

## **STRATEGIC THINKING AND SERVICES QUALITY AT MELLAT BANK**

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### **Abstract**

This study has done to examining the relationship between managers' tendency to strategic thinking and quality of the services. The population was employees of Mellat Bank Branches in Ardabil Province. We have selected respondents according to sampling method. To gathering of data, we used questionnaire. The reliability of this questionnaire has been measured to be a Cronbach's Alpha 0.93 for strategic thinking and 0.91 for services quality. And to show the Test distribution we used One-Sample Kolmogorov-Smirnov Test. Findings show that Test distribution is not Normal. Descriptive statistics i.e. frequencies, valid percent, the means, and standard deviations were used to describe data. Pearson Correlation test was also applied to determine whether or not relationships between Managers' Tendency to Strategic Thinking as independent variables and the quality of the services as dependent variable. Findings show that there is significantly positive relationship between Strategic Thinking factors (Organizational factors, Intuitive factors, Individual factors and systemic factors) and services quality at Mellat Bank Branches in Ardabil Province.

*Keywords: Strategic Thinking, strategy, services quality*

### **INTRODUCTION**

Review of the strategy literature indicates there has been five phases in the evolution of the field since World War II. The first phase in the evolution of the strategy paradigm involved "basic financial Planning" in the 1950s where the typical planning focus for the firm was the Preparation of the financial budget with a time horizon barely beyond 12 months. The success of the organization was dependent on the quality of the CEO and the top management team and their knowledge of products, markets and rivals (Gluck et al., 1980). The second phase of "forecast based planning" in the 1960s resulted in organizations embracing a longer time horizon, environmental analysis, multi-year forecasts and a static resource allocation as the firm responded to the demands of growth (Gluck et al., 1980).

In this period Andrews introduced the concept of the SWOT analysis, seeking to match what the firm can do (internal strengths and weaknesses) with what the firm might do (external opportunities and threats), and described strategy as "...the pattern of major objectives, purposes or goals...stated in such a way as to define what business the company is in or is to be in and the kind of company it is or is to be" (Sharifi, 2012).

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In the 1980s firm's embraced what became known as the strategic management phase-the fourth phase-being the combination of the firm's resources to achieve competitive advantage. This phase included :“(1) A planning framework that cuts across organizational boundaries and facilitates strategic decision making about customer groups and resources. (2) A planning process that stimulates entrepreneurial thinking. (3) A corporate values system that reinforces managers' commitment to the company strategy” (Gluck et al.1980: 158).

The valuable contribution grounded in economics was made by writers such as Wernerfelt (1984), Barney (1991) and Peteraf (1993) and others building on the earlier work of Penrose (1959) in relation to the resource based view of the firm. The resource-based view assists in addressing weaknesses in the paradigms understanding of the internal processes in Andrews (1965) early work. The ability to think strategically, however, is crucial to remaining competitive in an increasingly turbulent and global environment (Bonn, 2001).

The typology of thinking's determines the most suitable type of thinking for strategic thinkers under different inter-organization and environmental conditions. Most of the intellectuals who study and research into strategic thinking, pose this type of thinking as a separate style of thinking against other types of thinking like systemic thinking, intuitive thinking, analytical thinking and so on. For example, Ohme (1982) has posed strategic thinking against systemic and intuitive thinking and has composed them (Abraham, 2005).

Strategic thinking includes finding and developing a strategic foresight capacity for an organization, by exploring all possible organizational futures, and challenging conventional thinking to foster decision making today.[7][8] Recent strategic thought points ever more clearly towards the conclusion that the critical strategic question is not the conventional “What?”, but “Why?” or “How?”. The work of Henry Mintzberg (1994; 1987), and other authors (Bonn, 2001; Graetz, 2002), further support the conclusion; and also draw a clear distinction between strategic thinking and strategic planning, another important strategic management thought process (Abraham, 2005).

In general, an improvement in service design and delivery helps achieve higher levels of service quality. For example, in service design, changes can be brought about in the design of service products and facilities. On the other hand, in service delivery, changes can be brought about in the service delivery processes, the environment in which the service delivery takes place and improvements in the interaction processes between customers and service providers. Various techniques can be used to make changes such as: Quality function deployment (QFD); failsafing; moving the line of visibility and the line of accessibility; and blueprinting. In order to ensure and increase the 'conformance quality' of services, that is, service delivery happening as designed, various methods are available. Some of these include Guaranteeing; Mystery shopping; recovering; Setting standards and measuring; Statistical process control and Customer involvement (Harvey, 1998).

From the viewpoint of business administration, service quality is an achievement in customer service. It reflects at each service encounter. Customers form service expectations from past experiences, word of mouth and advertisement. In general, Customers compare perceived service with expected service in which if the former falls short of the latter the customers are disappointed.

Oliver (1993) stated that during the past decades, in the marketing literature and marketing practices, the importance in the concept of service quality and service satisfaction has increased. Quality and satisfaction are indicators for corporate competitiveness and explores the benefit of marketing academics and practitioners. The relationship and nature of these customer evaluations remains unclear though satisfaction and service quality comes from two big research paradigms; expectations and perceptions which are considered as key instruments. Zeithaml et al, (1993) mention that in empirical studies quality and satisfaction is introduced as synonyms within the service business.

Andreassen (2001) is compared that customer satisfaction can be viewed as an evaluation where expectations and actual experience. A service failure is when the service delivery does not manage to meet customer expectations. Often service recovery begins with a customer complaint. The aim with service delivery is to move customers from a state of dissatisfaction to a state of satisfaction.

Butcher and Heffernan (2006) discuss the relationship between customer and employees and that social regard plays an important role in service delivery, for example in a situation where a customer has to wait. A number of studies have shown the importance of friendly behavior from the staff in order to improve service delivery and create long term relationships.

## **METHODOLOGY**

This study has done to examining the relationship between managers' tendency to strategic thinking and quality of the services. The population was employees of Mellat Bank Branches in Ardabil Province. We have used Cochran model. We have selected respondents according to sampling method. To gathering of data, we used questionnaire. The questionnaire includes 47 items are rated using a 5-point Likert scale. The reliability of this questionnaire has been measured to be a Cronbach's Alpha (See table1).

Variable	Cronbach's Alpha	No. of Items
Strategic Thinking	0.93	22
Quality of the Services	0.91	25

And to show the Test distribution we used One-Sample Kolmogorov-Smirnov Test. Findings show that Test distribution is not Normal. Table 2 shoes the results.

Table 2: Kolmogorov-Smirnov Test results

متغير	Sig.	z
Strategic Thinking	.99	.45
Organizational factors	.81	.64
Intuitive factors	.83	.62
Individual factors	.96	.51
Systemic factors	.99	.43
Services Quality	.97	.48

Descriptive statistics i.e. frequencies, valid percent, the means, and standard deviations were used to describe data. Pearson Correlation test was also applied to determine whether or not relationships between Managers' Tendency to Strategic Thinking as independent variables and the quality of the services as dependent variable. The data were analyzed using the statistical package for Social Science (SPSS -16).

## **RESULTS**

In this paper have one main and four secondary hypotheses. The statistical way of analysis of hypotheses is two ways,  $H_1$  is acceptance of hypothesis and  $H_0$  is rejecting of hypothesis. In other words, it means that  $H_1$  has positive meaning and  $H_0$  has negative meaning.

1. There is significantly positive relationship between strategic thinking and services quality.
  - a. There is significantly positive relationship between organizational factors and services quality.
  - b. There is significantly positive relationship between intuitive factors and services quality.
  - c. There is significantly positive relationship between individual factors and services quality.

- d. There is significantly positive relationship between systemic factors and services quality.

**Main hypothesis:**

H<sub>1</sub>: There is significantly positive relationship between strategic thinking and services quality.

H<sub>0</sub>: There is not significantly positive relationship between strategic thinking and services quality.

Table 3, present the correlations of strategic thinking and services quality.

Table 3: Correlation between strategic thinking and services quality

Correlation Coefficient	Sig. (2-tailed)
0.917	.000

The results show that strategic thinking significantly and highly related with services quality. Strong positive correlation was found between this variable (r=0.917) and Correlation is significant at the 0.01 level (2-tailed). So, we can confirm H<sub>1</sub>, and say "There is significantly positive relationship between strategic thinking and services quality".

**Sub-hypothesis 1:**

H<sub>1</sub>: There is significantly positive relationship between organizational factors and services quality.

H<sub>0</sub>: There is not significantly positive relationship between organizational factors and services quality.

Table 4, present the correlations of organizational factors and services quality.

Table 4: Correlation between organizational factors and services quality

Correlation Coefficient	Sig. (2-tailed)
0.885	.000

The results show that organizational factors significantly and highly related with services quality. Strong positive correlation was found between this variable (r=0.885) and Correlation is significant at the 0.01 level (2-tailed). So, we can confirm H<sub>1</sub>, and say "There is significantly positive relationship between organizational factors and services quality".

**Sub-hypothesis 2:**

H<sub>1</sub>: There is significantly positive relationship between intuitive factors and services quality.

H<sub>0</sub>: There is not significantly positive relationship between intuitive factors and services quality.

Table 5, present the correlations of intuitive factors and services quality.

Table 5: Correlation between intuitive factors and services quality

Correlation Coefficient	Sig. (2-tailed)
0.595	.007

The results show that intuitive factors significantly and highly related with services quality. Strong positive correlation was found between this variable (r=0.595) and Correlation is significant at the 0.01 level (2-tailed). So, we can confirm H<sub>1</sub>, and say "There is significantly positive relationship between intuitive factors and services quality".

**Sub-hypothesis 3:**

H<sub>1</sub>: There is significantly positive relationship between individual factors and services quality.

H<sub>0</sub>: There is not significantly positive relationship between individual factors and services quality.

Table 6, present the correlations of individual factors and services quality.

Table 6: Correlation between individual factors and services quality

Correlation Coefficient	Sig. (2-tailed)
0.943	.000

The results show that individual factors significantly and highly related with services quality. Strong positive correlation was found between this variable ( $r=0.943$ ) and Correlation is significant at the 0.01 level (2-tailed). So, we can confirm  $H_1$ , and say "There is significantly positive relationship between individual factors and services quality".

**Sub-hypothesis 4:**

$H_1$ : There is significantly positive relationship between systemic factors and services quality.  
 $H_0$ : There is not significantly positive relationship between systemic factors and services quality.

Table 7, present the correlations of systemic factors and services quality.

Table 7: Correlation between systemic factors and services quality

Correlation Coefficient	Sig. (2-tailed)
0.836	.000

The results show that systemic factors significantly and highly related with services quality. Strong positive correlation was found between this variable ( $r=0.836$ ) and Correlation is significant at the 0.01 level (2-tailed). So, we can confirm  $H_1$ , and say "There is significantly positive relationship between systemic factors and services quality".

Findings show that there is significantly positive relationship between Strategic Thinking factors (Organizational factors, Intuitive factors, Individual factors and systemic factors) and services quality at Mellat Bank Branches in Ardabil Province.

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