

# Organizational Diagnosis And Its Role In Supporting The Strategic Orientation Of Companies

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## Abstract

The purpose of this research is to show the concept of organizational diagnosis through the impact of its four dimensions (leadership, relationships, motivation and reward, structure) on the dimensions of strategic orientation represented (entrepreneurial orientation, technological orientation, market orientation), and the survey and questionnaire analysis were adopted for this purpose. Where (65) questionnaires were distributed to employees working in Khairat Al-Bahr Company for Renewable Energy / Baghdad, after analyzing the data for the responses of the research sample and testing hypotheses using a number of statistical indicators with the help of the statistical program (SPSS v.20). The approved hypothesis was validated. Accordingly, a set of conclusions and recommendations were developed according to the important positive relationship between the dimensions of organizational diagnosis and the dimensions of strategic orientation to varying degrees.

**Keywords:** organizational diagnosis, strategic orientation, Khairat Al-Bahr Company for Renewable Energy / Baghdad

## Introduction

Economic and administrative organizations are active in a world in which the factors of change and renewal are increasing in all aspects of life, and in which the issues of uncertainty, survival and disintegration disappear, which forces them to adopt effective and efficient strategic directions in order to have value and a position on the map of the new world, by making changes that keep pace with developments at the level of organization and function,( and in order for leaders and managers to be aware of keeping pace with these changes and knowing the risks that are shifting around their organization as a result of these accelerating environmental requirements as a result of living in a dynamic environment with distinct mutations to cope with this rapid challenge, and in this regard, organizational diagnosis is one of the most important means that organizations must apply Because it is the means for leaders to measure organizational effectiveness, which has become an urgent necessity for preparing special strategies for the organization of the institution). In order to ensure the achievement of the objectives set by the strategic direction, the organization or company must adopt the organization and structuring in the pioneering, market and technological orientation.

### **The first topic: Research Methodology**

#### **1- Research problem: Problem Research**

Companies, like other institutions, seek to survive and grow in the market and work on developing and implementing general strategies to ensure that they achieve their goals, but the company is facing new, increasing challenges and the pressures of diverse and changing work requirements that are imposed on it to have a meaningful organizational diagnosis and an effective strategic orientation to invest human resources and absorb technology in order to Achieving change for the success of organizations. Hence, many companies began to pay attention to the human resource and fulfill their needs in order to reach superior performance and achieve sustainability without affecting the efficiency of the organization. The problem is (what is the impact of organizational diagnosis on strategic orientation), the questions to which this work provides answers are listed below:

- 1- To what extent does the organizational diagnosis affect the entrepreneurial orientation?
- 2- To what extent does organizational diagnosis affect technology orientation?
- 3- To what extent does the regulatory diagnosis affect the market orientation?

#### **2- Research Objective:**

In light of the general framework of the presented problem, this research seeks to achieve a number of objectives, the most important of which are:

- Highlighting the role of organizational diagnosis and strategic orientation.

- Determining the level of institutional management's understanding of the importance and role of strategic organizational diagnostics.
- Contribution of the practical results of the research and its recommendations in conducting deeper studies for those interested in this field by benefiting from them.

### 3- The importance of research:

The research acquires its importance in light of its dealing with one of the important topics represented in the organizational diagnosis in a vital sector represented by the individuals working in the company Khayrat Al-Bahr for Renewable Energy / Baghdad, where the two researchers dealt with the importance of their research in two aspects:

**The first aspect:** theoretical (intellectual), which includes the theoretical or intellectual study of organizational diagnosis and strategic orientation and the relationship between them.

**The second aspect:** applied (practical), which is reflected in the researchers' attempt to provide the service to the company under study, by defining the relationship and the impact between the organizational diagnosis and the strategic orientation for the purpose of benefiting from the positive impact in the practical reality of the company.

### 4- Hypothetical Research Model:

A hypothetical research model was designed based on the paragraphs and contents shown in the research problem and objectives, as shown in Figure (1).

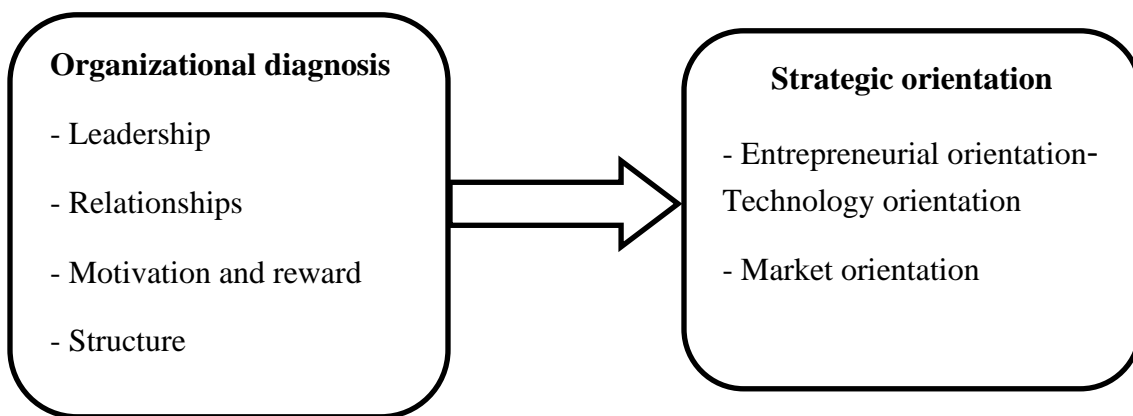


Figure (1) The hypothesis model for the research

**Source:** prepared by researchers

### 5- Research Hypothesis:

Within the framework of the problem, model and limits of the research, the following hypotheses were developed:

**H1:** There is a statistically Positive relationship (correlation and effect) between organizational diagnosis and strategic orientation, and through this hypothesis the following sub-hypotheses emerge:

**H11:** There is a statistically Positive relationship (correlation and effect) between leadership and strategic orientation.

**H12:** There is a statistically Positive relationship relationship (correlation and effect) between relationships and strategic orientation.

**H13:** There is a statistically Positive relationship (correlation and effect) between motivation, reward and strategic orientation.

**H14:** There is a statistically Positive relationship (correlation and effect) between the structure and the strategic orientation.

## **6- community and sample research**

The study population represents a sample of workers in the Khairat Al-Bahr Renewable Energy Company in the province of Baghdad, which is one of the active companies in the industry market. The researchers adopted the intentional sampling method in selecting the target sample of (65), which was represented by the employees working in the company as the research sample.

### **The second topic: the theoretical side**

#### **First: the concept of organizational diagnosis**

Organizational diagnostics is( a special branch of organizational research that leads to a collection of data about design options and recommendations for change. Research in this field includes a range of activities, starting with Organizational Assessment) (Postma & Kok, 1999:584) i.e. a comprehensive assessment of the current performance of an organization, in order to plan change programs for excellence in organizational effectiveness. Depending on its scope, an organizational diagnosis can be categorized as narrow (indicative) or broad (systematic) (Saleem & Ghani, 2013: 2).( Organizational diagnostics is a method used to analyze an organization in order to identify organizational deficiencies so that they can be neutralized through change. organizational. By itself), (Janićijević, 2010:85) It is worth noting that organizational diagnosis, Diagnosis aims to discover the strengths and weaknesses of the organization in order to enhance the strengths and confront the weaknesses and threats. (Hamid., 2011: 12). An organizational diagnosis is an intervention that provides information on the various sub-systems of an organization processes and patterns of behavior within that organization (KANJI,2011:39) (To better revitalize the human force and its happiness, as well as

reduce negative repercussions within the workplace and increase positive services, which in turn lead to productivity, which is therefore among the distinctive concerns of organizations and executives. Organizational diagnosis is the stage of careful observation and in-depth study in order to search for signals, detect imbalances, determine their causes, and then translate them in a timely manner, in order to anticipate events and prepare a strategy that helps the organization in facing risks, formulating appropriate solutions and facing challenges. then organizational)diagnosis is a team process which means that it requires common approaches and purposes. Individuals should be seriously involved in planning and implementing interventions. Therefore, these changes can help improve the performance and developments of the organization (Hamid & Ali, 2011: 85).

## **Second: The dimensions of the organizational diagnosis**

1. **Leadership:** One of the important steps in the diagnostic process is to diagnose the organization's leadership, as behavioral theories have achieved success in identifying consistent relationships between leadership behavior and performance, and many leadership theories have developed over the years (Hassan & Shkak, 2021:8).

2. **Relationships:** It is a management strategy that works on integrating both internal and external functions and processes to create value for the customer” (Ang &Buttle, 2006:5). As for (Padmavathy & Sivakumaar, 2012: 329) he defined it “It is a management strategy that includes a set of practices related to the relationship with the customer Which is supported by individuals and processes to maintain sustainable relationships with customers.

3. **Motivation and reward:** Reward systems (formal and informal) must be analyzed. Data must contain such information to create sufficient motivation in individuals, from the perspective of the theory of postmodern organizational behavior, as motivation is complex dynamic reactions. The goal of incentives is to increase profits,( encourage new ideas, improve quality, work in a team spirit, and other goals. Incentives are what draw individuals to their directions and goals in determining the right to work they choose and determine the strength of their response to the effort exerted to reach a specific goal. Incentives can be defined)( It is a set of factors and methods that an organization uses to influence the behavior of its employees, which makes them pay more attention to their work and performance in quantitatively and qualitatively, which leads to increased production and consequently to a reduction in labor costs, raising the morale of working individuals and satisfying their needs. (Hu, 2018:2)

4. **Structure**⊗Structure is the ability to work to achieve an integrated performance of the work, the structure does not have to be completely regular, it does not consist of presidents or highly fulfilling laws. The structure is called the organizational structure and it is the one that produces a final form in the process of the organizational structure, as it refers to the work on the distribution of people in a variety) of ways between different business and social functions. The structure is represented visually in the organization charts, as it is not possible to see the internal

structure of the organization in the way we might see manufacturing tools, offices or products, (Daft et al., 2020:5).

### **Third: The concept of strategic orientation**

Strategic orientation (is one of the important concepts in the management literature, as it explains to the organization its direction, the path of its path, and its position regarding public and private matters. the organization. and determining the priorities that ensure the achievement of organizational goals, as it is a basic requirement for organizations that are looking for the advantage of )organizational diagnosis, (Brower & Rowe, 2017: 134).Strategic orientation is considered one of the variables that affect the performance of organizations because it affects how management thinks and works. Contemporary dictates that it develop strategic directions, which helps in improving its products to satisfy the needs and desires of consumers, which are considered to be of sudden and rapid change in today's world.(Slater,1994:46-55).(Strategic orientation is (the strategic orientation that a company implements to create appropriate behaviors for the continuous superior performance of the business). (Mu et al., 2016: 2). Strategic orientation is the competitive attitude and behaviors of corporate strategy implementation that pervade the entire organization (Han & Zhang, 2021: 2). Generally, scholars define strategic orientation as the principles underlying the strategic activities, operations, and orientations a company undertakes to create the behaviors necessary to achieve superior performance (Ho et al., 2015: 1).

### **Fourth: Dimensions of strategic orientation**

1. **Entrepreneurial orientation:** (The essence of entrepreneurship is the desire to pursue opportunity. Thus entrepreneurship is a process undertaken by individuals either on their own or within organizations. Entrepreneurship can be considered as “the entrepreneurial function that involves more than just creating a new business. Entrepreneurship means the pursuit), evaluation, and exploitation of opportunities and the group of individuals who discover, value and exploit them.” (Martins, 2012: 9-10)Entrepreneurial orientation represents a strategy, practice, process, or desire of the organization to reach its goals, and it represents a perspective on entrepreneurship and creativity reflected through the organization's operations and culture. (Todorovic., 2011: 357). Organizations with pioneering orientations in our time have become a prominent role in the economic sectors, and the rapid technological developments we are experiencing today have a great impact on the environment surrounding the organizations and raising the ceiling of competition between them Competitiveness (Cheng & Cheng, 2014: 1239).

2. **Technological orientation:** (Today, the world is witnessing a technological revolution, termed as the Fourth Industrial Revolution, where the size, scope and complexity of the previous industrial revolutions differ. It is characterized by the merging of technologies and the removal of boundaries separating the physical, digital, and biological domains, resulting in a range of emerging and new technologies that affect disciplines, economies, industries, and governments.

These technologies) build on what has been achieved in previous industrial revolutions, especially the third industrial revolution - known as the digital revolution - that prevailed at the end of the last century. (Zhou et al., 2021: 2). Technological orientation is the ability of an organization to build a strong technological infrastructure and use it to develop new products, (Tutar et al., 2015: 711).

3. **Market orientation**(is defined as the generation and production of information on a large scale about the market related to the current and future needs of customers and its dissemination among departments within the organization and appropriate response to such information) (Naebeza 2013:55). “the degree to which a business unit obtains and uses information from customers, develops a strategy that meets customers’ needs, and implements that strategy by responding to customers’ needs and desires” (Mu et al. al., 2016: 2). That the market orientation constitutes a fundamental strategic entry point to understanding markets, and this orientation is described as an organizational culture based on understanding the market, which helps the organization to develop strategies that have the potential to confront the strengths and strengthen the perceptive strengths and strategies (McNaughton et al., 2001:4).

### The third topic: the practical aspect of the study

For the purpose of knowing the nature of the relationship between the main and sub-variables of the research, the correlation coefficient and regression analysis was used to analyze the following research hypotheses:

1- The results of Table (1) (indicate the existence of significant correlations between organizational diagnosis and strategic direction, and between dimensions of organizational diagnosis and strategic direction, as the overall index reached) (0.675) at the level of significance (0.05), while the results of correlations between diagnosis dimensions were The organizational and strategic direction are presented in the table below:

**Table (1) Matrix of correlations for main and sub-variables**

		<b>OD</b>	<b>SO</b>	<b>L</b>	<b>R</b>	<b>M</b>	<b>S</b>
<b>OD</b>	<b>Pearson Correlation</b>	<b>1</b>	<b>0.675**</b>	<b>0.812**</b>	<b>0.850**</b>	<b>0.928**</b>	<b>0.764**</b>
	<b>Sig. (2-tailed)</b>		<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
	<b>N</b>		<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>
<b>SO</b>	<b>Pearson Correlation</b>	<b>0.675**</b>	<b>1</b>	<b>0.515**</b>	<b>0.381**</b>	<b>0.624**</b>	<b>0.774**</b>
	<b>Sig. (2-tailed)</b>	<b>0.000</b>		<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
	<b>N</b>	<b>55</b>		<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>
<b>L</b>	<b>Pearson</b>	<b>0.812**</b>	<b>0.515**</b>	<b>1</b>	<b>0.636**</b>	<b>0.664**</b>	<b>0.439**</b>

	<b>Correlation</b>						
	<b>Sig. (2-tailed)</b>	<b>0.000</b>	<b>0.000</b>		<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
	<b>N</b>	<b>55</b>	<b>55</b>		<b>55</b>	<b>55</b>	<b>55</b>
<b>R</b>	<b>Pearson Correlation</b>	<b>0.850**</b>	<b>0.381**</b>	<b>0.636**</b>	<b>1</b>	<b>0.729**</b>	<b>0.460**</b>
	<b>Sig. (2-tailed)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>		<b>0.000</b>	<b>0.000</b>
	<b>N</b>	<b>55</b>	<b>55</b>	<b>55</b>		<b>55</b>	<b>55</b>
<b>M</b>	<b>Pearson Correlation</b>	<b>0.928**</b>	<b>0.624**</b>	<b>0.664**</b>	<b>0.729**</b>	<b>1</b>	<b>0.700**</b>
	<b>Sig. (2-tailed)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>		<b>0.000</b>
	<b>N</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>		<b>55</b>
<b>S</b>	<b>Pearson Correlation</b>	<b>0.764**</b>	<b>0.774**</b>	<b>0.439**</b>	<b>0.460**</b>	<b>0.700**</b>	<b>1</b>
	<b>Sig. (2-tailed)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	
	<b>N</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>	<b>55</b>	

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

**Source:** Prepared by researchers based on the results of spss v.20 N=65

2- The data of Table (3)( shows that the strategic direction is affected by the organizational diagnosis variable with a regression coefficient) (0.675) and a function of the calculated T value (8.920) at a significant level (0.05), and a coefficient of determination ( $R^2$ ), which expresses the extent of the explanatory variable on the interpretation of the responsive dimension, Its value was (0.456) (from the variance, while the influence relationships between the dimensions of organizational diagnosis and strategic direction were as shown in Table) (4):

**Table No. (2) Correlation coefficients of the regression model**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.675 <sup>a</sup>	0.456	0.450	0.47774

a. Predictors: (Constant), OD

**Source:** Prepared by researchers based on the results of spss v.20 N=65

**Table (3) ANOVA test analysis coefficients**

Model	Un standardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		



1 (Constant)	1.209	0.289		4.178	0.000
<b>OD</b>	0.724	0.081	0.675	8.920	0.000

a. Dependent Variable: SO

**Source:** Prepared by researchers based on the results of spss v.20 N=65

**Table (4) ANOVA test analysis coefficients**

Model	Un standardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.699	0.290		2.414	0.000
<b>L</b>	0.248	0.383	0.515	2.918	0.000
<b>R</b>	0.351	0.277	0.381	3.820	0.000
<b>M</b>	0.397	0.296	0.624	2.005	0.000
<b>S</b>	0.463	0.387	0.774	7.550	0.000

a. Dependent Variable: SO

**Source:** Prepared by researchers based on the results of spss v.20 N=65

**The fourth topic: Conclusions and Recommendations**

**Conclusions:**

1- It was found from the results of the statistical analysis that the company in question has a direction in organizational diagnosis and at a good level, and through this, these organizations can develop this mentioned variable.

2- Through the statistical results, it was found that the company under study has orientations to the strategic orientation variable at a distinct level, and organizations can improve it in the future.

3- The results of the tests of the correlation relationship showed that there is a strong moral correlation between the organizational diagnosis and the strategic orientation in general, and this is evidenced by the correlation between the sub-variables of the organizational diagnosis with the variable of strategic orientation, and it was clear through the relationship of the structure with the strategic orientation is the highest among The results for the three sub-dimensions.

4- After the organizational diagnosis has had a positive and moral impact on the strategic orientation.

5- The sub-dimensions of the organizational diagnosis have had a direct effect on the dependent variable (strategic orientation), and the sub-dimension of the structure had the highest effect.

### **Recommendations:**

1- The study recommends strengthening the aspect of organizational diagnosis in the company, as well as working to highlight their strategic capabilities and skills.

2- Continuous guidance for workers through holding educational seminars and workshops. The purpose of this is to develop the skills of workers to increase the product and add wealth.

3- Due to the existence of a strong relationship between the variables of the study and in order to increase the ability of the company in question to develop its capabilities for strategic orientation, it must develop the other aspect, which is the organizational diagnosis

4- The company in question should pay attention to the organizational diagnosis if it wants to achieve successes in the field of strategic orientation, as a result of the strength in influence between the two variables in general, as well as between the sub-dimensions in particular.

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