



Survey the Role of Organizational Structure and Strategic Orientations on Firm Performance with Mediating Role of a Market Capabilities

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ABSTRACT

The present study investigated the role of organizational structure and strategic orientation on firm performance with a market potential mediating role of SMEs has Sanandaj city. the population in this study is the management industrial zones 1 and 3 city of Sanandaj and the number of the statistical population is 264 firms and 209 companies were selected as a statistical sample using Cochran formula. questionnaires were used to collect the data. data with statistical programs in both descriptive and inferential statistics were analyzed using structural equation modeling. questionnaires reliability with Cronbach's alpha coefficient for the scale of the strategic orientation, structure, marketing capability and organizational performance respectively 0.823, 0.841, 0.771 and 0.795 in. all hypotheses were confirmed at 0.95 reliability and the results showed that, the main assumptions used to measure the performance of the communication strategy with a higher and organizational structure and performance is second, between the dimensions of strategic orientation, spending interior orientation dimension, In the first place there, orientation innovation was the second, competitor orientation third and customer orientation is the fourth. between the dimensions of organizational structure, the focus in the first place, formality the second and complexity in the third grade and a negative relationship with organizational performance. also marketing capability more effective on the relationship between strategic orientation and performance and marketing capability of the relationship between structure and function of the organization is less effective.

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INTRODUCTION

Over the past two decades, business-oriented focus on business reporting structure has been considered [14]. Researches as Kohli & Jaworski [6] and Narver & Slater [10], a huge stream of research on the definition, calculation, preliminary and results of this structure has caused. The majority of this researchs studied commercial orientation from the behavior perspective or cultural.

Behavioral perspective on specific activities related to the creation and distribution of business intelligence and insists to response that [6].

Cultural perspectives focused on organizational norms and values that encourage behaviors consistent with market orientation consists and consists of three components: customer orientation, competitor orientation, and coordination of action [10].

Homburg & Pflesser [4] Cultural perspective by creating a multi-layered understanding of market-oriented organizational culture developed Which consists of fundamental values, norms, handicrafts, and behavioral. In another study Gebhardt, Carpenter & Sherry [3] By adopting a cultural perspective a four-step process to identify through which organizations have to accept a higher level of commercial orientation will change.

Most recent Zhou *et al* [19] Commercial orientation of both cultural and behavioral factors known to point out that business-oriented culture across the organization.

Since the beginning of the 90s the concept of market orientation and marketing to attract the attention of many scientific societies have, because the orientation is associated with marketing principles and marketing combined with the philosophy of the organization and its positive impact on organizational performance [6,10].

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Conceptual definition of strategic orientations:

Strategic orientations are the guiding principles that commercial activities and creating a business strategy affected a company's [11]. The principles of strategic routes run by a company to create the correct behaviors that will lead to better performance reflects. Based on the philosophy of how a company conducts its business through much rooted set of values and beliefs shape[20].

Conceptual definition of marketing capabilities:

Capability will interpret labels are corporate assets linked to each other and it arranging them advantageously[20]. The difference is that the assets are not visible, It is hard to calculate and similar equipment and tangible monetary value that can not be[1].

Conceptual definition of organizational performance:

The most delicate point of view of organizational performance is "financial performance", The second and broader view of organizational performance is business performance, which includes both the operational and financial performance, business performance, both financial and non-financial metrics used to evaluate expected. non technical performance criteria such as market share, introduce new products or services, effectiveness and used marketing quality; the third and most extensive view of organizational performance , is effectiveness that organizational multiple objectives and recognizes the impact of foreign institutions[18].

Conceptual definition of organization structure:

Is a social phenomenon that consciously coordinated and have been fairly certain limits and to achieve the goal or goals on a set of principles and rules and moves[7].

Khairi and Roshani [5] Research have done under the title "The role of mediation marketing capabilities in the relationship between Strategic orientation and organizational performance: "A case study of the National Bank of Iran" the causal relationships between strategic orientation, marketing capabilities and organizational performance is studied. data needed to test the conceptual model presented by National Bank branches collected 226 questionnaires from managers is obtained to test the causal relationships between variables in the model was used structural equation modeling. the results indicate that the entrepreneurial orientation and employee attitudes has positive effect on market orientation in the National Bank of Iran.

Salahi kajor [13] Research entitled "Creating strategic orientation towards the creation of public value, the Mining National Library and Archives of the Islamic Republic" have done; the purpose of this research is to learn how to create strategic thinking with participation in the development of the strategic plan of the National Library and Archives of checks and findings are based on analysis of data obtained, general values that the organization should establish a foundation for defining the organization's mission, values, vision and purpose of the macro.

Esmailpour *et al* [2] Research entitled "Information systems and competitive advantage: organizational capabilities-based approach" would have done, analysis of the results suggests that information systems may play an important role in enabling organizations to develop organizational capabilities and competitive advantage.

Rahimnia *et al* [12] Research entitled "Strategic orientation successful export companies" have done, analysis of the results suggests that strategic orientation of the company as one of the most important factors affecting the export success is evident and It is expected that the strategic orientation passive export companies export success may be corrupted.

Day [1] Recognized that one of the main ways to achieve business development, marketing capabilities and competitive advantage, marketing capabilities Day. studies in 1994 as a key feature of the function are known that the company can take advantage of these features will provide better value to our customers.

Song *et al* [15] Believes that the process of integration capabilities that lead to superior performance because the integration of resources, competencies and capabilities cover.

Morgan *et al* [8] Based on their research, research that focuses on market-related features that facilitate their effective deployment of assets is based on market, this feature is usually associated with the operation of the market and the "marketing mix" individual and the process of creating and implementing the marketing strategy to consider.

Stein *et al* [16] Stated that the ability of a company's marketing capabilities are actually now In fact, the company uses this ability to explore the needs of the customer and its response to the planning of marketing activities, investments and implementation (to invest) offers. to some extent this reflects the ability of a company to use the secret knowledge of the market and customer needs the company is quickly forecast and responding to trends that are superior to overtake rivals.

The present study suggests that adopting specific strategic orientation, create an important market capabilities in place to increase business performance and cause.

MATERIALS AND METHODS

The present study objective is to identify the relationship between strategic orientation and organizational performance and the relationship between organizational structure and organizational performance.

Secondary objectives:

1. Determine the relationship between customer orientation and organizational performance.
2. Determine the relationship between competitor orientation and organizational performance.
3. Determine the relationship between the internal / cost and organizational performance.
4. Determine the direction of the relationship between innovation and organizational performance.
5. Determine the relationship between complexity and organizational performance.
6. Determine the relationship between recognition and organizational performance.
7. Determine the relationship between concentration and organizational performance.
8. Determine effect of marketing capability on the relationship between strategic orientation and organizational performance.
9. Determine effect of marketing capability on the relationship between organizational structure and organizational performance.

What is the relationship between strategic orientation and organizational performance and what is the relationship between organizational structure and organizational performance are there?

Main hypothesis of the research:

There is a significant relationship between organizational structure and organizational performance, there is a significant relationship between strategic orientation and organizational performance.

- 1) There is a significant relationship between customer orientation and organizational performance.
- 2) There is a significant relationship between competitor orientation and organizational performance.
- 3) There is a significant relationship between the internal / cost and organizational performance.
- 4) There is a significant relationship between innovation and organizational performance.
- 5) There is a significant relationship between complexity and organizational performance.
- 6) There is a significant relationship between recognition and organizational performance.
- 7) There is a significant relationship between concentration and organizational performance.
- 8) There is a significant relationship between effect of marketing capability on the relationship between strategic orientation and organizational performance.
- 9) There is a significant relationship between effect of marketing capability on the relationship between organizational structure and organizational performance.

To conduct any practical scientific research, its variables should be determined. a variable is a quantity of which value varies from an observation unit to another one.

Dependent variable of organizational performance independent variable of organizational structure and strategic orientation and Marketing potential mediator of this research.

Research domain:

The considered researches among the market researches and more limitedly, it is carried out in the field of investigating the relationship of strategic orientation and organizational performance and the relationship between organizational structure and organizational performance.

Subject domain:

In general, the research on the subject domain and investigate the role of organizational structure and strategic orientation on firm performance with a market potential mediator.

Spatial domain:

Spatial scope of the study is SMEs form the city of Sanandaj.

Time domain:

The study began at march 2013 and was conducted completely until september 2014.

Research Method:

The research method is descriptive and applied research. also, considering the main objective of the study which is to investigate identify the relationship between strategic orientation and organizational performance and the relationship between organizational structure and organizational performance. and assessment of quality and quantity of interaction of these variables and their dimensions, so, the study was done by sampling the statistical population and distributing the questionnaires to assess the current situation of the variables.

considering the nature of the research and volume of the statistical population, the stratified simple random sampling method was used. two questionnaires were used including standard questionnaire of strategic orientation, marketing capability, organizational structure and corporate performance has been [17] and standard questionnaire of which validity is confirmed. also, considering that, internal alpha of each question as well as the total alpha of the questionnaire are greater than 0.72.

The population:

The population in this study is the manager of companies industrial zones 1 and 3 city of Sanandaj that the number of the sample to 264 people, the number of samples was obtained by 209 using Cochran formula, and the questionnaires were distributed among them; for satisfaction questionnaire also, with regard to the unlimited statistical population of taxpayers, Pearson correlation coefficient and multiple regression were used for data analysis and hypotheses testing, using Statistical Packages for Social Science (SPSS), Linear Structural Relationships (LISREL) and Spread sheet (EXCEL).

Factor analysis to identify the latent variables and construct validity:

Exploratory factor analysis of strategic orientation:

The amount		Statistical Indicators	
0/929		KMO Index	
3984/134		Statistics	
276		Degrees of freedom	
0/000		Possibility (sig)	
Bartlett test			

Variance explained by the extracted factors for strategic orientation:

Variance explained			Eigenvalues			Factors
Cumulative percentage	Percent	Total	Cumulative percentage	Percent	Total	
28/223	28/223	6/773	45/842	45/842	11/002	Competitor orientation
44/413	16/191	3/886	57/732	11/89	2/854	Internal orientation
60/582	16/169	3/88	65/404	7/673	1/841	Customer orientation
72/071	11/489	2/757	72/071	6/666	1/6	Innovation Orientation

Exploratory factor analysis of organization structure:

The amount		Statistical Indicators	
0/966		KMO Index	
5746/431		Statistics	
276		Degrees of freedom	
0/000		Possibility (sig)	
Bartlett test			

Variance explained by the extracted factors for the organization structure:

Variance explained			Eigenvalues			Factors
Cumulative percentage	Percent	Total	Cumulative percentage	Percent	Total	
29/982	29/982	7/196	56/504	56/504	13/561	Centralization
56/143	26/161	6/279	69/463	12/96	3/11	Formality
78/512	22/369	5/369	78/512	9/049	2/172	Complexity

Exploratory factor analysis of marketing capability:

The amount		Statistical Indicators	
0/945		KMO Index	
1295/912		Statistics	
21		Degrees of freedom	
0/000		Possibility (sig)	
Bartlett test			

Variance explained by the extracted factors for the marketing capability:

Variance explained			Eigenvalues			Factors
Cumulative percentage	Percent	Total	Cumulative percentage	Percent	Total	
76/614	76/614	5/363	76/614	76/614	5/363	marketing capability

Exploratory factor analysis of performance:

The amount		Statistical Indicators	
0/887		KMO Index	
1083/323		Statistics	
36		Degrees of freedom	
0/000		Possibility (sig)	
Bartlett test			

Variance explained by the extracted factors for the performance:

Variance explained			Eigenvalues			Factors
Cumulative percentage	Percent	Total	Cumulative percentage	Percent	Total	
37/747	37/747	3/397	54/832	54/832	4/935	Centralization
69/896	32/149	2/893	69/896	15/064	1/356	Complexity

Pearson correlation index variables in this study:

*between strategic orientation and its dimensions and performance, there is a significant relationship.

*between organizational structure and its dimensions and performance, there is a significant relationship.

Results Pearson correlation coefficient between strategic orientation and its dimensions and performance and organizational structure and its dimensions and performance:

Centralization	Formality	Complexity	Innovation Orientated	Internal Orientated / cost	Competitor orientation	Customer orientation	organizational structure	strategic orientation	Statistics	Performance
0/709**	0/631**	0/507**	0/673**	0/762**	0/870**	0/887**	0/784**	0/838**	Pearson	
0/000	0/000	0/000	0/000	0/000	0/000	0/000	0/000	0/000	Sig	
209	209	209	209	209	209	209	209	209	N	

p < 0/01**
p < 0/05*

Based on the above table, as the level of significance is less than 0.05 the result is that the hypothesis (H_0) is rejected and the hypothesis H_1 (hypothesis) based on the relationship of strategic orientated and dimensions (customer orientation, competitor orientated, internal orientated / cost and innovation orientated) and organizational structure and its dimensions (complexity, formalization and centralization) with the organization performance will be accepted. As can be seen in 95%, direct relationship and significant Between strategic orientated and dimensions(customer orientation, competitor orientated, internal orientated / cost and innovation orientated) and organizational structure and its dimensions (complexity, formalization and centralization) with the organization performance and the correlation coefficient respectively is(0/673 0/762 0/870 0/887 0/838 0/709 0/631 0/507 0/784)

The results of test hypotheses related to research hypotheses:

Rank	T	Path coefficient	To path	Research hypotheses
1	4/61	0/84	Strategic orientation and organizational performance	The main hypothesis
2	4/08	0/79	Organizational structure and organizational performance	
4	4/02	0/66	Customer orientation and organizational performance	Secondary hypotheses
3	4/83	0/75	Competitor orientation and organizational performance	
1	6/11	0/89	The internal / cost and organizational performance	
2	5/92	0/86	Innovation and organizational performance	
3	-6/32	-0/61	Complexity and organizational performance	
2	7/18	0/71	Recognition and organizational performance	
1	7/15	0/79	Concentration and organizational performance	
1	4/36	0/32	Effect of marketing capability on the relationship between strategic orientation and organizational performance	
2	3/75	0/27	Effect of marketing capability on the relationship between organizational structure and organizational performance	

All the research hypotheses in this study (2 main hypothesis and 9 sub-hypothesis) approved; for all variables path coefficient T is greater than 1/96, as a result, all hypotheses are confirmed. in the main assumptions, the strategy orientated on organizational performance (with a significant number ratio 0/84 and 4/61) have higher correlation and organizational structure on organizational performance (by a factor of 0/79 and a significant number 4/08) has a weaker relationship. assumptions 1 to 4 of the dimensions of strategic orientated. the interior of the cost dimension, with (a significant number ratio 0/89 and 6/11) has a more relationship, innovation orientated (ratio 0/86 and 4/36 significant number) placed second, competing orientated (0/75 ratio and a significant number 4/83) was in third place and customer orientation orientated (with the ratio 0/66 and 4/02 significant number) are in fourth. The focus of organizational structure (ratio 0/79 and 8/92 significant number) are in first place; formality by (0/71 ratio and a significant number 7/18), the second; and complexity (ratio -0/62 and a significant number 6/32) in the third grade and a negative relationship with organizational performance.

From the assumptions 8 and 9 marketability hypothesis on the relationship between strategic orientation and organization performance (coefficient caused a significant number 4/36 and 0/32) have a greater impact and

marketability on the relationship between structure and performance of the organization (0/27 ratio and a significant number 3/75) has less impact.

Acceptable fitness model as evidenced because Chi-square=61/85 P = 0/18; AIC=124/36; CAIC=207/11; Standardized RMR = 0/032; GFI=0/93; TLI or NNFI=0/91; CFI=0/91 and N crisis= 118

Discussion and Conclusion:

The result of the main hypothesis: there is a significant relationship between organizational structure and organizational performance, there is a significant relationship between strategic orientation and organizational performance. Findings of the main hypothesis with the correlation coefficient is equal to 0/838 and load factor 0/84 and a significant number 4/61 is verified. consequently, the research hypothesis with research of Theodosiou *et al.*, [17] is consistent.

The results of sub-hypothesis: 1) there is a significant relationship between customer orientation and organizational performance. the results of the first hypothesis of a significant correlation (0/887) and load factor 0/66 and a significant number 4/02 is verified. consequently, the research hypothesis with research of Nabel *et al.*, [11] is consistent.

2) There is a significant relationship between competitor orientation and organizational performance. the results of the second hypothesis of a significant correlation (0/870) and load factor 0/75 and a significant number 4/83 is verified. consequently, the research hypothesis with research of Theodosiou *et al.*, [17] is consistent.

3) There is a significant relationship between the internal / cost and organizational performance. the results of the third hypothesis of a significant correlation (0/762) and load factor 0/89 and a significant number 6/11 is verified.

4) There is a significant relationship between innovation and organizational performance. the results of the fourth hypothesis of a significant correlation (0/673) and load factor 0/86 and a significant number 5/92 is verified. consequently, the research hypothesis with researchs of Theodosiou *et al.*, [17] and Herli and Halt and Mangok and ah is consistent.

5) There is a significant relationship between complexity and organizational performance. the results of the fifth hypothesis of a significant correlation (-0/507) and load factor -0/61 and a significant number -6/32 is verified.

6) There is a significant relationship between recognition and organizational performance. the results of the sixth hypothesis of a significant correlation (0/631) and load factor 0/71 and a significant number 7/18 is verified.

7) There is a significant relationship between concentration and organizational performance. the results of the seventh hypothesis of a significant correlation (0/709) and load factor 0/79 and a significant number 7/15 is verified.

8) There is a significant relationship between effect of marketing capability on the relationship between strategic orientation and organizational performance. the results of the eighth hypothesis of a significant correlation (0/838) and load factor 0/557 and a significant number 0/281 is verified. consequently, the research hypothesis with research of Day., [1] is consistent.

9) There is a significant relationship between effect of marketing capability on the relationship between organizational structure and organizational performance. the results of the ninth hypothesis of a significant correlation (0/784) and load factor 0/431 and a significant number 0/353 is verified. consequently, the research hypothesis with research of Morgan *et al* [8] is consistent.

The research recommendations

Recommendations resulted from the research hypotheses:

- The market-oriented, in addition to the production of intelligence the needs and preferences of foreign customers and competitors should also assess internal customers and markets, and increase their knowledge about the needs of internal customers.
- To achieve superior performance strategic orientation is needed marketing capability Indicating the activities related to the implementation of the strategy of choice and the use of resources at all organizational capabilities more important at all levels of completeness.
- Selection of inventive and creative employee in different units to create areas of creativity and innovation.
- Use the results of research conducted and applying the results of the decisions and policies of the company.

Practical suggestions:

- Senior managers to gain a sustainable competitive advantage and using its resources can improve their performance and to ensure their survival.
- In general, all information sources to track and follow the external market opportunities.
- Opportunities and threats are analyzed regularly.

➤ On the implementation of their resources and skills with a focus on market opportunities this focus has led to the creation of competitive advantage that will ensure continued success.

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