by reason of product modification (Rudolf & Anthony, 2004). Therefore, the propositions are assigned as follows:

P4 Strategic linkage concentration will have a positive influence on a) organizational adaptation, b) organizational excellence, and c) organizational value creation.

Organizational Adaptation

Organizational adaptation refers to the application of learning and integration of techniques and technology into an organizational operation. Adaptation cause continual modification and development in a work process to react with the changing environment. This will increase the organization's efficiency to survive and succeed in the market (Iven, 2005; Taylor et al., 2008). The business environment has radically changed in fast-moving, turbulent and unpredictable terms. These changes need a firm to adjust it and seek for ways to react quickly to changing conditions, and gain an advantage over its competitors (Long, 2001; Palanisamy, 2003). Accordingly, the firm has to be fast and proficient in the organization and must know how it can react to new challenges, new customer demands, and new technology. Usually, adaptation is viewed by a firm as having the ability to respond to the environmental change by internal adjustment in the organization with a program and strategy in order to succeed and survive in the market (Leonidou, Palihawadana & Chari, 2011).

The organizations in each adaptive state would have strategic and structural alignments which produce certain performance. Moreover, those organizations with an optimal strategy-structure match would have more superior performance over other organizations in the same adaptive state. Organizational adaptation is a core competency and critical factor in success and survival (Ivens, 2005). The component of organizational adaptability is the capacity of the organization to itself reorient flexible towards the external environment. It reflects the degree to which the organization encourages customer focus, risk-taking, learning, and the ability to create change. These benefits facilitate organizational adaptation by creating a flexible and dynamic working environment, and lead to fitting with environmental changing which it operates (Taylor et al., 2008).

Organizational adaptation has increasingly received academic attention. It is assumed to be the most important major aspect that can be considered as a company-specific skill for enhancing firms' competitiveness (Dreyer & Gronhaug, 2004). Also, it becomes the most important factor in achieving competitive advantage that concerns preconditions for successful business (Tuominen, Rajala & Moller, 2004). As well, previous studies have supported that organizational adaptation affects new product development (Yi, Yuan & Zelong, 2009), a firm's success (Johnson, Lee & Saini, 2003), and firm performance (Dreyer & Gronhaug, 2004). Hence, the proposition is assigned as follows:

P5 Organizational adaptation will have a positive influence on a) organizational value creation, b) business performance, and c) business survival.

Organizational Excellence

Organizational excellence refers to the operational process in using resources with an economical approach. Excellence makes operations to achieve the determined plan with efficiency. The goals of organizational excellence are aimed at achievement and advantage over the competitors (Reijers & Manser, 2005; Jirawuttinunt & Ussahawanitchakit, 2011). Competition in the business world is increasing more than in the past. Competition causes many firms to aggressively seek superior ways. Organizational excellence considers a long-term process and is concerned with key strategic-issue operations based on best operational process, with the management evidencing superior standards over the competitors (Reijersa & Mansar, 2005).

The organization uses managerial technical proficiency to create value for customers and stakeholders (Ritchie & Dale, 2000). In addition, the operational process is an organizational function such as in strategic management, allocation of people in work, competitive improvement, the amount of resources used to transform inputs into outputs, and providing value to customers (Jirawuttinunt & Ussahawanitchakit, 2011). They integrate their organizational components for the best strategies, which are activities, core processes, and resources to support the mission's accomplishments, and which may be chosen by best operational processes and firms. Absolutely, the best operational process helps firms to complete their business goals, and increase the firms' performance (Gordon, Loeb & Tseng, 2009). Management is everything in the administration of the organization for achieving goal-setting (Boonmunewai & Ussahawanitchakit, 2010). Firms should seek sustainable competitive advantage by focusing on improving superior standard management with a willingness for improving products, processes and services to achieve performance and to consistently meet or exceed customer expectations (Kaynak & Hartley 2005). New ways of managing and organizing is required by the acquisition of new skill (Tarafdar & Gordon, 2007). An important issue for firms is that they attempt to upgrade their productivity, procedures, competitiveness retaining, and new management methods.

The excellent process can support the firm to improve production processes. That is, it can produce goods rapidly and can organize efficient planning of production (Reijersa & Mansar, 2005). Absolutely, organizational excellence helps firms to complete their operational goal performance (Gordon, Loeb & Tseng, 2009), reduce costs (Sousa & Voss, 2002), reduce waste, improve efficiency and profitability (Sila & Ebrahimpour, 2005), and effectively respond to the customer with various innovations of performance (Akgun, Keskin & Aren, 2007). Hence, the propositions are proposed as follows:

P6 Organizational excellence will have a positive influence on a) organizational value creation, b) business performance, and c) business survival.

Organizational Value Creation

Organizational value creation refers to the formulation of an organization's innovative creation in terms of product and operational processes. This enables the organization to respond to needs and to create satisfaction among customers and stakeholders (Bourguignen, 2005;

Wikstorm, 1996). The term "value creation" refers to the way to achieve and retain a competitive advantage with a process consisting of a set of activities starting with the design and development of what is going to be produced, and of the interaction between consumer and company in creating value (Woodruff & Gordial, 1996).

Customer value creation includes: (1) the establishment of appropriate market objectives, (2) the selection broader industry setting in specific market segment, (3) the value creation of a proposition established to position competitive advantage, and (4) the development of capabilities being necessary to understand customer demands and delivering the promised value (Eggert & Ulaga, 2002). Ravald & Gronroos (1996) view customer value perception as a trade-off between perceived benefits and perceived sacrifice. The options for creating value are of two ways: increasing the benefits to the core product, and reducing customer-perceived sacrifice. In addition, the firm stresses creating and delivering customer value. Quality of the product alone is not enough to ensure a firm's survival. Moreover, the most important success factor of a firm is the ability to deliver better customer value than the competitors. Product quality and service quality are the platforms that support value-based prices (Naumann, 1995). Organizational value is defined as the capability of a firm to create customer service, launch a good product, maintain a good perception among customers, and respond to the requirement of stakeholders (Bourguignon, 2005). From the firm's perspective, customer value creation is essential in that the organization must recognize its own positive economic consequences for the firm (DeSarbo, Jedidi & Sinha, 2001).

Superior value for customers is important for business success. Moreover, it is the source of competitive advantage (Nasution & Mavondo, 2008). The previous literature represents that firms emphasize creating and delivering a better value to offer to their customers and stakeholders over their competitors, and which should obtain positional advantage, satisfaction (Blocker et al., 2011), loyalty, and intention to repurchase, leading to long-term competitive advantage (Troilo, Luca & Guenzi, 2009), and firm performance (Guenzi & Troilo, 2007). Therefore, the proposition is posited as follows:

P7 Organizational value creation will have a positive influence on a) business performance, and b) business survival.

Business Performance

Business performance refers to the overall outcome of corporate performance that achieves the goal with efficiency. Performance can be evaluated by both financial performance and non-financial performance (Venkatraman & Ramanujam, 1986; Lahiri et al., 2009). Measuring firm performance has long been a source of challenge for managers and researchers (Mouzas, 2006). This approach is also significant for a researcher, to attract their attention, and to have an understanding of the factors that influence a firm's capability to retain customers and achieve goals. Moreover, many researchers expose important insights for the understanding of the factors influencing a firm's success.

Actually, today's global economic competitiveness has affected multiple dimensions in organizational competencies, including cost, quality, productivity, customer focus, speediness, innovation, technical excellence and financial performance (Mohrman, Finegold & Mohrman, 2003). Previous researchers often used financial and non- financial measures as indicators of measures in assessing firm performance (Lahiri et al., 2009). The financial measures consist of sales, profits, return on assets (ROA), and return on investment (Choe, 2004). As well, the non-financial measures refers to non-monetary and qualitative measures such as customer satisfaction, product quality, corporate image, and firm reputation (Lin,Yang & Liou, 2009). However, recent years have expanded organizational perspectives beyond financial and non-financial measures. Measures of assessing firm performance to achieve overall firm objectives, focus on four types, namely: finance, customers, internal business processes, and learning and growth (Chalathrawat & Ussahawanitchakit, 2009). Gao (2010) proposes that firm performance is a firm's success, comprising an organization's capability in response to customer demands and the adaptation capabilities in environmental change. Murray & Chao (2005) suggest using new product development speed, development cost efficiency, and product quality in order to reflect the performance, reflecting on profitability, sales growth, and market share.

Business performance is complicated, with a firm's emphasis on success, which includes organizational capability concerning a variety of activities, providing characteristics that correspond with a dynamic environment (Santarelli & Vivarelli, 2007). Therefore, the firms were more likely to survive in business environments, such as the growth rate of sales volume, market share, and continuous business growth (Eckert & West, 2008; Sapienza et al., 2006). Hence, the proposition is proposed as follows:

P8 Business performance will has a positive influence on business survival.

Business Survival

Business survival refers to the result of the organization's performance in managing the competitive environment after uncertain conditions for a certain period of time. It yields business stability and economic growth to the business in sustainable and long-term periods (Persson, 2004; Schwartz, 2009). Organizational survival depends on not only a function of economic performance but also a firm's own initiation of performance. Firm survival refers to the ability of management in an uncertain competitive environment during a period of time of stability (Persson, 2004), sustainable economic growth, and long-term business (Schwartz, 2009).

CONTRIBUTIONS

Flexibility is important at various levels in all perspective of the organization. It is very importance for the organizations to gain competitive advantage leads to better organizational performance (Sharma, Sushil & Jain, 2010). In the perspective of the strategic level of the organization, many researchers suggest strategic flexibility as an organization's capability to allocate their resources to deploy for creating competitive advantage over competitors (Sanchez, 1995). In addition, they must have ability to diversity and frequent shifts patterns of resource deployment to respond quickly to the business environment (Eisenhardt & Martin, 2000). This paper defines strategic organizational flexibility capability as the ability to adjust organizational change promptly according to an organization's administration and management. It also includes application in administration and management to adapt resources and abilities within the organization for the changing environment (Evan, 1991; Sanchez, 1995; Burnes, 1992; Lao, 2000). The literature review found a lack of literature on the role of strategic organizational flexibility capability and organization performance (Dryer & Gronhaung, 2004). Therefore, the main aim of this paper has been to consider the conceptual framework of strategic organizational flexibility capability and business survival.

This paper provides a useful theoretical contribution in management research by determining the relationship between strategic organizational flexibility capability and business survival through its consequent constructs; namely, organizational adaptation, organizational excellence, organizational value creation, and business performance in that all expect a positive relationship from the construct. Furthermore, this conceptual paper develops dimensions of strategic organizational flexibility capability that are bases on modern organization management, in that the structure of the organization should prefer flatter and horizontal. It is a link that connects employees, suppliers, customers, partners, and external contractors in numerous forms of coordination for sharing the resources and having interdependence to enhance success and obtain superior performance in competitive environment dynamism (Cingoz & Akdogan, 2013). The dimensions of strategic organizational flexibility capability consist of: organizational outsourcing orientation, business alliance capability, inter-organizational teamwork concern, and strategic linkage concentration. Moreover, for managerial implications, this paper provides strategic organizational flexibility capability as an alternative organization strategy for practitioners which challenge competitive advantage that leads to business survival.

For future research, the researcher should have proof of this paper's suggestion. The service business sector such as the tourism business should be suitable to show evident of this conceptual model which has three reasons. Firstly, the tourism industry creates a high level of employment and yields potential impact on economic and social development. Thus, it is a high value service business. Secondly, tourism business faces continued, uncontrolled operation in society, economy, and politics of each country such as, legal restrictions over the workforce in the tourism business. Joining the workforce in tourism personnel would eliminate possible barriers of business operations and enhance its proficiency. The tourism business should consider outsourcing partners for its business proficiency. Some possible solutions are signing contracts with tourism suppliers and tourism attractions. Hence, the tourism business should take strategic organizational flexibility capability for its operation. Lastly, the tourism business is limited with operational resources. Most businesses are small and medium- size. They need to seek options to run a business on such limited resources to make a higher profit and to increase the market share over competitors. A small and medium tourism business is better to consolidate with an alliance to overcome the limitation of operational resources. Therefore, future research is require to confirm, expand, and examine the hypothesis with empirical in the outbound tourism business in Thailand. It expects that empirical research will manifest strategic organizational flexibility capability, whether or not it will comprehensive accomplishment business survival.

CONCLUSION

This paper is intended to provide an obvious understanding of relationships between strategic organizational flexibility capability and business survival. Additionally, this paper focuses on four dimensions of strategic organizational flexibility capability; namely, organizational outsourcing orientation, business alliance capability, inter-organizational teamwork concern, and strategic linkage concentration. Moreover, this paper has proposed its consequence that will effect business survival. However, although based on the literature review, all relationships between each dimension of strategic organizational flexibility capability and its consequents look seem positive. The contributions of this paper are useful to expand strategic management theory, and implement suggestions for practitioners to business administration. Future research, outbound tourism business in Thailand expects that empirical research will manifest strategic organizational flexibility capability comprehensively and that will accomplish business survival.

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