

IDENTIFYING THE ROLE OF OPPORTUNITIES AND ENVIRONMENTAL THREATS AS WELL AS LOCAL EVALUATION PERTINENT TO STRATEGIC PLANNING THROUGH MANAGEMENT PROCESSING OF NEW INFORMATION SYSTEMS IN BANKING SYSTEMS (THE CASE OF WEST AZERBAIJAN SADERAT BANK)

Farzad Karamian and Mehran Molavi¹

Department of Public Administration, Mahabad Branch, Islamic Azad University, Mahabad, Iran

ABSTRACT

The aim of the present study was to identify the role of opportunities and environmental threats as well as local evaluation pertinent to strategic planning through management processing of new information systems in banking systems. The study is applied, descriptive and factor-based in terms of the quality of data collection, research and analysis, respectively. The statistical population comprised of 564 employers working at West Azerbaijan Saderat Bank among whom 229 individuals were selected sample size based on Cochran formula. Questionnaire was the main instrument to collect the data and the reliability was obtained using Cronbach alpha coefficient. To test the research hypotheses, SEM approaching minimum square was used. The results indicated that organizational opportunity could predict 56% of strategic planning. Determining coefficient of this model was reported as 0.321 which shows the variance determination and dependent variables changes by independent variables.

KEYWORDS: Analysis of Opportunities, Environmental Threats, Local Evaluation, Strategic Planning, Managing New Information Systems

INTRODUCTION

Most of economists and experts believe that the recent years have seen industrial revolution which has made changes in economic and social dimension of human life. One of the dimensions of such a change is deep changes made in the economic and business relations among people, companies, and governments so that presence in global markets is among the necessities or international system. Undoubtedly, enjoying information systems in one of the necessary chains for increasing commercial efficiency in national economy. Organizations continuously embark on making decisions and developing plans, so it is essential that indoor and outdoor factors are identified to make any decision and strategic planning. Environmental analysts take the responsibility to examine the effect of environmental variables effect on all sectors of organization such as inputs and outputs in an attempt to identify the opportunities and threats. In other words, it is through running environmental analysis that opportunities and environmental threats are detected and goals are determined based on prior identifications of indoor weaknesses and strong points (Sadegi *et al.* 2011). Such an affair assists the management to overcome the opportunities and environmental threats so as to make integrated decisions. Using local strong points, organization endeavors to exploit outdoor opportunities and maximize the opportunities through focusing on strong points. The aim of such strategies is that the organization tries to improve the local weakness through exploiting the existing opportunities in indoor context. In such a situation, the organization is not able to exploit the obtained opportunities due to local weaknesses. Therefore, it is necessary that new technologies are employed to make use of opportunities through excluding weak points.

Review of literature

The analysis of SWOT is the systematic awareness of three factors and is a type of strategies that reflects the best integration. The afore-mentioned analysis lie in the fact that effective strategy maximizes the strong points and opportunities while minimizing their threats. If taken correctly, it will have considerable influence on the choice (Hasanzade Karimabad, 2011).

Opportunities

Opportunity is an optimum situation in institution context. Key trends are taken into account as sources of opportunity. Having knowledge on market sector which was forgotten previously, making change in competitive or legal condition,

¹ Corresponding author, email: dr_molavi1967@yahoo.com

cognitive the changes and improvement of relationships having to do with buyers or providers are among the opportunities of institution.

Threat

Threat is a non-pleasant situation in the context of institute. Threat is a barrier or key limitation in current positions. The integration of new computer, slow growth of market, general cognitive changes, and changes of rules was well as principles can be regarded as potential threats for the future success of institute. Perceiving the opportunities and incoming key threats can help managers to know among the real alternative choice. Such an understanding enlighten the way in an effective fashion.

Strong points

Resource strength is a skill or advantage with regard to the rivals or market needs in which institutes keep on working. Financial resources, intellectual mapping, market managing and relationship with buyers as well as providers are among the examples of this kind (Ameli *et al.*, 2013).

Weaknesses

Weakness is a shortage or limitation in resources, skills, and capabilities that impede effective performance. Equipment financial resources, management talents marketing skills, and intellectual mapping can be regarded as weakness resources. Being small in size and non-expanded level of customer attraction were among the key weaknesses that IBM faced with in personal computer market. Limited financial capacity of Branif Company was the weakness that the managers did not regard their attention and they chose non-successful alternatives which led to the overturn of the company. Relative financial capacity was the weakness identified by Piedmont Airlines and a type of strategy was chosen to determine the principles in airlines (Aagazade, 2002).

SWOT analysis

One can use SWOT analysis for choosing proper strategy in three ways. The most common way is a logical framework for guiding business systematic discussions, diverse strategies, and choosing the strategy itself. What the manager sees as an opportunity might be viewed by a potential threat from other people's perspective. In so doing, a strong point from manager's perspective might be considered as a weak point from other view. Offering different evaluations can be the reflection of power consideration in organization and real perspectives. The key point is that systematic analysis of SWOT is prior to all situational dimensions. Hence, dynamic and effective framework can be achieved to choose the strategy (Mohedi *et al.* 2012).

Total environmental threats

Concentrated development strategy of IBM computers in personal computers markets was the result of optimum consistency between fame and resources. The fourth house is the worst condition in which the institute categorized by relative weaknesses confront total environmental threats. This condition requires those strategies that make changes in the trend of product involvement by SWOT analysis. Successful trend change of Dymler Chrisler Company from the overturn state in early 1980s is said to be one of these successful strategies which was determined by SWOT analysis and showed total environmental and outdoor weaknesses.

Key strong points

In the second house, the institute is categorized by key strong points, so it faces non-optimal environment. In such condition, the strategies make use of the existing strengths to build long term opportunities in other products/markets. Greyhand Company which holds strong points in the field of city transportation while experiencing fundamental long term threats such as the competition of airlines. The result of product development strategy to the wagon transportation was entering to their businesses such as financial services (Abesi & Hasanzade, 1991).

Goals determination and planning

Planning is defined as the process of determining and defining organizational goals and meticulous preparation of equipment which facilitate the development of goals. These equipment involve predicting the methods, time, place, resources and people (Sadegi *et al.* 2011).

Strategic management process

In practice, strategic management process is not divided by the levels offered in strategic management paradigm. Strategists do not determine this process in a closed space. Usually, there is a kind of transaction among different organizational levels. Many organizations congregate every six months to discuss organizational missions, threats and opportunities, weak and strong points, strategies, long term goals policies, and performances. In these meetings, some individuals withdraw from their point of views. The reason for holding such meetings is to get people motivated. Establishing string communication is the necessity met in strategic management process (Hasanzade, 2011).

Information systems concept

The information explosion should be known as the most important industrial event in 20th century which influenced the industrial fields. Simultaneous information of capital and human force are regarded as the best relative advantage of enterprises. In so doing, management information system in industrial countries and in our country has been regarded. Management information systems not only exclude frequent operations across different sectors and facilitate the operations, but also they provide classified information and support the supreme managers in planning and making appropriate decisions (Norian, 2007).

The application of management information system

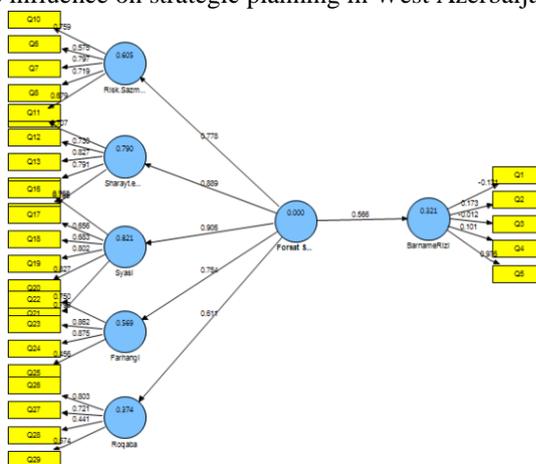
The application of management information systems is under decision to be made assisted by organizational managers. In fact, the role of management information systems is to collect, classify, synchronize, enlighten, analyze, and analyze the required information of managers in the fields pertinent to organizational activities such as environmental, rivals, citizens, salespersons, workforce, capital resources, and etc. so that they employ the information when necessary. Since correct decision making involves 95% true information and 5 % in error, the importance of management information systems is realized when it comes to leading the organization (Sadegi *et al.* 2011).

Materials and Methods

The aim of the present study was to identify the role of opportunities and environmental threats as well as local evaluation pertinent to strategic planning through management processing of new information systems in banking systems. So, the study is applied, descriptive, and factor-based in terms of goal, quality of data collection, and type of analysis. The statistical population comprises of all employers working at West Azerbaijan Saderat Bank who were categorized shown in the following tables. Stratified random sampling method was used to run sampling procedure. Cochran formula was used to determine the sample size which yielded 229 people. To collect the data use was made by Akbari (2013) questionnaire which was employed in line with the research variables and modified by the supervisor. This was piloted by Kheirolahi *et al.* and used in the present probe.

Inferential statistics

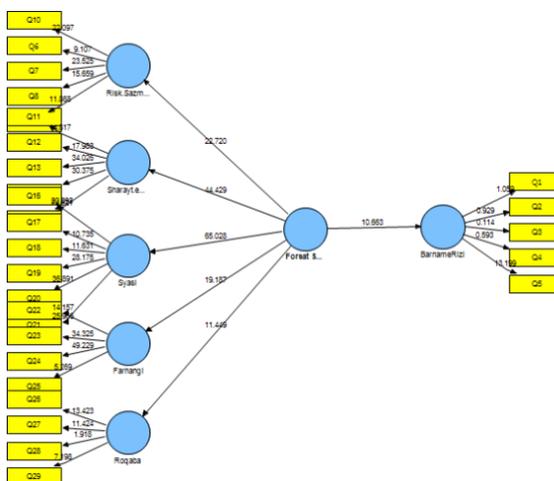
Organizational opportunities have influence on strategic planning in West Azerbaijan Saderat Bank



Organizational opportunities variable could predict 56% of the changes made in strategic planning variable. The determining factor of this model equals to 0.321. Determining factor shows the variance determination and dependent

variables changes by all independent variables. The closer the value to 1, the more independent variables predictability of dependent variable is.

T significance coefficient:

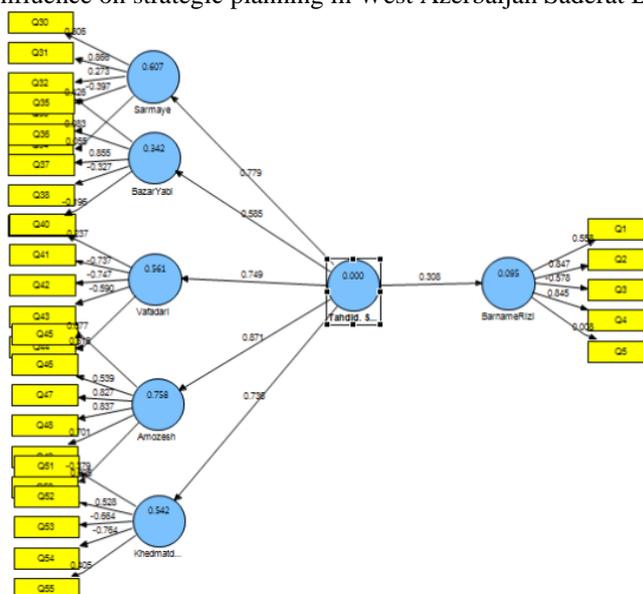


The coefficient related to organizational opportunities way to strategic planning is greater than 1.96 which shows a good value of SEM.

Hypothesis	Way coefficient	T statistic	Test result
	0.566	10.663	accept

Second main hypothesis

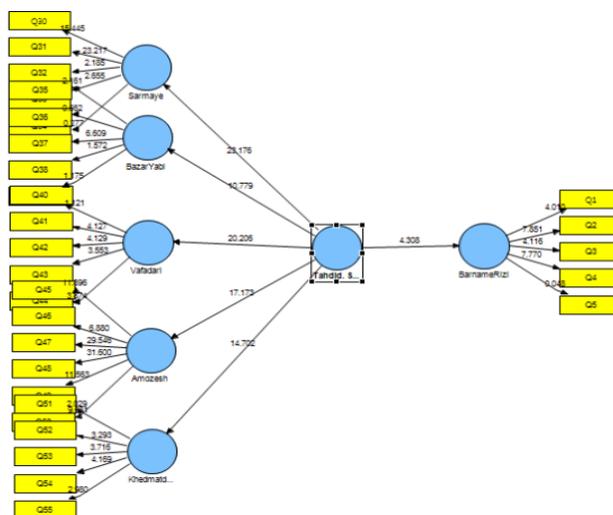
Organizational threats have influence on strategic planning in West Azerbaijan Saderat Bank



Organizational threats variable could predict 30% of the changes made in strategic planning variable. The determining factor of this model equals to 0.095. Determining factor shows the variance determination and dependent variables

changes by all independent variables. The closer the value to 1, the more independent variables predictability of dependent variable is.

T significance coefficient

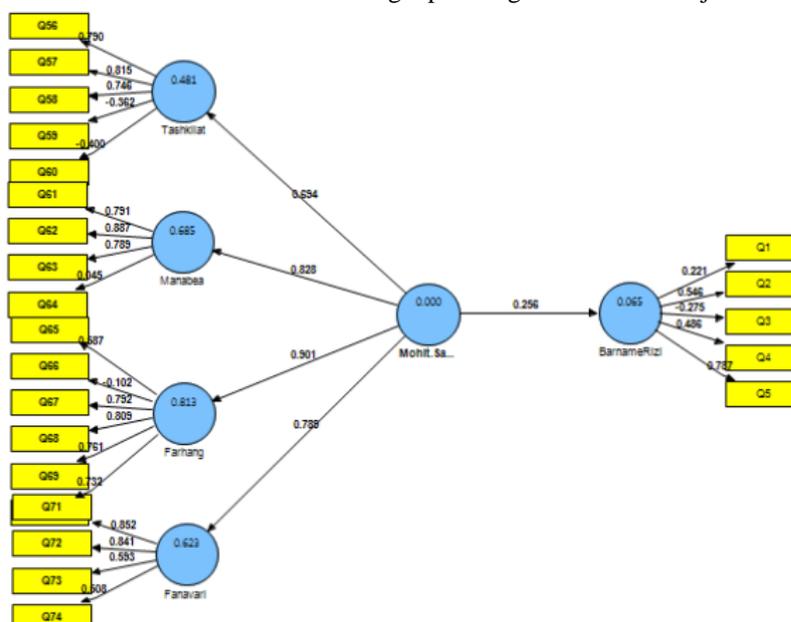


The coefficient related to organizational opportunities way to strategic planning is greater than 1.96 which shows a good value of SEM.

Hypothesis	Way coefficient	T statistic	Test result
	0.308	4.308	accept

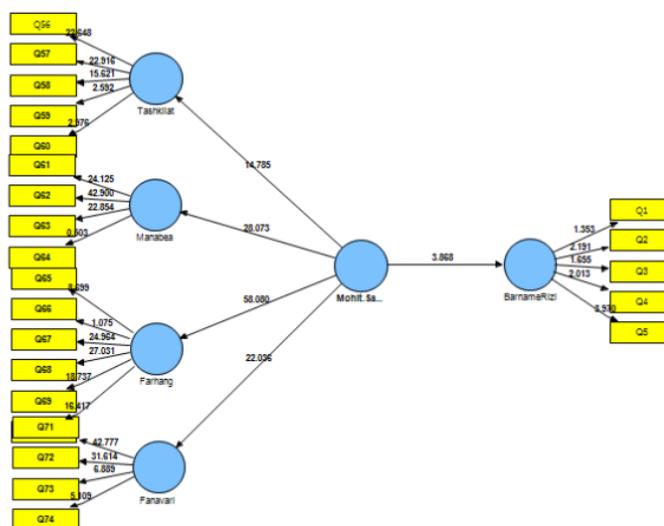
Third main hypothesis

Organizational indoor environment has influence on strategic planning in West Azerbaijan Saderat Bank



Organizational environment variable could predict 25% of the changes made in strategic planning variable. The determining factor of this model equals to 0.065. Determining factor shows the variance determination and dependent variables changes by all independent variables. The closer the value to 1, the more independent variables predictability of dependent variable is.

T significance coefficient



The coefficient related to organizational environment way to strategic planning is greater than 1.96 which shows a good value of SEM.

Hypothesis	Way coefficient	T statistic	Test result
	0.256	3.868	accept

REFERENCES

Abesi M. and Hasanzade A. (1991). Strategic planning model of information systems using CSF, AHP, and genetic algorithm. *Knowle. Man.* 14 (54).

Aghazade H. (2002). Developing and determining strategic planning model for small industries and comparative study related to large industries. Management Department of Tehran University. MA thesis on Administrative Management.

Ameli M. and Karbasian M. (2013). Offering strategic planning model for developing new products with ultimate technology. *Prod. Man. Opera.* 4(2): 73-93.

Ghazizade Fard, S. (2012). Designing and determining the paradigm of examining and analyzing human barriers as well as employing management information systems. Doctoral thesis of management. Tehran University.

Hasanzade Karimabad, A. (2011). Indexes of priority determination in strategic planning of information systems. *J. of Hum. Lite.,* 5(1), 21-36.

Khajavi Sh. and Etemadi Joriabi M. (2010). Examining affective factors to successful implementation of accounting information systems in admitted companies in Tehran stock exchanges. *Finan. Acc. Stud.* 2 (2).

Movahedi M., Ayobi Mehrizi M. and Hoseini A. M. (2012). Using QSPM in analyzing SWOT as a tool for strategic planning. *Man. Res.* 9(28): 1-10.

Sadegi M., Sobhani M. and Rahnavaresh F. (2011). Analysis of marketing information systems effectiveness on efficiency of strategic planning. *Effic. Man.* 5 (18): 25-51.

Torian A. (2007). Information technology in managing organizations in digital economy, Payame Noor, second edition.