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Strategy Execution Effectiveness as a Mediating Capability: Evidence from Military Planning Organizations in the Indonesian Army

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Abstract
Military organizations operate in increasingly complex and dynamic environments characterized by technological disruption, fiscal constraints, evolving security threats, and growing demands for accountability. Although strategic planning has become an integral component of modern defence management, many military institutions continue to experience a persistent gap between strategy formulation and implementation. This study investigates the determinants of organizational performance within military planning organizations by examining the influence of Visionary Leadership, Strategic Resource Allocation, and Organizational Adaptability on Organizational Performance through the mediating role of Strategy Execution Effectiveness. Drawing upon the Resource-Based View (RBV) and Dynamic Capabilities Theory, this research develops and empirically tests an integrated conceptual framework that explains how strategic resources and organizational capabilities contribute to performance outcomes in a military administrative context. A quantitative explanatory research design was employed using survey data collected from 250 officers and senior personnel of the Indonesian Army Planning Agency (Badan Perencanaan TNI Angkatan Darat). The proposed model was analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM). The findings indicate that Visionary Leadership, Strategic Resource Allocation, and Organizational Adaptability significantly influence both Strategy Execution Effectiveness and Organizational Performance. Organizational Adaptability emerged as the strongest predictor of Strategy Execution Effectiveness ($\beta = 0.419$, $p < 0.001$), while Strategy Execution Effectiveness exerted the largest direct influence on Organizational Performance ($\beta = 0.530$, $p < 0.001$). Furthermore, mediation analysis confirmed that Strategy Execution Effectiveness partially mediates the relationships between all strategic antecedents and organizational performance. The structural model explains 78 percent of the variance in organizational performance, demonstrating substantial predictive power. This study contributes to the strategic management literature by extending Dynamic Capabilities Theory into military planning organizations and conceptualizing strategy execution as a critical organizational capability that transforms strategic resources into measurable performance outcomes. The findings also provide practical implications for military leaders seeking to enhance institutional effectiveness through adaptive planning systems, execution monitoring mechanisms, and strategic communication practices.

Keywords:*Dynamic Capabilities Theory; Resource-Based View; Strategy Execution; Organizational Adaptability; Military Planning; Organizational Performance; PLS-SEM*

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I. Introduction

The strategic environment confronting contemporary military organizations has undergone profound transformation during the last two decades. Globalization, rapid technological advancements, geopolitical uncertainty, cyber warfare, and increasing fiscal scrutiny have fundamentally altered the way defence institutions formulate and implement strategic initiatives. Military organizations are no longer evaluated solely on operational readiness and combat effectiveness but are increasingly assessed based on their administrative efficiency, resource utilization, transparency, and ability to deliver measurable organizational outcomes.Within this context, strategic planning has emerged as a critical managerial function in defence institutions worldwide. Military planning organizations are responsible for translating national defence policies into executable programs, budgetary priorities, force development initiatives, and institutional performance targets. However, despite substantial investments in planning processes, many organizations continue to struggle with what scholars describe as the "strategy–execution gap," namely the discrepancy between intended strategic objectives and actual organizational outcomes (Hrebiniak, 2006).The strategy–execution gap represents one of the most persistent challenges in strategic management. Research suggests that while organizations often excel at formulating strategic plans, a significant proportion fail during implementation due to inadequate

communication, insufficient coordination, resource misalignment, organizational rigidity, and weak execution mechanisms. Consequently, execution rather than formulation has increasingly become recognized as the primary determinant of strategic success.The Indonesian Army Planning Agency (Badan Perencanaan TNI Angkatan Darat) constitutes an important context for examining these issues. As the institution responsible for strategic planning, budgeting, policy formulation, and organizational development within the Indonesian Army, the agency plays a pivotal role in ensuring that defence strategies are translated into operational and administrative outcomes. The effectiveness of this institution directly influences military readiness, resource utilization, and institutional accountability.Despite the importance of military planning organizations, empirical research investigating organizational performance drivers within defence institutions remains limited. Existing studies on strategic management have predominantly focused on private-sector firms, multinational corporations, and commercial enterprises. While substantial evidence supports the relevance of leadership, resource allocation, and adaptability in business organizations, comparatively little is known regarding how these factors influence performance in highly bureaucratic, hierarchical, and rule-bound military environments.Moreover, prior studies have generally examined leadership, resource allocation, and adaptability as independent determinants of organizational performance. Limited attention has been devoted to understanding the mechanisms through which these antecedents are transformed into performance outcomes. Dynamic Capabilities Theory suggests that resources alone do not generate superior performance; rather, organizations must possess capabilities that enable them to deploy, integrate, and reconfigure resources effectively in response to environmental demands. In this regard, strategy execution may represent a critical organizational capability that mediates the relationship between strategic resources and organizational outcomes.This study addresses these theoretical and empirical gaps by integrating Resource-Based View and Dynamic Capabilities Theory into a comprehensive framework that examines the relationships among Visionary Leadership, Strategic Resource Allocation, Organizational Adaptability, Strategy Execution Effectiveness, and Organizational Performance within the Indonesian Army Planning Agency.

Specifically, this research seeks to answer the following questions:

1. To what extent does Visionary Leadership influence Organizational Performance?
2. How does Strategic Resource Allocation affect Organizational Performance?
3. Does Organizational Adaptability contribute to superior Organizational Performance?
4. What role does Strategy Execution Effectiveness play in mediating these relationships?

By answering these questions, the study contributes to the strategic management literature, expands the applicability of Dynamic Capabilities Theory to military organizations, and provides practical insights for defence policymakers and military leaders.

II. Literature Review and Hypothesis Development

2.1 Resource-Based View (RBV)

The Resource-Based View (RBV), originally developed by Barney (1991), remains one of the most influential theoretical perspectives in strategic management. RBV argues that organizational performance is largely determined by the possession and effective utilization of valuable, rare, inimitable, and non-substitutable (VRIN) resources.According to RBV, tangible and intangible resources constitute the foundation of sustainable competitive advantage. While physical assets such as infrastructure and technology contribute to organizational effectiveness, intangible resources—including leadership capabilities, organizational knowledge, culture, and managerial expertise—often provide more enduring sources of performance enhancement.Within military planning organizations, strategic resources extend beyond military equipment and financial assets. Leadership competencies, planning expertise, institutional knowledge, and decision-making systems represent critical intangible resources that enable organizations to achieve strategic objectives. Consequently, Visionary Leadership and Strategic Resource Allocation can be conceptualized as strategic resources capable of influencing organizational performance.However, RBV has been criticized for its limited ability to explain how organizations adapt to rapidly changing environments. This limitation has led to the emergence of Dynamic Capabilities Theory.

2.2 Dynamic Capabilities Theory

Dynamic Capabilities Theory was introduced by Teece, Pisano, and Shuen (1997) to explain how organizations sustain performance under conditions of environmental turbulence. Unlike RBV, which emphasizes resource possession, Dynamic Capabilities Theory focuses on organizational processes that enable the creation, integration, and reconfiguration of resources.

Teece (2007) identifies three core dimensions of dynamic capabilities:

1. **Sensing Capability** – the ability to identify opportunities and threats.
2. **Seizing Capability** – the ability to mobilize resources and capture opportunities.
3. **Transforming Capability** – the ability to reconfigure organizational assets and processes.

Military organizations operate within environments characterized by uncertainty, technological disruption, and evolving security threats. Consequently, adaptability and execution capabilities become essential determinants of institutional effectiveness. Organizational Adaptability and Strategy Execution Effectiveness may therefore be conceptualized as manifestations of dynamic capabilities within military planning organizations.

2.3 Visionary Leadership

Visionary Leadership refers to the ability of leaders to articulate a compelling future vision and inspire organizational members toward achieving strategic objectives (Nanus, 1992). Visionary leaders facilitate organizational alignment, motivate personnel, and foster commitment to long-term goals.In military organizations, visionary leadership assumes particular importance due to the complexity of strategic planning processes and the necessity of coordinating diverse units under a unified command structure. Previous studies have consistently demonstrated positive relationships between visionary leadership and organizational performance.

H1: Visionary Leadership positively affects Organizational Performance.

H5: Visionary Leadership positively affects Strategy Execution Effectiveness.

2.4 Strategic Resource Allocation

Strategic Resource Allocation (SRA) refers to the systematic process through which organizations distribute financial, human, technological, and informational resources in alignment with strategic priorities. Effective resource allocation ensures that organizational objectives are supported by adequate resources and that investments are directed toward activities generating the highest strategic value (Alzoubi & Ahmed, 2019).Within military planning organizations, resource allocation constitutes a critical managerial responsibility because defense institutions often operate under fiscal constraints while simultaneously facing increasing operational demands. Unlike private organizations that may adjust resource commitments according to market opportunities, military institutions must balance strategic readiness, budgetary accountability, personnel development, and infrastructure modernization within predetermined governmental appropriations.According to the Resource-Based View, resources represent essential organizational assets capable of generating superior performance when allocated effectively (Barney, 1991). Strategic allocation enables organizations to optimize the utilization of scarce resources while minimizing inefficiencies. Studies conducted in both public and private organizations indicate that resource allocation significantly influences organizational effectiveness, project success, and strategic implementation outcomes (Hitt et al., 2021).From the perspective of Dynamic Capabilities Theory, resource allocation also facilitates organizational responsiveness by enabling managers to reconfigure assets in accordance with changing environmental conditions. Consequently, organizations possessing superior resource allocation capabilities are better positioned to implement strategic initiatives and achieve desired performance outcomes.In military planning agencies, strategic resource allocation supports budgeting accuracy, force development programs, procurement planning, and operational preparedness. Therefore, effective allocation is expected to enhance both organizational performance and strategy execution effectiveness.

H2: Strategic Resource Allocation positively and significantly affects Organizational Performance.

H6: Strategic Resource Allocation positively and significantly affects Strategy Execution Effectiveness.

2.5 Organizational Adaptability

Organizational Adaptability refers to an organization's capacity to modify structures, processes, routines, and decision-making mechanisms in response to environmental changes (Zhang & Zhu, 2020). Adaptability enables organizations to respond effectively to technological innovations, policy reforms, geopolitical shifts, and emerging operational challenges.The concept of adaptability is central to Dynamic Capabilities Theory. Teece et al. (1997) argue that organizational survival depends not only on possessing valuable resources but also on the ability to continuously renew and reconfigure those resources. Adaptive organizations exhibit greater flexibility, responsiveness, and resilience when confronted with uncertainty.Military organizations increasingly face dynamic environments characterized by cyber threats, hybrid warfare, technological disruption, and evolving defense doctrines. Consequently, rigid bureaucratic structures may hinder responsiveness and limit strategic effectiveness. Modern military institutions must therefore cultivate adaptive capabilities that facilitate continuous learning, innovation, and organizational transformation.Empirical evidence demonstrates that adaptable organizations generally outperform less adaptive counterparts in terms of strategic responsiveness, innovation capability, and institutional effectiveness (Wang & Ahmed, 2007). Adaptability also enhances coordination and communication processes, thereby supporting successful implementation of strategic initiatives.In the context of military planning organizations, adaptability may manifest through policy flexibility, digital transformation initiatives, organizational learning systems, and cross-functional collaboration mechanisms. These adaptive characteristics are expected to improve both execution effectiveness and organizational performance.

H3: Organizational Adaptability positively and significantly affects Organizational Performance.
H7: Organizational Adaptability positively and significantly affects Strategy Execution Effectiveness.

2.6 Strategy Execution Effectiveness

Strategy Execution Effectiveness (ESE) represents the organization's ability to translate strategic objectives into operational actions and measurable outcomes. It encompasses strategic communication, performance monitoring, coordination mechanisms, accountability systems, and implementation discipline (Hrebiniak, 2006).While strategy formulation determines organizational direction, execution determines whether strategic intentions are successfully realized. Numerous scholars argue that execution failure constitutes one of the primary reasons organizations fail to achieve strategic objectives despite possessing sound strategic plans (Kaplan & Norton, 2008).The effectiveness of strategy execution depends upon several organizational factors, including leadership commitment, resource alignment, communication quality, employee engagement, and adaptive capabilities. Organizations that effectively execute strategy generally exhibit superior performance, improved accountability, and enhanced institutional effectiveness.Within military organizations, execution effectiveness is particularly important because strategic plans often involve complex coordination across multiple units, departments, and command structures. Effective execution ensures that strategic objectives are translated into actionable programs, operational priorities, and measurable performance indicators.

Dynamic Capabilities Theory suggests that execution effectiveness represents an organizational capability through which resources and competencies are transformed into organizational outcomes. Therefore, strategy execution effectiveness may serve as a mediating mechanism linking strategic antecedents to organizational performance.
H4: Strategy Execution Effectiveness positively and significantly affects Organizational Performance.

2.7 Mediating Role of Strategy Execution Effectiveness

Although leadership, resource allocation, and adaptability have been widely recognized as important determinants of organizational performance, their influence may not occur directly. Instead, these factors may operate through organizational processes that facilitate implementation and coordination.Visionary leadership provides strategic direction and organizational commitment. However, unless strategic objectives are effectively communicated and implemented, leadership alone may not generate superior performance. Consequently, strategy execution effectiveness may serve as the mechanism through which leadership influences organizational outcomes.Similarly, strategic resource allocation provides the necessary inputs for organizational activities. Nevertheless, resource availability does not automatically guarantee success. Resources must be mobilized, coordinated, and monitored through effective execution systems.Organizational adaptability enhances responsiveness and learning capabilities. However, adaptive structures only contribute to performance when organizational members successfully implement changes and transform strategic intentions into operational outcomes.Therefore, strategy execution effectiveness is expected to mediate the relationships between strategic antecedents and organizational performance.
H8: Strategy Execution Effectiveness mediates the relationship between Visionary Leadership and Organizational Performance.
H9: Strategy Execution Effectiveness mediates the relationship between Strategic Resource Allocation and Organizational Performance.
H10: Strategy Execution Effectiveness mediates the relationship between Organizational Adaptability and Organizational Performance.

2.8 Conceptual Framework

Based on Resource-Based View and Dynamic Capabilities Theory, the conceptual model proposes that Visionary Leadership, Strategic Resource Allocation, and Organizational Adaptability influence Organizational Performance both directly and indirectly through Strategy Execution Effectiveness.

3.4 Measurement of Variables

The measurement instrument was developed by adapting established scales from prior studies in strategic management, public administration, leadership, and organizational performance literature. All items were measured using a five-point Likert scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree.
Prior to data collection, the questionnaire underwent expert review involving three senior military officers and two academic experts in strategic management to ensure content validity and contextual relevance within the military planning environment.

Table 1. Operationalization of Variables

Construct	Dimension	Sample Indicators	Sources
Visionary Leadership (VL)	Strategic Direction	Leaders communicate a clear future vision	Nanus (1992); Kaya (2023)
	Inspiration	Leaders motivate personnel toward strategic goals	
	Strategic Alignment	Leaders align organizational units with strategy	
Strategic Resource Allocation (SRA)	Financial Allocation	Budget allocation reflects strategic priorities	Alzoubi & Ahmed (2019)
	Human Resources	Personnel assignments support strategic objectives	
	Technology Resources	Technological investments support organizational goals	
Organizational Adaptability (OA)	Environmental Responsiveness	Organization responds rapidly to change	Zhang & Zhu (2020)
	Learning Capability	Organization continuously learns and improves	
	Organizational Flexibility	Processes can be adjusted when necessary	
Strategy Execution Effectiveness (ESE)	Strategic Communication	Strategic goals are communicated effectively	Hrebiniak (2006)
	Monitoring Systems	Strategic implementation is regularly monitored	
	Cross-functional Coordination	Departments collaborate effectively	
Organizational Performance (OP)	Operational Effectiveness	Organizational objectives are achieved efficiently	Kaplan & Norton (2008)
	Cost Efficiency	Resources are utilized efficiently	
	Institutional Accountability	Organizational performance meets accountability standards	

The final instrument consisted of 50 indicators distributed across the five latent constructs.

3.5 Data Analysis Procedure

Data analysis was conducted using SmartPLS 4.0 following the two-stage approach recommended by Hair et al. (2021).

The first stage involved evaluating the measurement model (outer model) to assess:

- Indicator reliability
- Internal consistency reliability
- Convergent validity
- Discriminant validity

The second stage involved evaluating the structural model (inner model), including:

- Collinearity assessment
- Coefficient of determination (R^2)
- Effect size (f^2)
- Predictive relevance (Q^2)
- Path coefficient significance
- Mediation analysis

Bootstrapping with 5,000 subsamples was employed to assess the statistical significance of direct and indirect effects.

IV. Results

4.1 Assessment of Common Method Bias

Because all data were collected through a single survey instrument, common method bias (CMB) was assessed.Harman's Single-Factor Test indicated that the largest factor accounted for 38.4% of total variance, below the recommended threshold of 50%.Furthermore, full collinearity VIF values ranged between 1.71 and 2.89, remaining below the critical value of 3.3.These results suggest that common method bias does not pose a significant threat to the validity of the findings.

4.2 Measurement Model Evaluation

Indicator Reliability

All standardized factor loadings exceeded the recommended threshold of 0.70.

The loadings ranged from:

- Minimum = 0.721

- Maximum = 0.913

Therefore, all indicators demonstrated satisfactory reliability and were retained for further analysis.

Convergent Validity

Convergent validity was assessed through Average Variance Extracted (AVE).

Table 2. Convergent Validity Results

Construct	AVE
Visionary Leadership	0.701
Strategic Resource Allocation	0.683
Organizational Adaptability	0.751
Strategy Execution Effectiveness	0.712
Organizational Performance	0.647

All AVE values exceeded the minimum threshold of 0.50, confirming adequate convergent validity.

Reliability Analysis

Reliability was assessed using Cronbach's Alpha and Composite Reliability (CR).

Table 3. Reliability Results

Construct	Cronbach's Alpha	Composite Reliability
Visionary Leadership	0.931	0.944
Strategic Resource Allocation	0.924	0.938
Organizational Adaptability	0.942	0.952
Strategy Execution Effectiveness	0.936	0.948
Organizational Performance	0.918	0.933

All values exceeded 0.70, indicating strong internal consistency.

Discriminant Validity

Discriminant validity was assessed using both the Fornell-Larcker Criterion and the Heterotrait-Monotrait Ratio (HTMT).All HTMT values were below 0.90, while the square root of AVE for each construct exceeded its correlations with other constructs.These results confirm satisfactory discriminant validity.

4.3 Structural Model Evaluation

Collinearity Assessment

Variance Inflation Factor (VIF) values ranged from 1.45 to 2.73, indicating the absence of multicollinearity concerns.

Coefficient of Determination (R^2)

The explanatory power of the model was assessed using R^2 values.

Table 4. Coefficient of Determination

Endogenous Variable	R^2
Strategy Execution Effectiveness	0.620
Organizational Performance	0.780

According to Hair et al. (2021), the model demonstrates substantial explanatory power.
Specifically:

- 62% of the variance in Strategy Execution Effectiveness is explained by Visionary Leadership, Strategic Resource Allocation, and Organizational Adaptability.
- 78% of the variance in Organizational Performance is explained by all predictor variables.

Predictive Relevance (Q^2)

The blindfolding procedure was employed to evaluate predictive relevance.

Table 5. Predictive Relevance Results

Construct	Q^2
Strategy Execution Effectiveness	0.412
Organizational Performance	0.536

Since all Q^2 values are greater than zero, the model demonstrates strong predictive relevance.

Effect Size (f^2)

Table 6. Effect Size Results

Relationship	f^2
VL → OP	0.082
SRA → OP	0.057
OA → OP	0.041
ESE → OP	0.347
VL → ESE	0.129
SRA → ESE	0.096
OA → ESE	0.251

The results indicate that Strategy Execution Effectiveness has the largest substantive effect on Organizational Performance.

4.4 Hypothesis Testing

Bootstrapping analysis was conducted using 5,000 resamples.

Table 7. Direct Effects

Hypothesis	Relationship	β	t-value	p-value	Decision
H1	VL → OP	0.203	4.049	0.000	Supported
H2	SRA → OP	0.156	3.252	0.001	Supported
H3	OA → OP	0.137	3.177	0.002	Supported
H4	ESE → OP	0.530	7.658	0.000	Supported
H5	VL → ESE	0.302	4.075	0.000	Supported
H6	SRA → ESE	0.230	3.482	0.001	Supported
H7	OA → ESE	0.419	5.132	0.000	Supported

All direct hypotheses were supported.

Mediation Analysis

Table 8. Indirect Effects

Hypothesis	Relationship	β	t-value	p-value	Decision
H8	VL → ESE → OP	0.160	3.482	0.001	Supported
H9	SRA → ESE → OP	0.122	2.840	0.005	Supported
H10	OA → ESE → OP	0.222	4.568	0.000	Supported

The mediation results indicate that Strategy Execution Effectiveness significantly mediates the relationships between all strategic antecedents and Organizational Performance.

Notably, Organizational Adaptability exhibits the strongest indirect effect on Organizational Performance through Strategy Execution Effectiveness.

V. Discussion

5.3 The Role of Visionary Leadership in Enhancing Strategy Execution and Organizational Performance

The empirical findings indicate that Visionary Leadership exerts a significant positive influence on both Strategy Execution Effectiveness ($\beta = 0.302$, $p < 0.001$) and Organizational Performance ($\beta = 0.203$, $p < 0.001$). These results support the proposition that leadership serves as a critical strategic resource within military organizations.According to the Resource-Based View, leadership constitutes an intangible organizational asset capable of generating sustainable performance advantages through its influence on organizational alignment, employee commitment, and strategic direction (Barney, 1991). In military planning institutions, leaders play an especially important role because strategic initiatives often involve multiple units, hierarchical command structures, and complex administrative procedures.The findings suggest that visionary leaders contribute to performance by articulating a clear strategic direction and fostering a shared understanding of organizational priorities. Through effective communication and strategic guidance, leaders reduce ambiguity, strengthen organizational commitment, and facilitate coordinated implementation efforts.Furthermore, the significant indirect effect of Visionary Leadership through Strategy Execution Effectiveness ($\beta = 0.160$, $p < 0.001$) indicates that leadership influences performance not only directly but also through its capacity to improve implementation processes. This finding is consistent with previous research emphasizing that leadership

effectiveness is ultimately reflected in an organization's ability to execute strategic initiatives successfully rather than merely formulate ambitious plans.In the context of military planning organizations, visionary leadership facilitates strategic coherence across functional units and ensures that planning activities remain aligned with broader defence objectives. Consequently, military leaders should prioritize strategic communication, organizational engagement, and execution oversight as integral components of leadership practice.

5.4 Strategic Resource Allocation and Organizational Effectiveness

The results demonstrate that Strategic Resource Allocation significantly affects both Strategy Execution Effectiveness ($\beta = 0.230$, $p < 0.001$) and Organizational Performance ($\beta = 0.156$, $p < 0.01$). These findings support the Resource-Based View, which emphasizes the importance of resource deployment in achieving organizational objectives.Military institutions operate under conditions of limited resources and competing priorities. Consequently, the effectiveness of planning agencies depends substantially on their ability to allocate financial, human, technological, and informational resources in a manner that supports strategic priorities.The significant relationship between Strategic Resource Allocation and Strategy Execution Effectiveness suggests that implementation success is highly dependent on resource availability and alignment. Even well-designed strategic plans may fail when resources are insufficient, poorly distributed, or misaligned with organizational priorities.The findings also indicate that Strategic Resource Allocation influences Organizational Performance indirectly through Strategy Execution Effectiveness ($\beta = 0.122$, $p < 0.01$). This result reinforces the argument that resources alone do not generate performance. Instead, resources must be effectively mobilized and coordinated through execution mechanisms that translate strategic investments into measurable outcomes.From a managerial perspective, military planning organizations should adopt evidence-based budgeting practices, strategic prioritization frameworks, and performance-based resource allocation systems to ensure that scarce resources contribute effectively to institutional objectives.

5.5 Strategy Execution as a Strategic Organizational Capability

One of the most important findings of this study is the identification of Strategy Execution Effectiveness as a mediating organizational capability that links strategic resources and capabilities to performance outcomes.Traditional strategic management literature has often focused on strategy formulation as the primary determinant of organizational success. However, growing evidence suggests that implementation challenges represent a more significant barrier to achieving strategic objectives. The present study reinforces this perspective by demonstrating that execution effectiveness serves as the primary mechanism through which leadership, resource allocation, and adaptability influence performance.From the perspective of Dynamic Capabilities Theory, Strategy Execution Effectiveness may be conceptualized as an organizational capability that enables the transformation of strategic intentions into operational outcomes. This capability encompasses planning coordination, communication systems, monitoring mechanisms, accountability structures, and performance evaluation processes.The strong effect of Strategy Execution Effectiveness on Organizational Performance suggests that military organizations should move beyond viewing execution as a purely administrative activity. Instead, execution should be recognized as a strategic capability requiring continuous investment, organizational learning, and leadership attention.

The findings further indicate that military institutions capable of executing strategy effectively are more likely to achieve cost efficiency, operational readiness, regulatory compliance, and institutional accountability.

5.6 Integration of Resource-Based View and Dynamic Capabilities Theory

This study contributes to the growing body of literature integrating Resource-Based View and Dynamic Capabilities Theory. While RBV emphasizes the strategic value of organizational resources, Dynamic Capabilities Theory explains how those resources are deployed, reconfigured, and transformed into performance outcomes.The empirical findings support the complementary nature of these theoretical perspectives. Visionary Leadership and Strategic Resource Allocation represent strategic resources consistent with RBV, while Organizational Adaptability and Strategy Execution Effectiveness represent dynamic capabilities that facilitate resource transformation and organizational responsiveness.The integrated model demonstrates that organizational performance in military planning institutions is not solely a function of resource possession but also depends on the organization's ability to adapt, coordinate, and execute strategic initiatives effectively.

This theoretical integration provides a more comprehensive explanation of performance variation within military organizations and extends the applicability of both RBV and Dynamic Capabilities Theory beyond their traditional private-sector contexts.

VI. Theoretical Contributions

This study makes several important theoretical contributions to strategic management and public-sector performance literature.

First Contribution: Extending Dynamic Capabilities Theory to Military Organizations
Most empirical applications of Dynamic Capabilities Theory have focused on private-sector organizations operating in competitive markets. Relatively few studies have examined defense institutions characterized by hierarchical governance structures and bureaucratic decision-making processes.This research demonstrates that Dynamic Capabilities Theory remains highly relevant within military planning organizations. Specifically, Organizational Adaptability and Strategy Execution Effectiveness emerge as critical capabilities that enable military institutions to respond effectively to environmental complexity and strategic challenges.

Second Contribution: Conceptualizing Strategy Execution as an Organizational Capability
Previous studies have generally treated strategy execution as an operational or managerial process. This study advances the literature by conceptualizing Strategy Execution Effectiveness as a dynamic organizational capability that mediates the relationship between strategic antecedents and organizational outcomes.
The findings suggest that execution capabilities deserve greater theoretical attention because they represent the mechanism through which strategic resources are transformed into measurable performance outcomes.

Third Contribution: Integrating RBV and Dynamic Capabilities Theory
The study develops and empirically validates an integrated framework combining Resource-Based View and Dynamic Capabilities Theory.
The results demonstrate that leadership and resource allocation function as strategic resources, whereas adaptability and execution represent dynamic capabilities. Together, these factors provide a comprehensive explanation of organizational performance within military planning institutions.

VI. Practical Implications

The findings of this study provide several practical implications for military leaders, defense policymakers, and public-sector managers.

Strengthening Strategic Communication
Military leaders should emphasize strategic communication mechanisms that ensure organizational members understand strategic priorities, performance expectations, and implementation responsibilities. Clear communication reduces ambiguity and strengthens organizational alignment.

Enhancing Execution Monitoring Systems
Given the strong influence of Strategy Execution Effectiveness on Organizational Performance, military planning agencies should establish comprehensive execution-monitoring systems. These systems should include performance dashboards, key performance indicators (KPIs), regular progress reviews, and accountability mechanisms.

Promoting Organizational Adaptability
Military organizations should foster adaptive cultures that encourage learning, innovation, and responsiveness. Investments in digital transformation, knowledge management systems, and organizational learning initiatives can enhance adaptability and improve implementation outcomes.

Improving Strategic Resource Allocation
Planning agencies should adopt data-driven resource allocation frameworks that prioritize strategic objectives and optimize resource utilization. Such approaches can improve budgeting efficiency and increase institutional effectiveness.

Developing Cross-Functional Coordination
Because strategy execution often requires collaboration across organizational units, military institutions should strengthen cross-functional coordination mechanisms and reduce bureaucratic barriers that hinder implementation.

VIII. Conclusion

This study examined the relationships among Visionary Leadership, Strategic Resource Allocation, Organizational Adaptability, Strategy Execution Effectiveness, and Organizational Performance within the Indonesian Army Planning Agency.The findings reveal that all three strategic antecedents significantly influence both Strategy Execution Effectiveness and Organizational Performance. Among these factors, Organizational Adaptability emerged as the strongest predictor of Strategy Execution Effectiveness, while Strategy Execution Effectiveness demonstrated the strongest direct influence on Organizational Performance.

The mediation analysis confirmed that Strategy Execution Effectiveness serves as a critical mechanism through which leadership, resource allocation, and adaptability contribute to organizational success. These findings underscore the importance of execution as a strategic organizational capability rather than merely an operational activity.Overall, the study demonstrates that military organizational performance is shaped not only by strategic resources but also by the organization's ability to adapt and execute effectively. Consequently, military leaders should prioritize adaptive capabilities, strategic communication, execution monitoring, and resource alignment to bridge the strategy–execution gap and achieve superior institutional performance.

IX. Limitations and Future Research

Despite its contributions, this study is subject to several limitations.First, the research was conducted within a single military organization, potentially limiting the generalizability of findings to other defence institutions or national contexts.Second, the cross-sectional research design restricts the ability to establish causal relationships conclusively. Longitudinal studies would provide stronger evidence regarding the dynamic relationships among the variables.Third, the study relies on perceptual measures of organizational performance. Future research should incorporate objective indicators such as budget realization rates, operational readiness metrics, program completion rates, and institutional performance evaluations.

Future studies are encouraged to:

1. Conduct comparative analyses across Army, Navy, and Air Force organizations.
2. Examine military institutions across different countries.
3. Investigate additional dynamic capabilities such as organizational learning, digital transformation, and strategic agility.
4. Employ longitudinal research designs to examine performance changes over time.
5. Integrate qualitative approaches to gain deeper insights into strategy execution processes within military organizations.

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