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Strategic Planning Implementation and Creation of Value in the Firm

Jehad S. Aldehayyat
College of Business and Economics
Al-Hussein Bin Talal University, Jordan
Maan PO Box 149
Jordan

and

John R. Anchor*
Business School
University of Huddersfield, UK
Queensgate
Huddersfield HD1 3DH
Tel: + 44-1484-472462
Fax: + 44-1484-473148
j.r.anchor@hud.ac.uk

Biographical Note

Jehad S Aldehayyat is Head of the Department of Business Studies within the College of Business and Economics at Al-Hussein Bin Talal University, Jordan. He has an MBA from Al-Albait University and a PhD from the University of Huddersfield, UK. His interests include strategic planning and strategic decision making.

John R Anchor is Head of the Department of Strategy and Marketing within the Business School, University of Huddersfield, UK. He has a Bachelor degree in Chemistry and a PhD in Industrial Economics from the University of Manchester, UK. His interests include strategy and policy in a variety of organisational and geographical contexts.

* Corresponding author

Strategic Planning Implementation and Creation of Value in the Firm

Purpose

This paper aims to identify the relationship between the problems associated with the implementation of strategic planning in Jordanian publicly quoted companies, various organisational variables and firm performance.

Key words: strategic planning; implementation; organisational characteristics; Jordan; organisational performance; value creation.

JEL: M1

Introduction

Most surveys of strategic management have been carried out in the context of developed countries and have paid more attention to the formulation aspects of strategy than the implementation aspects (Bruton *et al.*, 2004). This has also been true of the smaller number of studies which have been undertaken in emerging markets (Brenes *et al.*, 2008).

Surveys by Al-Shaikh and Hamami (1994) and Hamami and Al-Shaikh (1995) and Aldehayyat and Anchor (2008) identified that Jordanian companies make considerable efforts to formulate their strategies. However, they did not clarify what happened when these companies put the strategies into effect. Consequently, the aim of this paper is to review the problems associated with the implementation of strategic planning in Jordanian publicly quoted companies and their relationship with firm performance. Jordan is considered to be typical of many countries in the Middle East (EIU, 2004).

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 elements of the strategic planning process include external and internal environmental scanning (Ngamkoreckjoti and Johri, 2001; Costa and Teare, 2000; Fahey and King, 1977; Jain, 1984; Costa, 1995, p. 5); defining a company’s mission statement (Klemm, 1991; Bartkus, 2004); specifying objectives (Vilà and Canales, 2008); and evaluating and selecting a suitable strategy for implementation (Crittenden and Crittenden, 2008).

The benefits of strategic planning can be summarised as: enhancing co-ordination (e.g. bringing together all business unit strategies within an overall corporate strategy); 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 (Greenley, 1986; Koufopolous and Morgan, 1994).

The extent to which strategic planning contributes to improvement of corporate performance, and hence the creation of value, is a matter of controversy because of the mixed results which are found in empirical studies. Armstrong (1982) reviewed twelve strategic planning and

performance studies; the study found that strategic planning was performance enhancing overall. In a comprehensive review of over sixty studies, Shrader and others (1984) found no apparent systemic relationship between strategic planning and performance. Schwenk and Shrader (1993), in a review of twenty-six studies of small businesses, found a positive relationship overall between strategic planning and performance. Fossen and others (2006), in a review of eighty-five studies, found that strategic planning had a small but significant relationship with performance.

In the 1980s strategic planning was criticised in terms of its effectiveness at a conceptual level (Mintzberg 1990, 1994). However these criticisms did have an operational dimension too. The main operational criticisms were as follows: management creativity will be affected negatively by 'rigid' strategic planning; planning is often performed by planners instead of by managers who would be affected by the result of the plans; planners and top management take charge and isolate the planning process from the people whose commitment is needed to carry it through; strategic planning processes are bureaucratic and rigid activities, used for financial control and do not encourage the setting of new strategic directions; and strategic planning inhibits strategic thinking (Bonn and Christodoulou, 1996).

Partly as a result of these contributions, strategic planning has undergone substantial changes since the 1980s (Clarke, 1997; Taylor, 1997; Bonn and Christodoulou, 1996; Wilson, 1994). There is now: less bureaucracy with more emphasis on implementation and innovation; a reduction in the number of staff planners with more participation of line managers and teams of employees; more sophisticated planning techniques such as scenario planning; and increased attention to changing markets and to competitive and technological trends .

Strategic planning implementation

Strategic planning can be successful only if there is effective implementation of the strategy (Sinha, 1990; Veliyath and Shortell, 1993).

Kargar and Blumenthal (1994, p.14) defined the implementation problem as “an operational obstacle to goal achievement which either existed before implementation began and was not recognized or arose as a systemic reaction to conditions of the implementation effort due to poor preparation or systemic failure”. The implementation problem is also used to “describe any unanticipated and uncontrollable external environmental phenomenon” (Kargar and Blumenthal, 1994, p. 15).

There are a number of potential external and internal barriers to effective strategic planning implementation. Beer and Eisenstat (2000) conducted a study of senior US managers to identify the barriers or the ‘silent killers’ as the authors called them. The study identified six major barriers to strategy implementation. These barriers were: top down or laissez-faire senior management style; unclear strategy and conflicting priorities; an ineffective senior management team; poor vertical communication; poor co-ordination across functions, business or borders; and inadequate down-the-line leadership skills and development. They examined eight main barriers - five of them internal and three of them external: inadequate communication; implementation takes longer than anticipated; a shortfall in employee capabilities; overall goals of strategy not well enough understood by staff; co-ordination of implementation not effective enough; crises distract attention from implementation; unanticipated major external problems arose; external factors impact on implementation. The major factors which they identified were: implementation took longer than anticipated;

followed by unanticipated problems and external factors. Inadequate communication and lack of clarity of strategic goals were of less importance.

Heide and others (2002) conducted a case study on a Norwegian ferry-cruise company to identify the barriers to strategy implementation. The study focused on a number of categories. These categories were information systems, learning, allocation of resources, formal organisational structure, including control systems, personnel management, political factors and organisational culture. This study reported on 174 barriers grouped in these seven categories. The frequency with which the reported implementation barriers were found were as follows: communication barriers (123); organisational structure barriers (19); learning barriers (13); personnel management barriers (8); culture barriers (8); political barriers (3); resource barriers (0).

Al-Ghamdi (1998) studied the problems that faced strategic planning implementation in companies located in the Bradford area, UK. He found that six implementation problems occurred for at least 70 per cent of the companies sampled. These problems were: implementation took more time than originally allocated in 92 per cent of the companies; major problems surfaced which had not been identified earlier in 88 per cent of the companies; coordination of implementation activities was not effective enough in 75 per cent of the companies; competing activities distracted attention from implementing this decision in 83 per cent of the companies; key implementation tasks and activities were not sufficiently defined in 71 per cent of the companies; and information systems used to monitor implementation were inadequate in 71 per cent of the companies.

Strategic Planning Implementation and Creation of Value in the Firm

Alexander (1985) studied the problems of strategy implementation in medium sized and large US firms to determine the problems that occurred most frequently when the strategy was put into effect. The study found that the most frequently occurring strategy implementation problems were: implementation required more time than originally allocated; major problems were unanticipated; ineffective co-ordination of activities; crises distracted attention from implementation; uncontrollable external environmental factors; inadequate information systems were used to monitor implementation; insufficient employee capabilities; key implementation activities and tasks were not defined enough; inadequate employee training and instruction; and leadership and direction provided by managers was not adequate.

Kargar and Blumenthal (1994) studied the problems of strategy implementation in small North Carolina banks. They found that the ten problems which had been identified by Alexander (1985) and which occurred frequently during the strategy implementation process in large companies were also experienced by small banks, but to a lesser extent. These problems were as follows: more time needed than originally intended; inadequate training and instruction; uncontrollable external environmental factors; crises that distracted attention; unanticipated major problems; poor definition of key implementation tasks; ineffective co-ordination of activities; insufficient capabilities of employees; inadequate leadership and direction by managers; inadequate monitoring by information systems; responsibilities not clearly defined; unclear statements of overall goals.

O'Regan and Ghobadian (2007) studied the problems that face strategic planning implementation in UK small and medium sized firms. They found that almost eight out of ten companies failed to implement their strategies effectively.

The relationship between strategic planning implementation and organisational performance is one which has been examined previously, but only in a very small number of studies. Veliyath and Shortell (1993) found that firms that implement plans effectively are among the highest performing organisations in their study of 406 hospitals in the USA. Harrington (2006) found that a higher level of total organizational involvement during strategy implementation had positive effects on the degree of implementation success, firm profits and overall firm performance for large, multi – unit foodservice firms.

Previous studies of strategic planning in Jordan and the Middle East

A small number of studies of strategic planning in the Middle East have been undertaken; however the picture is less clear in relation to strategy implementation than it is in relation to formulation. Two studies of strategic planning in Egypt have not examined implementation issues (Elbanna, 2007 and 2008). In the case of Turkey there is limited evidence that firms have a greater commitment to strategy formulation than to strategy implementation or evaluation (Glaister *et al.*, 2009).

Taslak (2004) found that six strategy implementation problems occurred frequently in the Turkish textile industry. They were implementation taking more time than originally planned; uncontrollable forces in the external environment; competing activities distracting attention from the implementation decision; problems not communicated to top management early enough; problems surface that were not identified early; and key formulators of the strategic

decision cannot play a key role during the implementation process. He also found that “less success” companies experienced all the suggested problems more than “high-success” companies during the implementation process.

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 relatively little has been researched or reported in Jordan. In fact only three 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), the second by Hamami and Al-Shaikh (1995) and the third by Aldehayyat and Anchor (2008).

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; most Jordanian companies' managers are aware of the meaning of strategic planning; most companies have a written plan; managers of Jordanian companies have a positive attitude towards strategic planning.

However, these studies do not provide any information or insights into the implementation of strategic planning in Jordan.

Hypotheses, research population and respondents

The earlier discussion indicates that strategic planning can be successful only if there is effective implementation of the strategic plan. In addition, it identifies some potential external

and internal problems, which are also called barriers, that face strategic planning implementation. It also identifies a shortage of research on these topics in a Middle East context. This study therefore examines various strategic planning implementation problems in Jordan and their relationship with various organisational variables.

The following research question was investigated:

- To what extent do Jordanian companies experience problems during their implementation of strategic planning and how do these impact upon their performance?

To allow an analysis of this question the following hypotheses were tested:

- Organisational characteristics have a significantly differential impact in relation to the extent of the experience of strategic planning implementation problems in Jordanian companies.
- Greater levels of strategic planning implementation problems in organisations will be associated with reduced levels of performance

The population of this research was all companies which were registered on the Amman Stock Exchange (ASE), according to its guide of Jordanian shareholding (publicly quoted) companies. The categorisation of these companies, according to the ASE, was:

- 52 financial companies (banks, financial and insurance companies),
- 64 service companies,
- 87 industrial companies.

This study followed the same categorisation as that adopted by the ASE. The rationale for choosing the companies listed by the ASE was that these companies contributed more than 75 per cent of Jordan's GDP and also the absence of a database for the companies that were not classified in this market. The data collection instrument was sent to the whole population in view of its size.

Questionnaires were sent to the chief executive or general manager of each company, since it was believed that this would be the most appropriate person to provide a valid response to questions related to strategy (Bart *et al.*, 2001; Conant *et al.*, 1990). After data had been obtained via the questionnaire, they were edited, coded and categorised.

Although the English language is widely spoken in the business sector in Jordan, the decision was made to distribute the questionnaire in both English and Arabic. (This method was used also by Koufopoulos and Morgan (1994) in their Greek study). The parallel method was adopted for translation of the search questionnaire (Saunders *et al.*, 2003).

The questionnaires were distributed and collected by hand. The rationale for selecting this method is that the response rate for mail survey studies in Jordan is usually very low – typically less than 13 per cent (Hajjat, 1998; Al-Rashid and Samardli, 2000).

A total of 203 questionnaires were distributed to the population of 203 companies and 83 valid responses were received – the response rate was, therefore, 40.9 per cent, which is considered a good one compared to other similar studies. When questionnaires are delivered and collected the response rate is likely to be between 30 per cent and 50 per cent (Saunders *et al.*, 2003).

The characteristics of the responding managers were classified into five groups: age, gender, education level, experience in current position and total working experience.

44.5 per cent of the 83 respondents were under 40 years of age and 100 per cent of the respondents were male. 79.6 per cent of respondents had a Bachelor's degree or above. 91.6 per cent of respondents had a total experience of more than ten years in their current position. 14.4 per cent of the respondents had less than five years experience (Table 1).

Table 2 classifies the characteristics of responding companies into three groups: nature of business, age of company and size of company. It shows that 61.4 per cent of the respondents and 57.1 per cent of the whole population represented both the service and financial sectors, which reflects the fact that Jordan's economy is mainly service oriented. However, the fact that 38.6 per cent of respondents and 42.8 per cent of the whole population were in the industrial sector emphasises that Jordan has a significant number of manufacturing industries - partly due to its lack of natural resources (Table 2).

73.5 per cent of responding companies had been established after 1975. Two events could have been influential in the establishment of many new companies during this period. The first was the benefit from increased Arab aid during the oil boom of the late 1970s to mid-1980s; this was a period of rapid economic growth. The second was an economic reform programme, which started in 1999 and which aimed to liberalise and modernise the Jordanian economy (Knowles, 2005).

Table 2 shows that 60.2 per cent of the respondents' companies and 71 per cent of the whole population had less than 200 employees. The companies' size is probably affected by the fact that Jordan is a small country with a population of only 6.2 million (Business Monitor International, 2008).

The respondents were asked, on a scale rating from 1= no problem at all to 5= severe problem, to indicate how problematic strategic planning implementation had been in their companies. Respondents were asked also, on a five-point scale, indicate their organisational performance compared with that of their major competitors in relation to competitive position, efficiency of operations, return on assets, growth rate and overall financial performance for the previous three years. Subjective measures were used because comparable objective performance data was not available for all companies. These measures were used first by Dess and Robinson (1984) and subsequently by other strategy researchers.

Problems associated with the implementation of strategic planning and the creation of value

All the implementation problems identified in earlier studies were experienced by Jordanian companies. However, some problems were experienced somewhat more than others. The highest score was given to “unanticipated major problems arose”, then “implementation required more time than was planned”, followed by “crises distracted attention from implementation”. However, the three implementation problems which were experienced least by these companies were “unclear statements of overall goals”, then “advocates having left the firm during implementation”, followed by “insufficient information systems for control of activities” (Table 3).

Spearman’s correlation was conducted to assess the relationships between size and age of company and the problems associated with the implementation of strategic planning. In the case of company size the test was performed for each of the fifteen problems. There was a negative statistical significance for one problem; namely, unclear statement of overall goals

analysis (correlation -0.217 at $.05$ level) and no statistical significance between age of company and the problems associated with strategic planning implementation (Table 4).

An analysis of variance (ANOVA) test was conducted to determine whether any significant differences existed between the three sectors (industrial, service, financial) regarding the problems associated with strategy implementation. The test was performed for each of the fifteen problems. The results of this test found no statistically significant differences between the three sectors for all problems.

The respondents were asked, on a scale rating from 1= no commitment to 5= full commitment, to indicate the degree of commitment to seven strategic activities. Table 5 shows that the mean for all activities is more than three, which indicates a relatively high level of commitment to each activity. There is also shows a very small difference in the mean between these activities which indicates that these companies have the same commitment to the formulation and implementation, as well as evaluation, aspects of strategy.

Spearman's correlation was conducted to assess the relationships between the size and the age of companies and their commitment to particular activities. The test was performed for each of the seven activities. The results of the correlation test show that no statistically significant relationship exists between the size of a company and its commitment to strategic activities. In addition, there was no statistically significant relationship between the age of a company and its commitment to strategic activities (Table 6).

An analysis of variance (ANOVA) test was conducted to determine whether any significant differences existed between the three sectors (industrial, service, financial) regarding

commitment to strategic activities. The test was performed for each of the seven activities. The results of the analysis indicate no statistically significant differences between the three sectors for all the activities.

Pearson correlation was conducted to assess the relationships between the problems associated with the implementation of strategic planning and financial performance. The results (Table 7) show a negative statistical significance between the problems associated with the implementation of strategic planning and a number of organisational performance indicators. More specifically the problems associated with the implementation of strategic planning was inversely related to five key performance indicators: competitive position, efficiency of operations, return on assets, growth rate and overall financial performance.

The implementation of strategic planning and the creation of value in Jordan

The research findings indicate that all the implementation problems which have been identified by previous research are experienced by Jordanian companies. However, some problems are experienced somewhat more than others. The most commonly experienced was “unanticipated major problems which arose”, while the least common was “the unclear statements of overall goals”. This tends to suggest that although the adoption of strategic planning may be related to the nature of the business, company age and/or company size, strategy implementation difficulties are equally likely to be found in all types of organisations in Jordan.

There is a relatively high degree of commitment towards the implementation aspects of strategic planning in Jordanian companies. Therefore, these results give rise to a question about the effort which has been made to reduce these problems. They also give rise to a

question about the nature and the content of the training given to employees to enhance their abilities to participate in the implementation of the strategic plan. These results are consistent with the findings of earlier studies (e.g. Alexander, 1985; Al-Ghamdi, 1998; Kargar and Blumenthal, 1994; O'Regan and Ghobadian, 2007).

Alexander's (1985) study identified the ten most commonly occurring strategic planning implementation processes experienced by medium- sized and large companies. Kargar and Blumenthal (1994) found that the ten problems that were identified by Alexander (1985) and which occurred frequently during the strategy implementation process in large companies were also experienced by small banks. The authors suggested that their results could also be applied to small businesses because of the similarity of the strategic goals of banks and small businesses and proposed further research to test this point. The current study controlled company size in relation to the problems associated with strategic planning implementation and found almost no relationship between the size of company and the problems associated with the implementation of strategic planning, which supports Kargar and Blumenthal's (1994) suggestion. Indeed the results as a whole indicate that organisational characteristics have not noticeably affected the problems associated with the implementation of strategy in these companies.

In spite of the fact that that strategy implementation problems are equally likely to be found in all types of organisations in Jordan, a clear relationship between the existence of strategic planning implementation problems and organisational performance was identified. Competitive position, efficiency of operations, return on assets, growth rate and overall financial performance were all found to be correlated with effective strategic planning implementation.

Conclusions

This paper provides a number of contributions to the literature on strategic planning implementation.

It is the first study of the problems associated with the implementation of strategic planning in Jordan and one of the first in the Middle East as a whole. In this context, it provides empirical evidence in relation to the problems associated with the implementation of strategic planning and also the lack of a relationship between them and certain organisational characteristics (size, age, and nature of business).

A clear relationship between the existence of strategic planning implementation problems and organisational performance was identified. This is of considerable importance in terms of the potential for successful strategic planning implementation to create value within business organisations in Jordan, other emerging markets and elsewhere.

The research does have a number of limitations. First of all it is descriptive and the method used is a cross-sectional survey. This choice made it difficult to explore in depth some areas related to the implementation of strategic planning in the sampled companies since most respondents agreed to complete the questionnaire but did not agree to be interviewed. Nevertheless, future research could be undertaken on a small number of these companies by using an in-depth, and possibly longitudinal, investigation.

Secondly, the research uses a questionnaire as the data collection method. Consequently it focuses on “what” and “how” questions and does not explore “why”. Future research should use face to face interview or focus groups to answer the “why” question.

Thirdly, single, rather than multiple, respondents participated in this research. The researchers were not able to get multiple respondents because of the wishes of some companies to receive just one questionnaire. Nevertheless, future research should include line managers, such as marketing, financial, planning and administrative managers, to get a clearer picture about the situation inside organisations, relating to strategic planning implementation.

Regardless of these limitations, this paper does provide findings which help to understand the extent of the practice of strategic planning in Jordanian companies. However, a number of questions have arisen as a result of this research which need further clarification.

First of all, the results regarding the extent of the practice of the implementation of strategic planning show that there is a need for further research in relation to the role of line managers in improving strategic planning implementation in companies.

Secondly, the study of the problems associated with strategy implementation does not attract enough interest from strategy authors in general, and in other emerging markets in particular. However, it is important for further research, particularly in emerging markets, to answer a number of questions, such as: to what extent are the problems associated with the implementation of strategic planning experienced by highly successful companies and less successful companies? In addition, is there any difference between the companies which plan

formally and those which plan informally in relation to the extent to which they experience the problems associated with the implementation of strategic planning?

The findings of this paper lead to a number of recommendations which can be used to improve strategic planning implementation in Jordanian companies. In particular, companies could enhance strategic planning by allowing suitable time for its implementation; by improving the quality of the training of their employees; by undertaking an in-depth analysis to be aware of the unexpected problems that appear during implementation; by enhancing the communication between top management; and by increasing the involvement of line managers. Actions such as these will create value in Jordanian firms.

Table 1 Characteristics of responding managers

1. Age	Frequency	Percent
Under 30	7	8.4
30-40	30	36.1
41-50	31	37.3
51-60	13	15.7
61-over	2	2.4
2. Gender		
Male	83	100
Female	0	0
3. Education level		
College degree	12	8.4
Bachelor's degree	52	62.7
Postgraduate degree	14	16.9
Others	5	6.0
4. Experience in current position		
Under 5 years	12	14.5
5-10	41	49.4
11-15	19	22.9
16-20	7	8.4
21-over	4	4.8
5. Total working experience		
Under 5 years	7	8.4
5-10	17	20.5
11-15	31	37.3
16-20	12	14.5
21-over	16	19.3

Table 2 Characteristics of responding companies

Nature of business

Nature of business	Population	Surveyed	Responded
Financial	52 *(25.6%)	22**(42.3%)	26.5***
Industrial	87 (42.8%)	32 (36.8%)	38.6
Service	64 (31.5%)	29 (45.3%)	34.9
Total	203	83	100

Age of company

Age of company	Population	Surveyed	Responded
1990-After	104 *(51.2%)	33 **(31.7%)	39.8***
1975-89	52 (25.6%)	28 (53.8%)	33.7
Before 1975	47 (23.2%)	22 (46.8%)	26.5
Total	203	83	100

Size of company

Size of company	Population	Surveyed	Responded
Less than 50 employees	74 *(36.5%)	23**(31%)	27.7***
51-200 employees	70 (34.5%)	27 (38.5%)	32.5
More than 200 employees	59 (29%)	33 (55.9%)	39.8
Total	203	83	100

*Percentage of number of companies in each sector, age or size to number of whole population.

**Percentage of respondents relative to number of the same sector, age or size.

*** Percentage of respondents relative to number of companies surveyed.

Table 3 Problems associated with the implementation of strategic planning

Problems	Rank	Mean
Implementation required more time than was planned	2	3.87
Crises distracted attention from implementation	3	3.85
Uncontrollable external environmental factors	5	3.60
Inadequate leadership and direction by departmental managers	7	3.44
Inadequate definition of key implementation tasks	8	3.43
Co-ordination of implementation not effective enough	11	3.02
Insufficient capabilities of the involved employees	6	3.50
Inadequate training and instruction of employees	4	3.62
Insufficient information systems for control of activities	13	2.95
Advocates having left the firm during implementation	14	2.84
Unclear statements of overall goals	15	2.78
Responsibilities not being clearly defined	12	3.01
Unanticipated major problems arose	1	3.96
Inactive role of key formulators in implementation	10	3.06
Top management's slow communication	9	3.07

Table 4 Correlation between size of company and problems associated with implementation of strategic planning and age of company and problems associated with the implementation of strategic planning

Problems	Size of Firm	Age of Firm
Implementation required more time than was planned	.094 .198	-.162 .072
Crises distracted attention from implementation	.018 .435	.106 .171
Uncontrollable external environmental factors	.119 .142	.040 .361
Inadequate leadership and direction by departmental managers	-.113 .155	.106 .171
Inadequate definition of key implementation tasks	-.079 .240	.107 .169
Co-ordination of implementation not effective enough	-.046 .338	.101 .183
Insufficient capabilities of the involved employees	-.113 .155	.024 .415
Inadequate training and instruction of employees	.016 .442	.046 .339
Insufficient information systems for control of activities	-.083 .227	.104 .175
Advocates having left the firm during implementation	.130 .121	.108 .166
Unclear statements of overall goals	-.217* .024	-.091 .206
Responsibilities not being clearly defined	-.014 .451	.109 .163
Unanticipated major problems arose	-.007 .473	-.007 .476
Inactive role of key formulators in implementation	-.076 .246	.034 .381
Top management's slow communication	-.018 .436	.135 .112

*Correlation is significant at the .05 level (1- tailed).

Table 5 Commitment to strategic activities* (n=81)

Strategic activities	Rank	Mean**
1. Specification of business objectives/ aims	1	3.50
2. Specification of corporate objectives/ aims	3	3.44
3. Seeking commitment to plans from organisational members	6	3.39
4. Generation of strategy	4	3.42
5. Fostering of a supportive climate/atmosphere	6	3.39
6. Monitoring of results against strategic plans	2	3.46
7. Evaluation of strategy	5	3.41

*The scale was adopted from Glaister and Falshaw (1999, p. 111)

**The mean is an average of scale of 1= commitment to 5= full commitment

Table 6 Correlation between size of company and commitment to strategic activities and age of company and commitment to strategic activities (n=81)

Commitment to Strategic Activities	Size of Firm	Age of Firm
Specification of business objectives/ aims	-.023 .417	.032 .389
Specification of corporate objectives/ aims	-.102 .181	.046 .341
Seeking commitment to plans from organisational members	-.097 .242	-.013 .454
Generation of strategy	-.064 .283	.000 .499
Fostering of a supportive climate/atmosphere	-.044 .348	.080 .237
Monitoring of results against strategic plans	-.006 .480	.041 .357
Evaluation of strategy	-.179 .054	-.059 .299

Table 7: Correlation Between the Problems Associated with Strategic Planning Implementation and Organisational Performance

	Competitive Position	Efficiency of Operation	Return on Assets	Growth Rate	Overall Financial Performance
Strategic Planning Implementation Problems	-.198* .037	-.187* .045	-.199* .036	-.208* .030	-.255* .010

*Correlation is significant at the .05 level (2- tailed)

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Strategic Planning Implementation and Creation of Value in the Firm

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