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Strategic planning impact on innovation and organizational performance in the UAE

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ABSTRACT

This paper aims to explain several concepts Strategic Planning (SP), Innovation (INN), and Organizational Performance (OP) to have a good understanding of the subject. The elements of different SP models may be combined to fit or meet the purpose of adopting SP in any organization. This finding makes identifying and establishing the mission and goal of an organization vital. The researchers have provided a better understanding of the SP theoretical context and helped to address the limited involvement in SP and in optimizing its benefits for OP. Literature has shown that SP has interests that may positively impact OP. However, a clear pathway for SP is needed to achieve the goal of involvement and optimization.

Keywords: *strategic planning, innovation, and organizational performance.*

1. INTRODUCTION

This paper reviews the existing literature of SP, INN, and OP. It is examined the explanations of SP, analyses the concepts of each term, and the ideas associated with this paper on each terminology and a critique of theories using current trends in the study area. This helps to identify gaps that exist, which further helps to justify the importance of this study and the potential regions of contributions. Also, this paper identifies the nature of relationships that exist between concepts in the United Arab Emirates (UAE), and the factors that may hinder the successful application and positive impacts of SP on INN and OP.

2. EXPLANATION OF PAPER TERMS

The researchers have explained the main terminologies used in this study. It is essential to explain SP, INN, and OP. Clarifying the meaning of SP, INN, and OP is crucial for readership and in determining the specific usage of these terms throughout this research.

The definition of SP varies from one author to another; some have separated 'phase strategy' from SP. It can be defined as the process of using systematic criteria and rigorous investigation to formulate, implement and control strategy and formally document organizational expectations (Higgins and Vincze, 1993; Mintzberg, 1994; Pearce and Robinson, 1994). SP is also considered as the formal process in which an organization develops and designs specific procedures and policies to achieve particular future time-framed objectives by utilizing and best use of accruing resources.

INN is viewed as the use of the new idea to generate new products or service or improvement of the existing idea using a new idea. Rogers (1995, p.21) defines the INN adoption process as "the process through which an individual or another decision-making unit passes from knowledge of an INN to forming an attitude toward the INN, to a decision to adopt or reject, to implementation of the new idea, and confirmation of this decision." Baumol and Blinder (2000) defined INN as a process of developing new products, or the process of adapting old products using modern methods, including using inventor's steps to introduce the product to the market.

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According to Steyn and Sethibe (2016), INN is a key marker of OP and indicates the overall level of organizational success. As such, INN within organizations is a key factor that cannot be underplayed. As crucial as INN might seem to the overall success of a firm, Bock et al. (2015) We can argue that INN has no intrinsic value to an organization. They assert that INN contributes to organizational success only when customers adequately value the products and services provided. Otherwise, efforts towards INN will unlikely lead to profitability and eventual overall success of the firm (Bock et al., 2015).

Daft (2010) defined OP as the ability of an organization to utilize its resources to achieve organizational goals effectively and efficiently. Whereas Flapper et al. (1996) stated that performance could be defined as the way that the organization carries its objectives into effect. Steyn and Sethibe (2016) state that OP is imperative for the understanding of organizational success and the factors responsible for it. They added that it is vital to accurately determine the extent to which contributing factors have led to organizational success, and to do this, it is necessary to have an accurate measure of organizational success.

OP can be measured in two ways; financially or non-financially (Venkatremam and Ramanujam, 1986). According to Steyn and Sethibe (2016), measuring an organization's performance by its financial component is in line with the primary goal of many profit-making organizations. In such cases, the performance of organizations is measured via profitability, sales growth, return on assets, return on sales, and return on equity. etc. (Steyn and Sethibe, 2016).

On the other hand, non-financial measures of OP are also important in determining how well an organization is performing. Steyn and Sethibe (2016) highlight two main reasons why non-financial performance measurements are important. Firstly, they assert that there are various interest groups involved with organizations that all have different goals and expectations. Secondly, Steyn and Sethibe (2016) assert that not all organizations are profit-driven and so having other non-financial means of measuring their overall performance is imperative. Some examples of non-financial measures of OP include customer satisfaction and retention, market share, productivity, operational effectiveness and efficiency, reputation, branding, and quality, etc. (Steyn and Sethibe, 2016).

3. STRATEGIC PLANNING BACKGROUND

A strategy is a pattern or a plan which integrates the goals, policies, and operational activities of an organization (Elbanna, 2008). In this sense, it can be inferred that it relates to decision making that helps to determine and clarify mission, vision, and objectives that allows achieving a goal. Views on what constitutes SP and its determinant vary in different industries. For example, SP may be explained as the process by which an organization defines its strategy or direction and makes decisions on the allocation of its resources to enable it to pursue the strategy, as well as its people and capital (Kiran DR, 2017).

Mintzberg et al. (2003) defined SP as the process of identifying and implementing activities that aim to enhance the long-term performance of an organization by setting direction and creating ongoing compatibility for achieving the mission of the organization. This part of the paper presents both historical and modern perspectives of SP.

Jefferey Bracker, in his 1980 article, provided an overview of the historical development of the strategic management concept. Throughout history, the idea of strategy from a political or military context has been well-known and has been discussed by prominent writers, including Tolstoy, Kant, Shakespeare, Mill, Hegel, etc. Some militarists and political theorists such as Napoleon, Yamamoto, and Machiavelli have used some of the strategic concepts by the writers mentioned (Bracker, 1980). The word 'Strategy' has its origin from the Greek word 'strategies,' which can be translated literally as "general of the army." The word strategies come from the root words 'army' and 'lead.' Strategy (which is a Greek verb) means "to plan the destruction of one's enemies through the effective use of resources" (Bracker, 1980). Some history of the use of strategy can be traced to the Battle of Marathon in 490 BC.

During this war, the strategic provided 'strategic' advice to the political ruler on the management of battles to win wars, instead of providing 'tactical' advice on how the troops can be managed to win wars. This is because of their role as elected officials. In time the strategies' role expanded to include civil magisterial duties (Candy and Gordon, 2011). One of the earliest recorded applications of the strategy was between Socrates and Nichomachides, who was a Greek militarist.

The historical development of strategy shows that it involves planning and the effective use of resources to meet a set of objectives. Von Neumann and Morgenstern, with their theory of games, were the first modern writers to relay the idea of a strategy to business (Neumann and Morgenstern, 1944). Several authors have also developed concepts around business strategy since then, including Peter Drucker (The practice of

management, 1954); Alfred D. Chandler Jr (Strategy and Structure: Chapters in the History of the American Industrial Enterprise, 1962); Igor Ansoff (Corporate Strategy: An Analytic Approach to Growth and Expansion, 1965) all remain reference points (Bracker, 1980). During the comparison of the strategic concepts developed by these modern authors', Hofer and Schendel identified a lack of cohesion in some key areas. They grouped the conceptions into two main areas (broad strategy concepts and narrow strategy concepts).

Broad strategy concepts encompass the critical objectives of the organization and the associated requirements for ensuring the objectives are secured and achieved in the long-term. The narrow strategy concept gives the main company objectives priority over strategy (Bracker, 1980; Grünig and Kühn, 2015).

The first factor was related to the significant increase in the rate of change within organizations; this made it essential for organizations to be able to anticipate change, make the most of new opportunities, and proactively take timely actions to avoid threats to the organization. The second was that the use of new technology increased interest and acceptance of the utilization of explicit and analytical approaches to making a decision, improving the ability of management to manage an increasingly uncertain future (Bracker, 1980).

In 1965 Igor Ansoff and Kenneth Andrews made essential contributions to SP with the development of their SP models. However, the popularity of SP reached its peak in the 1960s. Lessons learned from the early 1970s to 1980s demonstrated that the earlier prescriptive approaches to SP were not useful in an uncertain environment. Later contributions from authors such as Mintzberg (1994, 2000), Prahalad and Hamel (1994), Ohmae (1982), Markides (2000), etc., increased understanding and awareness of SP, strategic thinking and strategic management (O'Shannassy, 2003).

In 1994, Henry Mintzberg published an article in the Harvard Business Review, where he identified some fallacies and pitfalls with the terminology SP. He stated that SP had been named wrongly, and instead, it should have been called strategic programming – “the articulation and elaboration of strategies or visions that already exist” (Mintzberg, 1994). In modern times SP has its roots from the Harvard Business School. The Harvard Policy Model was developed and taught in the early 1920s to students of the Harvard Business School (Christensen et al. 1983). The main objective of the Harvard Model is to enable an organization to develop the best ‘fit’ between its environment and itself – this includes the development of the most appropriate strategy for the organization to achieve its objectives.

The best strategy for an organization is determined by the analysis of the internal strengths and weaknesses of the organization, as well as the values of the senior management team, and by the identification of the external threats and opportunities in the environment (Bryson, 2015). It is essential to understand the historical context of SP, its evolution, current applications, and the impacts it will have on INN and OP in the UAE. SP is a tool for decision-making, with the format of the strategic plan being determined by the goals or objectives of an organization, as well as the appropriate stakeholders? The use of SP by public organizations has been growing since 1980.

The experience and increasing published literature on this subject, has shown that when SP approaches are tailored to public organizations. These approaches can help organizations to manage effectively in their rapidly changing environment (Bryson, 2015). Some modern models, such as the Harvard Model, were used to design the appropriate processes, organizational structure, behaviors, and relationships required to implement the strategy, as well as focusing on providing the proper leadership for implementing the strategy.

4. THE ELEMENTS OF STRATEGIC PLANNING

SP often takes various forms depending on organizational goals; as a result, there are multiple formats of strategic plans which are available. Notwithstanding, there are essential foundational elements to SP, which ensures that organizations are guided in the formulations of strategies and plans for the achievements of their goals and objectives. The four-step approach to SP outlines the critical elements of the process, and they are; Environmental Scanning, Strategy Formulation, Strategy Implementation, and Strategy Evaluation illustrated below.

Figure 1. Four-step approach of SP (The Saylor Foundation, 2018)



Environmental Scanning: the process of environmental scanning is also known as situation analysis. At this stage, organizations typically gather and analyze information from both external and internal sources. The goal is to gain an understanding of the landscape in the industry to formulate appropriate strategic plans which can achieve desired goals and outcomes. However, this process is also necessary for organizations because they get a clearer understanding of how well suited they are, internally, to achieve their targets.

It is often in this stage that organizations carry out a SWOT analysis and other tests of their capabilities. By carrying out a situation analysis of both internal and external factors, and examining the existing processes, challenges, and potential solutions, organizations can create successful strategies (Our Lady of the Lake University, 2018). Exploring the current methods, possible solutions, and challenges helps to inform the strategy development process.

Strategy Formulation/Development: Based on the findings from the previous phase, organizations can proceed into the strategy formulation process. This is essentially a process whereby organizations decide on the most appropriate course, or courses, of action through which they can achieve their goals (The Saylor Foundation, 2018). At this stage, it is vital to identify the internal resources available, as well as those that may need to be budgeted and planned for. This is because no effective strategy can be formulated and developed without mobilizing resources to implement the strategy.

At the end of this stage, organizations ought to have measurable goals and objectives and a plan detailing how to accomplish each one (Our Lady of the Lake University, 2018). According to Enock et al. (2017), evaluation of any strategy is based on benchmarking outcomes against goals and objectives set. While this stage is vital for evaluation, it is also crucial to the implementation stage, which is discussed briefly next.

Strategy Implementation: At this stage, the steps outlined for accomplishing the goals highlighted in the formulation stage are being put in motion. The efforts here are supported by all members of the organization who have been sensitized on how their roles contribute to the overall success of the organization (Our Lady of the Lake University, 2018). However, any challenge that is not identified at the environmental scanning stage may hinder this stage, leading to disruption or, if severe, end the strategy implementation. If all challenges were identified and mitigated, strategy implementation is vital for the evaluation stage, which is the next stage.

Strategy Evaluation: This stage deals with the evaluation and monitoring of the strategy implementation efforts. It is essential to set monitoring points, also referred to as 'milestones,' to determine the degree to which progress is being made, but also to assess whether the efforts are in line with the initial plans set out in the strategy formulation stage (Enock et al., 2017). Implementing checkpoints into the overall plan allows organizations to determine the efforts which are yielding the most result and those which are not.

Implementation checkpoints and overall plan can inform the decision of how organizations proceed with the implementation of their plans. Strategy evaluation is vital for adjusting benchmarks as needed, gathering feedback, and measuring performance. The results of this element of SP yields can lead to the establishment of best practices and inform future strategies (Our Lady of the Lake University, 2018).

Thus, these stages are all very important and can help translate SP into outcomes that inform future policy and practice. The explanation in this part shows that all steps are essential and need to be monitored to achieve the appropriate results. It, therefore, implies from these stages that there are merits and demerits of SP, which are examined in the next section.

5. THEORIES OF STRATEGIC PLANNING

There are several theoretical models of SP, and often, organizations must decide what model works for them, or develop one which does. There are, however, a few models of organizational models that are known and often adopted and modified by organizations. The following discussion presents three of these models and later evaluates them.

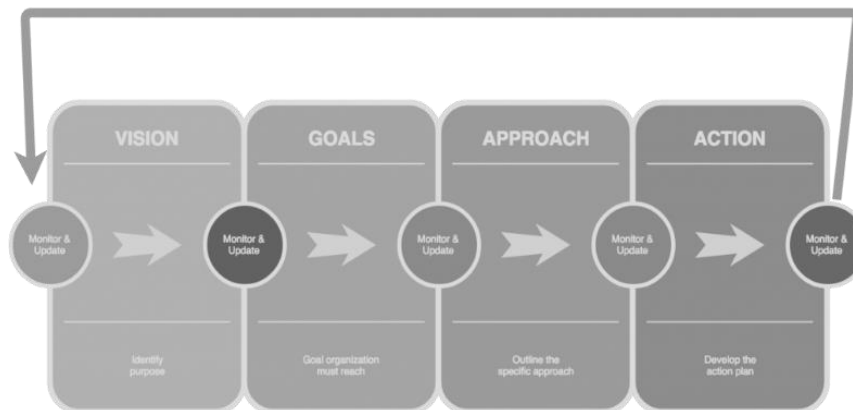
5.1. Conventional (or Basic) Strategic Planning Model

As the name might imply, this model of SP is the most common and essential of all SP models. This model is suited for organizations with enough resources as well as those with stale external environments that have no pressing issues which need to be immediately addressed (McNamara, 2018). The model usually includes the following phases:

- Creation of a mission statement that provides an overview of the existence of the business.
- The next step is the identification of intermediate goals as to what needs to be accomplished to meet the mission.
- The identification of the goals then leads to the development of strategies.
- After which action plans are developed. These list the necessary steps the organization needs to take to implement the strategies appropriately.
- The final stage, which might co-occur with other listed stages of this model, is the monitoring stage where the process of implementation is monitored and fine-tuned.

The stages of this plan are depicted in the Figure below:

Figure 2. Conventional SP Model (Ordenes, 2018)



The diagram shows that vision, goals, approach, and action are all important in the conventional SP model. Each phase needs to be monitored and updated before moving to the next step. During the first stage where vision is set, the purpose of the process is identified, such that at the phase where goals are set, the goals are ones that organizations must reach or achieve. This informs the approach during the next step. The procedure entails outlining the specific approach for achieving the organizational goals such that action is based on the action plan that has been developed. However, this conventional model does not provide a platform to consider threats, challenges, or any problem that can hinder the implementation of goals set by the organization. This leads to the next model, which is a goal-based SP model.

5.2. Based (or Goal – Based) Strategic Planning Model

An issue-based SP model is typically employed by organizations that have pressing issues to manage. This model usually is designed for established organizations that have the necessary resources required to delve deeper into the SP process (Business Benefits Group, 2018). This model includes the following phases:

- Identification of SWOT (Strengths, Weaknesses, Opportunities, and Threats) both internally and externally.
- Identification of problems and goals.
- Development of strategies to address problems and goals.
- Updating the mission/vision and values of the organization.

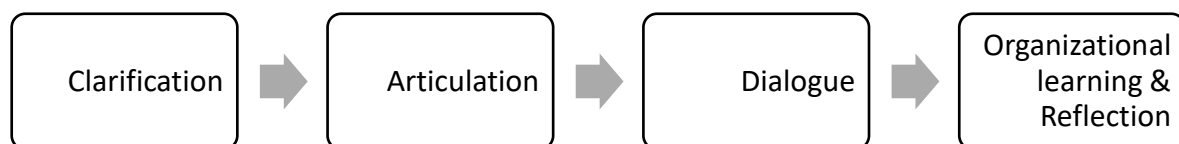
- Development of action plans (i.e., objectives, resource needs, roles, and responsibilities for implementation).
- Development of goals to meet action plans.
- Development of a multi-year operating plan (National Center for Justice Planning (NCJP, 2018)).

The above outlined show that it is vital to start with reviewing SP using SWOT so that any internal or external strengths, weaknesses, opportunities, and threats are managed to achieve the goal. According to NCJP (2018), this phase is closely linked to the next one, where problems and goals are identified. Contrary to the conventional model, the goal-based SP model starts with identifying any problem, threats that may hinder the success of organizational purpose and opportunities that may facilitate their success. Strategies are then developed to support the delivery of goals and, subsequently, to updating mission, vision, values, and the development of an action plan. The seven phases outlined are simplified for ease of use and application.

5.3. Organic Strategic Planning Model

The idea behind the organic model of SP is to conduct a more natural and conversational approach to the SP process (Ordenes, 2018). The ecological planning model makes use of a technique called storyboarding, which allows participants to develop and share their ideas with the larger group (Business Benefits Group, 2018). This model will enable stakeholders and organizational members to assume more active roles. The process involves clarification, articulation, dialogue, organizational learning, and reflection.

Figure 3. Organic SP Process (Adapted from Ordenes, 2018)



- The process explained by Ordenes (2018) emphasizes the following steps and corresponding activities in the organic SP model:
- Clarification and articulation of the cultural values of an organization.
- Articulation of the vision of the group for the organization.
- Have an ongoing dialogue about the processes which are needed to arrive at the vision and how the group intends to arrive at those processes.
- The organization needs to learn to conduct its value clarification, dialogue/reflection, and process updates.
- Organizational members should reflect on how the organization portrays its strategic plans to stakeholders.

The organic SP process includes the need for an organization to learn and reflect which important activities are lacking in the conventional and necessary SP process.

5.4. Evaluation of Models

As examined in this section, there are different models of SP, but they all have different elements, steps, or phases that may differentiate them from one another. According to Mintzberg (1994), SP, as a formalized, step-by-step approach to strategy development, has the likelihood to hinder the process of strategic thinking, which is much more intuitive, creative, and non-linear. The models which have been presented so far have adopted the linear approach to SP, which, as Mintzberg points out, is unrealistic because the world is often unpredictable.

Cobb (2017) has also noted that many strategic plans/planners have a misplaced emphasis on planning. He argues that strategy is not about the plan but, instead, about the planning process. He further stated that strategy is about thinking and acting strategically, as opposed to laying out various models of a roadmap that may or may not at the end of the day. Notwithstanding these criticisms, the analysis of the models does show that there are vital components necessary to create a sound strategic plan.

6. PRACTICE OF STRATEGIC PLANNING

Due to the different internal and external contexts, organizations must develop unique strategies as well as adopt various ways of carrying out an SP process (Professional Growth Systems). Carruthers (2015) asserts that the practice of SP should involve every part of an organization. He particularly advocates for the use of shared governance, which “is a partnership between different levels of an organization that promotes collaboration, shared decision making, and accountability.” Carruthers argues that organizations need to engage the teams that will be responsible for performance in their SP to enable solid outcomes.

SP is practiced in both public and private sectors as a tool for performance and development. Nartisa et al. (2012) state that though expected outcomes of SP seem to be mainly the same in both public and private sectors, the approaches to and use of SP differs in sectors. Their findings show that in the private sector, organizations, mostly entrepreneurs, tend to look towards short-term goals and so gain results in small every-day actions.

Nartisa et al. (2012) stated that this resulted in lacking greater sight to the future, therefore, reducing the chances of greater growth. Their findings also indicate that in the public sector, there is great emphasis on SP, but implementing a plan to clear activities and getting the right result sometimes delays or is even missed (Nartisa et al., 2012). The following sections provide an overview of SP practices in the private and public sectors.

6.1. Strategic Planning in Private Sector organization

SP, as an organizational development tool, began to be outlined in the 1950s and was mainly being used in the private business sector. In the 1960s, organizations were urged by Alfred Chandler to have structures that matched their strategy rather than the other way around to ensure for a successful enterprise. This theory of practice was based after extensively studying American corporations between the years 1850 and 1920 (Nartisa et al., 2012).

Nartisa et al. (2012) also highlighted other seminal works that influenced the practice of SP within private sector organizations. They attributed the practice of the interrelation of an organization`s internal factors and elements of the external environment to Philip Selznick. Nartisa et al. (2012) claim that the essence of Selznick`s idea is formed as a “strictly imprescriptible” element of SP, which is now known as the SWOT analyses. Organizations use SWOT analyses to assess their strengths and weaknesses in the context of their opportunities and threats.

Another strategic management practice associated with private sectors is Igor Ansoff`s “gap analyses” (Nartisa et al., 2012). The principles of gap analyses are still widely used to define the gap between the state of an existing situation of an organization and where it hopes to be. This is a practice that allows firms to set out strategic plans to cover the gap between where they are and where they want to be. This practice is closely tied to the method of developing an organization`s objectives and goals (Nartisa et al., 2012). According to Nartisa et al. (2012), the practice of “Management by Objectives” is attributed to Peter Drucker, who posited that “an organization without the objective he compared to a ship without a steering wheel.”

Drucker also argues that goal setting within the organization must be an integral and widespread practice that ought to span across all levels of an organization`s hierarchy. He further stated that when employees themselves have been involved with goal setting and choosing the course of action, they are more likely to fulfill their responsibilities (Nartisa et al., 2012). Initially developed and used within the private sector, SP has become popular in public administration. The following section provides an overview of how SP has become useful in the public sector.

6.2. Strategic Planning in Public Sector organization

The public sector began to implement SP principles in the development of its processes in the 1980s (Nartisa et al., 2012). According to Nartisa et al. (2012), SP in public administration is closely related to the overall concept and culture of public administration. This implies that governments ought to serve the needs of their community and follow adapt to changes society`s values and needs.

Nartisa et al. (2012) assert that in the public sector, SP is often categorized into two main components: the management and financial part. They state that the management component is made up of “mandate (statement of the mission), vision, values, internal and external environment analysis, medium-term priorities, directions of activities, monitoring, and evaluation, and reporting.” Whereas the budget component is made up of “current situation analysis, objectives, results, and performance indicators of the budget programs, funding programs” (Nartisa et al., 2012).

Essentially, the typical public-sector strategic plan is a management and budgetary planning document that ensures that medium-term planning is available for public administration institutions. Nartisa et al. (2012) claim that this plan often refers to public policies, offering a clear image of the policies and commitments which will be promoted at the institution level. It is important to note that the public sector's strategic plan is not a policy in and of itself.

Years of research and findings have shown that the way an organization implements strategy influences the outcomes and overall performance of the organization (Nartisa et al., 2012). The effectiveness of SP in public agencies requires that managers in the highest active roles are involved in defining the strategic direction of the public agency, and in creating an environment that recognizes SP as a tool of strategic management (Nartisa et al., 2012).

Nartisa, et al. (2012) state that even though SP has been used in public sector administration for years, not much is known about its effectiveness. Furthermore, Nartisa et al. (2012) explain that public organizations might not necessarily be good candidates for SP. This is attributed to the difficulty in designing and implementing strategic plans within the public sector. Regardless of the SP model adopted, it is vital to understand the context in which SP can be applied to achieve an intended goal or mission of the organization.

The client-orientation within the context of SP in the private sector has previously proven to be a challenge in the public sector. However, the public sector has, in recent years, been able to adapt to a culture where recipients of public services are at the center of their SP. (Nartisa, et al., 2012). These are all important because SP models encourage the identification of goals that lead to the development of strategies, which in this case is the increased focus on cooperation in the public sector.

Public administration is increasing, becoming flexible and transparent in order to meet the needs of customers adequately. Nartisa et al. (2012) highlighted that the objectives to achieving desired goals through SP should include simplification of legal acts and meeting the liabilities of the state; formation of call centers; designing and perfection of online content and resources; adequate provision of information to new clients, and so on. All mirroring elements of goal-based SP model as well as conventional and organic SP models. Clarification and articulation of organizational cultural values are vital in SP pathway because this helps the organization to retain its identity amidst all changes that SP bring. All models are evaluated further in the next section.

6.3. Evaluation of Practice of Strategic Planning

The practice of SP in public and private sectors differs due to the nature and context of both areas. Having been created and developed within the private sector, SP has continually yielded measurable results in the private sector and continues to do so. As the use of SP continually gets popular in the public sector, we can expect to see an efficient and effective public sector.

Nartisa et al. (2012) conclude that the public sector should implement a more client-oriented approach by adapting the best examples from the private sector. On the other hand, the private sector ought to adjust to generating concrete long-term plans, delegating duties, and not mixing up responsibilities in the enterprise. Finally, both the public and private sectors can and should learn from each other to improve their competitiveness and performance to meet set out goals (Nartisa et al., 2012).

7. THEORY EVALUATION STRATEGIC PLANNING PRACTICE

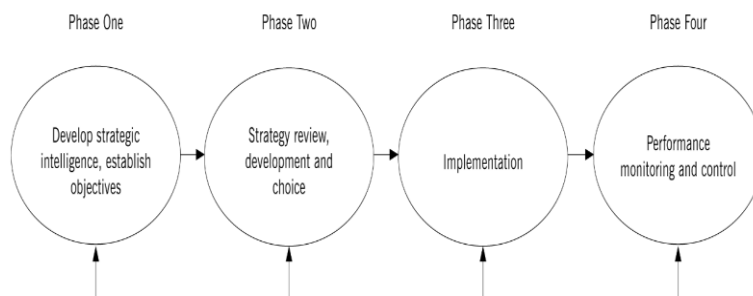
Various findings have shown both positive and negative outcomes to formal SP practices (Dibrell et al., 2013). While the firm's SP practice is concerned with defining, determining, and implementing strategic initiatives of an organization, there is an increased focus on the ends (achievable goals and desires) and means (the process of achieving said goals and aspirations) formal SP process. A typical practice of official SP will highlight the objectives of any organization to formalize and document these objectives. On the other hand, the means stipulates how resources will be allocated and other commitments related to the strategies (Dibrell et al., 2013).

Dibrell et al. (2013) hypothesize that outside theories and models, the actual practice of implementing SP has a positive effect on organizational INN. They define innovativeness as a "firm's willingness to emphasize technological developments, new products, new services, and/or improved product lines in pursuit of competitive advantage." They argue that innovativeness is critical for organizational competence because it provides advantages for organizations in competitive markets. Dibrell et al. (2013) also posit that the SP practice of thoroughly scanning and analyzing the external environment of an organization can influence innovative ideas and practices which can significantly improve OP.

Consequently, the practice of SP in an organization should directly be positively associated with innovativeness (Dibrell et al., 2013). The effects of SP on INN will be considered in the next section. The Association of

Chartered and Certified Accountants (ACCA) in 2018 simplified the process of SP into four phases, as shown in the Figure below.

Figure 4. SP Process (Association of Chartered and Certified Accountants, 2018)



The SP process in the Figure above shows that there are four phases in planning successful SP. Developing strategic intelligence and establishing objectives is essential. The next step (stage two) entails strategy review, development, and making a decision that determines the implementation pathway for SP objectives. Performance monitoring and control is the fourth phase that contains the deliverables that show the process had been successful, and the SP process goes beyond principles, but successful practice. The ACCA (2018) states that the linear concept of the process presented in the diagram above might imply the need to complete one phase before proceeding to the next; however, this is not typically the case. We can conclude that the theoretical models of SP provide a blueprint for the practice of SP within organizations. The outcomes for any organization will depend on the conceptual model it chooses to use, and how efficiently it implements the SP process.

8. IMPACTS OF STRATEGIC PLANNING

This section briefly provides a general overview of the impacts of SP, before proceeding to discuss the effects of SP on INN and OP. One of the effects of SP, one which is almost a by-product of the process, is the development of adaptive thinking (Taiwo and Idunnu, 2007). Organizations derive considerable benefits from adaptive thinking. However, small firms have been seen to be impacted more in that regard than larger firms.

SP has also been shown to impact new product development (NPD) in organizations. Song et al. (2011) found that formal SP decreases the number of NPD projects for INN management. However, organizations were seen to benefit from improvised rather than planned activities with regards to developing more NPD ideas. Song et al. (2011) also have findings to show that SP and the number of NPD projects initiated both have positive impacts on firm performance.

8.1. Impacts of Strategic on Innovation

The enablement of INN is an important management function that can be directly linked to OP (Steyn and Sethibe, 2016). There is a time lag between INN initiatives and their outcomes. As a result, it often seems that INN is not yielding positive outcomes to organizations, especially when its outcomes are measured relative to other short-term progress indicators (Steyn and Sethibe, 2016). In this case, the organic SP model may be vital in clarifying and articulating the values that need to be preserved and the vision of the organization so that appropriate learning can take place. Steyn and Sethibe (2016) assert that not much attention has been given to the assessment of the effectiveness of innovative initiatives, even though their OP is at the core of management research.

Notwithstanding, the little research which has been carried out on INN has shown some exciting impacts on organizations. Bock et al. (2015) have mentioned that INN has no intrinsic value to organizations. However, to reap the benefits of INN, e.g., win customer loyalty, organizations have to address market gaps improve on their INN outcomes. INN allows organizations to provide new products or services that offer and deliver comparative value over existing options. INN thus only drives overall organizational success when the value innovative products and services are appreciated significantly within a market (Bock et al., 2015).

Marketing-led INN also impacts organizations by helping building trust-based relationships, assisting with environmental uncertainty, and avoiding the commoditization of innovative goods and services (Bock et al., 2015). “Innovational slack” has been explained to be an “excess unused intellectual property, or sometimes as greater research and development spending than that of peer firms in a specific industry” (Fadol et al., 2015).

Innovational slack hurts the OP because it is a source of inefficiency which impedes managers from pursuing investments and INN, and instead encouraging them to seek opportunities to engage in unjustified diversifications and empire building (Fadol et al., 2015). There is a need for further research on innovational slack, as it tends to shed more light on the different ways through which INN might not necessarily be profitable for organizations.

8.2. Impact of Strategic Planning on Organizational Performance

As has earlier been alluded to, there are several methods for measuring OP. However, these methods can be broadly classified into two: financial and non-financial performance measurement (Steyn and Sethibe, 2016). In this section, we are not only particularly concerned with the method of measuring OP, instead, but we are also concerned with unraveling the ways through which SP has impacted OP. Taiwo and Idunnu (2007) assert that many studies on the impact of SP on OP shared a common interest in exploring the financial performance of organizations.

Beyond this, the financial performance of organizations is attributed to the implementation of SP efforts and tools, like intelligence-gathering, market research, SWOT analysis, portfolio analysis, etc. Furthermore, many such studies did not typically assess the relationship between performance and planning (Taiwo and Idunnu, 2007). However, Taiwo and Idunnu (2007) evaluated the relationship between performance and the extent of formal planning. This argument creates a need for proper planning and to align planning with results.

Citing findings from various researchers, Taiwo and Idunnu (2007) have alluded to a lack of certainty on whether SP affects financial performance negatively or positively. While it may be either way in terms of financial performance, SP needs to have a positive performance impact on the overall output of the organization for the organization to continue to exist. On the one hand, the findings show that SP has resulted in higher financial performance. On the other hand, some scholars have contradicted the notion of higher economic performance as a result of SP.

Taiwo and Idunnu (2007), however, concluded that recent findings seem to provide convincing evidence that SP results in higher financial performance. These findings have attributed previous contradictions of this fact to several factors, including methodological flaws, non-robust statistical methods, etc. Still, it is yet to be determined whether the length of time an organization has been involved in the SP holds any impact on its overall performance (Taiwo and Idunnu, 2007). Assessing the effects of SP relates to steps in the organic SP model, which Ordenes (2018) explains as organizational learning and reflection.

Such a proactive way of understanding, reviewing, or evaluating the SP process provides positive indicators for a future approach to take with SP, a phase that NCJP (2018) explains as the development of a multi-year operating plan. According to Taiwo and Idunnu (2007), organizations that have taken a proactive SP approach have better performance than those who have settled for a reactive strategic plan. They claim that this supports the usefulness and necessity of having a formal SP process in organizations, regardless of size. Therefore, it is observed in this section that SP models are essential, though their steps or elements vary. The actions or phases critically examined in this section show that SP models are necessary for successful SP and success of any organization. It is unknown the extent to which this operates in every country, hence the status of SP in UAE is examined in the following part.

9. STRATEGIC PLANNING IN UAE

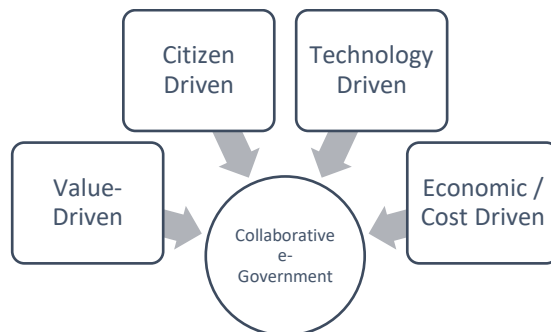
The concept of SP in UAE has formally introduced in April 2007 as HH Shaikh Mohamed Bin Rashid Al Maktoum became the UAE prime minister. As part of his responsibilities at the federal level, he entered the concept of SP, although, before 2007, there were some practices within the local government such as Dubai. From 2007 onwards, SP became the vital governmental tool to execute UAE 2021 vision. It is having introduced a holistic new challenging set of minds to shift the government performance from its classic bureaucratic approach into more planned and objective-driven organizations that enhances the UAE's ability to be one of five best places to live in the world in 2021.

SP is evident in the UAE in general through the adoption of eGovernment. eGovernment deals with facilitating the operation of government and the distribution of government information and services. eGovernment incorporates the concept of SP and INN, but more importantly, that of OP as examined in previous sections. While the goal of eGovernment is to be able to offer an increased portfolio of public services to citizens, the UAE focuses on doing this through an efficient and cost-effective manner.

eGovernment has developed through SP in a way that it includes efficiency, improved services, better accessibility of public services, and more transparency and accountability (Atkinson and Castro, 2008). The

figure below shows the elements of SP, INN, and OP and the relationship between them and the actual collaborative e-government.

Figure 5. Primary drivers of eGovernment based on SP (adapted from Al-Khour, 2012).



As noticed in Figure above, there are four main drivers, namely, value-driven, citizen-driven, technology-driven, and economic / cost-driven. These factors are the primary ones that influence eGovernment in UAE and the implementation of activities that lead to the intended goal. Leaders consider these drivers at a strategic level, and they affect the decision-making process so that the purpose of an initiative such as e-Government can be achieved. For instance, value-driven consist of better decision-making, better service provision, better safety, and security, while citizen-driven entails transparency, participation, and shared governance (Al-Khour, 2012). Economical/ cost driven relates to cost reduction as well as resource and process efficiency.

Citizen-driven, value-driven, and economic / cost driven are all enhanced through technology, which entails the use of collaboration tools and platforms. The technology component of SP based eGovernment is the living and current example of how INN is adopted in the UAE to implement projects and improve OP. According to Al-Khour (2012), technology is considered a powerful tool that is used to provide access to legal information and deliver public services to citizens and business partners. Though underutilized by practitioners in the public sector (Al-Khour, 2012), the role and impact of SP, INN, and OP in this initiative are evident.

The impact of SP, INN, and OP on eGovernment have been positive and made possible through close monitoring of trends, outcomes, and regulations informed by policymaking as identified by Al-Khour (2012). However, the process is primarily driven by the government at a strategic level; lack of trust in government or decline of trust in government may affect the positive impacts of SP, INN, and OP on eGovernment (Ambali, 2010). Other authors who advocated for citizens or and private sector involvement in e-Government or any other innovative initiative are Navarra and Cornford (2007); Torres et al. (2005) and Das et al. (2010).

Furthermore, Al-Khour (2012b) further explained that in the UAE context, three main factors, namely, behavioral attributes of individuals, institutional attributes, and technology, influence strategic goals and ability to build trust in the UAE. In this sense, he further emphasized that these factors have negative characteristics that make SP and acceptance of the initiative. The table below shows the corresponding features with factors that impact SP trust.

Table 1. Factors and interactional elements (Adapted from Al-Khour, 2012b)

Factors	Characteristics and interactional elements
Individual citizen/consumer behavioural attributes	subjective norms, individual demographics, culture, past experiences, propensity to trust, benevolence, credibility, competency, fairness, honesty, integrity, openness, general intention to trust and use SP
Institutional attributes	Organizational reputation, accreditation, innovativeness, general perceived trustworthiness of the organization.
Technology	Hardware and software that deliver security and effectiveness such as interface design, public key encryption, integrity.

The table shows that individual and institutional attributes are key factors that influence the adoption and use of SP and goals in the UAE. However, it is also evident that technology plays a vital role in this such that both hardware and software used for any project, and SP ought to consider security and effectiveness to encourage usage. This infers that in general context in the UAE public sector, technology may or may not mediate the use of SP and the extent to which INN issued and progress of OP.

10. CONCLUSION

This paper provided definitions and reviews on SP, INN, and OP. The research has provided background information SP, detailing how the concept has evolved since its inception to its current use in organizations. This research also provided an analysis of elements of the strategic plan.

Moreover, this research analyzed some theoretical models of SP, their differences, and how they are used in various organizational contexts. An evaluation of the theory and practice of SP was presented, followed by an analysis of the impacts of SP. As a result, the researcher has examined the relationships that exist between the research concepts in the UAE, and the factors that may hinder the successful application and positive impacts of SP on INN and OP.

SP is well-founded in literature and models exist that may be adopted to explain SP phases or steps. However, no model is perfect, which means that elements of different SP models may be combined to fit or meet the purpose of adopting SP in any organization. This finding makes identifying and establishing the mission and goal of an organization critical, and perhaps the first step for any successful SP. Thus, this research has provided a better understanding of the SP theoretical context and helped to address the limited involvement in SP and in optimizing its benefits for OP.

Literature has shown, as realized in this paper that SP has benefits that may positively impact OP. However, a model or clear pathway for SP is needed to achieve the goal of involvement and optimization.

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