The Study of Strategic Planning and Thinking of Managers on Competitiveness and Export Performance by Mediating Market Orientation (The Case of SMEs in Semnan Provianc)

Mohammad Jaberi Shafi¹ & Younos Vaki Alroaia²

ABSTRACT: The aim of this study is the investigation of Strategic Planning and Thinking of Managers on Competitiveness and Export Performance by Mediating Market Orientation. To answer the research question and test the relevant hypotheses, a questionnaire was distributed among 269 sample members of the study, which consisted of SMEs in Industrial Park of Semnan province, through classifying random sampling. After collecting questionnaires, the data were analyzed by SPSS and LISREL software’s and the results were extracted. It should be noted that the validity of the questionnaire was evaluated through content and structure validity and also its reliability through Cronbach's alpha test. The results showed that the questions have high reliability and in terms of construct validity, which was examined using confirmatory factor analysis method, it was found that the questions have a proper validity. Finally, the results of data analysis and testing of hypotheses showed that strategic thinking has a significant effect on export performance, while the effect of strategic thinking on competitiveness and market orientation has not been significant found. The results also showed that strategic planning has a significant effect on competitiveness, market orientation and export performance.

KEYWORDS: Strategic Planning, Competitiveness, Market Orientation, Export Function, Strategic Thinking.

¹ Graduate of Master of Business Administration- Marketing Orientation, Koomesh Non-Profit Institute Mobile: 09124228294, E mail: jaberi.shafey@yahoo.com

² PHD of Entrepreneurship, Assistant Professor & Chairman, Semnan Branch, Islamic Azad University, Semnan, Iran, Mobile: 09122316247, E mail: y.vakil@semnaniau.ac.ir
1. INTRODUCTION

Today’s alteration and dynamics are the obvious features of the environments in such a condition, successiveness of organizations, stake on the correct prediction and representing the effective reaction, due to the existing alteration of the environment. On the other hand, Competitiveness between organizations is increasing at the moment. This causes that they always try to find victory and the benefits of the competitiveness advantages in Competition field (Ghorbani 2016). Competitiveness is process that each organization tries to operate better than the others and also precedence from others. Nowadays acquisition of the ability of competitiveness has become one of the most important issue at different countries in international level (Kim and Mauborgne 2005). Increasing developments of the market, reaching maturity level and rapid developments of using new technology in manufacture production are factors that lead organizations for protection, growing, profitability and gaining the competitiveness advantage, product and supply new products (Masih khah 2011). Competetivevines advantage is focal strategy point and basic concept in strategic managements. This advantage is creating by Distinction of organization in specific business for interested persons, especially costumers. Costumers must mentally fells that the intended organization is able to make more benefits for them respect to the others. Lack of competitive advantage for an organization leads destruction of them (Zehir 2015). Strategic planning and managements helps managers to recognize and utilize opportunities. On the opposite it decreases their negative consequence on organizations by identification and preventing it from threats (Ghorbani 2016). Strategic planning has great impact on the organizations operation and causes to improve the operation and gaining the stable competitive benefit.

Organization operation includes real output or result earned from an organization against the results or outputs that was planned for it (Rezayiidoletabadibi 2005). Organization operations have three specific parts of organization results includes: financial operation (benefits, property return, funding return and etc.), Product market performance (celling, market contribution and etc.), stakeholders return (totally means stakeholders return, additional economics and etc.). Success in full competitive world requires using strategic planning (O'Regan, Ghobadian & Sims 2006, Hamel 2007). Strategic planning is one of the managements tools to improve the organization operation. It can increase competitive power of the organizations against others. Also causes for competitiveness benefits of organizations and increase the operation of organizations (Mahdi and Almsfir 2013). Having strategic planning is necessary for the organizations. Because of the nature small and middle size companies, this necessity becomes more important for them. In most definition small and middle size organizations are classified based on quantitative creation such as: number of the employees, amount of financial circulation, property worth and amount of the fund (rahbord to lid danesh boniyan, 2011). Simplest definition is based on number of the employees. European unions considered 250 people for small and middle size corporation. In America and in Malaysia this limitation is 500 and 150 respectively (Rahborde danesh boniyan, 2011). These corporations only give service to local costumers or have small contribution of the present market in Qualitative property. They are managing by one person or little group of the people which are the owners of them too. Also in comparison to the bigger corporations, they receive lees financial helps from financial and market agency. They do independent works but it does not mean that they are completely independent from larger company, because they are working besides them. In fact they are represents the bigger company’s production (Noori, 2014). Due to their nature these kinds of corporations, they require special attention. They are arguing with very hard financial situation. Disability to meet the financial requirements and sources make their place unstable in marketing (Rahbord, 2012). Because of financial and people source of these corporations they use different method of marketing compare to common marketing methods (Carbonel, 2009).

Due to the financial problems such as growing number of the rivals, entering the new and developing country in Global competition market, increasing the amount of production by using
the new technology and also making the battle on price and the quality of stuff in global level in recent years and Iran, as well as the number of growing problem for lots of these companies so as seawan’s province which suffer from week managing and strategic knowledge that causes to poor products exports and services in recent years, one of the application that can affect these companies operation is strategic managements which let them to increase their power to compete with the larger companies and finally leads to make the competitive in organization and increasing the export performance of the organization (Varadarajan 2010). So the main goal of this study is the impact of the planning and strategic thinking on Competitiveness and export performance by considering the intermediation of marketing.

2. Theoretical Framework

Export performance is criterion that companies predicts for exporting product by means of planning and operating export marketing methods (Cavusgil & Zou 1994). Export performance is conclusion of the organization operation which includes achievements and their internal and external goals (Navarro et al, 2010). It also shows that how much organization succeeded in reaching their goals. Evaluation of this criterion is complicated process and depends on the gauge reliability (Sousa 2008). This criterion is related to the different beneficiaries (founders, employees and costumers). There dimension of this criterion is magnified by researchers. First Effectiveness about the products and corporation plans against the rivals which can be be illustrate with indicator such as ceiling developments. Second dimension is efficiency which focuses on the business outputs respect to their inputs. Third dimension is adaption which means that how the business will response to changes in condition and opportunity of the environments. The third one is more strategic indicator (Zehir et al, 2014). In global discussion, governments around the world try to improve the export performance of the companies. Export performance is one of the important factors of financial development. However this does not mean that being successful in the local market make the smaller companies in export performance successful too. To succeed in exports performance companies requires specific strategy. There are many different methods of entering to the interracial bazaar such as direct investment, partnership contract methods and exports methods. Because of low risk and requirements to the financial sources of exports methods in comparison to the others this method is more common (Oliviera 2016). For existing in international bazaar, it is important for the companies to have acceptable export performance, because low performance in export cause to loose sources of organization in long time. Based on the global trade market reports, on average the products exportation increased in magnitude of 23% and value of the business service increased in magnitude of 13% in 2014. Also worth of Iran’s export in 2014 was 156 billion dollars which has 0.19% of whole world trade marketing. Although having good sources and availability to the local bazaar, borders and ports export performance of the Iran is very poor in non-petroleum export. So it is very necessary that each organization find effective factors on export performance of its own and have great interest on them. In this study the important factors on export performance is as following:

2.1. Strategic Thinking

Strategic thinking in definition is implementing concepts and approaches, but this definition is complicated and should be specified more. There are lots of definition for strategic thinking but all of them refers to different aspects of it consequently instead of defining it we refer to the concept and the features of it to illustrate the correct representation of this approach (ghafari et al 2013). Strategic thinking let manager to understand the effectiveness of the different factors, to reach goals and how effective factor make value for costumer. This vision to the effective factors makes denotation power. Strategic thinking requires activity such as gathering information, analyses of the information, struggle and discussion about current condition on organization with different activities and answering to the basic question about organizations properties. Abraham (2014) says that strategic thinking is detecting reliable business model
which leads to make more value for the customers. It makes the organization to redefine basic strategies or even industrial which the company works on it.

2.2. Strategic managements
Strategic management is set of decisions and management acts which long time operation of the organization is determined by them. It has three parts: codification of the strategy, performance of the strategy and controlling it (noori 2014). The codification part strategy is planning and scheming of strategy. In this step after investigating the inside and outside of the environments, strategy will be confided with respect to the external opportunity and threat, also internal strength and weak points. The first value and priority of the strategic planning is helping organization to act more successful in complicated and dynamic environment. Lots of research shows that organization performance which uses strategic planning is much better than the others. Achieving to good connection between environments of an organization and their strategy, Structure and process have good effect on its performances. Strategic planning makes organization more available to increase their ability for solving the issues and the problem that they face with them.

2.3. Marketism
Since 1970, dynamics of the business environments is adopted as major important parameter on effectiveness of the organizations performance, because of important factors such as increasing and decreasing of the finance, development of competitions and globalization. Market basing is important concept in marketing theory and tends to learn bazaar environment. On the other hand it is based on precipitation of changes in bazaar and using them in marketing activity. Consequently we can say that market trend can be discussed as important philosophy in business which operates organization strategy. Takata et al (2016) mentioned that during 90s decade marketing has reached more attraction with respect to the other topics in business. The reason of this attraction is that the market tendencies as company’s ability to continuous learning about costumers, competitors and environmental factors which are defined in existing and potential markets. Kohli and Jaworski define the marketing tendency as market intelligence organization product which it is across all the organization section and accountability. According to their definition, the concept of the marketing is business philosophy, while the term of the marketing tendency refers to the actual implementation of the concept of marketing. Also they add that trends are emerging to provide a unified focus on people efforts, projects and section’s efficiency. On the other hand Narver and Slater (1990) defined the market tendency as organization culture, which creates more effective and necessary behavior to create superior value for buyer. Thus they create superior continuous performance for the business.

2.4. Competitiveness
In the last two decades, we have seen two different intellectual doctrine of competitiveness includes technology based approach and worthiness based approach. Information technology improves efficiency and creates a strategic advantage. Based on a merit-based approach, companies identify and control their unique skills and competencies through internal and external consolidation. In other words, based on an IT-based approach, technology is the basis of competitiveness. While in the second approach, learning organization is emphasized on strengths for survival through modeling, as well as predictive and effective responses to change (gol mohammadi, 2012). Other researchers focus on the relationship between competitiveness and organizational performance. Scot (1980) Defines competitiveness as the ability to raise revenues at a speed equal to competitors and create the necessary capital to confront them in the future. Pace and Stephan 1996 define a Comprehensive definition of the competitiveness. They said: Competitiveness means the organization's ability to survive in the business and protect the organization's capital, acquisitions of assets, and guaranteeing jobs in the future. Competitiveness is a relative issue rather than absolute. Competitiveness Values of Customers and Affiliates, Financial strength which Determine the ability to act and react in a competitive
environment and the potential of individuals and technology in implementing strategic change are the most important factors. Competitiveness is sustained if there is a good balance between mentioned factors. The company sometimes experiences a competitive advantage that its activities in the industry or market will generate economic value and few companies engage in similar activities. In this view, the competitive advantage is linked to the company's performance, and it is asserted that the company sees performance above the normal level that gives more value than the expected value of resources (Rafie, 2014). In general, competitive advantage is the value that an organization offers to its customers, at a time when this value is not supplied by potential competitors and actual competitors. There is a close relationship between the level of development of market orientation and the competitiveness of a company in an economic environment. Competitiveness is measured as a multi-dimensional concept by using variables of degree of organizational adaptability with changes in business environment, the benefits of marketing mix and performance indicators (Aghrbani, 2016). In order to create a competitive environment for organizations in the new era, it is necessary to consider marketing beyond a task and an organizational unit, in such a way as to become a philosophy and organizational point throughout it and to play an effective role in the internal and external dimensions in all the programs and actions. According to the stated concepts, the conceptual model of research is developed, as shown in figure 1.

Figure1. Conceptual model of research (Sources: according to researcher studies)

3. RESEARCH METHODOLOGY

Due to the research propose and its concepts, in view of propose this research can be considered as an applicable research. In terms of method and nature, it is a descriptive-survey research. So the present research is due to the fact that the current conditions of the industrial enterprises of Semnan province are investigated and the results can be used by the managers of this town. Also, because we are going to hypothesize in this study. In term of the accurate data usage, this research is definite type and in term of time can be considered as a Single-sectional research.

3.1. Population

The statistical population of this research is all the employees of the small and middle-sized companies of Semnan province who are employed in different parts. This population include 1171 of these companies’ employees.

3.2. Statistical sample size and sampling method

Case study of this research has been crossed based on Morgan table. The number of interest was 291 people. To this end 300 questionnaire were distributed accidentally in the second half of the year 2016. 285 number of the questionnaire were filled and 269 numbers of them were chosen to analyze statistically.
3.3. Research hypotheses
In this research 9 different hypotheses on small and middle size companies have been considered. In all of them the relation between strategic planning, thinking, marketing and competitiveness and theirs impact on them has been investigated. It is assumed that strategic planning have positive, direct and meaningful relation with Competitiveness, export performance, marketing. In addition the impact of the strategic thinking on export performance and marketing of these types of the companies is considered direct, positive and meaningful. The impact of the marketing on competitiveness and export performance is also having been taken into account. And finally the impact of the competitiveness on export performance is considered respectively.

3.4. Data gathering tools
In order to analyze the concept of this research, Questionaries’ were used to gather data and information which includes 64 questions. Although the set of questions is in a questionnaire, it contains six distinct categories of questions. 4 question of this questioner were related to gender determination, age, education level and years of the service of responders. For analyzing variable, 15 questions for export performance, 20 questions for strategic thinking, and 14 questions for strategic planning, 6 questions for marketing and 5 questions for competitiveness evaluation with 5 point lickert spectrum were considered respectively. In order to analyze the implemented questionnaires, Slaughter and Carver questionnaire for marketing(1990), Song and Pery (1997) and Porter (1985) for competitiveness ,John Lidka questioner (1988) for strategic thinking and planning and Sin et al (2005) questioner for export performance were used respectively. Table 1 illustrates question related to the variables and their dimensions, dimension divided.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Dimension</th>
<th>Question</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export performance</td>
<td>Employees satisfaction</td>
<td>1 to 5</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Costumers satisfaction</td>
<td>6 to 10</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Financial economy</td>
<td>11 to 15</td>
<td></td>
</tr>
<tr>
<td>Strategic thinking</td>
<td>Systematic vision</td>
<td>1 to 3</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Goals focus</td>
<td>4 to 7</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hypothesizing</td>
<td>8 to 11</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Intelligent Opportunism</td>
<td>12 to 14</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Time thinking</td>
<td>15 to 20</td>
<td></td>
</tr>
<tr>
<td>Strategic planning</td>
<td>Company existence perception</td>
<td>1 to 3</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>Analyzing power</td>
<td>4 to 8</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Realization of the company strategy performance</td>
<td>9 to 11</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>12 to 14</td>
<td></td>
</tr>
<tr>
<td>Marketing</td>
<td></td>
<td>1 to 6</td>
<td>6</td>
</tr>
<tr>
<td>Competitiveness</td>
<td></td>
<td>1 to 5</td>
<td>5</td>
</tr>
</tbody>
</table>

3.5. Reliability and validity of questionnaire questions
In order to evaluate reliability of the questionnaire, a priory sample consist of 30 questionnaire was pre analyzed. With usage of these data confidence factor level was determined by Alpha cronbakh method. This coefficient was 0.88 for export performance, 0.8 for marketing, 0.85 for competitiveness and 0.92 for strategic thinking and planning. The tests result indicates that the questionnaire is reliable and validates enough for research. To assess the validity of the questionnaire, content validity method was used. In order to evaluate the content validity, a questionnaire was given to a number of experts and management professors and behavioral
sciences. They were asked about questions and evaluation of the hypotheses. Finally they confirmed the questionnaire together.

3.6. Data analyzing method

In order to test the model, after testing Normal distribution of data with the help of Kolmogorov- Smirnov statistical test, the suggested Conceptual pattern were analyzed with the usage of the structure equation modeling. Structural Equation Modeling of New Statistical Methods of Wiki is one of the strongest methods of multivariate analysis. Multivariate analysis is referred to as a series of analytical methods whose main characteristic is the simultaneous analysis of multiple independent variables with several variables. Its main application is in the multivariate subjects that cannot be made in a two-variable manner, taking into account each time an independent variable with a dependent variable.

4. EMPIRICAL RESULTS

From 269 responders of questionnaire, most of them (about 58/4%) were men which can illustrate that most of the seaman’s employees in the small and middle size companies are men. In view of the age, 70 % of the responders were in the age of 31 to 40 and fewer than 30 which show that the employees that works for these companies are young.

4.1. Data normalization test

The Research is based on a structural model which is based on the assumption that data is normal. At first data normalization test were implemented. Data normalization assumption was tested by Kolmogorov- Smirnov test with 5% Significance level which it were accepted in all cases (table2). Consequently data used in this research are normalized and the parametric test on them can be implemented.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Z</th>
<th>Significance level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic planning</td>
<td>1.35</td>
<td>0.096</td>
</tr>
<tr>
<td>Strategic thinking</td>
<td>0.088</td>
<td>0.054</td>
</tr>
<tr>
<td>Competiveness</td>
<td>0.093</td>
<td>0.058</td>
</tr>
<tr>
<td>Marketing</td>
<td>1.267</td>
<td>0.115</td>
</tr>
<tr>
<td>Export performance</td>
<td>1.324</td>
<td>0.143</td>
</tr>
</tbody>
</table>

4.2. Research Hypothesis results

To accept or disapprove the research assumption, structural equation modeling method were used. In order to model the structural equation standard bar factor and t-value statistics is calculated. These calculations are based on the power of the relation between operator and viewable variable which can be shown in term of beta coefficient. This coefficient has magnitude of 0 to 1. If it is under 0.3, it is considered weak and can be neglected. If it is between 0.3 to 0.6 it is acceptable and if it is more than 0.6 it is suitable variable (clain, 2010). When the correlation test between variable were detected the meaningful test has to be made on them. In order to investigating the meaningful relation between variable T value test can be implemented. Since the significant level of this test is considered to be 0.05, then the result of the test is acceptable if it is more than 1.96. Due to the explanation given above and results from figure 2 and 3, strategic thinking has direct, positive and meaningful on export performance by magnitude of 0.73(firs assumption) so the first assumption is accepted but it does not have impact on marketing and competitiveness because the magnitude of implemented test is under 1.96 so the second and the third assumption is disapproved. Strategic planning has direct, positive and meaning full impact on marketing by magnitude of 0.76(forth assumption) and also the calculated magnitude of this parameter on competitiveness and export performance is 0.76
and 0.46 respectively. So this assumption is accepted. But for the seventh assumption is not accepted because the statistic value is under 1.96 and the assumption is disapproved. In addition the impact of the marketing on the competitiveness is considered 0.44 and for the ninth assumption this value is 0.37 which show that they are both in acceptance domain.

Appropriate models indicator includes $\chi^2$, CFI (goodness indicator), AGFI (adjusted goodness indicator) and RMR (residual mean root square). The acceptable model has good fitness when the degree of the freedom is less than 3, CFI is more than 90%, AGFI is more than 80% and RMSE is less than 0.08 (kalantari, 2009). As it is illustrated in figure … and …. The RMSE is
0.079, magnitude of the $\chi^2$ is equal to 2.99 and the indicators CFI, AFGI, GEI and NFI are 0.9, 0.81, 0.83 and 0.91 respectively. The result shows that the implemented structural model is appropriate.

5. CONCLUSION AND SUGGESTIONS

The research propose is to Study the impact of the planning and strategic thinking on Competitiveness and export performance by considering the intermediation of marketing on small and middle sized companies in seaman’s state. The results of this research indicate that the strategic thinking has positive and meaningful impact on export performance. This result is nearly coinciding with the other research (mortazavi and jafarian1389, akbarian and najafi 1388). They have shown that there is a positive relationship between strategic thinking and export performance. These results indicate that managers can create good business environment through strategic thinking, and if managers of Sunman’s small and medium-sized companies face their employees' concerns, they can be expected to improve their performance. But other results shows that strategic thinking on market orientation and competitiveness was not effective, and in this research field, which was consistent with the results of the present research, was not observed by the researcher. Also results show that Alertness does not have a significant positive effect on export performance. These results are opposite the results obtained by Hossainy Moghadam and Hejazi (2014). They show that marketing has direct positive and meaningful impact on export performance. Therefore, corporate executives should pay special attention to market orientation in their company in order to improve their performance. Also the result shows that marketing has positive and meaningful effect on competitiveness. This result is unlike the result found in Zare et al (2016) which shows that competitiveness has negative direct and meaningful relation on export performance. However, this conclusion suggests that if Sunman’s small and medium-sized companies can attract government support and are constantly seeking monopoly technology, their performance is expected to improve. The results of this research show that strategic planning has a positive, direct and significant effect on export performance and market orientation as well as on competitiveness. Regarding the relationship between these variables, due to the novelty of the subject matter of the current research, the research that is consistent with the current research has been observed by the researcher. In general, these results indicate that the marketing managers of small and mid-sized companies in Semnan can correctly predict the future of the market and are well-versed in marketing analysis techniques. Moreover, managers of these companies try to fulfil their duties. Therefore, if companies want to be more competitive than their competitors and want to improve their performance, the strategic planning should be considered as a key program. Based on the results, in relation to strategic planning and strategic thinking of managers on the competitiveness and performance of export and in order to expand quantitative and qualitative market orientation in the small and medium companies of Semnan, the following suggestions are given:

1- Regarding the results of the research showed that strategic thinking has a positive and significant effect on export performance, it is suggested that he managers of the organizations provide the field of organizational structure change and management style by holding workshops on the necessity and importance of strategic thinking and planning.

2- Considering that the results of the research showed that strategic thinking had no effect on market orientation and competitive advantage, it is suggested to managers of small and medium companies that if they want to have their market status and have a tremendous competition with their rivals, they should have a lot of interest in discussing the strategies.

3- Regarding the impact of strategic planning on market orientation, competitive advantage and export performance, it is suggested to managers that to improve their distribution
system, produce a variety of products, and encourage employees to gather information about competitors.

4- The results of this study showed that market orientation does not affect the export performance, therefore it is suggested that managers of organizations, especially small and medium companies of Semnan, will increase their sales in comparison with other organizations and improve market share in comparison with competitors.

5- Based on the findings of the research, which showed that market orientation is effective on the competitive advantage, it is suggested that the authorities constantly monitor the changes of competitors and analyze customers and give key tasks to the expert employees.

6- Regarding the relationship between competitive advantage and export performance, it is suggested that small and medium-sized companies should have more efforts to provide customer service and give them appropriate service to customers and pay special attention to their needs and demands.
REFERENCES:


Center for Science and Technology (2012). Knowledge-based knowledge production strategy; the position of knowledge-based companies in resilient economy, with emphasis on the statements of the Supreme Leader in the meeting of companies and knowledge-generating actors, Tehran. Presidential Center for Science and Technology, First Edition.


Ghorbani, Hossein, (2016). Investigating the Effect of Entrepreneurial Competency on Export Performance (Case Study: Zar Makaron Co.), Master's Degree in Business Administration, Non-Profit Institute of Ershad Damavand. (In Persian)


Kim WC, Mauborgne R, (2005), " Blue Ocean Strategy: from theory to practice


Masihkhah, Fatemeh (2011), "Development and application of a model for improving the process of new product development with an emphasis on identifying key indicators of the dairy industry, Case Study: Dairy Products Company", a graduation paper for a degree MSc, University of Tehran. (In Persian)


Rafiei, Reza (2014). The Effect of Strategic Thinking on Organizational Marketing Performance (Case Study of Megamotour Company), Third National Conference on Accounting and Management, Tehran - Narcish Information Institute. (In Persian)


Yari, Abdul Reza (2014). Governance of Strategic Thinking in Government Managers and Its Impact on Organizational Success (Case Study of Governmental Organizations), Master's Thesis, Faculty of Humanities, Islamic Azad University, Kermanshah Branch. (In Persian)