



The impact of strategic management at the ceramic tiles industry in Egypt

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Introduction

It could be said that the strategic planning and management have a vital role in the life cycle of the organization, as they effectively contribute in setting its perceptions and visions, as well as help establishing its future. In order to identify the relation between the strategic planning and the strategic management, we have to review the concept of strategic management through the fields of study in the management science, as they are concerned with making decisions and determining the main acts that have a substantial impact on the future of the organization in long term. These decisions and acts are concerned with the formation (or preparation), the execution (or applying), and the evaluation (or monitoring) of the necessary strategies to achieve the organization's objectives. There is a difference between strategic management and strategic planning, which is specified in view of recognizing the components of the strategic management operation, which consists of two distinguished and - at the same time - related stages; preparing and executing the strategy.

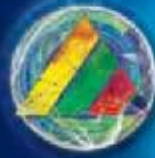
The importance of this research lies in highlighting the importance of the strategic management in the quality and the marketing of ceramic tiles; in order to compete nationally and internationally, by setting a perception of the factors that affects the concept of strategic management, through activating the strategic management that leads to the prosperity of the ceramic tiles industry in Egypt and to achieving high international rating.

The practical aspect of the research will be applied on the ceramic tiles industry in Egypt through visits and interviews at some ceramic tiles factories, to learn the importance of strategic management and its impact on the quality of ceramic tiles. It is known that the ceramic tiles industry has flourished lately in the Arab region in general; and in Egypt in specific, it has become a strategic industry in a short amount of time, and has put Egypt among the major countries in this filed, whether in designing or production, such as Italy and Spain, besides the quality and specifications of which the local product has sometimes outweighed the international product. The volume of investments in the ceramic tiles industry is estimated about 10 billion Egyptian Pounds. The problem of the research lies in how can the strategic management interact with the system of the ceramic tiles industry in Egypt to achieve the required quality in the ceramic tiles.

(Esam Badawy / 2010, internet reference 19), (Hosam Elzorkany / 2013, internet reference 21)

Research objective:

The main objective of the research is to reveal the role of the strategic management in the industry of ceramic tiles in Egypt.



Research methodology:

The research follows the descriptive – analytical method: it includes a review and analysis of the data and concepts related to strategic management that will lead to setting the strategies for the ceramic tiles industry. The investigative method can be used by discussing the way by which the strategic management can be applied in some of the Egyptian factories that produces ceramic tiles.

* Problems may occur upon applying the strategic management in some factories.

Research academic framework:

- Studying the aspects and definitions of the strategic management.
- Studying the main elements of the strategic management operations.
- Studying the tasks and importance of the strategic management.
- Recognizing the tasks and importance of the strategic management through visits and interviews at some factories.

The concept of strategic management:

We can conclude that: the strategic management is a set of decisions and administrative systems that determine the organization's vision and mission in a long term in light of its competitive advantage, seeking to execute them through studying, following up and evaluating the environmental threats and opportunities, and their relation with the organizational strengths and weaknesses, as well as balancing between the interests of different stake holders, as it is based on: importance, comprehensiveness and future vision.

It could be said that the strategic management is:

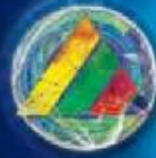
- A new way of managerial thinking.
- A new approach in management.
- A new methodology in making strategic managerial decisions.

The main elements in strategic management operations:

It consists of four elements: environmental scanning, strategy configuration, strategy execution and evaluation and monitoring.

1- Environmental scanning: it is conducted on both the external environment to determine opportunities and threats, and the internal environment to determine the organization's strengths and weaknesses (Environmental variables). The most important factors that affect the future of the organization are identified through this stage, they are called strategic factors.

2- Strategy configuration: this is related to setting long-term plans to meet the environmental opportunities and threats in the face of organizational strengths and weaknesses, thus, it involves identifying the organization's vision, determining the goals to be achieved and setting the strategies and policies to conduct the business.



3- Strategy execution: it is about the transformation and interpreting of the strategies and policies into actions through programs, budgets and procedures, these operations demand changes in the organizational culture, structure and managerial systems inside the whole system.

4- Evaluation and monitoring: these are operations conducted to follow up and observe the organization's activities and its actual performance in correspondence to the desired or planned performance. Despite that evaluation and monitoring is the last element in the strategic management, yet it exhibits the weak aspects in executing the strategy, therefore urges the operations in the whole organization to start all over again. It is noted that to guarantee the effectiveness of the evaluation and monitoring procedure; it is essential to get an immediate, rapid and unbiased information retrieval about the organization performance according to its gradation levels, as this retrieval enables the managers to compare what was accomplished with what was planned. (Osama Zein Elabdeen / internet / reference 18), (Mohamed Samir / 2009)

Strategic management tasks

Both "Pearce" and "Robinson" extracted nine main tasks for the strategic management of any organization or corporation, which are:

- 1- Phrasing the task or mission of the organization, which include general expressions that reflect its main objective, philosophy and goals.
- 2- Developing the organization's image which expresses its conditions, abilities and internal resources.
- 3- Evaluating the external environment of the organization, with all its powers and variables that dominate its general environment or its competitive environment.
- 4- Analyzing the strategic substitutes by trying to create a balance between its resources and the circumstances of its external environment.
- 5- Specifying the most charismatic strategic substitutes according to the organizations' mission, resources and environmental conditions.
- 6- Choosing a group of long-term objectives and general strategies that can help achieve the most charismatic chances.
- 7- Specifying the annual goals and the short-term strategies that are consistent with the long-term objectives and general strategies.
- 8- Implementing the strategic choices by allocating the resources; taking into consideration the special aspects of the tasks, personnel, structures and technology.
- 9- Evaluating the extent of the strategic operation success, and utilizing the output information in increasing the decisions' efficiency. (internet / reference 17)



The importance of Strategic management:

- 1- Improving the organization's ability to deal with problems.
- 2- Adopting accurate decisions.
- 3- Limiting change resistance.
- 4- Clarifying the future vision.
- 5- Implementing the environmental interaction on long term.
- 6- Supporting the competitive statues of the organization.
- 7- Effective allocation of the resources and potentials.
- 8- Supporting the performance and achieving acceptable financial results.

(internet / reference 17)

Practical aspect:

Through visits to different factories, practical observation of the ceramic tiles industry in Egypt and interviews with the people who are in charge of this industry; the following points have been reached:

- * Most Egyptian ceramic tiles enterprises are of medium size; although some of them are relatively large. (Ahmed Fahmy / p. 29:40)
- * This industry involves various specialties (i.e. chemists, geologists, technicians, designers, mechanics, electricians ... etc) who must all cooperate and work together, because as soon as the factory is established, a dynamic connection begins and opinions are exchanged. The department of planning and following up helps in connecting between different departments; as well as their work together, by creating integration between them through different production stages. (Hesham Elhaddad / p. 76)

The strategic management is affected by the following:

- * The state plan towards a specific industry and whether the industry's fundamentals exist or not; such as: materials, power, local market demand, available exporting market, being environmentally friendly ... etc. All of these elements are available in Egypt; except for the "full" implementation of the concept of environmentally friendly. At the time being, licenses have been distributed and settled in both Cairo and Alexandria, thus, future planning will be towards Menia, the state orientation in this matter is to defy the possibility of the industry being environmentally unfriendly, but at the same time to be a contribution in the development of Upper Egypt.
- * An environment that is characterized as complicated and continuously changing.
- * The refusal of some managers to set objectives to their units; and only depend on their experience.
- * Problems that may face the strategic planning give a bad impression about it to the managers.



Results:

* There are three levels of management that combine and interact with each other to achieve the goals of the establishment. Each level supplies the other, so, at the end they form a whole unit called “the Establishment management”. It is clear that the connection between departments resembles a chain, in which each ring intersects with the other in a joint part.

* Upon practicing full abidance to all the demanded instructions, procedures and operation, there will not be any management centralization (which means that all the set procedures must be strictly followed; and that the factory’s management is responsible for the outcomes)

* The manager sets a goal for each department that must be achieved, beside a general goal that all personnel work to accomplish, this goal must be realizable and continuously reviewed. Personal affairs must be separated from work affairs, by ensuring that the inputs are good enough to receive good outputs as well. The manager should try to make the staff feel that they belong to the establishment, and connect the factory with the research centers.

Results analysis:

The studies performed on the establishments abroad proved that those which applied the concept of strategic planning were distinguished with high growth in sales rate, rising sales indicators, along with the owned capital return rate, stock return, invested capital return.

While in Egypt, the ceramic tiles industry is aiming to eliminate bureaucracy by accrediting power to the supervising middle management, and adapting the concept of the unlimited company which provided the chance to all staff members to participate with their ideas as real partners that effect the production process, hence these companies have become able to compete nationally and internationally.

Recommendations:

* Activating the importance of strategic management through staff awareness and participation to ensure the advancement of the establishments.

* The importance of connection and interaction between research and academic entities; and the working factories.

* The importance of providing power supplies, as well as establishing various feeding industries, and eliminating the obstacles of issuing licenses for new companies.

* Ongoing staff training.

* Seeking to establish an association and a magazine specialized in ceramic tiles industry, in order to exchange experiences and improve information.

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