



University of **HUDDERSFIELD**

University of Huddersfield Repository

Aldehayyat, Jehad S., Khattab, Abdel Al and Anchor, J.R

The use of strategic planning tools and techniques by hotels in Jordan

Original Citation

Aldehayyat, Jehad S., Khattab, Abdel Al and Anchor, J.R (2011) The use of strategic planning tools and techniques by hotels in Jordan. *Management Research Review*, 34 (4). pp. 477-490. ISSN 2040-8269

This version is available at <https://eprints.hud.ac.uk/id/eprint/10096/>

The University Repository is a digital collection of the research output of the University, available on Open Access. Copyright and Moral Rights for the items on this site are retained by the individual author and/or other copyright owners. Users may access full items free of charge; copies of full text items generally can be reproduced, displayed or performed and given to third parties in any format or medium for personal research or study, educational or not-for-profit purposes without prior permission or charge, provided:

- The authors, title and full bibliographic details is credited in any copy;
- A hyperlink and/or URL is included for the original metadata page; and
- The content is not changed in any way.

For more information, including our policy and submission procedure, please contact the Repository Team at: E.mailbox@hud.ac.uk.

<http://eprints.hud.ac.uk/>

The Use of Strategic Planning Tools and Techniques by Hotels in Jordan

Jehad S. Aldehayyat
Business School
Al-Hussein Bin Talal University, Jordan
Maan PO Box 149
Jordan
Tel: + 962 776131516
dr.j.aldehayyat@ahu.edu.jo

Adel A. Al Khattab
Business School
Al-Hussein Bin Talal University, Jordan
Maan PO Box 260
Jordan
Tel: + 962 777640240
adel_alkhattab@yahoo.co.uk

John R. Anchor
Business School
University of Huddersfield, UK
Queensgate
Huddersfield HD1 3DH
Tel: + 44-1484-472462
j.r.anchor@hud.ac.uk

The Use of Strategic Planning Tools and Techniques by Hotels in Jordan

ABSTRACT

Purpose

This paper aims to understand the use of strategic planning tools and techniques and the nature of its relationship with managers' views of the strategic planning process by hotels in Jordan.

Design/methodology/approach

A review of the literature relating to both strategic planning and strategic planning tools and techniques in both developed and emerging markets is provided. The empirical research was conducted via a questionnaire survey of Jordanian hotels in two cities; namely, Petra and Aqaba.

Findings

The main findings of this research are that the Jordanian hotels engage in the strategic planning process by using a number of techniques. The use of strategic planning tools and techniques relate more to the size of hotel and less to age and ownership type. There is a positive relationship between the use of strategic planning techniques and size of hotel. The managers of these hotels have generally positive attitudes towards the strategic planning process. The managers who believe in the benefits of strategic planning engage more in the practice of it.

Research Limitations/ implications

The nature of this research is descriptive and the method used is a cross-sectional survey. Therefore, future research could be conducted on a small number of these hotels by using a more in-depth approach. Secondly, the sample was restricted to hotels in two cities in Jordan. Further research should include other regions in Jordan and should analyse the ownership types of hotels (such as independent vs. chain) and its star rating.

Originality/value

This paper provides empirical evidence about the use of the strategic planning tools and techniques by hotels in an emerging market context.

Keywords: strategic planning, Jordan, hotels, emerging market

Research paper

The Use of Strategic Planning Tools and Techniques by Hotels in Jordan

1 Introduction

The process of strategic planning has been investigated in some detail during the last thirty years. Although strategy scholars advocate the use of strategic planning tools as an important element of the strategic planning process, there has been limited or no research to date on strategic planning tool usage in the tourism sector. All of the empirical studies reporting tool usage have been conducted in other industry type contexts. Moreover the reporting of the use of strategic planning tools has generally been part of a wider study of strategic planning processes (e.g. Glaister *et al.*, 2009; Elbanna, 2007; Dincer *et al.*, 2006; Koufopoulos *et al.*, 2005; Stonehouse and Pemberton, 2002; Glaister and Falshaw, 1999; Athiyaman and Robertson, 1995; Koufopoulos and Morgan, 1994).

Aldehayyat and Anchor (2008) demonstrate that Jordanian publicly quoted firms make use of strategic planning tools and techniques. However, their study does not report on the strategic planning tools and techniques used in the tourism sector. Consequently, the current study aims to: a) find out to what extent strategic planning tools and techniques are used by hotels in Jordan; b) explore the relationship between certain organisational factors (size, age and ownership) and the use of strategic planning tools and techniques in the context of hotels in Jordan; c) to report on managers' views of strategic planning; and d) to examine the nature of the relationship between the use of tools and techniques and managers' beliefs about the strategic planning process.

2 Literature review

2.1 Strategic Planning

Although there are several definitions of strategic planning, there is no commonly accepted and universal definition of it (Quinn, 1980; Brews and Purohit, 2007).

For the purpose of this paper strategic planning will be defined as “the devising and formulation of organisational level plans which set the broad and flexible objectives, strategies and policies of a business, driving the organisation towards its vision of the future” (Stonehouse and Pemberton, 2002, p. 854).

The strategic planning process is a way of including factors and techniques in a systemic way to achieve specified tasks; it includes the establishment of clear objectives and the necessary processes to achieve them (O'Regan and Ghobadian, 2002; Armstrong, 1982). Strategic planning is considered as an essential tool of management in an organisation, and aims to provide direction and to ensure that the appropriate resources are available at a suitable place and time for the pursuit of its objectives. Strategic planning views strategic decision making as a logical process, in which strategy is formulated through rational analysis of the firm, its performance and the external environment. The strategy is then communicated to the organization and implemented down through successive

organisational layers (Grant, 2009). The benefits of strategic planning (e.g. Greenley, 1986; Koufopolous and Morgan, 1994), can be summarised as: enhancing co-ordination; controlling by reviewing performance and progress toward objectives; identifying and exploiting future marketing opportunities; enhancing internal communication between personnel; encouraging personnel in a favourable attitude to change; and improving the corporate performance of companies (e.g. bringing together all business unit strategies within an overall corporate strategy).

2.2 Previous studies of strategic planning in Jordan and in the tourism sector

Little is known about the practice of strategic planning in Jordan. The limited knowledge of the practice of strategic planning is due partly to the fact that it is not taken seriously in many companies but also because there have been relatively few investigations in Jordan. In fact only a few empirical studies have been conducted which shed any light on strategic planning in Jordanian companies. The first study was by Al-Shaikh and Hamami (1994) and the second by Hamami and Al-Shaikh (1995).

These studies attempted to explore the meaning of strategic planning for Jordanian managers, their attitude towards strategic planning and the main components of their strategic plans. The most important results that emerged from these studies were: strategic planning is not a new phenomenon in Jordanian companies; managers of Jordanian companies had a positive attitude towards strategic planning; 65 per cent of companies had a written plan; and 59 per cent of managers were aware of the meaning of strategic planning, as defined in the study.

Al-Shammari and Hussein (2008) reported on the use of strategic planning in Jordanian manufacturing companies. The study revealed that 31 % of sampled companies were implementing strategic planning. The managers of these companies had generally positive attitudes toward strategic planning. The study found a low to moderate level of commitment, a low level of participation, and a moderate strength of information systems in these companies.

These studies are not sufficient to provide a full picture about the extent of the practice of strategic planning in Jordanian companies. More importantly, no studies at all have been undertaken of strategic planning in Jordanian hotels. Moreover, the study of strategic planning tools and techniques were not investigated as part of these studies. In fact, there has been little or no comprehensive work on strategic planning in tourism firms in any country (Phillips and Moutinho, 2000; Athiyaman and Robertson, 1996).

Hussein and Ayoun (2001) reported on strategic marketing planning and its relationship with the organisational performance of Jordanian tourist organisations. The results of this study indicated that these organisations engaged in strategic marketing planning regardless of their type, age or size. The study also found a positive relationship between the use of strategic marketing planning and organisational performance.

2.3 Strategic planning tools and techniques

A variety of tools and techniques have been developed to help managers identify and deal with strategic planning decisions (Ramanujam *et al.*, 1986). These techniques help managers to change valuable data into forms suitable for decision-making and action (Fleisher and Bensoussan, 2003). The benefits of these tools include: increasing awareness about the business environment, strategic issues, opportunities and threats which helps reduce the risk involved in making certain decisions; establishing priorities in large complex companies and providing a framework for evaluating the relative importance of different business portfolios; and aiding the presentation of complex issues. They may also be seen as a valuable communications device, in addition to their analytical role (Frost, 2003).

Webster *et al.* (1989) presented a set of 30 strategic planning tools and techniques. More recently, Lisinske and Saruckij (2006) identified 28 tools of strategic planning. However, not all these tools and techniques are used by firms operating in the countries which have been surveyed to date.

Most of the empirical studies reporting tool usage have been as part of studies of strategic planning processes. A few studies have investigated the use of strategic planning tools and techniques exclusively. For instance, a recent study of a range of organisations in one region of the UK found that three tools – SWOT, bench marking and critical success factor analysis -were used more extensively than any other (Gunn and Williams, 2007).

Al Ghamdi (2005) investigated the use of strategic planning tools and techniques in Saudi Arabian organisations. He found that 10% of organisations used tools and techniques regularly. The most regularly used tool was analysis of critical success factors, followed by benchmarking, and then “what if” analysis, while SWOT analysis, product life cycle, and stakeholder analysis were used only moderately. Experience curve, portfolio analysis, value chain analysis, Delphi, cognitive mapping, and Porter's five-force analysis were found to be the least used tools.

A study of Egyptian companies (Elbanna, 2007) reported that the most commonly used tools were pro forma financial statements, cost benefit analysis, portfolio analysis, benchmarking, SWOT analysis, competitor analysis, analysis of critical success factors, gap analysis and product life cycle analysis. Less commonly used were experience curve analysis, value chain analysis, Porter's 5-forces analysis, PEST analysis, balanced scorecard and cognitive mapping.

Aldehayyat and Anchor (2008) investigated the use of strategic planning tools and techniques in Jordanian companies which were quoted on the Amman Stock Exchange. The main findings of this study are that the most used techniques by Jordanian companies are financial analysis (for own business), PEST or STEP analysis, Porter's five-forces analysis and analysis of key (critical) success factors; that the managers of these companies had an awareness of most of the techniques surveyed; and that the use of strategic planning tools and techniques related more to the size of company and less to the age or nature of the business.

3 Research Methods

3.1 Research sample and respondents

The sample for this research is drawn from two cities in Jordan—Aqaba and Petra. Petra and Aqaba are the most famous archaeological tourism sites in Jordan and Petra is considered to be one of the new Seven Wonders of the World. Therefore, hotels located in this region operate in a highly competitive and growing environment. Names and addresses of targeted hotels were drawn from the Jordanian Ministry of Tourism and Antiquities website. The data were obtained via self-administrated questionnaires which were sent to the entire population. The rationale for this census was to ensure that the sample is representative. The questionnaires were sent specifically to the general manager of each hotel, since it was believed that this person was most likely to utilize strategic planning techniques to aid their decision making (Gunn and Williams, 2007). Each manager was responsible for one hotel. The questionnaires were distributed and collected personally.

A total of 60 questionnaires were distributed to hotel managers. 40 valid responses were received – the response rate was, therefore, 66.7%, which is considered a good rate compared to other similar studies. Saunders *et al.* (2003) suggest that the response rate when questionnaires are delivered and collected by hand is likely to be between 30% and 50%. 20 respondents did not respond for the following reasons: a hotel policy which deters participation in any academic research (20%); apology with no reason (30%); work pressure (40%); a desire to participate but did not return the questionnaires (10%).

The Chi-square test was used to test that the sample was representative and not biased. The result of the Chi-square test indicated no statistically significant differences between respondents and non-respondents with respect to hotel size, age and ownership ($\chi^2 = 3.002$, $df = 2$, $p = .185$) ($\chi^2 = 3.378$, $df = 2$, $p = .180$) ($\chi^2 = 2.489$, $df = 2$, $p = .295$) respectively. The sample thus is representative of the population and the findings can be generalised to the entire population.

The respondents' characteristics are summarised in Table 1

Table 1: Characteristics of respondents

Characteristics	Freq.	%
Age		
Under 30	2	5.0
30-40	8	20
41-50	12	30
51-60	14	35
61-over	4	10
Gender		
Male	33	82.5
Female	7	17.5
Experience in current position		
Under 5 years	12	30
5-10	19	47.5
11-15	3	7.5
16-20	3	7.5
21-over	3	7.5
Total working experience		
Under 5 years	8	20
5-10	12	30
11-15	14	35
16-20	3	7.5
21-over	3	7.5
Ownership		
Local	27	67.5
Foreign	13	32.5
Employment (hotel size)		
Less than 50 employees	21	52.5
51-100 employees	11	27.5
More than 100 employees	8	20
Establishment date (hotel age)		
Before 1975	6	15
1975-1989	9	22.5
1990- After	25	62.5

55 % of the 40 respondents were under 50 years of age and 82.5% of the respondents were male. 77.5% of respondents had a total experience of less than ten years in their current position. Just 20% of the respondents had less than five years' experience

67.5% of the respondents represented locally owned hotels. 85% of responding hotels had been established after 1975. 80.2% of the responding companies had less than 100 employees.

3.2 Measures

The questionnaire consisted of 30 items belonging to three sets of questions. The first set measured the use of strategic planning tools and techniques. For a total of 16 techniques respondents were asked, on a five-point scale rating from "not use at all" to "very great use", to indicate the degree to which the techniques were used in their strategic planning (Cronbach alpha = 0.8223). The techniques surveyed were the most commonly identified in the literature on strategic planning (Stonehouse and Pemberton, 2002; Glaister and Falshaw, 1999; Ramanujam *et al.*, 1986; Al Ghamdi, 2005; Aldehayyat and Anchor, 2008). The second set of questions measured managers' views on strategic planning. The scale was adapted from Glaister and Falshaw (1999), Dincer *et al.* (2006) and Glaister *et al.* (2009). The respondents were asked, on a scale rating from 1= strongly disagree to 5= strongly agree, to indicate their views towards the strategic planning process. All negatively worded statements were reverse scored. The third set included questions related to establishment date of each hotel, number of employees in each hotel and the ownership of the hotel (multinational or locally owned). It included also questions about the participants' age, gender, work experience in current position and total work experience.

4 Research findings

Table 2 shows that the most used commonly used techniques are financial analysis for own business, SWOT analysis, PEST analysis and Porter's five forces. The results show moderate use of techniques such as: financial analysis for competitors, experience curve analysis, human resource analysis, spreadsheet "what if" analysis and analysis of key (critical) success factors. The results show less focus on techniques such as scenario construction, core capability analysis, value chain analysis, stakeholder analysis and analysis of organisational culture by these hotels.

Table 2: Use of strategic planning tools and techniques

Tools and Techniques	Mean*	SD
SWOT analysis	4.150	1.387
Porter's five-forces analysis	3.900	1.181
Financial analysis for competitors	3.000	1.316
Financial analysis for own business	4.800	1.260
Value chain analysis	2.450	1.108
Portfolio analysis (e.g. BCG: growth- share)	2.900	1.406
Strategic planning software	2.250	1.149
Core capability/ competence analysis	2.900	1.117
Scenario construction	2.950	1.153
Human resource analysis	3.011	1.324
Analysis of organisational culture	2.150	1.369
PEST or STEP analysis	4.000	1.240
Analysis of key (critical) success factors	3.175	1.890
Experience curve analysis	3.000	1.890
Spreadsheet "what if" analysis	3.100	1.215
Stakeholder analysis	2.825	1.195

*The mean is derived from a scale of 1= not use at all to 5= very great use

Table 3 shows that the correlation between size of hotel and the use of strategic planning techniques is statistically significant for all but four techniques; namely, SWOT analysis, financial analysis for own business, strategic planning software and analysis of organisational culture. Table 3 indicates no relationship between the age of hotel and the use of strategic planning techniques or between ownership type and use of strategic planning techniques.

Table 3: Correlation between use of strategic planning tools and hotel –specific characteristics

Tools and Techniques	Size	Age	Ownership
	Spearman's rho (2-tailed) <i>r(p)</i>		T-Test <i>F(p)</i>
SWOT analysis	0.060 (0.733)	0.012 (0.458)	2.118 (0.157)
Porter's five-forces analysis	0.850 (0.000)	-0.089 (0.214)	0.280 (0.600)
Financial analysis for competitors	0.670 (0.001)	0.032 (0.388)	0.024 (0.878)
Financial analysis for own business	0.160 (0.310)	0.080 (0.237)	2.117 (0.158)
Value chain analysis	0.650 (0.000)	0.043 (0.349)	2.468 (0.124)
Portfolio analysis (e.g. BCG: growth- share)	0.430 (0.006)	0.099 (0.186)	2.367 (0.132)
Strategic planning software	0.300 (0.112)	0.106 (0.171)	0.016 (0.899)
Core capability/ competence analysis	0.514 (0.001)	0.062 (0.288)	5.101 (0.899)
Scenario construction	0.370 (0.023)	0.104 (0.175)	0.132 (0.716)
Human resource analysis	0.509 (0.001)	0.046 (0.339)	0.943 (0.383)
Analysis of organisational culture	0.261 (0.110)	0.099 (0.187)	0.3.206 (0.081)
PEST or STEP analysis	0.395 (0.011)	0.024 (0.415)	0.024 (0.878)
Analysis of key (critical) success factors	0.334 (0.040)	0.101 (0.183)	0.445 (0.642)
Experience curve analysis	0.654 (0.041)	0.098 (0.189)	262 (0.612)
Spreadsheet "what if" analysis	0.735 (0.000)	0.134 (0.114)	0.873 (0.422)
Stakeholder analysis	0.871 (0.000)	0.050 (0.340)	0.774 (0.387)

Respondents' views on strategic planning were obtained by providing them with a number of statements. They were asked to indicate their views about the strategic planning process. Table 4 shows that the statements which resulted in the highest mean score are "strategic planning processes achieve a good fit (or alignment) between the external environment and the internal capability of the organisation", followed by "formal strategic planning is /would be an effective way to achieve improved financial performance". The lowest ranking statements are "strategic planning has resulted in rigidity and inflexibility of response to the changing environment" followed by "the implementation of strategy has been effective".

Table 4: Views on strategic planning

Statements	Mean*	SD
Strategic planning has resulted in rigidity and inflexibility of response to the changing environment (reverse scored)	2.112	1.343
Formal strategic planning is /would be an effective way to achieve improved financial performance	3.879	1.158
The strategy adopted is the result of a very deliberate process of formulation	3.590	1.195
Strategic planning has encouraged excessive bureaucracy (reverse scored)	2.115	1.217
Strategic planning processes achieve a good fit (or alignment) between the external environment and the internal capability of the organisation	3.749	1.375
The strategy adopted has "emerged" over time without being the result of a deliberate plan	2.623	1.459
The implementation of strategy has been effective	2.284	1.139

*The mean is an average of a scale of 1= strongly disagree to 5= strongly agree

Table 5 shows that the relationship between size of company and managers' views on the strategic planning process was statistically significant for one statement; namely, that the strategy adopted is the result of a very deliberate process of formulation. A significant negative relationship existed for one statement; namely, the strategy adopted has "emerged" over time without being the result of a deliberate plan. Table 5 indicates no relationship between the managers' views on the strategic planning process and either the age of the hotel or its ownership.

Table 5: Correlation between managers' views on strategic planning and hotel –specific characteristics

Statements	Size	Age	Ownership
	Spearman's rho (2-tailed) <i>r(p)</i>		T-Test F(<i>p</i>)
Strategic planning has resulted in rigidity and inflexibility of response to the changing environment	-0.060 (0.302)	0.107 (0.169)	2.118 (0.157)
Formal strategic planning is /would be an effective way to achieve improved financial performance	0.045 (0.350)	0.040 (0.361)	0.280 (0.600)
The strategy adopted is the result of a very deliberate process of formulation	0.260 (0.000)	0.106 (0.171)	0.024 (0.878)
Strategic planning has encouraged excessive bureaucracy	0.161 (0.173)	0.106 (0.171)	2.117 (0.158)
Strategic planning processes achieve a good fit (or alignment) between the external environment and the internal capability of the organisation	0.139 (0.109)	-0.162 (0.072)	2.468 (0.124)
The strategy adopted has “emerged” over time without being the result of a deliberate plan	-0.441 (0.000)	0.101 (0.183)	2.367 (0.132)
The implementation of strategy has been effective	0.075 0.273	0.024 (0.415)	0.016 (0.899)
Strategic planning has resulted in rigidity and inflexibility of response to the changing environment	-0.060 (0.302)	.106 (0.171)	5.101 (0.899)
Formal strategic planning is /would be an effective way to achieve improved financial performance	0.045 (0.350)	-.162 (0.072)	0.132 (0.716)

Table 6 shows that there is a significant positive relationship between views on strategic planning and the use of strategic planning tools and techniques for three statements; namely, “formal strategic planning is /would be an effective way to achieve improved financial performance”, “the strategy adopted is the result of a very deliberate process of formulation” and “the strategic planning processes achieve a good fit (or alignment) between the external environment and the internal capability of the organisation”. The findings show that a significant negative relationship existed for three statements: namely, “strategic planning has resulted in rigidity and inflexibility of response to the changing environment”, strategic planning has encouraged excessive bureaucracy” and “the strategy adopted has “emerged” over time without being the result of a deliberate plan”.

Table 6: Correlation between managers' views on strategic planning and use of strategic planning tools

Statements	Strategic planning tools*
	Spearman's rho (2-tailed) r(p)
Strategic planning has resulted in rigidity and inflexibility of response to the changing environment	-0.367 (0.003)
Formal strategic planning is /would be an effective way to achieve improved financial performance	0.430 (0.002)
The strategy adopted is the result of a very deliberate process of formulation	0.305 (0.000)
Strategic planning has encouraged excessive bureaucracy	-0.712 (0.000)
The strategic planning processes achieve a good fit (or alignment) between the external environment and the internal capability of the organisation	0.320 (0.009)
The strategy adopted has "emerged" over time without being the result of a deliberate plan	-0.408 (0.000)
The implementation of strategy has been effective	0.125 0.250

*this variable an average of all 16 strategy tools. This approach is used to facilitate the correlation test between variables.

5 Discussion

The findings indicate that the most commonly used strategic planning technique is financial analysis for own business. The use of financial analysis has been found to be common among business firms in Jordan, the UK, Greece, Egypt and Bahrain (Aldehayyat and Anchor, 2008; Stonehouse and Pemberton, 2002; Koufopoulos and Morgan, 1994; Elbanna, 2007; Kan and Albuarki, 1992). This popularity is not surprising because financial analysis is considered to be one of the most visible methods to assess the strength of an organisation and is used by a multiplicity of stakeholders in financially related decision making.

The research findings indicate that SWOT, PEST or STEP analysis, and Porter's five-forces analysis, are the next most commonly used techniques. This reflects the interest in external analysis by these hotels. These results are consistent with Glaister and Falshaw's (1999) study of UK companies and Dincer *et al.*'s (2006) study of Turkish companies which found that companies in both countries gave considerable attention to external analysis.

There is less focus on the use of internal analysis techniques such as core capability/ competence analysis and value chain analysis. The findings also show little use of portfolio analysis, strategic planning software and experience curve analysis. The findings indicate that Jordanian hotels do not undertake the analysis of organisational culture, although strategy formulation and implementation is strongly affected by the culture of an organisation. Ultimately, strong cultures can either enhance or inhibit the ability of organisations to develop and execute effective strategies, depending on the

compatibility of culture with the chosen strategic direction. Similar findings were obtained in earlier studies of UK companies (Glaister and Falshaw, 1999), Greek companies (Koufopoulos and Morgan, 1994; Koufopoulos *et al.*, 2005), Turkish companies (Dincer *et al.*, 2006; Glaister *et al.*, 2009) and Jordanian companies (Aldehayyat and Anchor, 2008).

The use of strategic planning tools and techniques was more common in larger companies. This could be explained by the greater financial and human capability of larger companies (Snyman and Drew, 2003). Similar results are reported in Stonehouse and Pemberton's (2002) study of UK companies and Elbanna's (2007) study of Egyptian companies.

The findings indicate that the age of the hotel does not affect significantly the use of strategic planning tools and techniques. This result is consistent with the study of Aldehayyat and Anchor (2008) for Jordanian publicly quoted companies. The possible explanation for this result is that while the ability of hotels to scan the environment and to forecast may well depend on its age, the newest hotels recruit personnel who have previous experience of the use of strategic planning tools. In addition, knowledge of strategic management has advanced worldwide.

The findings show no difference between the two ownership sectors regarding the use of strategic planning tools and techniques. Similar results were reported in Elbanna's (2007) study which found little differences between foreign organisations working in Egypt and local Egyptian organisations in the use of strategic planning tools. This suggests that it is the local business environment and managerial understanding/assumptions which influences the adoption of strategic planning tools and techniques more than the parentage of the organisation.

The research findings show that the highest ranked statements in managers' views of strategic planning are that "strategic planning processes achieve a good fit (or alignment) between the external environment and the internal capability of the organisation", followed by "formal strategic planning is /would be an effective way to achieve improved financial performance". The lowest ranking statements regarding managers' views of strategic planning are that "strategic planning has resulted in rigidity and inflexibility of response to the changing environment", followed by "strategic planning has encouraged excessive bureaucracy", followed by "implementation of strategy has been effective". These results indicate that Jordanian hotel managers have a positive attitude towards strategic planning. Strategy formulation is considered to be more of a deliberate process than an emergent process in these companies. "Implementation of strategy has been effective" got the lowest rank which gives rise to a question about the nature of the effort paid to implementing strategic planning by these hotels.

These findings are consistent with Glaister and Falshaw's (1999) study which found similar attitudes to strategic planning by the managers of UK companies. Similarly, Dincer *et al.*'s. (2006) study found a positive attitude towards strategic planning by managers of Turkish companies with strong support for "formal strategic planning is/ would be an effective way to achieve improved financial performance", but little support for "strategic planning has encouraged excessive bureaucracy" and "strategic planning has resulted in rigidity and inflexibility of response to the changing environment". In the same vein, Elbanna (2007) reported very positive attitudes towards the importance of strategic planning by Egyptian organisations.

Strategy adoption as the result of a deliberate process of formulation is more common in the large hotels. Smaller hotels believe that the strategy adopted has "emerged" over time without being the result of a deliberate plan. This is in line with literature which indicates that larger organisations are

more likely to engage in formal strategic planning (e.g. Fredrikson and Mitchell, 1984; Lindsay and Rue, 1980; Stoner, 1983).

An examination of the relationship between managers' views of strategic planning and the use of strategic planning tools and techniques leads to some interesting findings. A positive significant relationship was found between managers' views and the use of strategic planning tools and techniques in relation to three statements; namely, "formal strategic planning is /would be an effective way to achieve improved financial performance", "the strategy adopted is the result of a very deliberate process of formulation" and "the strategic planning processes achieve a good fit (or alignment) between the external environment and the internal capability of the organisation". These results indicate that managers who believe in the benefits of strategic planning engage more in the practice of strategic planning. On the other hand, a negative significant relationship was found between managers' views and the use of strategic planning tools and techniques for three statements; namely, "strategic planning has resulted in rigidity and inflexibility of response to the changing environment", "strategic planning has encouraged excessive bureaucracy", and "the strategic planning adopted has "emerged" over time without being the result of a deliberate plan". This means that the managers who do not believe in the benefits of strategic planning engage less in the practice of strategic planning than those who believe in its benefits. No relationship was found for one statement; namely, "the implementation of strategy has been effective". This gives rise to a question about the efforts made by managers to implement their strategy successfully. It also give rise to a question about the nature and the content of the training given to employees to enhance their ability to participate in the implementation of strategic plans (e. g. Dincer *et al.*, 2006; Aldehayyat and Anchor, 2008; Glaister *et al.*, 2009).

6 Conclusions

Although the literature advocates the use of strategic planning tools as an important element of the strategic planning process, strategy and hospitality management scholars have given little or no attention to the study of strategic planning tool usage in tourism firms in both developed and emerging market contexts. The literature (e.g. Dincer *et al.*, 2006; Glaister *et al.*, 2009) suggests that an examination of the nature of the relationship between the use of strategic planning tools and techniques and managers' beliefs about the strategic planning process provides significant value to this field of study.

In this paper an attempt has been made to shed more light and fill the gap in the literature by providing a contribution to better understand the nature and practice of this important element of the strategic planning process in hotels in Jordan.

The results indicate a relationship between the attitude to strategic planning and the degree of engagement in it. As might be expected, managers who believe in the benefits of strategic planning engage more in the practice of strategic planning than those who have negative attitudes towards it.

Further investigation is needed to find out reasons for the negative attitudes towards strategic planning by some hotel managers; perhaps via the use of interviews. Further research is needed to find out the nature of the problems which restricted the effectiveness of the implementation of hotels' strategy. Further research also could be undertaken to examine the relationship between each of the 16 strategic planning tools and techniques and hotel performance.

Although the findings of this research have some generality, they do have two limitations. First of all, the nature of this research is descriptive and the method used is a cross-sectional survey. Further research could be conducted on a small number of these hotels by using a more in-depth approach. Secondly, the sample was restricted to the hotels in two cities in Jordan. Further research should include other regions in Jordan and analyse other types of hotels.

Some implications for management practice arise from the findings. Firstly, the results indicate that hotels in Jordan pay more attention to external analysis and less attention to internal factors such as internal capability, past performance and reasons for past failures. However, the scanning of the external environment is not sufficient for an organisation to achieve competitive advantage. It is important that scanning should also include a focus on internal strategic factors. Secondly, these hotels make little use of important strategic planning tools and techniques such as scenario construction and analysis of organisational culture. Techniques such as scenario construction could be useful for hotels' work in a high uncertainty environment. The use of this technique could provide these hotels with an approach to flexible planning by developing several alternative views of the future (Phelps *et al.*, 2001). Thirdly, while the managers of these hotels have a positive attitude to strategic planning and make an effort to use strategic planning tools and techniques they consider that the implementation of strategy in their hotels is not effective. Strategy implementation is the most difficult and important part of strategic management. No matter how superior its formulated strategy, a hotel will not benefit if it is implemented incorrectly (Aaltonen and Ikavalko, 2002).

References

- Aaltonen, P. and Ikavalko, H. (2002), "Implementing strategies successfully", *Integrated Manufacturing Systems*, Vol. 13 No. 6, pp. 415-418.
- Al Ghamdi, S. (2005), "The use of strategic planning tools and techniques in Saudi Arabia: an empirical study", *International Journal of Management*, Vol. 22 No. 3, pp. 376-395.
- Aldehayyat, J. and Anchor, J. (2008), "Strategic planning tools and techniques in Jordan: awareness and use", *Strategic Change*, Vol. 17, pp. 281-293.
- Al-Shaikh, F. and Hamami, Y. (1994), "Strategic planning in Jordanian business organisations", *International Journal of Management*, Vol. 11 No. 4, pp. 982-939.
- Al-Shammari, H. and Hussein, R. (2008), "Strategic planning in emergent market organization: empirical investigation", *International Journal of Commerce and Management*, Vol. 18 No. 1, pp. 47-59.
- Armstrong, J. (1982), "The value of formal planning for strategic decisions: review of empirical research", *Strategic Management Journal*, Vol. 3 No. 3, pp. 197-211.
- Athiyaman, A. and Robertson, R. (1995), "Strategic planning in large tourism firms: an empirical analysis", *Tourism Management*, Vol. 16 No.3, pp. 199-205.
- Brews, P. and Purohit D. (2007), "Strategic planning in unstable environments", *Long Range Planning*, Vol. 40, No. 1, pp. 64-80.
- Dincer, O. Tatoglu, E. Glaister K. (2006), "The strategic planning process: evidence from Turkish firms", *Management Research News*, Vol. 29 No.4, pp. 206-219.
- Elbanna, S. (2007), "The nature and practice of strategic planning in Egypt", *Strategic Change*, Vol. 16, pp. 227-243.
- Fleisher, G. and Bensoussan, B. (2003), *Strategic and competitive analysis*, Prentice Hall, New Jersey.
- Fredrikson, J. and Mitchell, T. (1984), "Strategic decision process: performance in an industry with an unstable environment", *Academy of Management Journal*, Vol. 27 No. 2, pp. 399-243.
- Frost, F. (2003), "The use of strategic tools by small and medium-sized enterprises: an Australasian study", *Strategic Change*, Vol.12, pp. 49-62.

Glaister, K. and Falshaw, R. (1999), "Strategic planning: still going strong?", *Long Range Planning*, Vol. 32 No. 1, pp. 107-116.

Glaister, K., Dincer, O., Tatoglu, E., and Demirbag, M. (2009), "A comparison of strategic planning practices in companies from the UK and Turkey", *Journal of Management Development*, Vol. 28 No.4, pp. 361-379.

Grant, R. (2009), *Contemporary Strategy Analysis* (7th ed.), Blackwell, Oxford.

Greenley, E. (1986), "Does strategic planning improve company performance?", *Long Range Planning*, Vol.19 No.2, pp. 101-108.

Gunn, R. and Williams, W. (2007), "Strategic tools: an empirical investigation into strategy in practice in the UK", *Strategic Change*, Vol. 16, pp. 201-216.

Hamami Y. and Al-Shaikh F. (1995), "Strategic planning as perceived by managers of Jordanian business organisations", *Mu'tah for Research and Studies*, Vol.10 No. 6, pp. 123-143.

Hussein, R. and Ayoun, B. (2001), "Jordanian tourist organizations and the practice of strategic market planning", *Journal of Economic and Administrative Science*, Vol.17 (December), pp.104-120.

Kan, G. M and Al-Buarki, E. (1992), "Strategic planning in Bahrain", *Management Decision*, Vol. 30 No. 5, pp.3-9.

Koufopoulos, D. and Morgan, N. (1994), "Competitive pressures force Greek entrepreneurs to plan", *Long Range Planning*, Vol. 27 No.4, pp. 112-124.

Koufopoulos, D. Logoudis, I. and Pastra, A. (2005), "Planning practices in the Greek ocean shipping industry", *European Business Review*, Vol. 17 No.2, pp. 151-176.

Lindsay, W. and Rue, L. (1980), "Impact of the organisation environment on the long range planning process: a contingency view", *Academy of Management Journal*, Vol. 23 No. 3, pp. 385-404.

Lisinski, M. and Aruckij, M. (2006), "Principles of the application of strategic planning methods", *Journal of Business Economics and Management*, Vol. 7 No.2, pp. 37-43.

O'Regan, N. and Ghobadian, A. (2002), "Effective strategic planning in small and medium sized firms", *Management Decision*, Vol. 40 No. 7, pp. 667-81.

Phelps, R. Chan, C. and Kapsalis, S. (2001), "Does scenario planning affect performance?: two exploratory studies", *Journal of Business Research*, Vol. 51 No.3, pp. 223-232.

Phillips, P. and Moutinho, L. (2000), "The strategic planning index: a tool for measuring strategic planning effectiveness", *Journal of Travel Research*, Vol. 38, pp. 369-379.

Quinn J. (1980), *Strategies for Change: logical incrementalism*, Irwin, IL, Homewood.

Ramanujam, V. Venkatraman, N. and Camillus, J. (1986), "Multi-objective assessment of effectiveness of strategic planning: a discriminant analysis approach", *Academy of Management Review*, Vol. 29 No. 2, pp. 347-372.

Saunders, M., Lewis, P. and Thornhill, A. (2003), *Research Methods for Business Students*, 3rd ed., Prentice-Hall, London.

Snyman, J. and Drew, D. (2003), "Complex strategic decision processes and firm performance in a hypercompetitive industry", *Journal of American Academy of Business*, Vol. 2 No. 2, pp. 293-298.

Stonehouse, G. and Pemberton, J. (2002), "Strategic planning in SMEs-some empirical findings", *Management Decision*, Vol. 40 No. 9, pp. 853-861.

Stoner, C. (1983), "Planning in small manufacturing firms: a survey", *Journal of Small Business Management*, Vol. 21 No. 1, pp. 24-30.

Webster, J. Reif, W. and Bracker, J. (1989), "The manager's guide to strategic planning tools and techniques", *Planning Review*, Vol. 17 No. 6, pp. 4-13.

Further reading

Phillips, P. and Moutinho, L. (1999), "Measuring strategic planning effectiveness in hotels", *International Journal of Contemporary Hospitality Management*, Vol. 11 No.17, pp. 349-358.

About the authors

Jehad S Aldehayyat is Head of the Department of Business Studies within the Business School/ Al-Hussein Bin Talal University, Jordan. He has a PhD from University of Huddersfield, UK. His interests include strategic planning and strategic decision making within a variety of organisational contexts. Recent work has been published in *Strategic Change*. Aldehayyat is the corresponding author and can be contacted at: dr.j.aldehayyat@ahu.edu.jo.

Adel A Al Khattab is Dean Deputy of Business School/ Al-Hussein Bin Talal University, Jordan. He has a PhD from University of Huddersfield, UK. His interests include political risk and strategic planning. Recent work has been published in *International Business Review* and *International Journal of Project Management*.

John R Anchor is Head of the Department of Strategy and Marketing within the Business School, University of Huddersfield, UK. His interests include strategy and policy in a variety of organisational contexts, particularly in emerging markets. Recent work has been published in *Strategic Change*, *International Business Review* and *International Journal of Project Management*.