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COMPARISON OF STRATEGIC THINKING WITH HIGH MANAGERS' OPERATIONS BASED ON ORGANIZATIONAL LEARNING OF FOREIGN EXCHANGE MARKET IN SARAI-SHAHZADA, KABUL

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ABSTRACT

This research compares strategic thinking and operations as an indicator of success in companies and also the moderating effect of organizational learning variable on the relationship between strategic thinking and operations, so first a comprehensive model for strategic thinking based on the literature of the subject is inferred and designed and then tested using survey/analytical research method. The statistical population of the study is 10% of the companies listed in the foreign exchange market based in Kabul. Due to the small number of companies, a probable method was used. A researcher-made questionnaire of strategic thinking was distributed among top managers and organizational learning standard questionnaire was distributed among middle managers. Data on asset returns as corporate operations were extracted from the financial statements in the foreign exchange market. The results showed that there is a direct relationship between strategic thinking and high managers' operations in the companies under study, but organizational learning does not moderate the relationship between strategic thinking and performance.

Keywords: Strategic Thinking, Operations, Organizational Learning, Asset Return Rate.

INTRODUCTION

In the 1990s, strategy theorists returned to the field with completely different theories than in the 1960s and first of all questioned classical approaches. Henry Mintzberg rejected the basis of strategic planning by making a distinction between analytical processes and subjective synthesis. In articles, Hamel and Prahalad proposed strategically organizing instead of strategic planning (Stacey, 2005). Strategic thinking with features such as: diagnosis, leadership, creativity, helicopter attitude, long-term vision and opportunism, and many other mental and personality capabilities can ensure the success and effectiveness of the organization (Goldman, 2005, pp 20-27). The present study is important in several directions: first, there is no coherent study of strategic thinking. Second, most studies believe that the rule of this type of thinking on the organization will lead the organization to create strategic plans in its new sense and then lead to better performance. Third, strategic thinking itself has little effect on performance, strategic thinking is a merit and advantage at the top of the organizational sheer.

RESEARCH OBJECTIVE

The main objective of the research is to understand the relationship between strategic thinking and organization performance based on strategists in Kabul currency market (Sarai Shahzada).

Sub-Objectives

1. Identifying the level of conceptual thinking in strategists and corporate performance;
2. Receiving systemic thinking of strategists and corporate performance;
3. Recognizing the opportunism of strategists and corporate performance;
4. Identifying the relationship between strategists' foresight and corporate performance;
5. Understanding the relationship between the levels of strategies and corporate performance;
6. Receiving the relationship between transformational leadership in strategy-oriented and corporate performance.

RESEARCH QUESTION

How is there a relationship between strategic thinking and organization performance based on strategists in Kabul currency market?

Sub-questions

1. What is the relationship between the level of conceptual thinking in strategists and corporate performance?
2. What is the relationship between strategy-oriented systemic thinking and corporate performance?
3. What is the relationship between strategists' opportunism and corporate performance?
4. What is the relationship between strategists' foresight and corporate performance?
5. What is the relationship between strategies levels and corporate performance?
6. What is the relationship between transformational leadership in strategists and corporate performance?

RESEARCH HYPOTHESIS

There is a direct relationship between the level of strategic thinking in strategists and performance (ROA) of organizations.

Sub-hypotheses

1. There is a direct relationship between the level of conceptual thinking in strategists and the performance (rate of return on assets) of companies.
2. There is a direct relationship between the systemic thinking of strategists and the performance (rate of return on assets) of companies.
3. There is a direct relationship between the opportunism of strategists and the performance (rate of return on assets) of companies.
4. There is a direct relationship between strategists' foresight and corporate asset return rate.
5. There is a direct relationship between the level of recognition of strategies and performance (asset return rate) of companies.
6. There is a direct relationship between transformation leadership in strategists and performance (asset return rate) of companies.

STRATEGIC THINKING

The basis of strategic planning is to predict the future environment and there is a great difference between time and reality (Ghaffarian, 2004, pp. 33-38). According to Mintzberg, effective strategy is a creative phenomenon that humans are constructive, not planning processes, and should develop strategic thinking instead of planning (Mintzberg, 1992; Mintzberg, 1994, pp. 107-114).

One of the first and most important researches in this field is a study conducted by India Ford. In this study, India Ford identifies features that differentiate strategic thinking from operational thinking (Muris, 1981, p. 65). In another study, Mintzberg presents strategic thinking as a thought that other types of thinking, especially lateral thinking and inductive thinking, intuition and creativity are the forerunners (Muris, 1981, pp. 521-90). In his study, Lithka (1998) considers five elements to reflect strategic thinking. These factors include systemic perspective, purposefulness, intelligent opportunism, timely thinking, production and hypothesis testing. In his study, "The Mastermind of Strategic Thinking," Goldman discusses how to develop strategic thinking professionally in the top executives of hospital centers. He recognizes strategic thinking as a combination of four factors of conceptual thinking, systemic thinking, foresight and

opportunism (Bonn, 2001, pp. 63-70). Therefore, four factors of conceptual thinking, systemic view, opportunity and foresight can be considered as the constituent elements of strategic thinking up to this stage.

ORGANIZATIONAL LEARNING

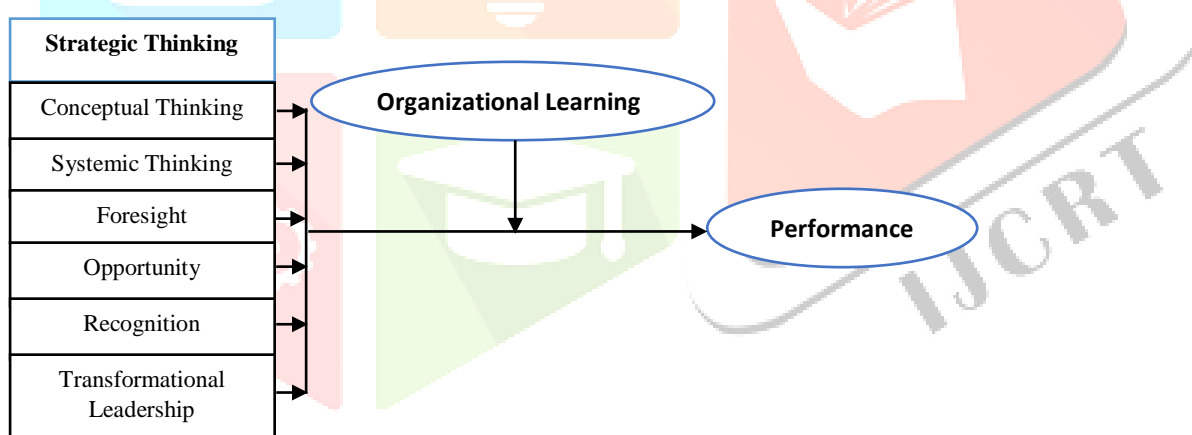
In all organizations, passing the strategy formulation stage and being in the implementation phase of the strategy requires a change in responsibilities. That is, responsibilities are taken from strategies and transferred to another category (David, 2005, pp. 321-342). Organizational learning facilitates the implementation of creative strategies by creating learning capabilities between organizational groups (Hung, Lein, Maclean, Kuo, 2010, pp. 285-294; Mintzberg, 1994, pp. 107-114). Organizational learning in accordance with Jones-Wayne's attitude includes the dimensions and characteristics set forth in Table 1:

Table 1. Dimensions of Organizational Learning (Jones, 2006)

Dimensions	Features
Receiving of Information	Organizations may obtain information through the interaction processes and experience of other members.
Information Sharing	Organizations distribute information among their individuals and convert it from implicit knowledge to explicit knowledge.
Shared Commentary	Knowledge is divided at individual and collective levels in the organization and integrated into routine formats and is modified as a single-ring or two-ring learning.
Memory	Knowledge is transformed into action as new methods are implemented and entered into procedural and apparent memory.

This research continues to test the hypotheses and examines the question of whether organizational learning can moderate the relationship between strategic thinking and performance. According to the constituent components of strategic thinking i.e. cognition, leadership, foresight, opportunism, conceptual thinking and systemic thinking as well as the dependent variable of performance (asset return rate) as well as organizational learning moderating variable, our conceptual design or research model can be shown as chart No. 1.

Chart 1. Analysis Model



RESEARCH METHODOLOGY

The research method used in this study is survey/analysis and all accepted companies in the foreign exchange market based in Kabul city are considered as statistical population. This study was used to obtain strategic thinking scores of companies, strategic thinking questionnaire was given to two top managers (CEO, deputy or consultant) and organizational learning questionnaire was distributed among 5 middle managers of companies with 20% extra. Purposive sampling was used for both cases.

Asset returns indicate the ability to manage assets efficiently and focus more on the efficiency of the operations sector. This criterion, along with the criterion of debt ratio (the company's use of financial leverage), constitutes the DuPont system. If additional assets are used in operations, it is as if operating costs have increased. To calculate the performance index (dependent variable), secondary data (annual financial statements in the foreign exchange market) and the following formula were used that the computational relationship of asset returns is as follows.

$$\text{Asset Return I} = \frac{\text{Net Profit}}{\text{Total Assets}}$$

Content validity method was used to achieve the validity of the measurement tool using a documentary method. The reliability of strategic thinking questionnaire after initial distribution and initial 20% of strategy questionnaire was assessed using SPSS software and

Cronbach's alpha coefficient for strategic thinking questionnaire was estimated to be 38%. Cronbach's alpha for organizational learning questionnaire was 39%. In order to analyse the data according to the research hypotheses, SPSS software and Pearson correlation methods, partial and multivariate regression were analysed.

ANALYSING THE FINDINGS OF THE RESEARCH DESCRIBING THE DATA

The reviewed companies include 50 companies that have been accepted in the currency market. All companies are private and are based in Kabul. In terms of the size of the companies, the following sizes are in different sizes: large 10 companies, an average of 20 companies and a small 20 companies were selected in the desired community. Table 2 shows the mean, standard deviation, minimum and maximum scores of strategic thinking, organizational learning and performance.

Table 2. Faces of the companies under investigation

At least	Maximum	Standard Deviation	Average	Variables
3/95	5/95	0/5	4/7	Strategic Thinking
3/91	5/8	0/48	5	Organizational Learning
-0/7	0/21	0/23	0	Performance (Dependent Variable)

As can be seen in Table 2, the companies in point have an average zero rate of return. The minimum rate of return is -0.7 and the maximum is 0.2. The rate of return of -0.7 indicates that the loss rate for any Afghan invested in the company is -0.7 and the return rate of 0.2 indicates 0.2% profit per Afghani investment in the company.

CORRELATION MATRIX OF DIMENSIONS OF STRATEGIC THINKING

The following table shows the correlation matrix of strategic thinking variables along with the degree of significance of the correlation value.

Table 3. Correlation matrix of dimensions of strategic thinking

Strategic Thinking	Opportunity	Systematic Thinking	Foresight	Conceptual Thinking	Leadership	Recognition	Variable
0/86	0/19	0/41	0/59	0/78	0/56	1	Recognition
0/00	0/52	0/16	0/03	0/00	0/04	0/00	p-value
0/70	0/10	0/19	0/43	0/53	1	0/56	Leadership
0/00	0/74	0/53	0/13	0/06	0/00	0/04	p-value
0/94	0/16	0/76	0/87	1	0/53	0/78	Conceptual Thinking
0/00	0/59	0/00	0/00	0/00	0/06	0/00	p-value
0/81	0/05	0/71	1	0/87	0/43	0/59	Foresight
0/00	0/85	0/00	0/00	0/00	0/13	0/03	p-value
0/69	0/17	1	0/71	0/76	0/19	0/41	Systematic Thinking
0/00	0/57	0/00	0/00	0/00	0/53	0/16	p-value
0/29	1	0/17	0/05	0/16	0/10	0/19	Opportunity
0/32	0/00	0/57	0/85	0/59	0/74	0/52	p-value
1	0/29	0/69	0/81	0/94	0/70	0/86	Strategic Thinking
0/00	0/32	0/00	0/00	0/00	0/00	0/00	p-value

There is a strong correlation between all dimensions and strategic thinking and all values are meaningful at the confidence level of at least 95%. Therefore, it can be concluded that with the exception of opportunism, there is a convergence between all dimensions and strategic thinking, which means that it is possible to improve strategic thinking in the studied organizations by improving the characteristics of strategic thinking i.e. systemic thinking, conceptual thinking, foresight and transformational leadership which are also acquired in accordance with the literature of the subject matter.

Table 4. Correlation matrix of organizational learning dimensions

Learning Memory Interpretation of Organizational Information Sharing					
0/91	0/73	0/24	0/71	1	Receiving Information
0/00	0/00	0/43	0/00	0/00	p-value
0/80	0/42	0/34	1	0/71	Shearing of Information
0/00	0/15	0/25	0/00	0/00	p-value
0/48	0/18	1	0/34	0/24	Shared Commentary
0/09	0/54	0/00	0/25	0/43	p-value
0/82	1	0/18	0/42	0/73	Memory
0/00	0/00	0/54	0/15	0/00	p-value
1	0/82	0/48	0/80	0/91	Organizational Learning
0/00	0/00	0/09	0/00	0/00	p-value

As can be seen in Table 4, there is a positive correlation between all dimensions and organizational learning and all correlation values are meaningful at 99% confidence level. Therefore, shared interpretation has no significant role in promoting organizational learning among middle managers of the organization, considering the amount of correlation and significant value.

RESEARCH HYPOTHESES

All hypotheses are written as follows and then the necessary analyses are carried out according to the degree of significance.

Table 5. Correlation coefficients and the results of hypotheses

Confirm or reject hypothesis	Significance level of the test	R2	Pearson correlation coefficient with performance variable	Independent Variables
Confirm	0/012	0/38	0/62	Strategic Thinking
Confirm	0/005	0/46	0/68	Conceptual Thinking
Confirm	0/012	0/38	0/62	Systematic Thinking
Confirm	0/01	0/37	0/61	Foresight
Reject	0/33	0/01	-0/13	Opportunity
Reject	0/57	0/20	0/46	Recognition
Reject	0/11	0/12	0/36	Leadership

The first column in Table 5 is the transplanting of independent variables, the second column shows Pearson correlation coefficients between independent variables and performance (asset return rate), the third column is a significant degree and the fourth column concludes the hypothesis according to the degree of significance. As can be seen, the correlation coefficient between the variables of strategic thinking in general, conceptual thinking, systemic thinking and numerical foresight is positive and at the level of 95% confidence is significant, so there is a direct relationship between these variables and performance and the main hypotheses and numbers 1, 2 and 3 are accepted. By confirming hypothesis 1, the main hypothesis of the research is confirmed based on the existence of a direct relationship between strategic thinking and performance. Therefore, it can be stated that the high rate of this feature in strategists promises high performance for the studied organizations.

The amount of correlation and significance level between conceptual thinking and performance shows that with 99% confidence there is a direct and strong relationship between conceptual thinking and performance (asset return rate) by confirming the hypothesis and 2 and 3 between systemic thinking and performance (asset return rate) and also there is a direct and strong relationship between foresight and performance (asset return rate). The intensity of the relationship between these two variables (systemic thinking and foresight) with performance is less than the intensity of the relationship between conceptual thinking and performance, and according to the R2 value, conceptual thinking has a higher determining percentage than systemic thinking and even foresight.

According to the results of hypothesis test for hypotheses, 4, 5 and 6, transformational cognition and leadership are not related to performance. The logic of formation of hypotheses states that there should be a positive relationship between these characteristics and performance. Cognition as one of the cognitive characteristics in strategic thinkers has been considered and confirmed in various studies, this lack of communication can be due to the low distribution of data.

THE MODERATING EFFECT OF ORGANIZATIONAL LEARNING

In order to investigate the moderating effect, first, the adjusted R2 value of the independent variable is calculated using inter method in linear regression (by selecting the Inter method, all independent variables transferred to the independent cadre are presented in the regression model), then the organizational learning variable as a moderating variable in the form of the second independent variable enters the software and the adjusted R2 value between the two independent variables and the dependent variable is entered into the software using the method. Inter is calculated in bi-variate regression. By comparing the modified R2s, the analysis is done on modulating. Partial correlation is also used to intensify or weaken the relationship.

Table 6. Investigating the Moderating Effect of Organizational Learning

Aggravated or weakened	Partial correlation differences	Confirm or reject hypothesis	Change type in R2 intrusion	Adjusted R2 in bivariate mode	Adjusted R2 in one-variable mode	Independent Variables
-	-	Reject	Unchanged	0/33	0/33	Strategic Thinking
-	-	Reject	Reduce	0/053	0/139	Recognition
-	-	Reject	Reduce	-0/03	0/05	Transformational leadership
-	-	Reject	Reduce	0/41	0/42	Conceptual Thinking
Intensifies	+0/04	Confirm	Increase	0/37	0/33	Systematic Thinking
-	-	Reject	Reduce	0/31	0/32	Foresight
-	-	-	-	-	Meaningless	Opportunity

The first column in the table above shows the independent variables, the second column represents the adjusted R2 between an independent variable and the dependent variable, the third column represents the adjusted R2 value in the bivariate state (i.e. the organizational learning variable is also entered along with the first independent variable). If the type of change in adjusted R2 is positive, the organizational learning variable has a moderating effect otherwise it is unseeded. As can be seen in only one case, this increase can be seen, so in general, organizational learning does not moderate the relationship between strategic thinking and performance, but organizational learning moderates the relationship between systemic thinking and performance. Adjusting the relationship between strategic thinking and performance means that in the companies accepted in the foreign exchange market based in Kabul, the higher the strategic thinking and at the same time the higher the organizational learning, the higher the performance score of the organization. However, in cases where the strategic thinking score of the organization is low and organizational learning is low, the performance score of the organization decreases more drastically.

CONCLUSIONS

The results of this study showed that there is a strong and direct relationship between strategic thinking and performance, so it can be suggested that the high level of this feature (strategic thinking) in strategists promises high performance for the organization. These results meet the expectations of pioneers in the field of strategic thinking, i.e. people like Lidka, Herakleus, Mintzberg, Hindford, etc. It was also shown that conceptual thinking, systemic thinking and foresight have a direct relationship with performance. The relationship between foresight and performance also confirms the Mintzberg study, which considers foresight as one of the factors that betrothed strategic thinking from operational thinking, but the interesting result of this study is that there is no relationship between opportunism and performance. This lack of communication is meaningless in accordance with Williamson's trading cost theory. Based on the literature on the theory of trading, opportunistic individuals think strategically. But the study did not show such a result. Concepts in opportunism are concepts that are not consistent with Afghan business ethics and culture, which is why opportunistic individuals face difficulties in organizational environments. The lack of communication in this sector is largely due to this. In other words, culture is a force that does not allow strategic thinkers in Afghanistan to use opportunities for their own benefit and their organization using political tricks and transferring costs to others. On the other hand, this result is contrary to the results of studies that recognize the power gap in Afghanistan and the large distance between opportunists.

Transformational leadership and cognition also have a small dispersion range, which means that this feature is equally visible to all managers. This reduces the lack of dispersion of the R value drastically.

Overall, the present study confirms the scope of new research conducted by inter-level analyses. The results of new behavioural studies have established a relationship between managers' characteristics (including cognitive and personality characteristics) and organization characteristics. The independent variable in this study is the individual characteristics that are in the field of individual behaviours and finally at the group level. However, the dependent variable, i.e. performance, especially ROA, is a feature in the organization. The relationship between the two levels proves inter-level relations.

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