

The Effect of Strategic Trends on the Growth and Profitability of an Organization: A Case Study of Steel Manufacturing Companies

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Abstract

Strategic orientation is a powerful managerial tool designed to help companies to compete with the predicted adaptive environment and the strategic planning process of an attitude and analysis of the company and its environment. It describes the current situation of the organization and identifies the key factors affecting its success. The need for more strategic attention is needed, and this importance and necessity have made the research available to steel companies. According to the results, there is a positive and significant relationship between the indicators. In research, except for the strategy of analyzing market analysis, prospective strategy and risk taking as strategic orientations on the growth of companies, which indicates that these strategies will not have strategic effects on the growth of companies, as well as the analysis and. The analysis of the results indicated that the strategic orientation of the steel companies was not in desirable conditions, and for this purpose, in relation to the measurement of the company's performance, the results indicated that the companies had a good performance in this regard.

Keywords: Strategic orientation, Growth, Profitability, Steel companies

Introduction

Strategic decision-making is a powerful managerial tool designed to help companies compete with the anticipated changes in the implementing environment, in particular, the strategic planning process of an attitude and analysis of the company and its environment. It describes the current situation of the organization and identifies the key factors affecting its success. Strategic decision making is the process by which the public companies are guiding and managing their programs and activities with a long-term horizons and in order to achieve the goals and realization of their organizational missions, now this program Strategic planning, by examining the internal and external environment of the organization, identifies the opportunities and environmental threats and internal strengths and weaknesses, and considering the mission and long-term objectives of the organization, and to achieve the goals, choose strategic choices. Today's strategies today, organizations are faced with any changes with rapid changes and must plan and conduct their activities in a competitive environment to succeed and survive, according

to the concept of strategic planning This requires the use of this kind of planning (gender And the Selwyn, 2013).

On the one hand, the strategic management approach is based on the interaction of managers at all levels of the business and brings certain behavioral outcomes that are characteristic of the participatory decision-making system, therefore, the study of the exact diagnosis and evaluation of the effect of formulating the strategy on the performance of the organization or acquisition And work often requires a set of financial criteria, etc. It assesses the effectiveness of managers, however, the profitability of strategic plans and management of environmental changes can be attributed to the development of activities and increase productivity and achieve goals. And the effectiveness of the scientific management process. Strategic decision making The basis for analyzing the predicted events for future options In general, strategic decision-making is flexible and tends to create a big picture of the organization's future, strategic planning permits the organization to focus on a dynamic and continuous process of Self-analytic activities are created. In addition, the continuous learning process is in progress and ongoing dialogue in an ongoing and organizational dialogue that goes beyond reaching a set of predetermined goals (Dominick, 2017). It can be said that with the rapid pace of change and change in the use of modern methods, the use of tools and tools along with increased investment in new businesses has increased the structure of markets. In addition to influencing the needs of customers, this diversity has created a new and different situation than the past. However, while the range of advancements from the diversification of the market has not been matched with the level of growth in the demands and needs of customers, it should be said that with the advent of new horizons on the methods of thinking and research methods, the high coefficient of specialization has emerged This specialty in the new era by creating new tools has put new conditions for economic activists. Therefore, given the complexity of business competition and increasing customer expectations, identifying the strengths and weaknesses of the organization and continuously improving performance and productivity has become more and more necessary. In the current situation, achieving a comprehensive, reliable and flexible approach to performance has become one of the main concerns of organizations, with the help of which they have obtained accurate and sufficient information from their current position and looking at the future, do not repeat past mistakes. In this research, we seek to answer the question of whether strategic trends affect the growth and profitability of steel companies.

Importance and necessity of research

In order to create the necessary infrastructure and orientation for using the planning mechanism, strategic management has become one of the most effective management positions of special standing in large and small organizations. Currently, most management projects worldwide have a planning nature. In addition, the word "strategic" is evident in the literature of many practitioners, but in our country's organizations, less attention is paid to the infrastructure of the steel industry.

Therefore, due to the lack of proper and proper support in the implementation of the projects, the activities undertaken have not been so effective and strategic management issues have become a library in the organizations and there is no proper approach in the organizations. The lack of support and participation of managers, non-involvement of staff and operational units, lack Allocation of resources with strategies, lack of monitoring and progress, operational activities are among the factors that can be considered in the emergence of these disadvantages at the level of organizations in today's competitive environment, therefore, strategic thinking is the main concern of the managers of the organization and if we want to plan strategic planning An operational tool for research The goals and mission of the organization are necessary to act consciously and accurately, which is a matter of discussion as a strategic decision, it is basically the characteristics of successful prospective people that these people, with the creation of the future, rather than predicting their course of action for transparency, targeting And make it useful. If we generalize this feature to organizations, we will find that organizations in today's

competitive world, whether inside or outside the country, need to have a framework and model to achieve organizational goals. Strategic planning is a process that the general public To guide and advance the programs And their activities with a long-term horizon, in order to achieve their goals and fulfill their organizational missions. Currently, these plans have been welcomed by organizations (Power et al, 2015). Therefore, if the strategy is correctly formulated and implemented correctly and on time, the path to excellence and realization of the dreams of the organization will be realized. Strategic planning, identifying the internal and external environment of the organization, identifies the opportunities and environmental threats and internal strengths and weaknesses, and considering the long-term mission and long-term goals of the organization, and to achieve the goal of strategic choices, choose strategies for the day. Today, organizations are faced with any changes with rapid changes and they must plan and direct their activities in order to succeed in a competitive environment and maintain their survival (naid,2006), according to the concept of planning Strategically, this requires the use of this kind of planning In general, the goal of long-term planning is greater control of operations, while strategic planning changes the activities to maximize the use of environmental opportunities. Therefore, in this research, steps have been taken to improve the performance in order to create growth and profitability in the organization under study.

Literature Review

In a study by Chuang and Lin (2017), they stated that in the present day and by Considering the increasing business acceleration, strategic thinking plays a very important role in the continuation of the survival and development of organizations in this dynamic and dynamic environment, which illustrates the importance of relevant research in this regard, the main basis for gaining a foothold and the new work of competition is conceptually monopolized. In fact, wherever competition is concerned, the relationship between a unit and an economic agent is considered to be one or the other factor. In a competitive environment, the strategic thinking of organizational managers creates a competitive edge in the community, improves the level of competitiveness at different levels, and provides the necessary framework for entering the globalization process. Competitiveness is a quality firm that through market dominance, the formation of activities is based on relative and competitive advantage. Managers as the most effective human resources of the organization rely on competencies and core capabilities such as conceptual thinking, systemic thinking, Intelligence and smart opportunism, all of which are the most important dimensions of strategic thinking, help to orient the organization and create the sustainable competitive advantage. In this paper, using the conceptual literature of strategic thinking domains and competitive advantages of organizations, the way their effective roles have been handled on each other has been described and concluded that it is a good basis for using researchers in this field.

In a study commissioned by Kiss (2016), the process of strategic management is a process used by successful and world-class companies at the national and international levels. After reviewing the strategic objectives developed on the basis of the balanced scorecard, this researcher has used the balanced scorecard in the organization. In summary, these results are 1- Control required according to the strategic goals of the government. 2. Performance evaluation performed during the year. And use its results to advance and upgrade the future. 3. Meet legal requirements for strategic control, all of which must be followed. The researchers concluded that they had to assess the performance of the organization based on a balanced scorecard, and used it to make progress in the future.

In their research, Koto et al. (2016) stated that with the increasing expansion of organizations and the focus on the development and improvement of strategic management systems, the development and implementation of performance evaluation models as a powerful tool for evaluating and enhancing the competitive advantage of organizations is known. One of the most familiar of these methods is the balanced scorecard model. One of the features that have attracted the attention of researchers in implementing this pattern in recent years in determining the weight and bearing of each of the key

indicators of performance. In this paper, a model for prioritizing key performance indicators using a balanced scorecard method and fuzzy network analysis process has been used to achieve this goal. The results of the model's implementation show that, due to the interdependencies between the components of the same level, as well as the existence of reciprocal relations in the strategies and goals, as well as the ambiguity caused by non-fuzzy weighing, the weights obtained from this method, With the mental model of the decision makers and senior managers of the organization is very appropriate.

Akhtar et al. (2012) concluded in their research that a balanced scorecard is a comprehensive strategic performance management framework that can help an organization translate its strategic goals into appropriate performance measurement criteria. This article seeks to present a new method for organizing and prioritizing Aims and Performance Criteria for Balanced Scorecard Modeling The proposed model can help improve the implementation of a balanced scorecard, align business activities with the organization's vision and strategy, and also monitor the strategic performance of the organization. In this paper, the development of quality performance for communication The Bank's Balanced Scorecard has been used and internal networking and learning and growth have been used and the network dynamics analysis process has been used to take into account the internal relations among the performance criteria in the landscape. Integration of the balanced scorecard and the network analysis process can lead to better Relationships between four perspectives as well as internal relations can help to measure every aspect.

In a study by Jet et al. (2015), one of the companies in Norway states that performance evaluation systems play an important role in shaping the behavior of managers and employees of the organization. Today, there has been a profound change in performance systems. A common model for performance management is the balanced scorecard, which has entered into the category of performance management system from the strategic planning field. The successful implementation of this system involves the feasibility and feasibility of the organization for implementation. Therefore, studies of pre-implementation evaluation of pre-implementation systems are very important and the purpose of this paper is to provide a decision-making framework for assessing preparedness by collecting initial information for creating a decision-making framework for collecting information in a library and analyzing it. The information is made using standard management tools based on the field research of the expert methodology, and the outcomes of these studies and analyzes indicate the readiness of the organization to accept the model.

Lennie et al. (2015) explores the role of strategy for emerging companies and organizations and argues that companies need strong strategies in all parts of the organization in relation to their relationship with the client. This article also provides examples from Amazon Company.

In a study by Sonderam et al. (2013), he identified and prioritized the general criteria for a balanced scorecard. In this study, the ability to continually improve performance in different levels and aspects of an organization requires proper decision making. And timely to identify and prioritize its effective strategic factors. The purpose of this research is to use multi-criteria decision-making techniques to prioritize balanced scorecard criteria in order to manage the performance of the organization. The present research is applied in terms of its purpose and is descriptive in terms of research. For this purpose, after identifying balanced scorecard criteria, first, the priority of the financial aspects is determined using the Shannon Entropy method, and then the priority of the criteria of the three other aspects of the customer, the internal processes, and the growth and learning, respectively, are two to two, with The use of the TOPSIS technique has been calculated. In this way, in addition to prioritizing the criteria, the cause and effect relationship among them is also considered. The results of prioritization show that the gas company's strategy focuses on improving cost structure and customer intimacy. The proposed method can help to eliminate the limitations of the balanced scorecard in determining the importance of its criteria and continuously improve the management of the organizations by focusing on the most important options.

The Bibi and Malengu (2012) paper explore how a strategic performance measurement system affects organizational performance by creating a strategic agenda and a set of strategic decisions that are the result of the strategy development process. Using archival data and data collected from 267 large or medium-sized Spanish companies, the results show evidence of a positive relationship between a set of strategic decisions and organizational performance, driven by the comprehensiveness of a set of strategic decisions that result Mediation strategies are being developed.

Analysis of information

The final model of the effect of strategic, aggressive, analytical, defense, futuristic, active, risk-taking components on growth performance components, profitability.

To fit the structural model of research hypotheses, a number of goodness indicators of fit have been used. Since most of the goodness indicators are fitted in the acceptable range, the model has a suitable fit that is presented in Table 1.

Table 1 - the Final model of research

PCFI	PNFI	PRATIO	RFI	IFI	CFI	NFI	RMSEA	X2/df	Fit indices
>0/50	>0/50	>0/50	>0/9	>0/9	>0/9	>0/9	<0/05	<2	Acceptable amount
0/68	0/66	0/71	0/90	0/96	0/96	0/92	0/049	1/90	Calculated values

The final model of the research is based on the main variables of the research and the criteria of each of them are shown in Chart 1 and Table 2. This model is drafted using the Amos Software Output.

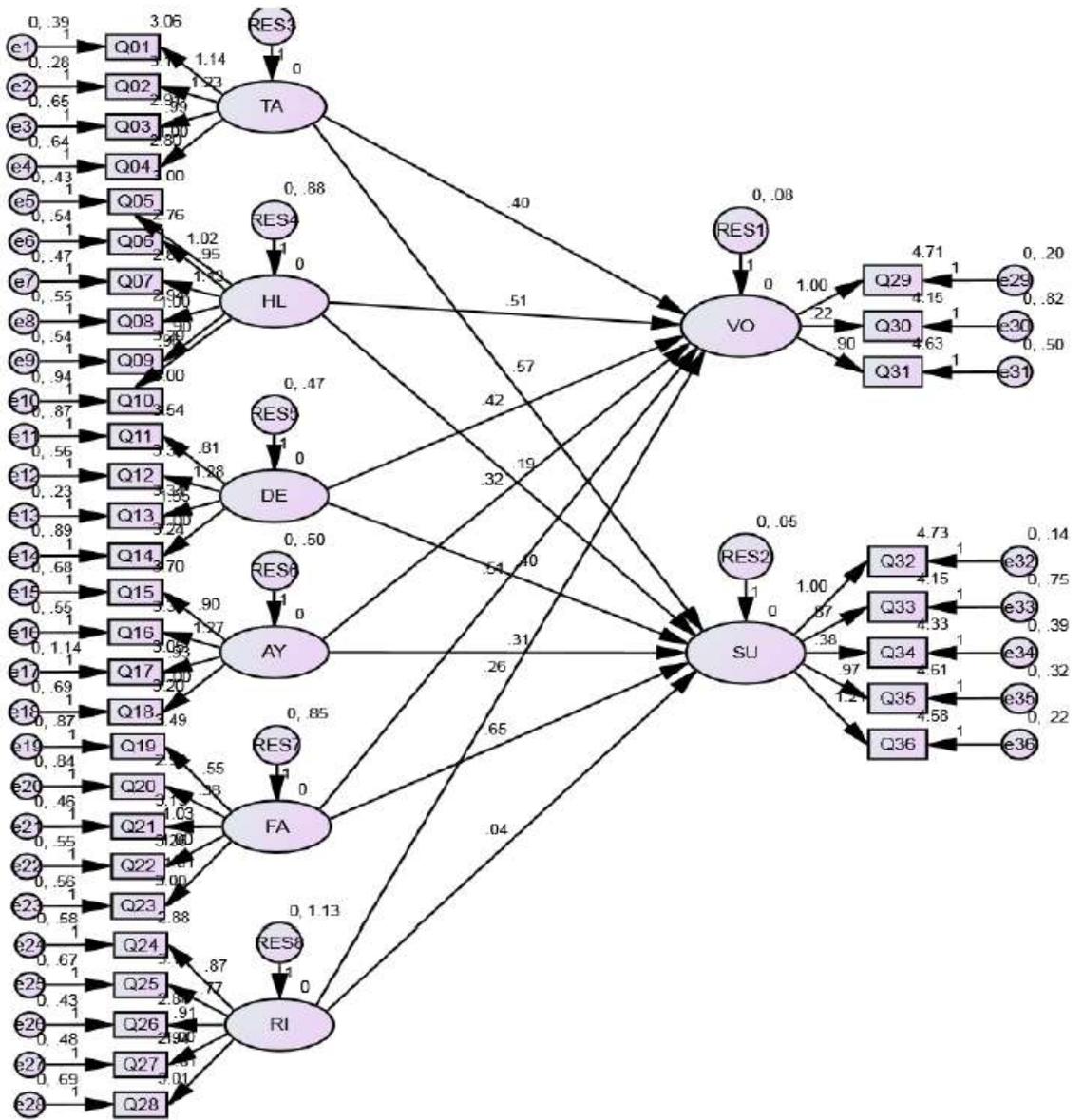


Figure 1 Non-standard statistics Results of final model confirmation The effect of strategic orientation components on performance components

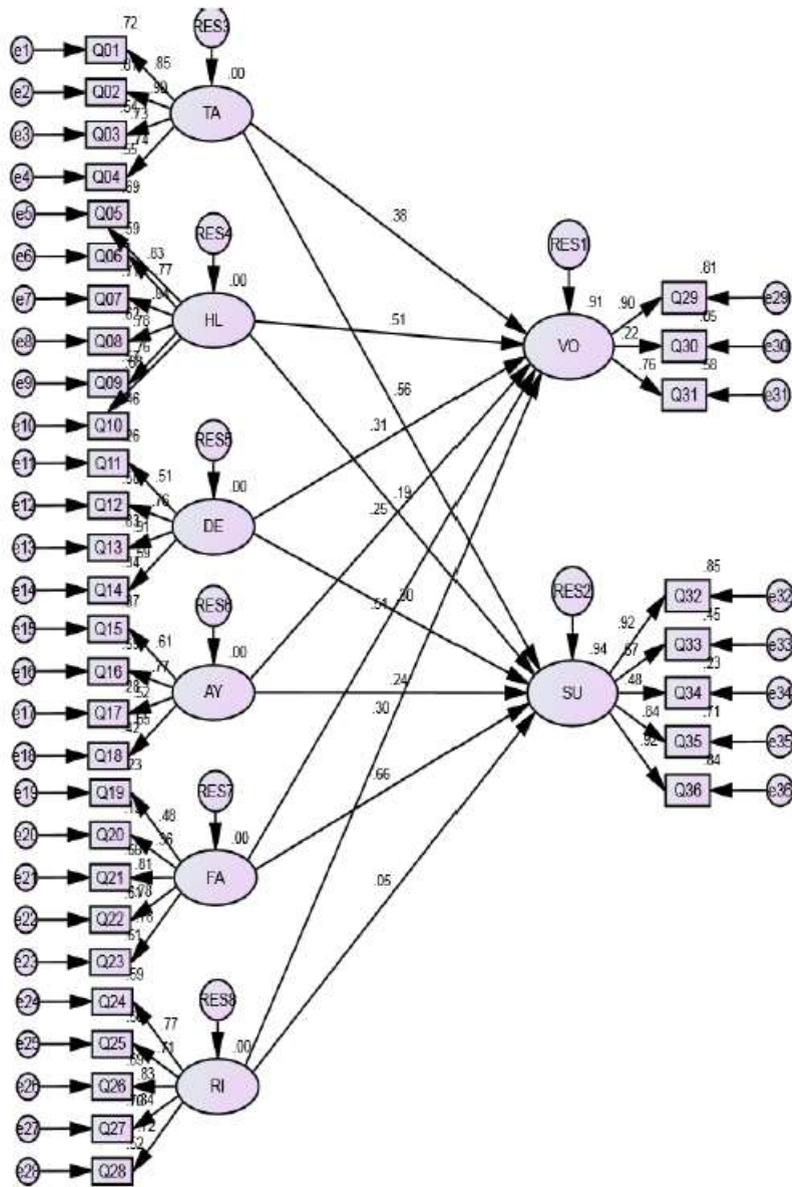


Figure 2: Standard results of the final model validation of the effect of strategic orientation components on performance components.

Table 2. Structural Model Estimations

result				Non-standardized estimation	standardized estimation	Critical ratio	Correlation ratio	Standard level
Accept	growth	<---	aggressive strategy	.402	.087	4.606	***	.382
Accept	growth	<---	Market analysis	.506	.086	5.906	***	.512
Accept	growth	<---	Defensive strategy	.421	.122	3.460	***	.310
Not Accept	growth	<---	Future strategy	.324	.115	2.825	.055	.247
Accept	growth	<---	Activation	.512	.088	5.828	***	.508
Accept	growth	<---	Risk-taking	.259	.067	3.854	***	.296
Accept	profitability	<---	aggressive strategy	.574	.088	6.506	***	.556
Not Accept	profitability	<---	Prospective strategy	.186	.061	3.063	.052	.192
Accept	profitability	<---	Defensive strategy	.400	.105	3.806	***	.301
Not Accept	profitability	<---	Future strategy	.306	.097	3.170	.062	.238
Accept	profitability	<---	Activation	.654	.088	7.446	***	.664
Not Accept	profitability	<---	Risk-taking	.041	.052	.780	.435	.047

Hypothesis 1: The aggressive strategy as a strategic factor affects the growth of steel companies.

According to the results of Table 2, the value of the level of significance was 0.0001 and less than 0.05. Since the coefficient of this effect is estimated at 38% and the sign of the coefficient is also positive, then the effect is direct. Therefore, it can be said that the zero hypothesis and the hypothesis of research on the effect of aggressive strategy as a strategic factor in the growth of steel companies is confirmed.

Hypothesis 2. Market analysis as a strategic factor affects steel companies.

According to the results of Table 2, the value of the level of significance was 0.0001 and less than 0.05. Since the coefficient of this effect is estimated at 51% and the coefficient sign is also positive, then the effect is direct. Therefore, it can be said that the zero hypothesis and the hypothesis of research on the effect of market analysis as a strategic factor on steel companies are confirmed.

Hypothesis 3. Defensive strategy as a strategic factor affects the growth of steel companies.

According to the results of Table 2, the value of the level of significance was 0.0001 and less than 0.05. Since the coefficient of this effect is estimated to be 31% and the coefficient sign is also positive, then the effect is direct. Therefore, it can be said that the zero hypothesis and the hypothesis of research on the effect of defensive strategy as a strategic factor in the growth of steel companies is confirmed.

Hypothesis 4: Prospective strategy as a strategic factor affects the growth of steel companies.

According to the results of Table 2, the value of the level of significance was 0.055 and more than 0.05. Therefore, it can be said that the hypothesis of the research is rejected and the hypothesis is zero on the lack of influence of prospective strategy as a strategic factor on growth Steel companies are approved.

Hypothesis 5-Activation as a strategic factor affects the growth of steel manufacturing companies.

According to the results of Table 2, the value of the level of significance was 0.0001 and less than 0.05. Since the coefficient of this effect is estimated at 50% and the sign of the coefficient is also positive, then the effect is direct. Therefore, it can be said that the zero hypothesis and the research hypothesis that the effect of the activity as a strategic factor in the growth of steel companies is confirmed.

Hypothesis 6. Risk-taking as a strategic factor affects the growth of steel companies.

According to the results of Table 2, the value of the level of significance was 0.0001 and less than 0.05. Since the coefficient of this effect is estimated at 29% and the sign of the coefficient is also positive, then the effect is direct. Therefore, it can be said that the zero hypothesis and the hypothesis of research on the effect of risk appetite as a strategic factor in the growth of steel companies is confirmed.

Hypothesis 7: The aggressive strategy is a strategic factor affecting the profitability of steel companies.

According to the results of Table 2, the value of the level of significance was 0.0001 and less than 0.05. Since the coefficient of this effect is estimated at 55% and the coefficient sign is also positive, then the effect is direct. Therefore, it can be said that the zero hypothesis and the hypothesis of research on the effect of aggressive strategy as a strategic factor on the profitability of steel companies is confirmed.

Hypothesis 8: Market analysis as a strategic factor affects the profitability of steel companies.

According to the results of Table 2, the value of the level of significance was 0.055 and more than 0.05. Therefore, it can be said that the research hypothesis is rejected and the zero hypothesis is based on the ineffectiveness of market analysis as a strategic factor on the profitability of steel companies.

Hypothesis 10: Future strategy as a strategic factor affects the profitability of steel manufacturing companies.

According to the results of Table 2, the value of the level of significance was 0.055 and more than 0.05. Therefore, it can be concluded that the research hypothesis is rejected and the zero hypothesis is based on the ineffectiveness of futures as a strategic factor on the profitability of steel companies.

Hypothesis 11-Active as a strategic factor affects the profitability of steel manufacturing companies.

According to the results of Table 2, the value of the level of significance was 0.0001 and less than 0.05. Since the coefficient of this effect is estimated at 66% and the coefficient sign is also positive, then the effect is direct. Therefore, it can be said that the zero hypothesis and the hypothesis of research based on the effect of activeness as a strategic factor on the profitability of steel companies is confirmed.

Hypothesis 12- Risk-taking as a strategic factor affects the profitability of steel companies.

According to the results of Table 2, the value of the level of significance was 0.055 and more than 0.05. Therefore, it can be said that the research hypothesis is rejected and the zero hypothesis is based on the lack of effect of risk-taking as a strategic factor on the profitability of steel companies.

Conclusion

The organizational capacity development also increases the power of confronting competitors and turns the organization into an active state against competitors from the passive mode. On the other hand, most groups that do 21st Century studies believe That the world has never been in such a state of human history. Changes over the past years, which have been stable for many years, are taking place in most parts of the world and in most areas of life, so the world today and tomorrow is a world of change. Therefore, each organization needs new skills and new attitudes in order to adapt to the changing world and can handle it. Now, given the level of activity of the steel companies, the need for wider attention is needed. In the strategic field, this importance and necessity have made the research available to steel companies. Based on the results of the present research and the determination of the research objectives divided into two main sections, the results indicate that There is a positive and significant relationship between the indicators in the research, except for the analysis of market analysis, prospective strategy and

Risk-taking is seen as strategic trends in the growth of companies, which indicates that these strategies will not have any effect on corporate growth as strategic trends.

Also, the analysis of the results indicated that the strategic orientation of the steel companies was not in desirable conditions, and in this regard, in relation to the measurement of the performance of the companies, the results showed the company's proper performance in this regard.

Suggestions based on research hypotheses:

According to each of the hypotheses of this research, the following suggestions can be presented:

1. Invasive strategy: In this section, you can mention issues such as selling credit, decreasing prices, offering various discounts.
2. Defensive strategy can be used to highlight a variety of services and improve the quality of the services provided.
3. Future strategy In this section, resources such as resource allocation for long-term activities, long-term investments, and the use of young forces are mentioned.
4. The strategy of activation includes items such as investing in different parts of the organization, reducing the processes in the organization, increasing the number of branches, adding advertisements, etc.
5. Risk-taking strategy: In this strategy, the company can support the growth and survival of the organization by supporting new ideas, using young people and creative people.
6. Analysis strategy: Every organization usually identifies market opportunities by carefully examining the market environment and paying attention to demand trends and competition in different market segments.

Research limitations

Considering that each research has its own limitations, we also encounter some restrictions in this research that can be categorized as follows:

- 1- The inaccessibility of a number of experts and experts to answer questions,
- 2- Not considering other dimensions of strategic orientation,
- 3- Not having access to results in other similar organizations to match the results with those organizations at the national and international levels.

Future Research

Regarding the continuation of research in the field of studying and extending another of the present model, the following suggestions can be made:

- 1- Considering strategies to be defined in the field of strategic orientation
- 2- To examine the effect of criteria such as knowledge management on the strategies used in the organization
- 3- From the Blue Ocean to select a strategy related to the strategic orientation of the industry studied
- 4- Using multi-criteria decision-making techniques such as hierarchical analysis process, Topsis, and Victor in the field of strategic orientation and the selection of preferred strategies in this field.

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