REVIEW OF THE EFFECT OF STRATEGIC PLANNING ON FULFILLMENT OF STATE ROAD MANAGEMENT AND TRANSPORTATION ORGANIZATION OBJECTIVES

[1]ELAHE MEMARI, [2]AHMAD ASLIZADEH

Department Of Managemenat, College Of Management & Accounting , Yadegar –e-Imam Khomeini (RAH) Shahre Rey Branch, Islamic Azad university,Tehran,Iran
E-mail: [1]e.memari16@yahoo.com, [2]aslizadeha@yahoo.com

Abstract - To compile and execute a strategy for State Road Management and Transportation Organization, we need to identify and include them in the process of planning. Therefore present research work tries to rely on experiences by managers and experts from State Road Management and Transportation Organization and other sources like books, magazines and new papers, such factors have to be identified and be applied in this important and vital process before proceeding to strategic planning. Trying to present a conceptual model from factors effective on strategic planning success in fulfillment of State Road Management and Transportation Organization, the present research figures on indicating the role of organizational factors in efficiency of the process to managers. In this research connection between six main factors studied in fulfillment of State Road Management and Transportation Organization objectives. The factors are: Improvement of strategic thinking in senior managers, improvement of organization business, rationalizing resource allocation in different sections of the organization, conformity of strategic planning with organization needs, conformity of organization activities with environmental changes, stabilization of organizational culture, all approved through implemented tests.

Keywords - Improvement of organization business, Rationalization of resource allocation in different sections of the organization, Stability of organizational culture, Strategic planning

I. INTRODUCTION

SOCIAL transformations accelerated in 21st century. Changes appear in a manner that images and imaginations about the future seem to be more imaginary. Social organizations as part of dynamic social system have been severely subjected under such changes. Reorganization in shorter intervals and using modern methods in producing and services activities all used in the process of changes (Kobin et al., 1997) [1].

It is necessary for organizations to complete their current programs with mechanisms to review and evaluate the environment and discover strategic opportunities.

F. Elahe Memari. Author is with the MA in Business Administration from Islamic azad university of Iran. phone +989122867673 . email:e.memari16@yahoo.com).

S. Ahmad Aslizadeh. Author is with the phd in Industrial Adminstration from Azad Tehran University of Iran (corresponding author to provide phone +989121160786 email :aslizadeh@yahoo.com).

This is the first step in performing a strategic movement , Strategic movements from in business background and this creates an inseparable connection between strategy efficiency and business condition. In the organizations human force is the important factor in raising the efficiency which act as the main guiding element of the organization. In this research work, having studied the effect of strategic planning in efficiency and fulfillment of organization objectives we are able to understand the importance of strategic planning (Ghafarian and Emadzadeh, 2004) [2].

Strategic planning is currently the main tool in successful organization in fulfillment of the objectives. Main problem in some organizations is lack of strategic program or inability to prepare and execute the strategic program. Considering daily increasing importance of strategic planning and the factor which influence strategic planning success in fulfillment of the organization objectives, the necessity to prepare and execute the strategy in Road Maintenance and Transportation Organization requires the factors to be identified and be included in the process of planning. Therefore, in this research we try to rely on managers and experts experiences in Road Maintenance and Transportation Organization and other sources such as books, new papers, ….. in order to identify such factors and apply them toward the important and vital process success. In this research connections between six main factors in strategic planning and their effect on fulfillment and efficiency of Road Maintenance and Transportation Organization are studied. Said factors are: Improvement of Strategic Thinking in senior managers, improvement of the organization business

process, rationalization of resources allocation in different parts of the organization, coordination and conformity of strategic plan with organization needs, adjustment of organization activities with environmental changes, reinforcement of organizational culture. Here we tried to give a conceptual model from effective factors on efficiency of strategic planning in fulfillment of road management and transportation organization objectives in order to give the role of main factors in the process effectiveness so that the organization managers are able to design suitable solutions, prepare and implement correct strategic planning considering said factors.

II. STRATEGIC MANAGEMENT

- Set of decisions and activities indicating the formation and execution of designed strategies to meet the organization objectives (Pires and Robinson, 1988, p18) [3].
- David defied strategic management in this way: The art and science of preparation, execution and evaluation of multiple functional decisions making the organization capable to meet its long term goals.
- Strategic management is a process in which managers determine long-term orientation of the organization, define certain goals and performances and compile strategies based on internal and environmental conditions to meet such goals and manage execution of specified programs (David, 1999, 24).

III. EXPLANATION OF THE PROBLEM

Strategic planning is now the main tool in successful organizations in fulfillment of their goals. Main problem in some organizations is lack of strategic plan or unsuccessful preparation and execution of strategic plan.

Considering daily increasing importance of strategic planning and factors which influence the success of strategic planning process in fulfillment of organization goals, the need to prepare and execute the strategy correctly in Road Maintenance and Transportation Organization requires such factors to be identified and be included in the process of planning. Therefore, we tried in this research to rely on managers and experts experiences in Road Maintenance and Transportation Organization and other sources including books, new papers, ….. to identify such factors and apply them toward the important and vital process success.

In this research connections between five main effective factors on fulfillment and efficiency of objectives by Road Maintenance and Transportation Organization are studied. The factors are: Improvement of Strategic Thinking in senior managers, improvement of the organization business process, rationalization of resources allocation in different parts of the organization, coordination and conformity of strategic plan with organization needs, conformity of organization activities with changes in environment and reinforcement of organizational culture.

Here we tried to present a conceptual model from effective factors on strategic planning in fulfillment of Road Maintenance and Transportation Organization in order to indicate main factors role in efficiency of the process so that organization managers are able to correctly implement suitable approaches in designing, preparation and execution of strategic planning.

IV. IMPORTANCE OF THE RESEARCH SUBJECT AND REASON FOR SELECTING THIS SUBJECT

Strategic planning has key role in organizations success in the field of competition. This type of planning can result in selection of strategies, if prepared correctly and can result in organization success if executed correctly and seasonably.

Today economic activities of the world are performed by big, small and middle size organizations. Quick advances and development in the world today and accelerated environmental changes make the knowledge of transformations necessary. The necessity of planning is clear to everyone. Being uncertain about environmental changes and obtaining more profit make planning an undeniable necessity (Potter et al, 2006) [4].

Strategic planning decreases main environmental risk factors and presents solution which are more likely to meet the objective. In a word strategic planning is the process of defining organization objective and making decisions about operational and executive plans to meet the objective. Despite the importance of strategic planning, its critical role is not understood by some organizations in fulfillment of the organization objectives and in some cases, managers consider it as a fancy and expensive subject. Some strategic planning scientists believe that it represents the creativity of managers and potentials to build the future. In a word managers build the future through strategic planning (Stonehouse & Pemberton, 2012) [5].

Considering the importance of strategic planning and the fact that strategic planning is included in Road Management and Transportation Organization work order the requirement of correct preparation and execution of strategy for Road Management and Transportation Organization is to identify factors effective on strategic planning success in fulfillment of the organization objectives. Therefore relying on the organization managers experience and using other

sources including books, magazines, ….. such factors are to be identified before proceeding to strategic planning and be applied in this important and critical process. For said reasons and for the fact that Road Management and Transportation Organization is one of the biggest local organizations in the field of transportation, identification of effective factors on strategic planning success has important role in fulfillment of the organization objectives and its successful performance in the organization.

V. RESEARCH GOALS

Performing this research work our goal was to study the effect of strategic planning on efficiency and fulfillment of organization objectives.

❖ Main goal

To determine the relationship between establishment of strategic planning in Road Management and Transportation Organization and efficiency and fulfillment of the organization objectives

❖ Secondary goals

- Determine the relationship between establishment of strategic planning in Road Management and Transportation Organization with improvement of strategic thinking in senior managers of the organization
- Determine the relationship between establishment of strategic planning in Road Management and Transportation Organization with improvement of business process in the organization
- Determine the relationship between establishment of strategic planning in Road Management and Transportation Organization with rationalization of resources allocation in different sections of the organization
- Determine the relationship between establishment of strategic planning in Road Management and TransportationOrganization with conformity of strategic plan and organization needs
- Determine the relationship between establishment of strategic planning in Road Management and Transportation Organization with conformity of organization activities and environmental changes
- Determine the relationship between establishment of strategic planning in Road Management and Transportation Organization with stability of organizational culture

VI. RESEARCH BACKGROUND

No similar study performed in Iran to consider effective factors on strategic planning success in fulfillment of Road Management and Transportation Organization objectives, but below theses prepared regarding the present research title:

➢ Ramnadi Sirous Ali (1998)\, "Review of Problems in State Affiliated Companies in execution of Strategic Planning", Islamic Azad University, Central Tehran Campus, Master Thesis in the field of Business Administration. The thesis refers two groups of controllable and uncontrollable factors in unsuccessful industrial companies affiliated to the government in execution of strategic planning. Controllable factors include mangers having no knowledge about threats and opportunities in the organization, financial inability of companies in execution of strategic planning and limited knowledge about the importance of strategic planning while uncontrollable factors include instability and job security of manages, having no access to correct and seasonable information, data banks, having limited power and intervention by government, non-competitive products, lack of suitable economic, political and social development plan, having no access to modern technologies, being depended on intermediary products and lack of healthy competitive market (Sirous, 1998) [6].

➢ Kosar Khah Mohsen (1997), "Reasons for limitation of Execution of Strategic Management in Iranian Commercial Organizations", Islamic Azad University, Central Tehran Campus, Master Thesis in the field of Business Administration. The thesis refers some effective political, economic and social factors in non-execution of strategic planning in Iranian Commercial Organizations (Khah Mohsen, 1997) [7].

➢ Seyed Salahi Seyed Reza (2003), "Review of Obstacles I Using Strategic Management in Tehran Municipality", Master Thesis in the field of Business Administration, Imam Sadegh University. In this thesis management style, structure and type of activities, policies and state law are referred to as three main obstacles in using strategic management in Tehran Municipality (Seyed Salehi, 2003) [8].

➢ Haki Mohammadreza (2006), "Presenting a Model for Measuring Organizational Readiness in successful Execution of Strategic Planning of Information Systems and Information Technology", School of Management, University of Tehran, Master Thesis in the field of Information Technology Management. Alternatives divides in three main groups in this thesis: Organizational Factors, Dimensions of Information Technology Strategic Planning and Information Technology Strategic Management Success. Organizational factors include internal and interactive organizational factors, dimensions of information technology strategic planning with the organization business strategic plan and environmental assessment (Haki, 2006) [9].

➢ Ghafarian Vafa (2003), "Review of the reason of unsuccessful strategic planning and giving an approach to improve strategy efficiency in Iranian Industrial Organizations", PhD Thesis in the field of Industries Engineering, University of Science and Technology. Two theories on failure of strategic planning defined in this thesis. The first theory indicates weakness in leadership and the second theory indicates a new concept known as Centralized Planning as the third organizational drive along with long-term strategy and planning (Ghafarian, 2003) [10].

VII. RESEARCH CONCEPTUAL MODEL

As indicted in fig.1 (primary research model), factors turning effective on efficiency and fulfillment of organization objectives with establishment of strategic planning in Road Management and Transportation Organization.



Fig. 1 Research conceptual model

VIII. RESEARCH HYPOTHESES

❖ **Main hypothesis:**

There is significant relation between establishment of strategic planning in Road Management and Transportation Organization with efficiency and fulfillment of the organization objectives

❖ **hypotheses**:

- There is significant relation between establishment of strategic planning in Road Management and Transportation Organization with improvement of strategic thinking in senior managers of the organization.
- There is significant relation between establishment of strategic planning in Road Management and Transportation Organization with improvement of business process in the organization.
- There is significant relation between establishment of strategic planning in Road Management and Transportation Organization with rationalization of resources allocation in different sections of the organization.
- There is significant relation between establishment of strategic planning in Road Management and Transportation Organization with conformity of strategic planning with organization needs.
- There is significant relation between establishment of strategic planning in Road Management and Transportation Organization with conformity of organization activities and environmental changes.
- There is significant relation between establishment of strategic planning in Road Management and Transportation Organization with stability of organizational culture

IX. RESEARCH METHOD

Required data in this research work obtained same as descriptive-correlated researches and we try to help Road Management and Transportation Organization in fulfillment of organization objectives by defining and determining the existing facts. Based on the research subject field study has been used as research method in which all alternatives are studied in natural conditions and in the test field. According to true observations necessary information collected for the research and final result is obtained after analysis of data. IN general, this research work is methodologically divided in four main stages: review of the subject literature, preparation of questionnaire,

presentation of model, data collection and analysis and conclusion. In this research data collected using questionnaire. Data collection tool is a questionnaire consisted from individual information and questions for measuring research hypothesis. The tool used in collection of data should be first valid and then reliable. Validity means how the method or tools are able to measure given quality correctly. Reliability is the ability to repeat the method or measuring tool. If the method lack such reliability collected data are not reliable. One of the most common methods in determination of reliability is Cronbach Alpha which indicates internal consistency of the test. It is based on average correlation of the test items. We supposed that the items are correlated. Alpha obtained here was 0.951, which is higher than 0.7, so it has good validity.

X. STATISTICAL COMMUNITY AND SAMPLE

Statistical community is consisted from managers, advisors and experts connected with the subject of strategic planning in Iran Road Management and Transportation Organization which include 47 employees, managers, advisors and experts connected with the subject of strategic planning in Road Management and Transportation Organization. For limited statistical community we would use census method. Distributing 45 questionnaires, completed questionnaires are analyzed.

XI. ANALYSIS FINDING

At first Kolmogorov-Smirnov test used to study of questionnaire scales are normal. The test results for all scales indicated at as level of significance is higher than 0.05 error, zero supposition in the level of 0.05 is acceptable so we can say that these scales has normal distribution. Therefore data distribution was normal in statistical community and a series of parametric statistics would be used for data analysis. Considering that data were normal we should use parametric tests.

TABLE(a)
Analysis Data

Alternatives and scales	Statistics quantity	Level of significance	Error level	Test result
Establishment of strategic planning	1.483	0.234	0.05	Normal data
Improvement of managers' thinking	1.789	0.123	0.05	Normal data
Improvement of organization business	1.500	0.111	0.05	Normal data
Rationalized allocation of resources in different sections of the organization	1.858	0.087	0.05	Normal data
Conformity of strategic planning with organization needs	1.861	0.654	0.05	Normal data
Conformity of organization activities with environmental changes	1.531	0.432	0.05	Normal data
Stability of organizational culture	1.509	0.099	0.05	Normal data

To test the relative main and secondary hypotheses we used Pearson Correlation Coefficient Test, by which correlation between independent and dependent alternatives in the hypothesis and performance level are studied. Research general results are given in Table II.

XII. RESEARCH HYPOTHESES RESULTS

➢ **Secondary hypothesis 1:**
According to the studies and considering hypothesis no.1 that "There is significant relation between establishment of strategic planning in Road Management and Transportation Organization with improvement of strategic thinking in senior managers of the organization", performed statistical tests confirmed the hypothesis so we can conclude that improvement of strategic thinking in managers is effective in fulfillment of objectives in Road Management and Transportation Organization.

➢ **Secondary hypothesis 2:**
According to the studies and considering hypothesis no.1 that "There is significant relation between establishment of strategic planning in Road Management and Transportation Organization with improvement of business process in the organization" performed statistical tests confirmed the hypothesis so we can conclude that improvement business process is effective in fulfillment of objectives in Road Management and Transportation Organization

TABLE (b)
Research Results

Alternatives and scales	Person Correlation Coefficient	Level of significance	Error level	Test result
Establishment of strategic planning	0.865	0.000	0.05	Relationship confirmed
Improvement of managers' thinking	0.632	0.000	0.05	Relationship confirmed
Improvement of organization business	0.574	0.000	0.05	Relationship confirmed
Rationalized allocation of resources in different sections of the organization	0.742	0.000	0.05	Relationship confirmed
Conformity of strategic planning with organization needs	0.875	0.000	0.05	Relationship confirmed

Conformity of organization activities with environmental changes	0.730	0.000	0.05	Relationship confirmed
Stability of organizational culture	0.675	0.000	0.05	Relationship confirmed

➢ **Secondary hypothesis 3:**

According to the studies and considering hypothesis no.1 that "There is significant relation between establishment of strategic planning in Road Management and Transportation Organization with rationalization of resources allocation in different sections of the organization" performed statistical tests confirmed the hypothesis so we can conclude that rationalization of resources allocation is effective in fulfillment of objectives in Road Management and Transportation Organization.

➢ **Secondary hypothesis 4:**

According to the studies and considering hypothesis no.1 that "There is significant relation between establishment of strategic planning in Road Management and Transportation Organization with conformity of strategic planning with organization needs" performed statistical tests confirmed the hypothesis so we can conclude that conformity of strategic planning with organization needs is effective in fulfillment of objectives in Road Management and Transportation Organization.

➢ **Secondary hypothesis 5:**

According to the studies and considering hypothesis no.1 that "There is significant relation between establishment of strategic planning in Road Management and Transportation Organization with conformity of organization activities and environmental changes" performed statistical tests confirmed the hypothesis so we can conclude that conformity of organization activities with environmental changes is effective in fulfillment of objectives in Road Management and Transportation Organization.

➢ **Secondary hypothesis 6:**

According to the studies and considering hypothesis no.1 that "There is significant relation between establishment of strategic planning in Road Management and Transportation Organization with stability of organizational culture" performed statistical tests confirmed the hypothesis so we can conclude that stability of organizational culture is effective in fulfillment of objectives in Road Management and Transportation Organization.

XIII. RESEARCH RECOMMENDATIONS

The research results indicate effective factors on strategic planning in fulfillment of organization objectives. Such factors are good guidance for managers in Road Management and Transportation Organization and other organizations in execution of organization strategic planning and fulfillment of the organization objectives.

Relying on results from the present research, we recommend the following to the organization managers and in-charge persons:

- ✓ Specialized human force, especially in maintenance and strategy sections
- ✓ Holding regular meetings with the organization senior managers and strategic planning project team for improvement of managers' strategic thinking
- ✓ Holding committees consisted from key experts from different units of the organization to attend strategic planning project which facilitate the implementation of strategic planning, no-resistance to changes from execution of strategic planning and integrity of strategic planning in involvement of different organization units
- ✓ Supervisory role of senior managers as key members of strategic planning project in order to fulfill organization objectives and resolve possible conflicts
- ✓ Allocation of suitable organizational and financial sources in order to facilitate the project progress and reflect its importance to employees
- ✓ Cooperation and communication of the organization with research and academic centers

❖ **Recommendation to other researchers**

The subject of strategic planning for its significant role in fulfillment of the organization premier objectives has specific position among researchers. Considering the results from present research work other researchers are encouraged to perform further studies as:

- ✓ This research work only studied limited organizational factors effective on strategic planning success in fulfillment of Road Management and Transportation Organization objectives. Effect of other factors such as bureaucracy and centralization, ….. can be evaluated in further studies
- ✓ Strategic planning in the field of State Smart Rod Transportation Systems' Development

REFERENCES

[1] Zaribaf, Mehdi and Alizadeh Hossein Hajlou, Tohid (2009). "Strategic Management, Human resources and Labor Relations (General Revision), Mir Publication, 21st Edition, 2009, p1)

[2] Hrebiniak, Lawrence G, 2010"Obstacles to Effective Strategy Implementation, Organizational Dynamics", Vol. 35, No. 1, PP. 12-31.

[3] Len,Nixon. March 2004, "Change Management: Theory and Practice" Business Date. Vol. 12, No 1, PP. 1-4.

[4] 25. Richard W. Oliver, 2005, "The evolution of Business Strategy", Journal of Business Strategy.
[5] Dereli, C., 2007, The Developing Environment For Stratey Formation In Smaller Local Authority, International Journal of Public Sector Management, Vol 20, No 5, 366-379.
[6] Chen, S. J. and Hwang, C. L., 1992, Fuzzy Multiple Attribute Decision Making Methods and Applications, Springer, Berlin.
[7] Floyd, E., 2008, Visited at (2009/2/8), http//connect.educase.edu/library/ Educause+Review/A changingProfile/46607, A Changing Profile.
[8] Martin, P., 1995, Analysis and Design of Business Information Systems, 2nd Edition, Prentice Hall Inc.
[9] Percoco, J., 2008, Strategic Planning For Enterprise Application Servises, Available at: http://www.educause.edu/Resources/Strategic PlanningforEnterprise/162524
[10] Potter, M., et-al, 2006, Optimal Knowledge Management, Idea Group Publishing, 116.

★★★