Explaining Factors Affecting Strategic Planning Success (A Case Study of Iranian Offshore Engineering & Construction Company)

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Abstract
The main purpose of this article is to review the effect of a model to explain the effective factors in the success of strategic planning in Iranian Offshore Engineering & Construction Company (IOEC). The research, as it uses questionnaires, is a descriptive survey, and as all the goals of this research are chosen to acquire sufficient knowledge to fulfill a certain known need, this research is applied purpose-wise. The sample of this study consists of experts and active individuals (supervisors, high-end mid-ranking directors) in strategies planning projects of IOEC, who are 106 in total. To predict the size of the sample, Morgan’s table was used, and, as the initial sample was 106, a final tally of 85 was acquired. Simple random sampling was used to select the sample. By accounting for a %5 error in collecting the questionnaires, 90 questionnaires were distributed in total, out of which 85 were usable for the current research purposes. Therefore, the data in these questionnaires were entered into SPSS, and the relevant analyses were conducted. Using the researcher-made questionnaire, whose validity stood at 0.724 based on face validity and KMO method, and whose reliability was at 0.916 based on Cronbach’s Alpha, the data was gathered. The descriptive statistical analysis was used through SPSS to analyze the data. The acquired results show that there is a meaningful relationship between leadership, organization support, organization capabilities, leader-member relations, and organization culture with the success of strategic planning in IOEC.

Keywords: success, strategic planning, leadership, management

Introduction
Nowadays the speed of internal and international changes and developments in different political economic social and cultural fields on the one hand and the increasing competitiveness of the activities of local companies has led many Iranian organizations to adopt new management approaches suitable with third generation organization characteristics. In this regard strategic management based on Strategic Thinking is one of the most fundamental Necessities of Iranian company directors. The Weakness of many Iranian organizations is the lack of necessity regarding the use of Strategic Thinking. Strategic planning, via observing internal and external environments, identifies Environmental opportunities and challenges as well as internal strengths and weaknesses, and by regarding company mission, arranges long-term objectives for the company, to achieve these purposes, from among different strategic choices, it chooses strategies remove weaknesses and avoids threats by relying on strengths and opportunities so that, if implemented accurately and correctly, they can bring about success in the field of competition and keep a competitive edge (Mohammad Sirous and Saboorinat, 1387, p. 1)

Complicated environmental conditions as well as numerous changes in business environments especially in Industries related to Oil and Gas which is greatly affected by environmental variables such as the price of oil international relations sanctions etc., establish new approaches and models in organizations regarding the success of Strategic planning. Active organization industry such as IOEC is always under the pressure of competition. Therefore, understanding the markets and choosing suitable consistent competitive strategies is a necessity. Lack of Strategic Thinking and approach leads to the loss of resources and organizational capabilities and, in the end, ruins the organization’s competitive position.

Strategic Management
The concept of strategy has been used in business studies since the 1960s and despite its wide acceptance; it still has a vague and special meaning in management. The definition of the concept of strategy is different from one researcher to another, but in the essence of many definitions, the strategy has been defined as the following: “A model regarding decisions and activities whose main characteristic is the relation between the organization and its environment and a determining Factor in achieving purposes.” Business strategy in this research is defined as "an integrated collection of activities with the aim of increasing long-term power and ability of the company in relation to its competition.” Business strategy researchers are related to understanding the fact that what makes a company efficient in its environment and to find necessary Processes to improve the efficiency of the company. There exist different viewpoints toward strategy. Some researchers such as Hafro Schandl (1978) regard strategy as a tool to reach goals whereas others such as Andrews (1980) recorded the goal. Some people regard strategy as a more comprehensive
concept, which includes both goals and the tools to reach them. They claim that in the Horizon of general management, formulating and implementing strategy are related to one another and there is no reason to separate them. Anyway, the paradigm of new strategy management clearly separates goals (structure of the Gaul and its formulation) from strategies (formulating, evaluating and implementing strategy) (Zarei Matin et al., 1389)

The process of strategic management includes the three levels of creating strategies, implementing strategies and evaluating the strategies. Henry Mintzberg, the famous Canadian strategist, offers five definitions of strategy that can be called the 5P. The strategy can be defined as a plan, a lineup, a model, a position or a viewpoint (Maleki, 1388).

The strategic management tries to observe and study a collection of achievements and results of practical and applicable services and products in the previous decade regarding management services and strategic planning. Strategic management can find the following axes in all organizations: Strategic entrepreneurship Thinking, strategic financial management, production, research and future studies, marketing, innovation and creativity, philosophy and attention to Strategic Thinking, human resources, strategic understanding of the environment and theories, planning on a national scale using mathematical models, technology, science, strategic planning and management models, successful trade, case studies on strategic planning, strategy planning NGOs, control systems and approaches, and evaluating Strategic Thinking.

**Strategy Compilation**

The aim of strategy compilation is to determine the mission of the company, including identifying factors that threaten the company from the outside environment or those factors that create opportunities, identifying the internal strengths and weaknesses of the company, determining long-term goals, observing different strategies and choosing special strategies to continue the activities.

Points that are proposed regarding the creation of strategies are as follows:

- Determining the type of activity of the company
- Activities that the company wants to quit
- Method of allocating resources
- Decision making regarding the expansion or variation of activities
- The method of avoiding sudden movements and activities of the competition
- Merging with competition
- Decision-making regarding the entrance to cross-border markets

Strategies determine company competition advantages, in the long run, meaning that decisions regarding a strategy have results with various aspects and long-term effects on the company (Afshari and Parsa Manesh, 1393).

**Implementing Strategies**

Implementing it strategies requires the company to observe annual goals, determine policies, create motivation in the staff, and allocate resources in the way that allows the implementation of strategies. Most people regard the implementation of the strategy as the practical stage of strategic management. Implementation of strategies means that the staff and directors come together to realise and putting to practice the implementation of created strategies. The success of strategy implementation depends upon the facts that directors be able to motivate staff, which in itself is an art and not a science. Main aspects of the stage of implementation are that directors and staff should be motivated to work in the company with passion, pride, and selflessness in order to achieve goals (Afshari and Parsa Manesh, 1393).

**Evaluating strategies**

In order to evaluate strategies the three following activities can be done:

- Studying internal and external factors that are the basis of current strategies
- Calculating and evaluating performances
- Modification activities and measures
Strategies should be evaluated because today's success cannot guarantee tomorrow's success. Please pay attention that creating, implementing and evaluating strategies must be carried out in three managerial levels (organizational hierarchy): the entire company, department or division, and responsibility (Afshari and Parsa Manesh, 1393).

**Strategic Management Model**

![Strategic Management Model Diagram](image)

**Advantages of Strategic Management**

One can point to the following regarding the advantages of strategic management:

- Clear definition of the organization's goals in order to create consistency regarding its mission based on the determined capacities and time framework
- Expanding the sense of participation in programs
- During more efficient use of resources in the company
- Focusing on priorities and see resources
- Creating a basis for the progress of the staff and the establishment of the facilities to pay more attention to efficiency and practicality
- Creating a bridge between staff and the directors and the board of directors, creating a strong team on the board of directors and staff, creating bonds between the members of the board of directors
- Creating more satisfaction among planners with a common viewpoint
- Increasing efficiency through improving performance and effectiveness

**Challenges of Strategic Management**

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*Figure 1. A sample of Strategic Management Model*
Case Studies

Doolen et al. (2008) have conducted research on organizational performance in which day describe the effects of Kaizen occurrences on organizational performance including results on human resources. Results from the quantitative (survey) and qualitative (interviews and company documents) data show that, even within a single organization, Kaizen occurrences can be implemented successfully. The described method can you evaluate the effect of Kaizen occurrences on business performance and the results of human resources. This study shows that initial success in business performance, as well as the results of human resources, are not necessarily related to each other and this success may vary through time.

Strategic approaches are the principles of effective guidance on marketing and choosing the strategies and activities of a company, and they reflect their strategic approaches of the company to create suitable behaviors, which lead to better performance and are based on the idea of a company about how to conduct business through an extensive system of values and deep beliefs. Research in the field of marketing has mainly focused on retaining market approaches on choosing and implementing the concept of marketing. Nevertheless, an increasing number of research emphasize choosing alternative strategic approaches such as innovative approaches, Technologic approaches, entrepreneurial approaches, quality approaches and Efficiency approaches. Researchers claim that companies can maximize their performance through complementary market approaches together with other important strategic approaches that are suitable with the conditions of the environment and characteristics of the company (Theodosiou et al., 2012).

Strategic approaches guide companies on how to categories and use company resources in order to achieve emerging market opportunities and exploiting current markets.

Research has been conducted by Kumar et al. on strategic approaches, innovative models, and the performance of small, medium and big companies. The aim of this research was to study the differences and similarities of strategic approaches and models in small, medium and big companies in order to study its results on the performance of the market. Miles and Snow have used 592 new products in their study in order to determine the used strategic approaches. Data has been gathered in two years from 62 Italian companies in the yoghurt industry. The results show that although companies have research approaches, small and medium companies have defensive or reactive approaches. The result of the existing gap in research is compensated by proposing the similarities and differences of
strategic approaches, limited models and the performance of big companies in dynamic Industries (Kumar et al., 2012).

Nandakumar et al. (2011), using the acquired evidence from production companies, studied the correlation between general strategies and performance. The aim of this research was to study the effects of business strategies and organizational performance, as well as to test the consistency of Porter’s general strategies in explaining the differences in organizational performance. This study focused on England’s production companies in the electrical and engineering fields. The data was gathered via a survey of 124 company, and visual and mental measures were taken to evaluate performance. The results showed that companies that have chosen one of the strategies of expenditure leadership or distinguishing outperform companies that have not adopted a dominant strategic approach. Integrated strategies have lower performance compared to expenditure leadership and distinguishing in measuring financial performance.

The role of strategic approaches in a company toward determining market tendencies have been studied by Johnson et al. As not many such research efforts have been conducted, the researchers have explored four key dimensions of strategic approaches of companies including Company misunderstandings, futuristic approaches, marketability, and risk aversion. Adjustment of two environmental factors, the pace of competition, and technology, based on their relation with different dimensions of strategic approaches and market tendencies have been observed via a survey in the clothing industry (Johnson et al., 2012).

The studies of Ming Lau (2011) show that companies in passing economies are learning to expand their strategies to benefit from new market opportunities. This article studies managerial approaches through high-ranking directors in a transition economy from China by focusing on teams of companies and organizational resources. The results show that these companies have an efficient management team with better managerial capabilities.

Theodosiou et al. (2012) have studied the effects between strategies approaches, marketing capacities and company performance, through which the relation between alternative strategic approaches and company performance was tested via a proxy effect from marketing capacities with an experimental model. The effect of environmental factors and company characteristics in the decision-making process regarding the continuation of beneficial strategic approaches were studied via data gathered from 316 branch directors. The researchers found out that market volatility, competition level, and lack of focus have an axial role in determining the priorities of strategic management.

In a study by Grawe et al., titled the effect between strategic approaches of innovative services and performance, it was aimed to determine the way company strategic approaches affect innovation capacities, and thus, study its feedback on market performance. In this study, structural modeling was used to study the relation between these fundamentals: Customer tendencies, competitor tendencies, cost tendencies, innovation services and market performance. Though no support has been given to the relation between cost tendencies and innovative services, the relations between Customer tendencies, competitor tendencies, and market performance has garnered support. Moreover, the relations between innovative service and market performance have been supported. This research is one of the few of its kind that has approached innovative services with a practical approach (Grawe et al., 2009).

Results of the Study

Analyzing the data in order to ensure the correctness of hypotheses is of the utmost importance in any research, and data analysis is one of the most important parts of any contemporary research. The sample of this study consists of experts and active individuals (supervisors, high-end mid-ranking directors) in strategies planning projects of IOEC. To predict the sample size, to predict the size of the sample, Morgan’s table was used, and, as the initial sample was 106, a final tally of 85 was acquired. Simple random sampling was used to select the sample. By accounting for a %5 error in collecting the questionnaires, 90 questionnaires were distributed in total, out of which 85 were usable for the current research purposes.
Table 1. Variable Normality Test Results*

<table>
<thead>
<tr>
<th>Variable</th>
<th>Number</th>
<th>Kolmogorov Smirnoff Test Result</th>
<th>Sig</th>
<th>Decision-making</th>
<th>Test Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization Culture</td>
<td>56</td>
<td>0.095</td>
<td>0.146</td>
<td>Confirming Null Hypothesis</td>
<td>Normal distribution</td>
</tr>
<tr>
<td>Leader Behavior</td>
<td>36</td>
<td>0.099</td>
<td>0.141</td>
<td>Confirming Null Hypothesis</td>
<td>Normal distribution</td>
</tr>
<tr>
<td>Organization Support</td>
<td>16</td>
<td>0.102</td>
<td>0.135</td>
<td>Confirming Null Hypothesis</td>
<td>Normal distribution</td>
</tr>
<tr>
<td>Organization Capabilities</td>
<td>6</td>
<td>0.086</td>
<td>0.169</td>
<td>Confirming Null Hypothesis</td>
<td>Normal distribution</td>
</tr>
<tr>
<td>Leader-Member Relations</td>
<td>6</td>
<td>0.094</td>
<td>0.149</td>
<td>Confirming Null Hypothesis</td>
<td>Normal distribution</td>
</tr>
<tr>
<td>The success of Strategic Planning</td>
<td>32</td>
<td>0.109</td>
<td>0.123</td>
<td>Confirming Null Hypothesis</td>
<td>Normal distribution</td>
</tr>
</tbody>
</table>

Table 1. Variable Normality Test Results*

First Conclusion

The behavior of the company’s leadership has a meaningful effect on the success of strategic planning in IOEC.

Table 2. Pearson correlation efficient between company leadership behavior and success of strategic planning

<table>
<thead>
<tr>
<th>Variables</th>
<th>No.</th>
<th>r correlation efficient</th>
<th>Sig level</th>
<th>Test results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>dependent</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company leadership behavior</td>
<td>85</td>
<td>0.235</td>
<td>0.030</td>
<td>Meaningful relation</td>
</tr>
<tr>
<td>The success of strategic planning</td>
<td>85</td>
<td>0.235</td>
<td>0.030</td>
<td>Meaningful relation</td>
</tr>
</tbody>
</table>

Table 2. Pearson correlation efficient between company leadership behavior and success of strategic planning

Second Conclusion

As it can be seen, based on P-value, it can be asserted that the acquired F is completely meaningful and confirm the idea that the independent variable has been effective in predicting the dependent variable. In the table below, the correlation of determining a model has been fitted, and the estimated linear regression correlations (together with their meaningful level) have been recorded.

The determining coefficient (0.060) shows that 6% of the changes of the dependent variable relying upon the success of strategic planning can be explained by the independent variable of organization leadership behavior. Other changes address other variables which have been excluded.
Organization capabilities have a meaningful effect on the success of strategic planning in IOEC.

Table 3. Pearson Correlation efficient between organization capabilities and success of strategic planning

<table>
<thead>
<tr>
<th>Variables</th>
<th>No.</th>
<th>r correlation efficient</th>
<th>Sig level</th>
<th>Test results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>dependent</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organization capabilities</td>
<td>85</td>
<td>0.397</td>
<td>0.000</td>
<td>Meaningful relation</td>
</tr>
</tbody>
</table>

As it can be seen, the correlation efficient between these two variables, that is organization capabilities, and success of strategic planning is 0.397, and the positivity of these variables show that there is a direct relation between them. Moreover, based on Sig level that is lower than %1, H1 is confirmed, and there is a direct, meaningful relationship with an error level of %1.

Table 4. ANOVA regarding regression model

<table>
<thead>
<tr>
<th>Source of changes</th>
<th>Total measures</th>
<th>Freedom level</th>
<th>Average squares</th>
<th>Statistical F</th>
<th>Source of changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>68.256</td>
<td>1</td>
<td>68.256</td>
<td>9.659</td>
<td>Regression</td>
</tr>
<tr>
<td>Remaining</td>
<td>586.497</td>
<td>83</td>
<td>7.066</td>
<td></td>
<td>Remaining</td>
</tr>
<tr>
<td>Total</td>
<td>654.753</td>
<td>84</td>
<td>4.250</td>
<td></td>
<td>Total</td>
</tr>
</tbody>
</table>

As it can be seen, based on P-value, it can be asserted that the acquired F is completely meaningful and confirm the idea that the independent variable has been effective in predicting the dependent variable. In the table below, the correlation of determining a model has been fitted, and the estimated linear regression correlations (together with their meaningful level) have been recorded.

Third Conclusion

Organization culture has a meaningful effect on the success of strategic planning in IOEC.

Table 5. Pearson Correlation efficient between organization culture and success of strategic planning

<table>
<thead>
<tr>
<th>Variables</th>
<th>No.</th>
<th>r correlation efficient</th>
<th>Sig level</th>
<th>Test results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>dependent</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organization culture</td>
<td>85</td>
<td>0.557</td>
<td>0.031</td>
<td>Meaningful relation</td>
</tr>
</tbody>
</table>

As it can be seen, the correlation efficient between these two variables, that is organization culture and success of strategic planning is 0.557, and the positivity of these variables show that there is a direct relation between them. Moreover, based on Sig level that is lower than %5, H1 is confirmed, and there is a direct, meaningful relationship with an error level of %5.

Table 6. ANOVA related to Regression Model

<table>
<thead>
<tr>
<th>P-value</th>
<th>Statistical F</th>
<th>Average squares</th>
<th>Freedom level</th>
<th>Total measures</th>
<th>Source of changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.042</td>
<td>4.250</td>
<td>31.894</td>
<td>1</td>
<td>31.894</td>
<td>Regression</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7.504</td>
<td>83</td>
<td>622.859</td>
<td>Remaining</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>84</td>
<td>654.753</td>
<td>Total</td>
</tr>
</tbody>
</table>
Summary and Conclusion

The purpose of this study was to identify and prioritize the effective factors regarding the success of the strategic planning in IOEC, and the acquired results of this article are suitable variables for the success of Strategic planning. The calculated coefficient shows that the Independent variables of this research have the capacity of predicting about 14.7 percent of the dependent variables.

A normality test was conducted for the variables, and its results, calculated through Kolmogorov-Smirnoff method, were deemed as normal based on the meaningful level of the variables. Moreover, Pearson correlation tests showed that all hypotheses of the research are accepted. In a regression model, independent variables of this research are suitable variables for the possibility of implementing ideas.

References

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