Presentation of a Strategic Management Model for Industrial Cooperatives in the Country with a Future-Oriented Perspective

Mostafa Foroutan[1], Mohamad Mahdi Zolfagharzadeh kermani[2*] , Mohammad ali Afshar Kazemi[3]

[1] Department of Industrial Management, Central Tehran Branch, Islamic Azad University, Tehran, Iran;
[2] Faculty of Management, University of Tehran, Tehran, Iran;
[2] Department of Industrial Management, Central Tehran Branch, Islamic Azad University, Tehran, Iran;

* Correspondence: zolfaghar@ut.ac.ir

Abstract: The present study aimed to propose a strategic management model for industrial cooperatives in the country with a future-oriented perspective. The research method was based on structural equation modeling using a quantitative approach. The research population consisted of experts, scholars, specialists, and knowledgeable individuals. A sample size of 107 participants was selected using Cochran's formula. The research instrument was a researcher-made questionnaire. The collected data were analyzed using both descriptive and inferential statistical methods with SPSS 16 and Smart PLS software. The results indicated that seven components played a role in defining an appropriate framework for presenting a strategic management model for industrial cooperatives in the country with a future-oriented perspective. These components included bureaucracy or structural bureaucracy, organizational transparency, job segmentation and job classification in line with strategy implementation, job interweaving aligned with strategies, strategic cohesion and integration, financial resources with a future-oriented approach, and future-oriented educational resources. To assess the model fit, indices such as X^2, R, and R^2 were examined, where a low X^2 value, a chi-square to degrees of freedom ratio of less than three, and the calculated coefficient of determination and adjusted coefficient of determination indicated a good model fit.

Keywords: Strategic management, industrial cooperatives, future-oriented cooperatives

Citation: Foroutan, M., Zolfagharzadeh Kermani, M. M., & Afshar Kazemi, M. A. (2025). Presentation of a Strategic Management Model for Industrial Cooperatives in the Country with a Future-Oriented Perspective. *Business, Marketing, and Finance Open*, 2(2), 39-48.

Received: 14 January 2025
Revised: 05 February 2025
Accepted: 19 February 2025
Published: 01 March 2025

1. Introduction

One of the reasons for the underdevelopment of the cooperative sector in Iran can be attributed to its theoretical dimension. Although more than eight decades have passed since the inception of the cooperative movement in the country, no comprehensive study has yet been conducted to derive a theory or model for the growth and prosperity of this sector within the national economy. Consequently, there is no robust theoretical foundation to identify the most influential factors in this process [1]. Unfortunately, and as acknowledged by officials in the cooperative sector, the role of cooperatives in the economy and the statistical data related to the cooperative sector in the country are not accurately and reliably assessed. To address this issue in recent years, a joint meeting was held between the Deputy Minister for Cooperatives in the Ministry of Cooperatives, Labor, and Social Welfare and the then-head of the

Iranian Statistics Center. The meeting focused on evaluating the implementation of the project to calculate the cooperative sector's share in the national economy. As a result, it was decided to establish a statistical data production system within the cooperative sector and a foundational registration system for collecting cooperative-related information [2].

In the past two decades, at a time when Iran's economic planners failed to design an "industrial development strategy," the country's industrial development process has faced obstacles such as lagging behind regional competitors like Turkey, the continuation and even deepening of raw material exports, a decline in the industrial sector's share of the economy's value-added (premature deindustrialization), and the shutdown or underutilization of numerous production and industrial units. More precisely, the very challenges that an industrial strategy and a clear roadmap were meant to prevent have now become persistent threats to Iran's economy. Although the devastating effects of sanctions have inflicted greater damage on the industrial sector than on other sectors, the failure to seize opportunities and overcome developmental obstacles was evident even before the imposition of sanctions, albeit on a smaller scale. This reality suggests that achieving Iran's industrial development vision has long been a distant aspiration [3].

Moving away from the ineffective policies of the past and leveraging the vast potential of public participation through various crowd-based models is emerging as a strategic approach to mobilizing capable individuals interested in contributing superior qualitative and quantitative solutions beyond conventional business practices [2]. In this regard, recognizing the characteristics and true potential of cooperatives—one of the most crucial collective participation structures in industrial development—is essential. As Guy Ryder, Director-General of the International Labour Organization, stated on the 2013 International Day of Cooperatives, cooperatives "can and must act as innovative institutions that foster new and groundbreaking developments" [4]. Similarly, cooperatives are recognized as a "proven model in international development discussions, enabling people worldwide to gain control over their livelihoods. Strengthening cooperatives is a pathway that empowers individuals and local communities to take charge of their own development". Furthermore, the argument that "cooperatives and other models of the social and solidarity economy must be an integral part of the solutions we consider" [5, 6] motivated us to explore this overlooked and potentially transformative driver of industrial development.

The literature on cooperatives highlights their distinct nature as a business entity recognized under the Commercial Code but distinguished by their unique legal framework and structural characteristics. Cooperatives accumulate small, dispersed capital and engage in economic activities, thereby increasing the participation of low-income groups in production and contributing to a fairer income distribution while reducing social inequalities [3]. Historically, cooperatives in Iran were introduced during the 1950s as an alternative to the capital-driven market economy, redirecting economic outcomes toward producers, distributors, and traders rather than focusing solely on capital accumulation. They are based on grassroots movements and voluntary associations, aligning with democratic governance structures; however, government intervention has often hindered their autonomy and efficiency [7, 8]. Legally, companies are traditionally categorized into civil and commercial entities, with commercial companies engaged in business transactions as per the Commercial Code. Cooperatives, while not purely commercial, are classified as economic entities under Iran's Cooperative Sector Law due to their multifaceted objectives [7, 9, 10]. The objectives of cooperatives extend beyond economic functions to encompass social transformation, promoting democratic participation, equity, and collective welfare. The Iranian Cooperative Law aligns with global cooperative principles, emphasizing job creation, equitable wealth distribution, prevention of monopolies, and enhanced public participation in economic development [8]. Strategic management plays a

crucial role in the success of cooperatives, involving the formulation and implementation of strategies that align with their mission and external environment [11]. Organizations adopt strategic approaches at different levels—corporate, business, and functional—ensuring alignment with market conditions and internal competencies [12]. Strategic business units determine competitive or cooperative strategies, resource allocation, and long-term objectives to enhance their position within the industry. Effective strategic management requires leadership skills, analytical capabilities, and an understanding of market trends, shareholder expectations, and customer needs [1]. Integrating strategic management into cooperative operations is essential for ensuring their sustainability, competitiveness, and contribution to socioeconomic development.

A review of the available resources on cooperatives in Iran and engagement with relevant governmental organizations, particularly the Deputy for Cooperatives at the Ministry of Cooperatives, Labor, and Social Welfare, suggests that there has been a lack of accessible and reliable data for studying industrial cooperatives as a subset of production cooperatives. In fact, "the last economic accounts of the cooperative sector were conducted between 1994 and 1996, with an unofficial study in 2009" (Ministry of Cooperatives, Labor, and Social Welfare, 2012). This gap not only highlights a critical need and its associated challenges but also presents an opportunity for exploration.

The ambiguous and complex nature of the cooperative sector, particularly industrial cooperatives, appears to be in urgent need of redefinition and a forward-looking perspective. Although this chaotic landscape may, by its very nature, create opportunities for rent-seeking and the formation of power centers, any effort to introduce competition-disrupting definitions is likely to face resistance. Nonetheless, formulating a strategic foresight document can serve as a foundation for initiating strategic reform movements, fostering idealism, and shaping the cooperative sector—a domain that has historically been overlooked [12].

Have we approached the cooperative sector in the country with such a perspective? Reflecting on the issues raised thus far, if we examine trends, procedures, statistics, news, and daily discussions on the current state of cooperatives, as well as the corruption and inefficiencies plaguing them—despite their economic objectives and classification as one of the three pillars of the national economy—it becomes evident that the cooperative sector is in a worse condition than the other two sectors, which at least have relatively stronger institutional support, albeit facing their own difficulties. This negative and intensifying trend is particularly pronounced in the industrial and production sectors.

Therefore, reinterpreting and transforming the concept and function of cooperatives as a supra-structural entity with overlooked and undiscovered potential is unavoidable. A new vision for cooperatives in the future is essential. The ultimate objective of this research is to shift the perceptions of policymakers and stakeholders in the industrial cooperative sector to ensure the long-term social and economic sustainability of these entities. To achieve this ultimate goal, the specific objective of this study is to outline the future scenarios of industrial cooperatives in the country and the corresponding strategic approaches necessary for industrial development. In this regard, multiple methodologies within the framework of strategic foresight must be employed, with particular attention to the dynamic nature of the subject and environment. The involvement of experts and stakeholders in this field is indispensable for the successful implementation of these strategies.

2. Methodology

The present study aims to propose a strategic management model for industrial cooperatives in the country with a future-oriented perspective. This research is applied in terms of its objective and has been conducted using an exploratory method. Data collection was carried out using a quantitative approach, and the data collection

instrument was a questionnaire. Inferential analysis, descriptive statistics, and factor analysis were employed to analyze the questionnaire data and present the results. The questionnaire was distributed among the general directors of the Ministry of Cooperatives, Labor, and Social Welfare, constituting a total statistical population of 150 individuals. The sample size was determined using one of the most commonly used methods, Cochran's formula. Accordingly, a total of 107 participants took part in the study.

For the collection of data related to the literature review, theoretical foundations, hypothesis formulation, and the initial development of the model, library research methods were utilized, including the study of books, articles, journals, research projects, and online databases. Additionally, two researcher-designed questionnaires were used.

Regarding the validity of the questionnaire, since the content of the questionnaire represents components with the highest level of importance, and considering that the questions were approved by experts, the content validity of the questionnaire was confirmed.

The reliability of the questionnaire was assessed using Cronbach's alpha to confirm its internal consistency. Cronbach's alpha is employed to measure the unidimensionality of attitudes, judgments, and other categories that are not easily measurable. A higher positive correlation between the questions increases Cronbach's alpha, while a higher variance in the mean of the questions reduces it. The results indicated that the overall Cronbach's alpha coefficient for the questionnaire was 0.98, demonstrating that the instrument had a high level of reliability.

The collected data were analyzed using both descriptive and inferential methods through SPSS 16 and Smart PLS software. In the descriptive analysis, frequency, frequency percentage, frequency distribution tables, graphical representations, and respondent characteristics were examined. In the inferential analysis, factor analysis was employed for data analysis.

3. Findings and Results

The total number of participants in this study was 107, with their demographic characteristics described as follows:

Gender: The analysis of the gender distribution among respondents revealed that male respondents were more prevalent in the study.

Age: The age analysis showed that the highest proportion of respondents fell within the 41–50 age range.

Educational Level: The examination of respondents' education levels indicated that the majority held a master's degree.

Work Experience: The assessment of work experience showed that the largest proportion of respondents had between 16 to 20 years of work experience.

To evaluate and determine an appropriate model for strategic management of industrial cooperatives in the country with a future-oriented perspective, factor analysis was used. The following presents the factor analysis model of the indicators for the proposed strategic management model of industrial cooperatives in the country. If the factor loading is below 0.3, the relationship is considered weak and is disregarded. A factor loading between 0.3 and 0.6 is acceptable, while a factor loading above 0.6 is considered highly desirable.

At present, all components have factor loadings above 0.6, indicating that the model is "highly desirable." The following table presents the factor loadings of each component separately:

Table 1. Factor Loadings and Path Coefficients for Strategic Management Components of Industrial Cooperatives in the Country with a Future-Oriented Perspective

No.	Component	Factor Loading	Significance
1	Job interweaving aligned with strategies	0.987	Significant
2	Organizational transparency	0.979	Significant
3	Strategic cohesion and integration	0.969	Significant
4	Financial resources with a future-oriented approach	0.940	Significant
5	Job segmentation and classification in line with strategy implementation	0.936	Significant
6	Future-oriented educational resources	0.906	Significant
7	Bureaucracy or structural bureaucracy	0.894	Significant

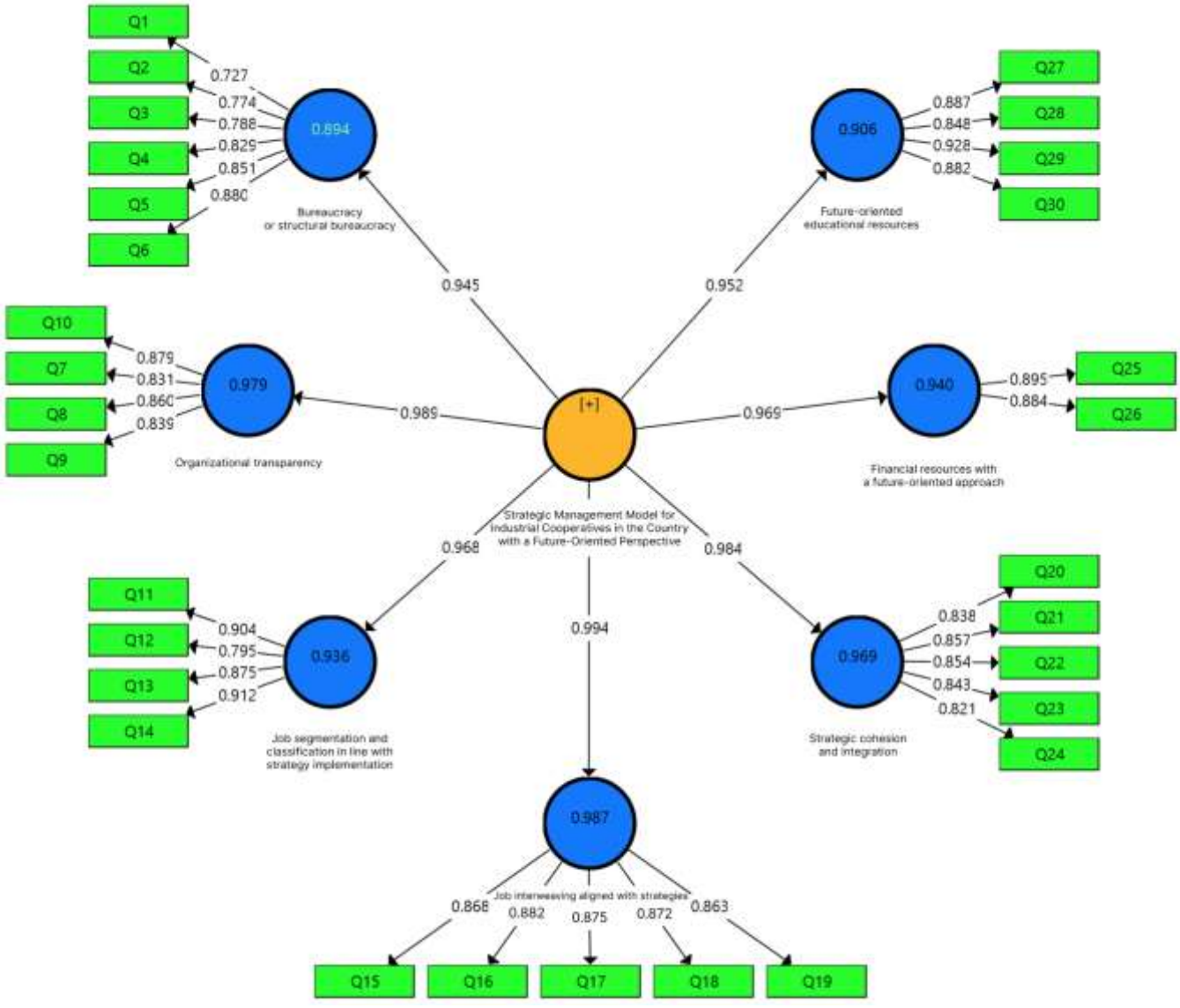

Figure 1. Model with Factor Loadings

As observed in the exploratory factor analysis model, none of the components representing the indicators for the proposed strategic management model of industrial cooperatives in the country had a factor loading below 0.3, meaning that no component was excluded from the factor analysis process. Since all remaining factor loadings exceeded 0.6, the model is considered "highly desirable."

Table 2. Model Fit Indices

Fit Index	Acceptable Range	Bureaucracy or Structural Bureaucracy	Organizational Transparency	Job Segmentation and Classification	Job Interweaving Aligned with Strategies	Strategic Cohesion and Integration	Financial Resources with a Future-Oriented Approach	Future-Oriented Educational Resources
Chi-Square (X^2)	-	47.187	39.841	43.944	44.645	31.860	29.766	43.430
Degrees of Freedom (df)	-	40	31	30	37	33	17	31
X^2/df	≤ 3	0.175	0.133	0.048	0.181	0.524	0.028	0.068
RMSEA	≤ 0.08	0.060	0.013	0.130	0.049	0.068	0.028	0.043
RMR	≤ 0.08	0.040	0.011	0.190	0.025	0.036	0.022	0.041
NFI	Close to 1	0.89	0.91	0.93	0.99	0.95	0.98	0.97
CFI	Close to 1	0.87	0.93	0.96	0.97	0.98	0.99	0.99
GFI	Close to 1	0.91	0.95	0.97	0.96	0.99	0.93	0.98
AGFI	Close to 1	0.89	0.96	0.93	0.92	0.97	0.91	0.95

As demonstrated, the calculated values for RMSEA, RMR, NFI, CFI, and AGFI confirm the model's fit. It should be noted that the RMSEA and RMR values are below 0.08, while the GFI and AGFI values exceed 90% and are close to 1, indicating the model's validity. All of these indices fall within acceptable ranges.

In the present model, the components of the strategic management model for industrial cooperatives in the country with a future-oriented perspective include bureaucracy or structural bureaucracy, organizational transparency, job segmentation and classification in line with strategy implementation, job interweaving aligned with strategies, strategic cohesion and integration, financial resources with a future-oriented approach, and future-oriented educational resources. These elements were considered as observed variables (first-order latent variables), while the strategic management of industrial cooperatives was treated as a latent variable (second-order latent variable). The model fit indices in factor analysis confirm the model's validity.

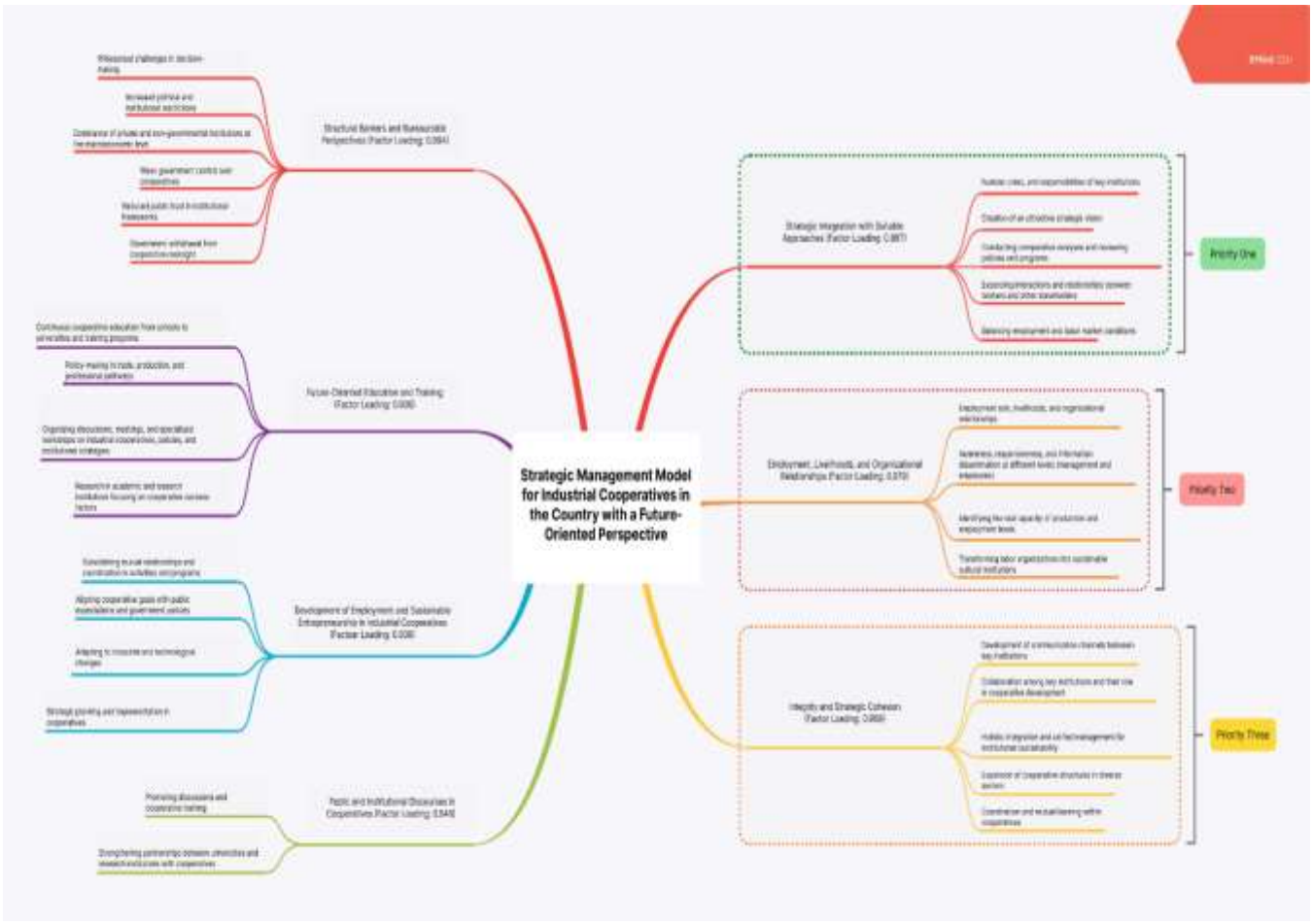

Figure 2. Final Model of the Study

4. Discussion and Conclusion

As mentioned in the problem statement, one of the reasons for the underdevelopment of the cooperative sector in Iran can be attributed to its theoretical foundation. "Although more than eight decades have passed since the inception of the cooperative movement in the country, no comprehensive study has yet been conducted to derive a theory or model for the growth and prosperity of this sector within the national economy. Consequently, there is no robust theoretical foundation to identify the most influential factors in this process."

Industrial cooperatives, through proper engagement with other industrial sectors, society, elites, and knowledge production centers, operate as a community that requires an endogenous approach to maximize economic capacities through the production and sale of services while maintaining a constructive outward-looking perspective. Under these circumstances, the mental model of all stakeholders shifts toward the new framework, positioning industrial cooperatives as a highly influential factor with unique functions in the country's industrial development. Cooperatives adopt a long-term perspective, and as a dynamic human-based society, they strive to expand their audience and domain.

By conducting this research on the strategic management of industrial cooperatives in the country with a future-oriented perspective, the researcher was able to propose an appropriate model to address this issue. Furthermore, it should be noted that the findings of this study align with prior research [1-5, 8, 11, 13, 14].

Additionally, the results of this research are consistent with the prior [1-3, 13, 15-19].

Regarding previous studies, the research [2, 5-7, 9, 20-23] also support the findings of this research. However, the present study has been conducted on a significantly broader and more comprehensive scale.

Based on the findings of this research, several recommendations can be proposed to enhance the strategic management of industrial cooperatives in the country with a future-oriented perspective. One essential recommendation is to establish efficient mechanisms that align with the key validated components of the strategic management model. This includes addressing bureaucratic inefficiencies through effective planning and management of the organizational structure, decision-making power, and the hierarchical levels within cooperatives. Enhancing job interweaving in line with strategies is also critical, requiring a focus on the alignment of job responsibilities, incentives, and the reduction of redundant functions across cooperative entities. Additionally, promoting organizational transparency through structured job descriptions, regulations, and accountability measures can significantly improve cooperative governance.

To ensure the effective implementation of job segmentation and classification in alignment with strategic goals, it is necessary to integrate logical and consistent planning mechanisms. This involves aggregating similar tasks, restructuring job roles based on technological advancements, and ensuring that job functions are aligned with cooperative strategies. Furthermore, strengthening strategic cohesion and integration is essential, which can be achieved by defining communication channels among responsible institutions, fostering inter-organizational collaboration, and establishing a central governing authority to oversee cooperative affairs. Financial resources must also be managed with a future-oriented approach, necessitating targeted financial support and the establishment of dedicated cooperative banks and credit institutions. Similarly, investing in forward-looking educational resources is crucial, including the incorporation of cooperative education into school curricula, extensive policy planning in media outlets, and organizing international cooperative conferences to foster knowledge-sharing and global engagement.

Another set of recommendations stems from expert interviews, where key transformative strategies were identified for the strategic management of industrial cooperatives at the macro level with a future-oriented approach. The first transformative strategy is to promote a cooperative culture through targeted awareness campaigns, community engagement, and education initiatives. This can be achieved through organizing conferences, workshops, and training sessions to educate the public and key stakeholders about the principles, values, and benefits of cooperatives. Developing digital platforms such as cooperative portals, integrating cooperative education into school and university curricula, and producing media content in collaboration with national broadcasting organizations are also essential steps toward fostering a cooperative mindset. Additionally, celebrating successful cooperative models and organizing national festivals can serve as a means to inspire and encourage further participation in cooperative activities.

Another critical recommendation is the development of management capabilities and the empowerment of human resources within cooperatives. This requires revising the cooperative training system to focus on management capacity-building, publishing educational materials, and strengthening the role of cooperative chambers and unions in delivering training programs. Furthermore, regular training sessions on modern management and marketing strategies should be held to enhance cooperative efficiency. Supporting productivity enhancement initiatives, standardizing management and supervisory practices, and facilitating the acquisition of international certifications such as ISO standards are also key measures that can contribute to the professionalization and sustainability of industrial cooperatives. Finally, strengthening network interactions is crucial, as it fosters cooperative collaboration, enhances economic and managerial ties, and integrates cooperatives

into broader economic structures. This can be achieved through extensive research on cooperative networking opportunities, establishing real and virtual communication networks, and designing value-added supply chains within the cooperative sector. Encouraging international cooperation and aligning domestic cooperative policies with global cooperative movements will further enhance the sector's effectiveness and sustainability.

Authors' Contributions

Authors equally contributed to this article.

Ethical Considerations

All procedures performed in this study were under the ethical standards.

Acknowledgments

Authors thank all participants who participate in this study.

Conflict of Interest

The authors report no conflict of interest.

Funding/Financial Support

According to the authors, this article has no financial support.

References

[1] A. Rabet and M. Einollahi, "Examining the Status of Industrial and Agricultural Cooperative Companies' Activities in Competitive Market Spaces," *Cooperation and Agriculture,* no. 48, pp. 2-28, 2024.
[2] E. Babakhani and H. Rostami, "Differential Treatment of Economic Crimes in the Legal Systems of Iran and France," *Comparative Research on Islamic and Western Law,* vol. 9, no. 31, pp. 31-62, 2022.
[3] F. Rajabpour and H. Alizadeh, "Investigating the impact of environmental factors on the adoption of social media among small and medium enterprises during the Covid-19 crisis," *The 6th National Conference and the 3rd International Conference on New Patterns of Business Management in Unstable Conditions,* pp. 1-13, 2024, doi: https://civilica.com/doc/2098684/.
[4] A. Karbalaei Aghasi, K. Sarhangi, and V. Hajilou, "Examining the Impact of Cloud Computing on the Organizational Performance of Commercial and Trading Companies," *Journal of Management and Industrial Engineering Research*, no. 4, pp. 87-105, 2021.
[5] N. Amani, S. Iran Zadeh, and H. Taqizadeh, "A Causal Model of Lean Production Tools Affecting the Sustainability of the Supply Chain in Productive Cooperatives of East Azerbaijan Province," *Cooperation and Agriculture,* no. 41, pp. 61-81, 2022.
[6] H. Vafaei Basir, M. Esmailpour, A. Asghari Sarem, and A. Esambolchi, "Identifying Success Factors in Industrial Cooperatives Using the Critical Incident Technique," *Cooperation and Agriculture,* no. 39, pp. 97-134, 2021.
[7] J. Olfati and B. Rezaei, "Examining Factors Influencing the Development of Industrial Cooperatives in Kermanshah Province," *Progress and Development of Kermanshah Province,* no. 1, pp. 26-41, 2021.
[8] H. Alizadeh and G. Khalili Asr, "Evaluation of the online shopping experience based on the behavioral characteristics of customers of art products," *Scientific Journal of New Research Approaches in Management and Accounting,* vol. 6, no. 23, pp. 1109-1123, 2023, doi: 10.1186/s40510-047-1024-2.
[9] D. K. Afrida, E. W. P. Lestari, F. Lailiya, and A. F. Suwanan, "Peran Digitalisasi Koperasi Sebagai Pendongkrak UMKM Dalam Pengembangan Ekonomi Wilayah Kota Surabaya," *Prosiding Seminar Nasional Ekonomi Pembangunan,* vol. 1, no. 2, pp. 151-158, 2021.
[10] D. A. A. Jafari, "Prosecution of White-Collar Criminals and Its Challenges," *Excellence of Law Quarterly,* no. 13-14, 2011.
[11] W. Nobani, "Social Marketing and Its Impact on Productivity in the Cooperative Sector - Case Study: Cooperatives in Hormozgan Province," *Work and Society,* no. 230, pp. 33-45, 2019.

[12] M. Miraazami, "Examining the Relationship Between Empowerment, Job Satisfaction, and Employee Creativity - Social Marketing, Productivity, Industrial Cooperatives," *Work and Society,* no. 230, pp. 46-57, 2019.
[13] T. Dolfinus and D. Soediantono, "Manajemen Rantai Pasok Pada Industri Pertahanan di Era Industri 4.0 dan Digital," *Journal of Industrial Engineering & Management Research (JIEMAR),* vol. 3, no. 4, pp. 77-185, 2023.
[14] Y. Adwimurti, S. Selfiani, and H. Prihanto, "Peningkatan Pemahaman Bisnis Ekspor-Impor Era Revolusi Industri 4.0 Pada Masyarakat Indonesia," *ABDI MOESTOPO: Jurnal Pengabdian Pada Masyarakat,* vol. 6, no. 2, pp. 138-146, 2023, doi: 10.32509/abdimoestopo.v6i2.2356.
[15] A. Haji Zadeh, R. Mousizadeh, and S. Shahabi, "The Impact of International Financial System Transparency on Government Performance with Emphasis on the Approach and Procedure of the Islamic Republic of Iran," *Faculty of International Relations, Ministry of Foreign Affairs,* 2019.
[16] H. Bettis-Outland and M. Dee Guillory, "Emotional intelligence and organizational learning at trade shows," *Journal of Business & Industrial Marketing,* vol. 33, no. 1, pp. 126-133, 2018, doi: 10.1108/JBIM-03-2017-0066.
[17] H. Alizadeh and M. Larijani, "Investigating the impact of currency risk on Bank Mellat's performance through the mediating role of financial intelligence," *Scientific Journal of New Research Approaches in Management and Accounting,* vol. 3, no. 8, pp. 32-47, 2018.
[18] A. Ayat, B. Pakzad, A. Ali, and M. Saber, "Justified Differential Treatment for Economic Crimes: The Threat of Crime or the Risk of Commission," *Criminal Law Research,* vol. 8, no. 28, 2010.
[19] B. Bozan, L. Wever, P. David, and A. Taib, *A New Framework for Security Analysis*. Tehran: Strategic Studies Research Institute, 2007.
[20] J. Olfati and L. Hosseini, "Providing a Development Model for Networking in Small Industrial Cooperatives Using Structural Equations," *Progress and Development of Kermanshah Province,* no. 3, pp. 20-41, 2021.
[21] M. Jafari, Mojtaba, and A. Aghababayi, "Macro-Level Disruption Crime in the Economic System According to the Law on Economic Disruptors and Article 286 of the Islamic Penal Code," *Scientific Journal of Legal Research,* vol. 20, no. 47, 2021.
[22] S. H. Hosseini and M. Soleimani, "A Model for Public Participation in the Economy with an Emphasis on the Thought of Imam Khomeini," *Islamic Economic Knowledge,* no. 21, pp. 131-150, 2020.
[23] H. Fathi, S. Ali, H. Taqizadeh, and H. Niki Esfehlan, "Explaining the Role of Network-Oriented Behaviors in the Performance of Productive Cooperatives in East Azerbaijan Province," *Cooperation and Agriculture,* no. 33, pp. 61-87, 2020.