



## Designing the structural equation model of business behavior components Case study: Iran's cement industry

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### **ABSTRACT:**

The cement industry is one of the key industries that plays an important role in the development of the country. In a global environment of intense competition and continuous change, companies must focus on improving their service levels and increasing customer satisfaction in order to maintain competitiveness and achieve long-term survival. The purpose of this research was to design the structural equation model of business behavior components in Iran's cement industry. The research method is descriptive-survey, and in terms of the relationships between variables, it is correlation of the path analysis type, and in terms of the method of collecting information, it is field and in terms of the goal, developmental-applicative. The statistical population of the research included all the managers and experts of the cement industry, firstly, 13 of them were interviewed using a judgmental sampling method to determine the variables of business behavior, and then, using a simple random sampling method, the number of 33 people was determined, and research questionnaires were distributed among them. Based on the data extracted from the questionnaire, the evaluation of the model was presented. SPSS version 20 and Smart PLS version 2 statistical software were used for data analysis. In the inferential statistics section, the statistical technique of structural equation modeling was used to test the research hypotheses. According to the findings, 9 main variables were identified in business behavior in Iran's cement industry. According to the results, 5 hypotheses were confirmed. These factors have a significant effect on the performance of cement companies.

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## 1. Introduction

The rapid progress in the era of globalization has a significant impact on the competition in the industry sector, which is caused by technological developments. Various efforts have been made by manufacturing companies to produce quality products with optimal quantities (Amrina et al., 2020). Companies usually try to maximize their profits and have various options for this. Companies can seek to increase productivity, improve energy efficiency or change their price structure (Chu Liu, 2006). Business behavior appears in all the activities that a company does. Business processes describe how work is coordinated to achieve operational and strategic business goals. Operational modeling begins with discussions with various business stakeholders to understand the overall business problem and define the scope of modeling. Business process modeling is an essential tool for identifying organizations and arguing about how to achieve business goals (Liu et al., 2007). Business relationships are one of the most important sources of a company's competitive advantage. This issue is very important for active companies in business markets. Because they need to develop strategies for cooperation with their customers and suppliers in the business network. Business networks have a deep impact on the performance of companies, but there is still no empirical evidence to investigating this effect for behavioral issues (Thornton et al., 2015). Due to companies' less knowledge of social and behavioral skills, there is still a performance gap in achieving organizational goals. Therefore, there is a need to use a behavioral management system (Rana, 2006).

Considering that cement is a strategic commodity and plays an important role in the economy of Iran and the world in various aspects, the continuous study of this industry is necessary for the efficiency of this industry due to the rapid global developments in various sectors of production, trade, environment ,and communications. Applying business behavior knowledge in the cement industry can provide solutions to solve the major problems that exist in this industry and thus can play a significant role in the growth and competition of this industry at home and abroad, which will ultimately lead to profitability and pure income. Therefore, in this study, the cement industry was selected as the case study. Also, the study of research background shows that there is no rich literature in this field and no history of research on management and behavioral studies, which has led to a relative neglect of the importance of business behavior in these studies. Therefore, by studying business behavior and providing a model in this field, we should help to extend this new concept in behavioral studies. The context of research is to provide a pattern of all strategies, behaviors, activities, and reactions of Iran's cement companies against each other and society. Accordingly, this

research seeks to fill the existing research gap by identifying the business behaviors. For this purpose, a model of these behaviors in Iran's cement industry in different dimensions and components to explore its components and investigate the impact of these behaviors on industry performance is provided. Also, this study provides solutions and strategies to all managers and experts of this industry to solve the problems seen in these behaviors. Therefore, the present study seeks to answer this scientific question: What is the business behavior in Iran's cement industry?

## 2. Literature Review

One of the reasons why the behavioral theory of the firm is important is that it shows that decision making in organizations can be studied in detail and provides a model that has been followed by many others. One indication of the early importance of a behavioral theory of the firm to economics is the reviews it received by economists at the time. A behavioral theory of the firm has received positive contemporary reviews from economists and economic journals. March and Simon (1958) attempted to create a catalog to organize all things known about organization theory, while Sieber and March (1963) sought much more to find relevant things to say about the theory of the firm. These are all themes that are deeply embedded in today's work on organization theory and strategy (Augier, 2013). Environmental issues can be divided into three broad categories: strategic, operational, and technical. Companies' behavior is divided into four types: strategic choice, production decisions, technological innovation and environmental management (Zhao et al., 2015).

Behavioral strategy: Behavioral strategy has been defined as follows: Behavioral strategy is the integration of cognitive and social psychology with the theory and practice of strategic management. Behavioral strategy aims to provide realistic concepts about human cognition, emotions and social behavior to the strategic management of organizations and thus enrich strategy theory, empirical research and real practice in the world. The diversity of behavioral strategy research mainly shows the real diversity in the empirical field (Powell et al, 2011). Behavioral strategy can provide clear explanations for important research questions about strategic management using realist assumptions based on cognition, behavioral decision theory, psychology, and organizational behavior. As a result, it can advance the field of strategic management (Schmidt and Tarakci, 2013).

Business strategy: Porter (1980) argues that business strategies are policies and positions that a business entity adopts in response to its competitive business environment with a set of values or product mix that aims to compete with competitors place (Agustia et al, 2020).

The behavior strategy with competitors: the company's competitive behavior includes specific and observable moves and dealing with the abuses that the company does to compete with its competitors (Offstein and Gnyawali, 2005). In 2018, Hsieh and Hyun conducted a study on various mechanisms that promote competition between companies. Their findings show that there are several mechanisms in companies' decisions to adapt to their competitors' strategic actions, and the primary mechanism can change from one company to another, depending on the level of asymmetry between a pair of competing companies. Competition in the cement industry is moderate. The market structure in different regions of the world tends to be oligopolistic. This is due to high fixed cost and creates a highly concentrated environment with limited competition (Selim and Salem, 2010).

The behavior strategy with government: The three stakeholders, namely the government, the company and the consumer, work together in product development (Zhang et al., 2019). An integrated government contributes to a good investment environment, which is essential for local economic development. Some of the government's policies are contradictory or they often change, and the favorable promises of the government have not always been fulfilled. These problems threaten the government's image and make companies less eager to invest. Government influences the behavior of companies during periods of economic change. The integrity of the government can lead to the guidance of individuals, companies and society, and thus affect the external environment of the company and influence the investment behavior of companies (Du et al., 2018). The growing production of cement in all countries and in non-governmental organizations, considering the global policy to solve the problems caused by this industry. An effective global policy can only be found if different factors cooperate. A capital-intensive industry that uses scarce resources to operate (such as fuel) means that governments must take care of production in some way. Even if cement is produced domestically, it is influenced by global production and the presence of profitable opportunities to relocate production sites makes this industry an attractive industry for government regulation (Selim and Salem, 2010).

The behavior strategy with shareholder: Most companies spend a lot of time and attention on managing their shareholders and believe that if they identify and attract shareholders correctly, they can have significant advantages in the capital market (Yung and Jian, 2017). Jameson and colleagues in 2014 showed that the presence of controlling shareholders in the



corporate governance structure is generally costly for minority shareholders in Indian companies. According to the findings of Imran and Abbas (2013), there is a long-term relationship between macroeconomic variables and the efficiency of the cement industry. The influence of the behavior of these variables helps investors to make a wise decision about buying cement stocks.

Corporate governance behavior strategy: Corporate governance is the system of financial control through the board of directors, the term governance is also used relationally (Ninan et al., 2019). Abbas and Shahid's study in 2019 examines the impact of corporate governance and investor confidence on investment decisions in India and Pakistan. The findings of this study confirm that corporate governance has a significant effect on the relationship between investor confidence and corporate investment decisions in India and Pakistan. Somani and Bhatia (2018) concluded during their study that the size of the board of directors and independent directors have a positive relationship with the performance of cement companies. Therefore, during the past years, the relationship between the parameter of corporate governance and ROCE<sup>1</sup> has been increasing among cement companies.

The behavior strategy with supply chain: In the past decades, various industries have experienced the advancements of outsourcing process, increased importance of buyer-supplier relationships, industrial marketing/ B2B<sup>2</sup> and supply chain management. At the heart of effective management of these exchanges is the ability to manage various behavioral aspects of relationships, such as opportunism, coordination, negotiation, mutual adaptation, and response to various external changes. These behavioral elements can have significant performance implications for different firms in exchanges. These two domains are increasingly associated with common management decisions and issues such as pricing, negotiations, buyer/supplier behavior, information sharing, customer relationship management, and product development/commercialization, where behavioral aspects can play a vital role in exchange relationships (Tangpong et al., 2018). Noche and Elhasia (2013), pointed out that in the new century, global demands for construction and infrastructure improvement, increasing awareness of sustainable development and regulations with social and environmental incentives, resource constraints, and growth in some cement markets and decline in others have forced cement producers to use supply chains and logistics. Developing and implementing appropriate supply chain management strategies leads to increased productivity, maximizing efficiency and minimizing costs and environmental impacts.

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<sup>1</sup> . Return On Capital Employed

<sup>2</sup> . Business-to-business

The behavior strategy with labor unions: Economists have long considered the economic effects of unions. However, a distinctive feature of this trend is the tendency to focus on firm-level effects (Palley and LaJeunesse, 2007). In the financial and economic literature, unionized firms place great emphasis on improving their bargaining power against labor unions. In general, unions try to maximize the profits of their members by transferring capital from shareholders. In this way, their interests are not necessarily aligned with the interests of the shareholders. Therefore, if companies have a strong bargaining position, they can receive more concessions from their unions and receive a greater share of the value of the company's activities. According to Candland (1995), workers in Indian and Pakistani cement companies used some clever strategies to oppose structural adjustment. Workers at the Thatta<sup>1</sup> cement company challenged the government's privatization policy in court on the grounds that the privatization commission, appointed by the Prime Minister, did not exist under the law.

The behavior strategy with media: Favorable media coverage may improve the organization's reputation, improve relationships with stakeholders, and create strategic advantages (Jacobs and Wonneberger, 2017). Eugenio et al. (2015) stated that Alfa Portugal cement company has made its sustainability report available to its various stakeholders. They have also used various media to convey information related to environmental and social responsibilities. These have included company web pages, brochures, press conferences, CD-ROMs and videos to explain specific projects and initiatives, among others. They concluded that media pressure as a tool to restore corporate legitimacy has influenced sustainability reporting and sustainability strategies.

Networking behavior strategy: Exchange networks between organizations constitute a specific form of market that consists of direct and indirect business relationships. Focusing on direct business relationships has helped to understand the nature of business exchanges and interactions in the relationship between two organizational agents. According to Ebers, organizational networks can be seen as a specific form of organization or governance and exchange of relationships between organizations. (Thornton et al., 2013). Dahlstrom (2019) describes the networking in the Scandinavian cement industry as follows: cooperation in the Scandinavian cement industry is as old as the industry itself. Close communication between managers and companies makes it easy to achieve cooperation, because social events and personal relationships were part of creating networks. Cooperation periods were extensive and colleagues learned to trust each other. Cement producers set up cartel agreements across

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<sup>1</sup> . In Sindh province, Pakistan

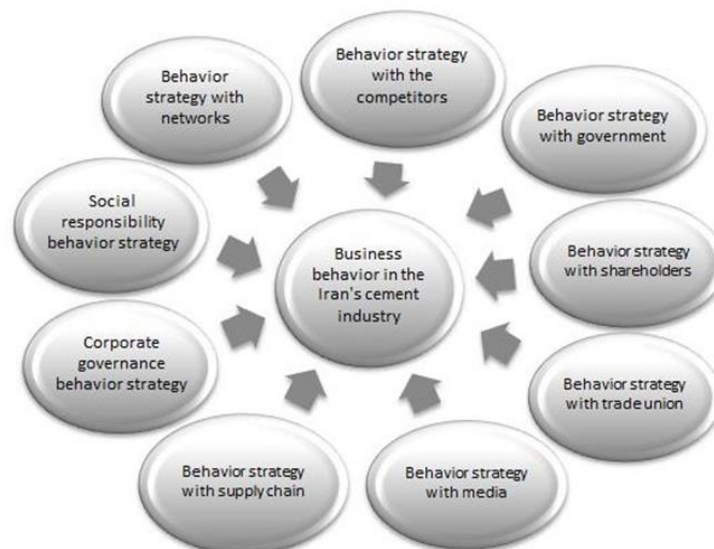


borders. In each country's cement industry, there were at most a handful of companies that could join together and cooperate with companies from other countries.

**Corporate social responsibility behavior strategy:** Corporate social responsibility refers to certain organizational actions and policies that are based on the expectations of stakeholders and the three lines of economic, social and environmental performance (Tuan et al., 2019). From an organizational point of view, one of the ways to manage the tension between legitimacy and profitability and the conflicting demands of different groups of shareholders is to try to achieve correct corporate social responsibility activities (Schaefer et al., 2019). Kumari et al. (2017) found out during their studies in Ambuja cement company that the foundation of corporate social responsibility activities was equal to the understanding and expectations of the community, and these activities had a positive impact on the community, and maintained the company's annual sustainability reports. Also, their study shows that this company actively participated in corporate social responsibility and adhered to its obligations towards society, environment and development of a self-sustainable society.

### 3. Theoretical framework of research

In this research, after reviewing the literature and library studies, business behaviors in Iran's cement industry were determined in nine main behaviors, which include behavior with competitors, behavior with government, behavior with shareholders, behavior with labor unions, behavior with media, behavior with supply chain, corporate governance behavior, behavior with networks and social responsibility behavior. In the continuation of the research, the sub-behaviors in each of these main behaviors are identified. Accordingly, the conceptual framework of the research is in accordance with Figure 1.



**Figure 1 - Conceptual framework of research.**

#### **4. Research methodology**

The current research is descriptive of the survey type, is correlational in terms of the relationships between the variables, is field in terms of the method of collecting information, and is applied in terms of the results. According to the nature of the hypotheses, correlation research can be considered as a type of structural equation modeling (path analysis) in which internal relationships between variables are examined in the form of model discovery and explanation and its purpose is to examine the relationship between exogenous and endogenous hidden structures in the model. This model was formulated with the possibility that business behavior variables have an effect on the performance of cement companies in Iran. The statistical population of this research included all the managers and experts of the cement industry, and in the first stage, 13 of them were interviewed using the judgmental sampling method to determine the variables of business behavior, and in the second stage, due to the small size of the population, the number of 33 people was determined as a sample using the simple random sampling method. According to the objectives of the research, in order to collect the required information from the personal information questionnaire, a researcher-made questionnaire (67 questions on a 5-point Likert scale from completely disagree = 1 to completely agree = 5) was used. The research questionnaires were distributed among 33 people from the research sample and their reliability was calculated using Cronbach's alpha coefficient calculation method, and its value was 0.82, which has acceptable reliability. Also, the content validity of the questionnaire was confirmed by business management professors and cement company experts. For the model evaluation results based on the data extracted from the questionnaire, the model evaluation is presented. For this purpose, in order to increase the accuracy and reduce the amount of mistakes that may occur in manual calculations, SPSS 20th version and Smart PLS 2nd version statistical software were used for data analysis, which have high capabilities in analysis. The data are available. For descriptive statistics, statistical data related to the distribution of respondents to demographic characteristics and other desired characteristics in the questionnaire are given. In the inferential statistics section, the statistical technique of structural equation modeling (confirmatory path analysis) is used to determine the rejection or confirmation of research hypotheses.

#### **5. Data analysis and research findings**





Descriptive findings related to the subjects showed that according to education, 3% of the respondents are associate's degree, 53% are bachelor's degree and 44% are master's degree. In terms of age, 31% of the respondents are between 30-40, 53% are between 41-50, 13% are between 51-60 and 3% are between 61-70 years old. According to the work experience, 13%, 25%, 28%, 13% and 21% of the respondents have between 6-10, 11-15, 16-20, 21-25 and more than 25 years of work experience, respectively. According to the field of study, 53% of the respondents are management and accounting and 47% are engineering. According to the organizational position, 81% of the respondents are managers and 19% are experts. After library studies and interviews with professors, managers and experts of the cement industry, 9 main variables in business behavior in Iran's cement industry were identified, which are behavior with competitors, government, shareholders, supply chain, media, labor unions, networks, corporate governance and social responsibility. SMART-PLS software is used for data analysis. This software determines the correlation between the variables according to the nature of the data. Table 1 shows the correlation between the research variables.

**Table 1- Correlation between research variables**

	Behavi or pattern in the industr y	Beha vior with the media	Networ king behavio r	Beha vior with the suppl y Chain	Corporat e governan ce behavior	Beha vior with the share holde rs	Behavi or with the trade unions	Behavi or with the govern ment	Behavi or with the compet itors	Social respon sibility behavi or
Behavior pattern in the industry	1									
Behavior with the media	0.630	1								
Networki ng behavior	0.764	0.842	1							
Behavior with the supply Chain	0.673	0.751	0.836	1						
Corporat e governan ce behavior	0.632	0.489	0.452	0.561	1					

	Behavi or pattern in the industr y	Beha vior with the media	Networ king behavio r	Beha vior with the suppl y Chain	Corporat e governan ce behavior	Beha vior with the share holde rs	Behavi or with the trade unions	Behavi or with the govern ment	Behavi or with the compet itors	Social respon sibility behavi or
Behavior with the sharehol ders	0.633	0.488	0.449	0.657	0.796	1				
Behavior with the trade unions	0.671	0.689	0.685	0.612	0.694	0.507	1			
Behavior with the governm ent	0.695	0.682	0.606	0.765	0.741	0.706	0.514	1		
Behavior with the competit ors	0.607	0.524	0.636	0.646	0.529	0.466	0.700	0.566	1	
Social responsib ility behavior	0.782	0.842	0.873	0.830	0.554	0.591	0.663	0.718	0.668	1

According to Table 1, the highest significant correlation is related to the relationship between social responsibility and networking with a value of 0.873 and the lowest significant correlation is related to the relationship between shareholders and networking with a value of 0.449. It should be noted that the correlation matrix was obtained at the 95% confidence level. The Kolmogorov-Smirnov test was used to determine the population distribution and normality of the data. In the conducted tests, a significance level of  $P < 0.05$  was considered significant; That is, when the significance level of the test is greater than the error value equal to 0.05, the data are normal and the null hypothesis is confirmed, but when the significance level of the test is smaller than the error value equal to 0.05, the data are not normal and the null hypothesis is rejected. According to the results, considering that the significance level for research variables is smaller than the error value, the data are not normal. We must examine the model in a meaningful way and extract the required values for calculating divergent validity, convergent validity and GOF value in order to fit the research model. Adequacy, appropriateness, and sufficiency of the data are used to check the model; This means that if the fit indices show the fit of the model, the data are suitable and sufficient for analyzing and

concluding the relationships in the model. Figure 4 shows the research model in meaningful mode.

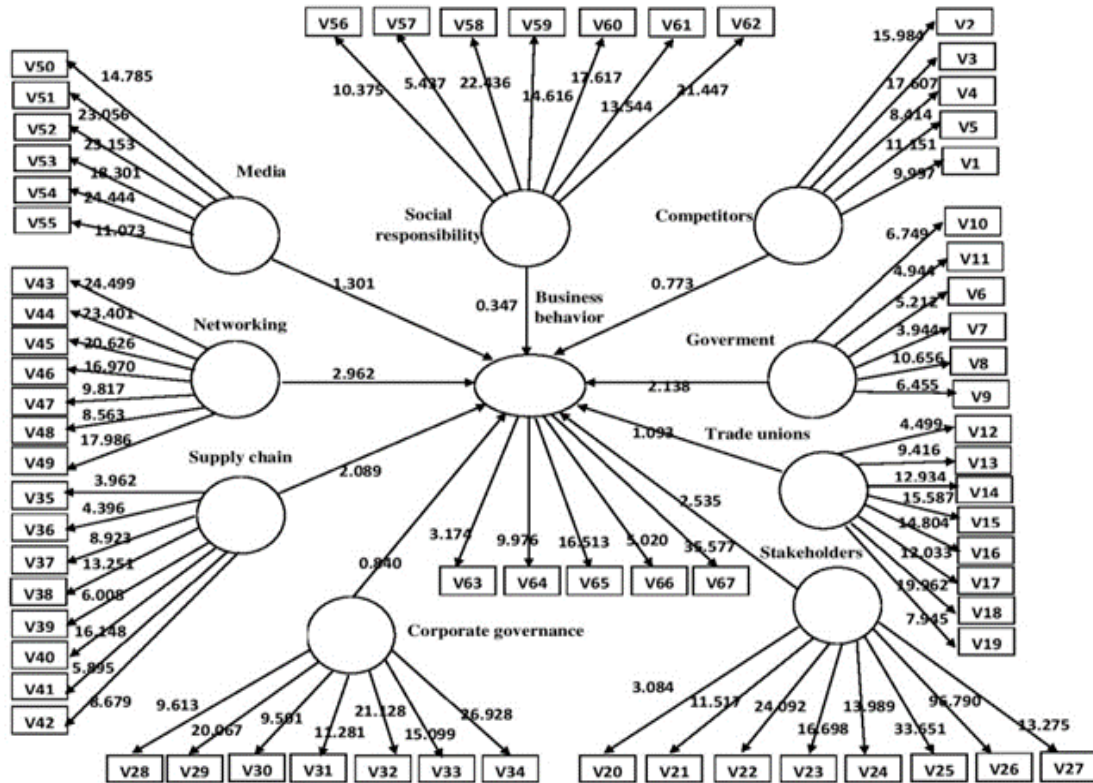


Figure 4- Research model in meaningful mode

In research that uses the partial least squares method, reliability must be calculated for constructs and indicators. The reliability of the constructs has been investigated by Cronbach's alpha coefficient and Dillon-Goldstein coefficient (composite coefficient). Acceptable value for these two coefficients is at least 7. In table 2, the numbers written on each main diagonal must be larger than the majority of the numbers in the corresponding column, in this case the research model has divergent validity. As it is known, this applies to the research model. Ave values related to each variable should be greater than 0.5, in this case the research model has convergent validity. This also applies to the current model. A preliminary and minimal indicator of content validity is face validity. Face validity refers to the items that are expected to measure a concept. They measure the appearance of the concept and seem to measure the concepts. In face validity, we actually check whether the experts confirm that the instrument measures the same thing as it is inferred from it or not. In this research, face validity was done with the opinion of respected professors (supervisors and advisors) and the questionnaire was approved under the supervision of these professors. After the professors approved the form

and content of the questionnaire, the questionnaire was distributed among the statistical sample.



Table 2- Fitting the research model (divergent validity)

	Behavior pattern in the industry	Behavior with the media	Behavior with the networks	Behavior with the supply chain	Corporate governance behavior	Behavior with the shareholders	Behavior with the trade unions	Behavior with the government	Behavior with the competitors	Social responsibility behavior
Behavior pattern in the industry	0.762									
Behavior with the media	0.630	0.883								
Behavior with the networks	0.764	0.842	0.857							
Behavior with the supply chain	0.673	0.751	0.836	0.725						
Corporate governance behavior	0.632	0.489	0.452	0.561	0.842					
Behavior with the shareholders	0.633	0.488	0.449	0.657	0.796	0.864				
Behavior with the trade unions	0.671	0.689	0.685	0.612	0.694	0.507	0.787			
Behavior with the government	0.695	0.682	0.606	0.765	0.741	0.706	0.514	0.740		
Behavior with the competitors	0.607	0.524	0.636	0.646	0.529	0.466	0.700	0.566	0.825	
Social responsibility behavior	0.782	0.842	0.873	0.830	0.554	0.591	0.663	0.718	0.668	0.824

Table 3 shows the reliability and fit of the research model.

**Table 3- Reliability and fit of the research model**

Structure	Cronbach's alpha	Mixed reliability	Value of AVE and COMMUNALITY (Convergent and structural validity)
Behavior pattern in the industry	0.812674	0.872085	0.582013
Behavior with the competitors	0.884313	0.914214	0.680865
Social responsibility behavior	0.920059	0.93648	0.679444
Behavior with the media	0.943278	0.955294	0.781259
Behavior with the networks	0.939885	0.950948	0.734912
Behavior with the supply chain	0.870795	0.898413	0.526522
Corporate governance behavior	0.931351	0.944641	0.710031
Behavior with the shareholders	0.948832	0.958737	0.746554
Behavior with the trade unions	0.910201	0.928213	0.620316
Behavior with the government	0.83278	0.878296	0.547754

***Evaluation of the structural part of the model:***

R2 is a criterion that is used to connect the measurement part and the structural part of structural equation modeling and it shows the effect that an exogenous variable has on an endogenous variable. The exogenous variable of the business behavior pattern in the industry with its endogenous variables, i.e. behavior with competitors, social responsibility, behavior with the media, behavior with networks, behavior with the supply chain, corporate governance, behavior with shareholders, behavior with labor unions and behavior with government, has a strong structural relationship with a value greater than 0.940607, which indicates the strength of the structural part of the model. The Q2 criterion is calculated only for the endogenous structures of the model whose indicators are reflective, and if its value becomes zero or less than zero in the case of an endogenous structure, it indicates that the relationships between other structures of the model and that structure endogeneity is not well explained and as a result the model needs to be modified. Hensler et al. (2009) have determined three values of 0.02, 0.15, and 0.35 regarding the severity of the predictive power of the model in endogenous structures, which respectively indicate the weak, medium, and strong predictive power of a structure in relation to the indicators of that structure. The general structure of the presented model is equal to 0.554434, which shows that it has strong predictive power. The GOF criterion is related to the general part of structural equation models. This means that by this criterion, the researcher can control the fit of the overall part

after checking the fit of the measurement part and the structural part of the overall research model. The obtained GOF value is equal to 0.7884, which is greater than 0.35, indicating a strong overall fit of the model.

### 5-1. Hypothesis testing

At this stage, by the final model that is presented, the assumptions of the research model are tested by SMART-PLS software version 2. In fact, at this stage, the conceptual model of the research is evaluated. After fitting the research model, confirmation or rejection of the relevant hypotheses are determined. In a significant case, the t-value should be greater than 1.96 to 1.28 at the confidence level of 0.95 to 0.80 to confirm the relevant hypothesis. As shown in Table 4, 5 hypotheses are confirmed and 4 hypotheses are rejected.

**Table 4. The results of hypotheses test**

Hypothesis	confidence level	T-VALUE	Result
Behavior with the government has a positive and significant effect on the company's performance.	95%	2.138	<b>confirmation</b>
Behavior with shareholders has a positive and significant effect on the company's performance.	95%	2.535	<b>confirmation</b>
Behavior with the supply chain has a positive and significant effect on the company's performance.	95%	2.089	<b>confirmation</b>
Networking behavior has a positive and significant effect on the company's performance.	95%	2.962	<b>confirmation</b>
Behavior with media has a positive and significant effect on the company's performance.	80%	1.301	<b>confirmation</b>
Behavior with competitors has a positive and significant effect on the company's performance.	-	0.773	<b>rejection</b>
Behavior with trade unions has a positive and significant effect on the company's performance.	-	1.093	<b>rejection</b>
Corporate governance behavior has a positive and significant effect on the company's performance.	-	0.840	<b>rejection</b>
Social responsibility behavior has a positive and significant effect on the company's performance.	-	0.347	<b>rejection</b>

## 6. Conclusions and suggestions

In this research, in order to analyze the collected data, descriptive statistics of the demographic variables of the research, including gender, age, work experience, level of education, field of study, and organizational position were presented using SPSS software, and then inferential statistics were presented. In the inferential statistics section, first the reliability including factor loading coefficient, Cronbach's alpha, composite reliability and convergent



validity including average variance extracted and divergent validity were examined, then the fit of the structural model was examined through R<sup>2</sup> and Q<sup>2</sup> criteria and finally the overall fit of the model was evaluated through the GOF criterion. At the end, hypothesis testing was done. According to the research results, the presented model has strong reliability and validity. In the hypothesis testing section, out of 9 hypotheses presented, 5 hypotheses were confirmed. Behavior with government, behavior with shareholders, behavior with supply chain, networking behavior, and behavior with media have a significant effect on the performance of cement companies, and behavior with competitors, behavior with labor unions, corporate governance behavior, and social responsibility behavior do not have a significant effect on the performance of cement companies. To improve and strengthen these behaviors, the following suggestions are provided.

Behavior with government: helping the government in allocating funds to large construction projects, creating mutual benefits for the cement industry and the government, the effectiveness of government policies in reducing problems related to sanctions, inflation, currency fluctuations, bargaining through trade unions on obstacles and transmitting suggestions and criticisms through trade unions, avoiding the development of inefficient policies by the government (such as giving loans with long-term repayment and conditions, discriminating between the cement industry and other industries, corruption and non-profit in inappropriate pricing for exports, unreality of energy prices, giving illegal construction permits, not considering the cement industry as a local industry).

Behavior with shareholders: Identifying, attracting and keeping shareholders as company capital, offering shares on the stock exchange and over-the-counter and entering small shareholders, creating transparency and honest communication with shareholders, creating attractiveness for shareholders, providing reasonable profits based on an economic logic, participation the shareholders in profits and losses, respecting the rights of the shareholders, adopting policies to obtain the satisfaction of the shareholders, on time payment according to the profit criteria.

Networking behavior: Monitoring informal networks, building trust in the network, removing unrelated people in the network and replacing qualified people in the network, providing resources from within the network, interacting with other organizations (factories) in the field of exchanging specialized information and knowledge, forming working groups to express positive and negative points.

Behavior with media: Using public relations to interact with the media, providing reliable and timely news, engineering public opinion to create a positive impact, checking and



choosing the right media, using social networks and virtual space, checking and choosing the right method for advertising.

Behavior with supply chain: Treating supply chains as business partners, using technical commissions to select contractors and interacting with them, balancing production capacity according to supply and demand, using arrangements for transportation, holding public tenders healthy and fair, buying and selling on credit, expanding the value chain (entering low-end industries), customer orientation, helping and supporting agencies.

Also, compared to these meaningful behaviors, behavior with competitors, behavior with labor unions, corporate governance behavior, and social responsibility behavior are less significant. Therefore, cement companies should improve their performance by trying to strengthen these behaviors. The suggestions presented in this regard are as follows.

Behavior with competitors: Creating strategic alliances between competitors through centralized management, adhering to assigned quotas (production and supply), preventing dumping by controlling prices, following the principles of healthy competition (by preventing unprofessional and negative competition, modeling leading and successful companies, respecting honesty and transparency, preventing cumulative sales and brokering), creating a competitive advantage (through the selection and hiring and maintenance of efficient human capital, efficient and correct management, reducing maintenance and repair costs), marketing, packaging, transportation, sales engineering services, after sales services, quality, use of new technologies).

Behavior with labor unions: Complying with labor and social security laws and regulations, establishing the Islamic labor council by the management and involving the heads of the council, interacting with the unions created by the workers, cooperating and coordinating with the heads of the unions to prevent disputes and strikes, agreement efficient by sharing information, clarifying information and building trust, aligning the interests of the organization and the councils.

Corporate governance behavior: Professional and efficient management through the formulation of strategic plans and adoption of improvement policies and human resources, having various guidelines and regulations and directives related to the implementation of the standard system, revision and adjustment of corporate governance laws and regulations, protection of investors' rights and presentation of reliable reports in the annual general meeting, interaction between managers and shareholders, holdings' sovereignty over subsidiaries and the obligation to comply with their laws.

Social responsibility behavior: Creating a healthy environment and supporting the families of employees, participating in public benefit and humanitarian activities, collecting and using waste, complying with global environmental standards, creating economic prosperity, paying attention to the health of the region's ecosystem, creating employment in the region.

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