

# The Role of Strategic Sense in Reducing Organisational Decline - A Case Study in a Najaf Cement Factory

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The present study examines the strategic sense and its reflection in reducing the occurrence of organisational decline, for a sample of workers in Najaf Cement Factory, which amounted to 102 workers. The study is based on the basic assumptions that the strategic sense prevents the decline of an organisation, and that this decline will occur in the absence of a healthy environment by the management of the laboratory on the dimensions of strategic sense. The scientific significance of the study stems from the fact that the results will help to understand organisational trends and behaviors by looking at the dimensions of strategic sense and linking them to the dimensions of organisational decline and reduction. The study used the questionnaire as the main data collection tool. A number of statistical methods were used to validate the study hypotheses such as arithmetic mean, standard deviation, simple correlation coefficient and regression analysis. The results of the study are identical to most of its hypotheses. Achieving success in the work of the researched laboratory requires that the dimensions of strategic sense be discovered and reflected on, in the treatment of indicators of organisational decline, in order to ensure the provision of industrial services acceptable to the beneficiary.

**Key words:** *Strategic Sense, Organisational Decline, Najaf Cement Factory.*

## Introduction

Organisational decline is one of the important problems facing organisations, especially in the current era of knowledge and the huge knowledge explosion in light of accelerated technological development, which resulted in increased competition between organisations in order to keep pace with this development and achieve excellence and performance discrimination on the one hand; on the other hand, we find many organisations are reluctant to achieve excellent or acceptable performance, which makes them vulnerable to failure and out of competition, leading to liquidation and decline. Accordingly, organisations are in a race and change rapidly, which leads them to research and adopt new methods of excellence and not to overthrow the work of their organisations. Among these methods (strategic sense), the problem of research lies in the following question: how can the use of strategic sense reduce the occurrence of organisational decline? And thus, achieve growth and control for their organisations. Based on the above, we can formulate the following sub-questions:

- To what extent do the sample respondents understand the importance of strategic sense and the necessity of its availability?
- What is the extent to which the sample is aware of the effects of the organisational decline?
- Is there an impact of the strategic sense of its dimensions in the organisational decline of its dimensions in the company researched?

The importance of research stems from the fact that it is linked to developments in the concepts and areas of the organisation and all fields, and the use of strategic sense in the development and activation of its functions in the Iraqi environment; the following points are of importance:

- Identify the conceptual development of both the strategic sense and the organisational decline as being of interest in the academic field of modernity and applied to their importance in the Iraqi environment.
- Identify the availability of the two variables in the research sample and their impact on achieving the desired objectives, which relate to the adjustment of the organisation.
- Identify the impact of strategic sense in reducing the organisational decline of the research sample.

The research objectives include clarifying the concepts and implications related to the strategic sense and its dimensions for the purpose of highlighting the organisational decline of the research sample, by analysing and demonstrating the objectives implemented by them. It also checks the extent of controlling the organisational decline of the research sample organisation. It verifies the extent of using strategic sense within the business and activities of the organisation. This paper studies the nature of the interrelationship between the research variables in the sample, analyse it

and make use of the results of this relationship, for the purpose of relying on them, coming up with practical conclusions and making recommendations to serve the researched organisation.

## Literature Review

### Philosophy of strategic sense

#### 1: The concept of strategic sense:

Strategic sense is a royal thing owned by the leader or organisations. The initial sense process is perceived as a cognitive process by interpreting information from the external environment and from internal learning that seeks meaningful action that leads to change. This work also introduces the concept of giving meaning. Pandza and Thorpe (2009) defines strategic sense as a cognitive process to reduce uncertainty in initial sense-making, that stimulates meaningful and retrospective work, that enables managers to understand the appropriateness and usefulness of developing new knowledge for job opportunities. Making sense also refers to the process by which managers understand, interpret and create meaning based on their knowledge of strategy development (Grazzini, 2013). Thomas, Clark, and Gioia (1993) presented the strategic "sense-making" process as comprising: surveying, interpretation, procedure and how these three activities relate to organisational performance. (Bateson, 1979) argues that strategic sense is a term close to a strategic approach, which is the ability to propose supernatural ideas. This leads to the concept of evolution, which differs from synthesis. We mean the development of an organism associated with a prior state that you already own. The essence of creation is predictable repetition. The essence of learning and development is exploration and change. So strategic development is exploration and change (Meroni, 2008). Most of the work in the field of making sense and giving sense takes little account of how managers use their tacit knowledge to understand change, in part because they generally target senior management. When formulating a strategy, senior adolescents are consciously building plans to anticipate the future, and build the so-called strategic change of exploratory awareness of customers. The way managers engage middle management in strategic change varies (Rouleau, 2005). Given their hierarchical position, they do not share the same level of awareness of corporate strategy as senior managers. They often have to "put out fires" while implementing change, and many of their actions call for their practical awareness.

**Figure 1. Making strategic sense and giving sense**



## **2. The importance of strategic sense:**

In general, when economic failure occurs, it raises the risk of state failure. Consequently, the disruption of the state as a whole, resulting from the failure to provide a strategic sense of providing basic public goods to their population; organisations are likely to face sharply escalating problems extending to organisational degradation.

- 1) The strategic sense is of comprehensive importance for all different businesses strategically, in that it is a central alarm system for businesses and all markets.
- 2) Providing clear industrial methods for creative thinking in production : The availability of even a little strategic sense encourages the formation of technological solutions for the automation and transmission of information, and provides a balanced strategy that uses technology to create intelligence, encourage demonstrations of logical reasoning, and the effective use of symbolic languages and team-based communication skills to solve problems (Safa, 2018).
- 3) When there is a strategic sense, it avoids institutions to be exposed to danger and deadly threats, i.e. the formation of defensible parts, for example strategic logical alliances.
- 4) The presence of sense provides flexibility within the workplace. It gives organisations all the tools needed to allow their teams to work anywhere. By setting reasonable parameters around the "remote" format, this gives your team the leverage they need to do their jobs, anytime, anywhere (being a strategic sense is a virtual team, uses tools to participate, meets when needed, and achieves more in one day by eliminating on unnecessary meetings).

5) Empower employees at the front line through the right cognitive tools to allow them to play a greater role in helping others throughout the company.

### **3. Dimensions of strategic sense:**

Researchers have developed a number of models to describe the way managers and organisations handle potential critical information. This requires three main processes: surveying, interpretation, and response to work. The interrelationship is between the search for information, the meaning of attribution, and movement. It is assumed that each element in this process has a relationship to performance, so we will illustrate each of these processes (Rouleau, 2005). Decision-making is the process of acquiring and processing data and forming or changing some existing knowledge structures. The role of cognitive decision-making is to reduce the complexity of the environment by creating simplified knowledge structures for implementation plans. It is the explicit and implicit mentality of surveying, framing, interpreting and constructing a perception of the current situation (Almagtome, 2015). Pandza and Thorpe (2009) define strategic sense-making as a cognitive process to reduce uncertainty in initial sense-making that stimulates meaningful action and retroactive sense-making, which enables managers to understand the relevance and usefulness of developing new knowledge and relevance to job opportunities. Making sense also refers to the process by which managers understand, interpret and create meaning based on their knowledge of strategy development (Grazzini, 2013). Thomas et al. (1993) presented the strategic "sense-making" process as comprising: surveying, interpretation, procedure and how these three activities relate to organisational performance. A brief explanation of each of these activities is given below:

#### **1. Survey**

The survey includes access to information for the purpose of finding, identifying, or sensing strategic issues (Henderson et al., 1993), and senior decision-makers usually have access to much more information than they can process and therefore it is necessary to select the information used to develop and interpret strategic issues. However, from a strategic perspective, the survey also includes research into the internal environment of the organisation to identify important elements that may affect performance in the organisation (Meroni, 2008).

#### **2. Interpretation**

Interpretation involves the development or application of methods to understand the meaning of information and entails the synthesis of information in a structure to understand and work under that understanding (Henderson et al., 1993). At a different level of concepts, organisations themselves may be considered interpretation systems in this sense. Different regions and levels of the organisation may be involved in surveys related to the sense feature, but it is senior managers who have a major influence on the strategic issues that are addressed and how they are categorised.

### **3. Effective action**

Effective regulatory action often depends on responding to strategic issues and on the ability to implement decisions based on survey strategies and subsequent interpretations of strategic information. Some researchers suggest that explanation may be key to organisational adaptation models, while others have tried to link changes in strategic action to changes in readings by senior managers of the environment. Adaptive actions can range from small-scale models that involve some change, such as changes in actions to large models, such as service and product changes, and reviews in the overall strategy. The initial sense process is perceived as a cognitive process by interpreting information from the external environment and from internal learning where it incites meaningful action that leads to change (Pandza & Thorpe, 2009). At the organisational level, the sense-making process produces a common belief system that makes coordinated action possible by providing a common framework for observing and interpreting new incentives and coordinating appropriate actions.

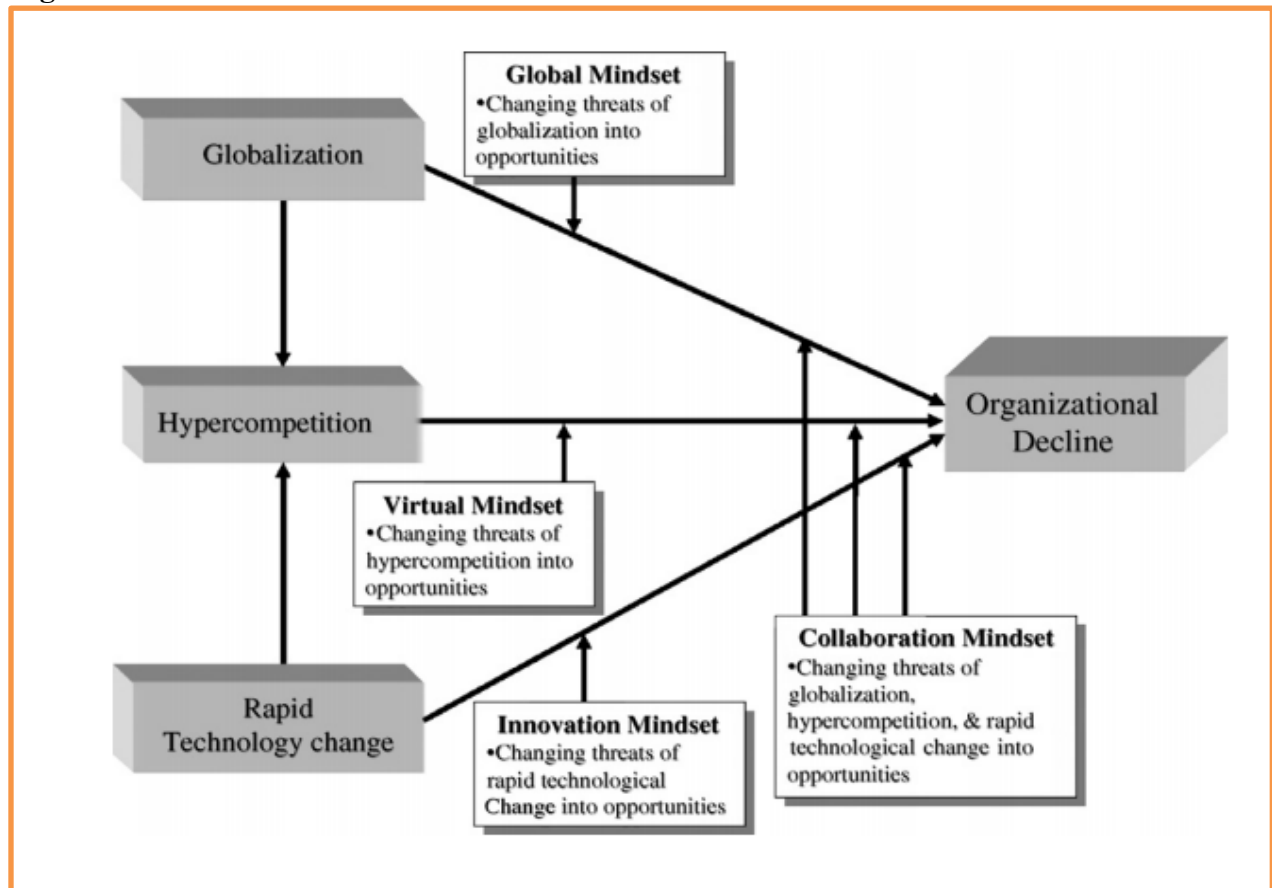
## **Organisational Decline**

### **1. The concept of organisational decline**

Maheshwari (2002) noted that researchers examined the organisational breakdown of economic, psychological and social perspectives (Anderson & Galavan, 2016; Dark III, 2007; Ghazzawi, 2018; Hinck, 2018; Marchionini, 2019; Weitzel & Jonsson, 1989; Whetten, 1979). Where the common thread in all these actions was to inquire about the administrative decision-making process and the options for actions for managers leading the organisational decline and the subsequent transformation of institutions. In contrast, Guha (2016) noted that organisational decline has been extensively studied since the late 1970s by strategic management scientists and organisational theorists. Organisational decline begins as a predominantly imperceptible shift to organisational death. Several years before the already visible signs of failure appear, even when the initial signs of the decline surface are often ignored or hidden by managers, or at best, they fail to respond to it effectively (Serra, Pinto, Guerrazzi, & Ferreira, 2017). Trahms, Ndofor, and Sirmon (2013) defined organisational decline as “a concept in which there is a significant and absolute decline in the enterprise resource base over a specified period of time”. Senior management must develop two skills to prevent organisational decline. The first is the ability to understand the nature of the external environment, and the second is the ability to formulate effective action plans to navigate the environment. To enhance these skills, the current competitive landscape is beginning to be clarified with a focus on globalisation, rapid technological change and excessive competition. Four management mindsets can help senior managers strategically tailor their companies to these three competitive forces, thus bypassing the path of organisational decline (Tovstiga, 2015). There must be intervention of the four mindsets in the paths between the three competitive forces and

organisational decline. As Figure 2 illustrates, we believe that senior managers who lack a clear understanding of the threats and opportunities inherent in globalisation, rapid technological change, and excessive competition may gradually fail to prevent the decline of their companies. On the other hand, we believe that senior managers who understand these threats and opportunities, and who apply the recommended mindsets, will be better prepared to design and implement strategies that not only address the decline of the organisation but put the company on the path to prosperity.

**Figure 2**



## 2. Causes of Organisational Decline

Whetten (1979) pointed to the sources of crises, which led to improper deposition of organisational decline, which could arise from within the organisation, or more often, from the environment. Some authors focused on the sources of crises as if they were an objective phenomenon, while others said that the real source of the crisis was in the misconceptions of organisational members. A useful classification should therefore be appropriate for both directions. The classification proposed in Figure 4 meets this requirement because it examines both internal

and external causes. However, some modifications are needed to expand it beyond the public sector for which it was designed. The four categories are organisational atrophy, political weakness, depletion problem, and environmental entropy.

**Figure 3. Matrix of causes of organisational deterioration**

	Internal	External
Political	Political Vulnerability	Problem Depletion
Economic/ Technical	Organizational Atrophy	Environmental Entropy

## Literature Review

### Methodology

Carmeli and Schaubroeck (2006) argue that institutional stagnation and poor adaptation can sometimes cause top management groups to fail to act as coherent units for information processing and decision-making. This suggests that the organisation is behaviourally integrated and has more effective strategic decision-making processes, and this produces high-quality decisions that accurately reflect changing circumstances. Differences in the effectiveness of the group's process, especially in its levels of behavioural integration, become particularly important to the group's performance, when the group faces the rapid and unexpected changes that characterise organisational decline.

In the view of Serra et al. (2017), organisational decline is linked to the deterioration of the resource base and the organisation's performance for a sustainable period of time. Although some studies have been conducted, they are still a deficient phenomenon, despite their importance. The study of organisational decline faces challenges to improve and increase research. The results show that organisational decline can be put into three different aspects: the same organisational decline; studies on transformation; and mortality. The specific challenges to be overcome are linked to a better definition, cognitive and other issues related to decision-making and specific methodological problems. Jones (2007) pointed out two types of challenges facing organisations. Internal challenges at the organisation level refer to the internal



characteristics and interactions of the organisation and include social, administrative and entrepreneurial functions. While external challenges at the inter-organisational level focus on the organisation's interaction with its external environment, there is no self-sustaining organisation and its survival depends on the type of relationship it has with the larger systems that operate within it, and failure to manage the external and internal interaction of organisations leads to decline as shown in Figure 4.

### 3. The dimensions of organisational decline

Kücher and Feldbauer-Durstmüller (2019) explained that for the purpose of determining the dimensions of organisational decline through the input/output model of Arditì (2009), who explained that organisational decline has three main dimensions:

- A. **Environmental factors:** Due to the diversity, complexity of the classification of the environment, where the environment is classified into an internal environment and an external environment (public and private), which shows that the organization has more than one environment and omitting this fact leads to ambiguity and contradiction in the nature of the relationship between the organisation and the ecosystem. The most relevant factors and objectives of the organisation, as well as its immediate impact on the nature of management control design such as customers, competitors, intermediaries, suppliers and the public, is that they can change the activities of the organisation and threaten its existence by causing significant changes resulting from their continuous interaction with them.
- B. **Strategic factors:** The occurrence of major and radical changes in the causes and factors of strategic failure, due to the fundamental changes in the contemporary environment : the most important of these changes is the decline of organisations, constant unity of global competition, the constant search for factors difficult to imitate by competitors and the revolution in the field of information and technological developments. Also involved is the globalisation mergers between organisations, the emergence of giant organisations and accompanied by the emergence of such a problem of adaptation and different cultures and these become a real problem threatening the survival of organisations. As a natural result of these changes it became imperative for organisations to adopt a management philosophy. These factors are widely used as the basis for the future of the organisation. Therefore, successful organisations are in constant search for these factors to stand up to the obstacles and contain them. They have to be clear and complete about the organisation and its objectives.
- C. **Organisational Factors:** Organisations represent a highly influential regulatory framework in the activity of individuals. Individuals do not work in a vacuum and cannot operate outside their environment and their organisational context, especially if this environment is characterised by rigidity, constraints, and frequent routines and rules that define everything.

The formal organisation is based on scientific and practical bases, enabling it to invest the resources available to achieve the goals efficiently. There are many regulatory factors that affect in one way or another to cause failure and decline in business organisations, including human capital - organisational structure.

## Materials and Methods

This research was carried out according to the opinion of the sample of Kufa Cement Factory staff.

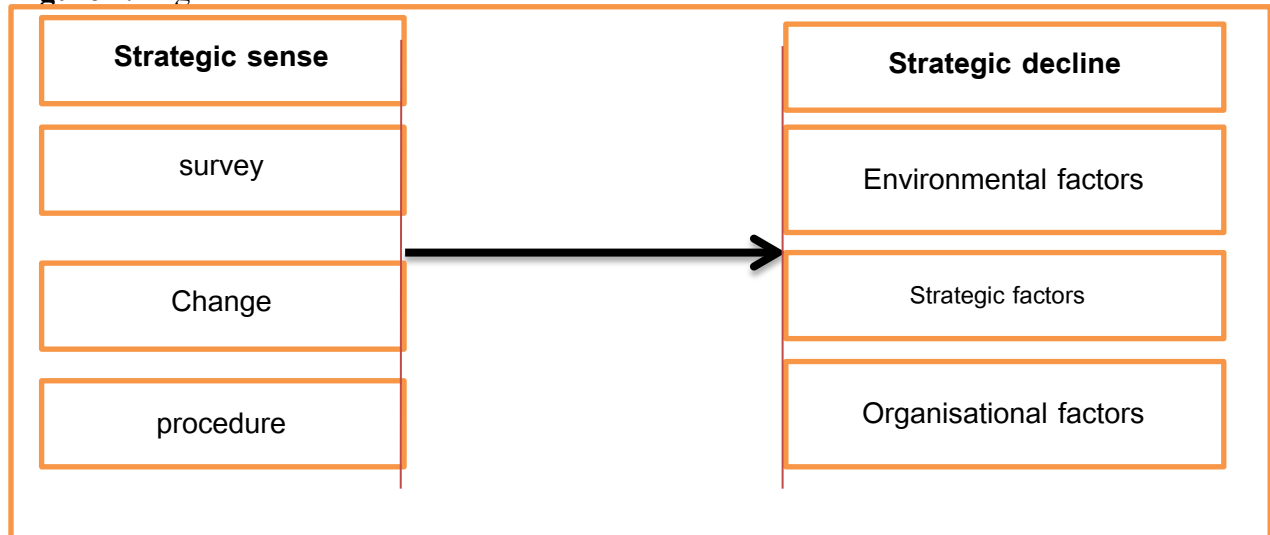
$$n = \frac{X^2 NP(1-p)}{d^2(N-1) + X^2 P(1-p)}$$

Where  $n$  = the required sample size,  $N$  = size of the research population,  $P$  = proportion of the community. Kergcie & Morgan, (1970) suggested that it is equal to 0.5,  $d$  = the ratio of the error that can be exceeded and the maximum value is 0.05,  $X^2$  = the value of the square Kai Squire degree of freedom One = 3.841 at a confidence level (0.95). Using this equation, the sample size is equal to (102). The authors adopted a measure Thomas et al. (1993) of the strategic sense on three main dimensions and was based on the five-degree Likert gradient and based on (Arditi, 2009; Kücher & Feldbauer-Durstmüller, 2019). To measure the organisational breakdown, which consisted of three main dimensions according to the quintile (Likert) gradient (I agree at all - I do not agree at all), the questionnaire was used as a main tool for data collection.

### 1: Research theoretical framework:

Based on a set of theories that tried to explain the phenomenon of organisational decline and the study of (Pandza & Thorpe, 2009; Thomas et al., 1993) a hypothetical model was developed in which the independent variable shows the strategic sense of its dimensions (survey, interpretation). The procedure and the dependent variable of the organisational breakdown, as shown in Figure 4 below.

**Figure 4.** Organisational breakdown



## 2 - Research hypothesis:

Based on the problem of research and to achieve its objectives, the research is based on a set of main and sub-hypotheses as follows:

The first main hypothesis: There is a statistically significant correlation between strategic sense and organisational decline.

The following sub-hypotheses emerge:

- There is a statistically significant correlation between survey and organisational decline.
- There is a statistically significant correlation between interpretation and organisational breakdown.
- There is a statistically significant correlation between effective action and organisational breakdown.

The second main hypothesis: There is a significant statistically significant effect of the strategic sense in the organisational decline.

The following sub-hypotheses emerge:

- 1) There is a statistically significant effect of the survey on organisational decline.
- 2) There is a statistically significant effect of interpretation in the organisational breakdown.
- 3) There is a statistically significant effect of the effective action in the organisational decline.



## Results

This research aims to know the level of dimensions of the research through the use of arithmetic mean, standard deviation and the percentage of research areas, and to present and describe the primary statistical indicators in order to clarify the variables and items adopted in the construction of the model.

### **Description and diagnosis of the strategic sense variable:**

The first major variable is the independent variable (strategic sense): This variable contains three sub-variables as follows:

#### **1. Description and diagnosis of items (survey)**

The survey included three questions, and the arithmetic circles were different for the items. Item (3) came in the foreground with the highest value with a mean of 3.73 and a standard deviation of 0.847 and 78.6%. In the internal environment, to determine the important elements of future performance to explain the strategic issues and their work, item (2) was the lowest level of response, recorded (68.4%). This indicates that the management of the laboratory is looking at the external environment to identify events or important issues that it recorded the lowest mean (3.42) and the standard deviation of 0.927. The sample responds.

**Table 1.** General description of items of the survey variable

Items	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Mean	Standard dev.	Materiality
Factory Management								
Interested in the process of surveying information, for the purpose of accessing more information that serves in its work.	30	38	21	11	2	3.814	1.041	76.27
Looking at the external environment to identify important events or issues that may affect them.	10	42	33	15	2	3.422	0.927	68.43
Looking at the internal environment to identify important elements of future performance to explain strategic issues and their work.	23	57	16	4	2	3.931	0.847	78.63
<b>Survey</b>						3.731	0.958	74.59

## 2. Description and diagnosis of items (interpretation)

The arithmetic means of the explanation variable in general reached (3.99) which is higher than the hypothetical mean. The arithmetic and iterative circles have varied results among them. Arithmetic reached (4.37), which is higher than the hypothetical mean of the study (3) with a standard deviation of (0.716) and an agreement rate (87.45%). Item (6) is weak which states that the management of the laboratory has an impact. The head of the government is aware of the strategic issues that are being dealt with and how they are classified (with a low reading of 74.5%).

**Table 2.** General description of items of explanation variable

Items	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Mean	Standard dev.	Materiality
Factory Management								
Develops ways to understand the meaning of information for the purpose of synthesis in the structure to understand and work under this understanding.	52	36	14	0	0	4.373	0.716	87.45
It sees interpretation as a process at the individual level where people come and classify meaningful marks into information, at a different level of concepts.	31	42	18	8	3	3.882	1.027	77.65
It has a major impact on the strategic issues that are addressed and how they are classified.	20	45	27	9	1	3.725	0.914	74.51
<b>Interpretation</b>						3.993	0.916	82.59

### 3. Description and diagnosis of items (effective action):

The variable of the effective procedure was recorded with a weighted average of (4.08) and the ratio of agreement reached (81.76%). This dimension came with three questions. Item (7) has obtained the highest frequency of the agreement level, which indicates that the laboratory management adopts the effective regulatory procedure. For the strategic issues, this item got the highest arithmetic mean in this dimension of (4.60), a standard deviation of (0.647) and the proportion of agreement (92.16%), and there is a clear defect in the development of capacity, as represented by item (9). This percentage is low, with an agreement rate of 75.1%. This item states that the management of the laboratory is trying to adapt to changes in work (based on readings by senior managers of the environment).

**Table 3.** General description of items of the effective action variable

Items	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Mean	Standard dev.	Materiality
Factory Management								
It adopts effective regulatory action and responds to strategic issues.	71	22	9	0	0	4.608	0.647	92.16
It has the ability to implement decisions based on survey strategies and subsequent interpretations of strategic information.	33	43	14	6	6	3.892	1.107	77.84
It tries to adapt to changes in strategic action based on readings by senior managers of the environment.	35	30	20	11	6	3.755	1.206	75.10
<b>Effective action</b>						4.085	1.039	81.76

### Description and Diagnosis of Organisational Breakdown Items:

The second major variable is the adopted variable (organisational breakdown). This variable contains three sub-variables as follows:

#### 1. Description and diagnosis of (environmental factors) clauses:

The general readings of the environmental factors' variable were as follows: The mean was (3.71), which is higher than the hypothetical mean of the study according to the adopted five-point scale. The item has three items shown in Table 4. It was found that the most items that got answers about the level of agreement is item (2). This item got the highest frequency, with a weighted average of (3.97) and standard deviation (1.11), and these results indicate that laboratory management lacks good existing relationships with suppliers, customers and other stakeholders. This was reported at a high level with a response rate of 79.41%, while there was a weakness in the management of the laboratory (aware that a recession or failure to respond properly to changes in industry or environment could lead to its organisational decline) represented by the item. (3). It recorded a response rate of 71.1% and a weighted average of 3.55.

**Table 4.** General description of items of environmental factors variable

Items	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Mean	Standard dev.	Materiality
Factory Management								
It recognises that the omission of dealing with the environment leads to ambiguity and contradiction in the nature of their relationship with the ecosystem.	28	34	30	7	3	3.755	1.029	75.10
Lacks good existing relationships with suppliers, customers and other stakeholders.	44	25	22	8	3	3.971	1.112	79.41
Aware that a recession or failure to respond properly to changes in industry or environment can lead to its organisational decline.	27	34	19	13	9	3.559	1.255	71.18
<b>Environmental factors</b>						3.716	1.176	74.31

## 2. Describe and diagnose items (strategic factors)

The results indicated that the strategic factors variable weighted average (4.11) and the ratio of agreement reached (82.2%), and item (6) has obtained the highest frequency of the level of agreement, which indicates that the management of the laboratory finds itself not keeping pace with the rapid technological innovations that have occurred. Recently, compared to competitors, this means its failure to integrate these changes and adapt to them, which will find itself in a near decline. This item got the highest arithmetic mean in this sub-variable amounted to 4.70 degree, which is higher than the hypothesis of the study of (3) within the five-point scale adopted, with a standard deviation of (0.590) and the percentage of agreement. Also, it is noticeable from the table that the arithmetic circles vary for this variable and move away with limited rates from the hypothetical mean. This item recognises that the merger between organisations and the emergence of giant organisations, is accompanied by the emergence of such a problem of adaptation and different cultures, which generates a real problem threatening its survival.



**Table 5.** A general description of the items of the strategic factors' variable

Items	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Mean	Standard dev.	Materiality
Factory Management								
Always looking for factors that are difficult to imitate by competitors in the field of information and technological developments.	36	38	17	9	2	3.951	1.028	79.02
Recognising that mergers between organisations and the emergence of giant organisations, has accompanied the emergence of such problematic adaptation and different cultures, which generates a real problem threatening its survival.	28	32	25	16	1	3.686	1.072	73.73
It finds itself out of step with the rapid technological innovations that have recently taken place compared to competitors, which means its failure to integrate these changes and adapt to them, which will find itself in a near decline.	78	19	4	1	0	4.706	0.59	94.12
<b>Strategic factors</b>						4.114	1.034	79.09

### 3. Description and diagnosis of paragraphs (regulatory factors):

Following the regulatory factors with three questions, the reading in general recorded an agreement on the axis (75.03%) with a weighted average (3.57) and a standard deviation (1.19). The hypothetical mean of the study of (3) within the adopted five-scale scale, and a standard deviation (0.883), which indicates that the management of the laboratory (characterised by regulatory rigidity and constraints and the large routines and rules that determine everything), where the rate of agreement and response among respondents is 85.69%. Paragraph (10) recorded the lowest percentage of agreement among respondents (60%) and states this poverty. It has a number of organisational factors that affect in one way or another the failure and decline thereof, including

the human capital - organisational structure) and the arithmetic mean (3.00) with a standard deviation (1.41).

**Table 6.** General description of the items of the regulatory factors' variable

Items	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Mean	Standard dev.	Materiality
Factory Management								
Its regulatory environment is characterized by rigidity, limitations, abundance of routines and rules that define everything.	40	37	19	6	0	4.088	0.902	81.76
It has a formal organisation based on scientific and practical bases, enabling it to invest the resources available to achieve the goals with high efficiency.	28	32	24	14	4	3.647	1.14	72.94
It has many organisational factors that affect in one way or another the failure and decline thereof (human capital - organisational structure).	48	35	14	3	2	3	1.417	60.00
<b>Organisational factors</b>						3.578	1.193	75.03

### The relationship between strategic sense and organisational decline

From the results of the analysis in Table (7) to the results of the correlation between strategic sense and organisational decline, where it indicates that the correlation is positive (0.636), and by following the T value (t) we find that the calculated value is greater than its value below the level of significance; this refers to the significance of the correlation relationship, and this is supported by the value of (P) that appeared as significant.

Based on the test of hypotheses, we conclude that the first major hypothesis and its sub-hypotheses have been partially achieved.

**Table 7.** Correlation results

Variables	Organisational decline		
	Correlation coefficient	T	Sig.
Strategic sense	0.636**	8.240	0.000
	<b>Tabulated t value at 0.05</b>		1.66
<b>Tabulated t value at 0.01</b>			2.36

**Analysis of influence relationships between research variables:**

The following table shows the impact of the strategic sense dimensions on organisational collapse.

**Table 8.** The Impact of Strategic Sense Dimensions on Organisational Collapse

<b>Survey</b>	F value (to test the model)	0.033
	Significant F (P value)	0.107
	The value of the regression constant	0.744
	Selection coefficient 2R	0.025
	F value (to test the model)	0.001
<b>Interpretation</b>	Beta Labs	0.472
	F value (to test the model)	28.62
	Significant F (P value)	0.000
	The value of the regression constant	0.425
	Selection coefficient 2R	0.223
<b>Effective action</b>	F value (to test the model)	0.449
	Significant F (P value)	33.168
	The value of the regression constant	0.000
	Selection coefficient 2R	0.466
	F value (to test the model)	0.249

Table (9) indicates that the second main hypothesis has been proven in the sense that the strategic sense affects the organisational collapse, where the calculated value (F) is equal to is greater than the table (F) value when compared. Therefore, we reject the null hypothesis and accept the alternative hypothesis. The regression model of the strategic sense in the organisational collapse was significant at the level of significance and the coefficient of determining R2 for this relationship (0.404), which shows that the strategic sense shows (40.4) of the dependent variable, which is the organisational collapse.

The linear model of the decline of strategic sense in the organisational collapse as follows:

$$Y = 0.859 + 0.636 X$$

where:

Y = organisational collapse.

X = strategic sense.

In the case of multiple regression, which aims to test the effect of dimensions combined, it was found that there is a partial effect of the dimensions, where effective action showed a significant effect, while the other dimensions did not show a significant effect; the value of the coefficient of determination (0.498), which means that the combined dimensions (49.8%) of the variance in the adopted variable.

**Table 9.** The impact of the dimensions of strategic sense combined in the organisational collapse

<b>Dimensions combined</b>		F value (to test the model)	19.097		<b>Sig</b>
		<b>The value of the regression constant</b>	0.571		
		<b>R2</b>	0.498		
	<b>Survey</b>	<b>Beta 1</b>	0.032	P1	0.664
	<b>Interpretation</b>	<b>Beta 2</b>	0.126	P2	0.161
	<b>Effective action</b>	<b>Beta 3</b>	0.255	P3	0.003



## Conclusions

The adoption of the dimensions of the strategic sense leads to the decline of the organisational environment in the external environment, by predicting the circumstances surrounding the organization, where the results showed that the path factor (direct impact) was 19.097 and the determination factor R<sup>2</sup> (interpretation) of 0.0498. This shows the significance of the effect. The use of strategic sense enables organisations to seize the external opportunities of the organisation in its work, which enhances its performance in a way that is reflected on the members of the study sample, as explained in the results reached through the analysis of the first hypothesis, which provides a significant impact relationship between strategic sense and organisational decline. Achieving success in the work of the researched laboratory requires that the dimensions of strategic sense be discovered and show its impact on addressing the indicators of organisational decline, in order to ensure the provision of industrial services are acceptable to the beneficiary. The organisational decline occurs when a company's performance deteriorates or there is a shortage of resources. The causes of regulatory decline may arise from external factors, such as intense competition or sudden environmental shocks, as well as internal factors, such as inertia and inefficient management of resources. The organisational decline and downsizing are concepts that are often discussed or referred to interchangeably. This is because both terms refer primarily to corporate recessions. However, these are theoretically distinct concepts. Decline is an environmental or regulatory phenomenon that occurs involuntarily and erodes the organisation's resource base. Downsizing is a deliberate and proactive management strategy and aimed at generating appropriateness and adequate responses to external disturbance and uncertainty. The real reasons behind the decline are the capabilities of individuals and the demands of the task, the allocation of responsibilities, the measures taken to ensure skills' positions, the transfer of new knowledge and staff experience, the work processes within the organisation, the lack of supervision, decision-making, insufficient learning, beliefs and motivations for work.

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