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Drawing a Structural Model of Effective Components in Strategic Management and its Role in Sustainability and Economic Development

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Abstract: This research was formed to draw a structural model of the effective components on strategic management and its role in sustainability and economic development. For this purpose, 385 experts and specialists were completed the questionnaire of the research. The results showed that the four factors involved. The resource management component ($p<0.01$) is strongest factor affecting the strategic management. The components of resource recognition and positioning directly predict strategic management and are an indirect predictor of strategic management. Regression analysis showed that strategic management and its components is a strong and suitable predictor of sustainability and economic development.

INTRODUCTION

In the today's world, the field of business based on competition and presence in the global economy is an unavoidable issue and durability in this field requires the competitive advantage and superiority of its peers. But as it is known at all stages and advancement of business goals, the role of management of different department and the applying its related resources and by the application of innovative ideas and the most advanced technologies in commercial success and business crediting (Al-Hadded and Kotnour, 2015).

Recent business and structural conditions require a comprehensive, universalist approach that allows for the achievement of macro-scale success and its related sectors, one of the most important issues in terms of comprehensive and structured planning in achieving goals. The use of strategic management and its contributing factors (Durmaz and Dusun, 2016).

Branch strategic management of several components is associated with a variety of indicators including human resource management, human resources and its associated factors play the most important role in organizational development and success (Brito and Oliveira, 2016). Therefore, the developing an executive policy around this factor and the guideline provided by the human factor is the most important factor in the movement and development of the system (Budhar and Debrah, 2011). The importance of this discussion is because one of the most important success achievements in different structures and economic, commercial, social structures etc. is the applying strategic planning and attention to the principles of the implementation of programs based on this principle (Gretzell *et al*., 2016) while preserving and strengthening the foundations in this field their weaknesses and bugs can be identified and resolved.

Strategic planning is the use of specific policy indicators and tools to move appropriately, according to, the ability requirements and indicators and weaknesses in each specific program (Schroeder, 2014). A strategic plan is the framework that is used to practicalizing strategic thinking and operational guidance those results in specific and planned outcomes. That is a strategy can be defined as a layout, map, lineup, template, position, view (Cobain *et al*., 1993).

It is clear that strategic planning is the most important principle in the future structural movement of the new era that basic principle of which is in management, planning and implementation of that by strategic management (Chant, 2015). Strategic management is not limited to management branch and its related factors and includes various sectors such as policy. Consequently, the strategic principles of competition uses a specific pattern in spite of the difference that can be extended to other sectors such as politics and related issues. As it is known, the strategic management covers the various factors in various dimensions that most important of which is as follows:

Main elements of strategic management:

- Organizational identification and selection of the correct and efficient management to guide the process under study
- Basic analysis and tools necessary to achieve ahead goals (Elbanna *et al*., 2016)
- Analysis conducted by available facilities and weaknesses and the full identification of the requirements and tools available to move towards the specified path (evaluating financial capabilities and possible budgets and investable costs) (Shu-Hsiang *et al*., 2015)
- Allocation and identification of the correct target force and continuous organizational structure for the purpose of applying predetermined goals

For strategic planning it creates the basic structure of a strategic management team (Guerras-Martin *et al*., 2014). It is important to pay attention to all structural, environmental, human and organizational applications in order to achieve strategic goals that the lack of attention to each component and not anticipating the possible inconvenient frequencies, damages the path to the process of movement and the target path and does not give the permission of previous correct and precise use each of the major components of strategic planning and management has many abnormalities that indicate the high importance of pattern layout for success.

Strategic management points presented regarding strategic management, shows the importance of this indicator in achieving different structural goals in various aspects and our direct relationship between efficient strategic management and development and sustainability has multiplied the role and importance of various sectors (Hyvari, 2016). The concept of development is a very general topic related to various elements and indicators (McCowan, 2016). Development is named as the laws of growth and development on the path to the intended construction; it changes the structural and underlying foundation in a particular area and puts in direction of growth (Bogadan and Zon, 2013).

In general, development expresses the principles and rules that are specific to achieve certain goals that affect the existing indicators in that field and puts it in its predetermined direction (Drew *et al*., 2016). This similarity between development and sustainability and strategic management shows the importance of these concepts and their convergence alongside each other. In other words, recognizing the path of development and sustainability in various dimensions is one of the fundamental goals of various businesses, economic and social policies and it seems that strategic management and its components play an important role in this regard, so, this research seeks to determine first: What are the effective components on strategic management? And how do these elements affect development and sustainability? (Fig. 1).

Fig. 1: Conceptual model of research

As it is clear in the conceptual model of the research, the components of strategic management in this research include components of resource recognition, resource management, positioning and targeting and the effect of strategic management and its application is totally investigated and analyzed on sustainability and development.

Statistical population and sampling: The statistical population in this study consists of all experts, specialists, professionals in strategic management which are selected in a manner accessible due to the distribution of sample members. The Cochran formula was used to determine the number of sample members:

Due to the widespread nature of the research population on the one hand and on the other hand as the number of studied population is limited, the following second Cochran formula will be used to determine the minimum sample size required:

$$n = \frac{(1/96)^2 (0/5)(1\text{-}0/5)}{(0/5)(1\text{-}0/5)} \approx 385$$

Where:

n : Minimum required sample size
p : Ratio of distribution of trait in population
zα/2 : The value obtained from the standard normal distribution table (in this study and taking into account the error value of 0.05, the value obtained from the standard distribution table is 1.96)
d : The error accepted by the researcher or the tolerable interval from the estimated parameter (usually in the social sciences is equal to 0.05)

A point that needs to be said about this formula is that, if p is not available, a value of 0.5 can be considered (Azar and Momeni, 2008) which in this case, the formula will have the largest and most conservative number possible which is considered to be 0.5 in this study. By replacing the parameters in the formula, the sample size is equal to 384.16 which will be based on the analysis.

MATERIALS AND METHODS

Methodology and information gathering method: This research describes current and existing conditions and evaluates existing relationships. Therefore, the nature of this research is descriptive-correlation and has practical aspect.

In this research, two field and library methods have been used to collect information and complete the questionnaire. The library method has been used to collect and complete theoretical foundations of the research. The field method and completing the questionnaire have been used in order to inferential investigation and relationship between research hypothesis and data collection for statistical analysis of the data.

Research tool

Strategic management questionnaire: A 20-question questionnaire was designed in order to explore the tool for identifying the components that have an effect on strategic management through the assumptions and the theoretical basis corresponding it that its content validity was proven by 3 experts and the expert working in the desired area, one university professor and 2 PhD students studying in strategic management field. The size of KMO sampling adequacy is the test of the amount of variance in the data which can be explained by factors.

Whatever the value of KMO to be closer to one it is better, according to Kyser the KMO >0.9 is excellent, domain of 0.8 is better in the domain of 0.7 is better than average in the domain of 0.5 is bad and lower than it is unacceptable (Hooman, 2007). The KMO value for the strategic management questionnaire is equal to 0.909 which is in excellent level. Also, the amount of Chi-square is equal to 2815 with a significance level of 0.00. The ability to factorize data and perform factor analysis is confirmed because the level of significance is >0.01. In this way, factor analysis revealed four main factors and components for this questionnaire include dimensions of:

Resource recognition, resource management, positioning and targeting: The internal consistency of the materials for the whole test performed by Cronbach's alpha is equal to 0.902 and for the subscales of resource recognition, resource management, positioning and targeting are equal to 0.815, 0.848, 0.800 and 798, respectively. Considering that the size of Cronbach's alpha for the whole questionnaire and all subscales is <0.7 this questionnaire is reliable and an appropriate tool for measuring strategic management.

A questionnaire of 10-question was designed for sustainability and economic development. The Cronbach's alpha is equal to 0.703 and represents the proper internal consistency of the test materials.

RESULTS AND DISCUSSION

Findings

Investigating the relationship between strategic management components: The correlation matrix of the relationships obtained from the research variables shows that there is a positive and significant relationship between strategic management and all of its identified components including: resource recognition, resource management, positioning and targeting at the level of 0.01. The sub-components with each other except for the relationship between the positioning and the targeting which is significant at the level of 0.05, the rest of them have significant relationships at the level of 0.01 (Table 1).

Table 1: Matrix of our correlation between research variables

Row	Research variables	Mean	SD	1	2	3	4	5	6
1	Strategic management	58.3	5.11	1					
2	Recognition of resources	14.1	2.41	0.56**	1				
3	Resource management	13.6	2.11	0.70**	0.45**	1			
4	Positioning	12.80	2.01	0.47**	0.48**	0.51**	1		
5	Targeting	14.4	2.78	0.34**	0.42**	0.42**	0.30*	1	

**p<01; *p<05

Structural equation modeling was used in order to evaluate the model. According to McCallum and Austin (2000), all possible direct and indirect paths of independent variables (exogenous) and endogenous and dependent variable were evaluated first. The proposed structural model in this study includes four factors that recognition of resources, resource management, positioning and targeting was evaluated as an independent variable and strategic management was evaluated as a dependent variable. The purpose of this model is to evaluate the direct and indirect effects of resource recognition, resource management, positioning and targeting on strategic management.

The most powerful component that affects strategic management is the variable resource management ($p<0.01$). Apart from resource management, resource recognition and positioning are factors that directly predict strategic management ($p<0.01$). The targeting factor is indirect predictive of strategic management (Fig. 2).

Table 2 shows the degree of model fitting. Structural equations modeling have fitting indicators and structural model. The most commonly used method for estimating the best fitting in SEM is called as maximal probability method. The fitting statistics set for the 5-factor model: χ^2 (Adjusted doodness of fit index), AGFI, GFI (Goodness of Fit Index), CFI (Comparative Fit Index), RMSEA (Root Mean Square Error of Approximation) was measured in this model. The two AGFI and GFI indicators are as close as possible shows the totally fitting of the model and the being low of RMSEA indicator is as utility fitting of the model. Whatever the indicator is closer to the one it shows the more desirability (CFI) adaptive fitting of the model (Nadi and Akbari, 2014).

Given that AGFI = 0.83, GFI = 0.88, CFI = 0.79 and in these fitting indicators whatever the obtained value is closer to 1, the fitting is more proper and given that the value of RMSEA is equal to 0.06 which whatever is closer to zero, indicating more proper fitting. This model has a very good fit and all of the structures are meaningful and consistent with the model.

The results of Table 3 show that components of resource recognition, resource management, positioning and targeting (0.31, 0.47, 0.24 and 0.10) have a direct effect on strategic management and their indirect effect is respectively equal to 0.11, 0.10 and 0.07 and 0.21). Therefore, resource management has the most effect on strategic management and is an indirect targeting predictor of strategic management.

The regression method and its related cases were used in order to investigate the relationship between the role of strategic management with sustainability and development.

First, after assuring the linear regression assumptions such as regression line gradient, the normality of population which was evaluated by the Kolmogorov-Smirnov test and the Watson's camera statistics which the statistical value of this test varies from 1-4 and if the interval of this statistic to be between 1.5 and 2.5 the assumption of independence between errors is accepted that the value of Watson's camera statistic in this study is equal to 1.97 which indicates a lack of correlation between errors and the possibility of conducting linear regression in this study (Table 4).

The results of this study show that there is a positive and significant correlation between strategic management and sustainability and economic development. Strategic management and its components are capable of predicting

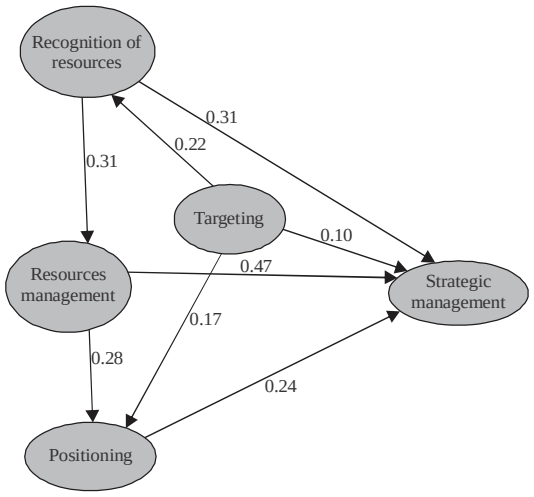

Fig. 2: Structural model of constituent components of strategic management

Table 2: Fitting indicators of structural equation modeling

Statistical indicators	χ^2	AGFI	GFI	CFI	RMSEA
Fitting value	448	0.83	0.88	0.79	0.06

Table 3: The direct and indirect effects of exogenous variables on the outcome variable

Structural relations	Direct effects	Indirect effects
Recognition of resources	0.31	0.11
Resource management	0.47	0.10
Positioning	0.24	0.07
Targeting	0.10	0.21

Table 4: Regression coefficient of strategic management variables for prediction of development and sustainability

Dependent variables	Independent variable	Significant level	Beta regression coefficient	Tolerance	R^2_{adj}	F
Sustainability and economic development	Strategic management	0.001	0.178	1.488	0.325	12.411

and explaining the 0.325 of the dependent variable dispersion which is sustainability and economic development.

CONCLUSION

Strategic management is a branch of the compilation and motion style that guides strategic planning that measures the focusing the construction and potential of the network (Serra and Kunc, 2015). An accurately designed strategic planning is a proper model of success and achievement of organizational goals and by correctly formulating the resources and policies employed, makes it possible to access and achieve it (McCamley and Gilmore, 2018). In this line, the design of strategic planning with regard to the assumptions and structures under design is a fundamental factor in economic development and the achievement of sustainability of resources in various branches (Eddleston *et al*., 2008).

A development is policy that defines the main goal of an organization and its related indicators and according to views of researchers and scholars one of the most important ways to achieve development and sustainability in different sectors is to use the strategy and its related structures. According to the theoretical foundations provided this research was conducted with the aim of evaluating the effective components of on strategic management and its relationship and its effect on economic development and sustainability. The results showed that four indicators of resource recognition, resource management, positioning and targeting have a positive effect on management strategic and applying.

The results also showed that strategic management and its applying significantly predict sustainability and development in the strategic management branch in its related indicators. These results are consistent with the findings of Dominguez which showed the strategic management of the anticipant of development or Gotsch and Hipp (2014) which showed there is a direct and effective relationship between strategic management and the achievement of predetermined goals. These results on the one hand are rooted in the basis of research and the observance of research variables assumptions and observance of the research structure.

On the other hand it is a testimony to the importance of strategic management and the identification of its components in achieving development and taking steps in the direction of progress, so, considering strategic management in different areas can be created the path to growth in various sectors of business and the basics of that.

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