The Role of Vision, Mission, Objective and Strategic Choice on the Quality of Service Provided to Citizens Jenin Municipality in Palestine

Majeed Mustafa Othman Mansour[1]

[1] Marketing, Arab American University, Palestine

Correspondence: Majeed Mustafa Othman Mansour, Marketing, Arab American University, Palestine. E-mail: Majeed.mansour@aaup.edu

Abstract

This study aims to investigate the role of vision, mission, objectives and strategic choice on the quality of service provided to citizens Jenin Municipality case study. The survey was administered towards employees of Jenin Municipality. Structural equation modeling *(SEM)* was employed to inspect both the hypothesis and coefficient relationship between the concepts and their implication. The results of this study revealed that vision, mission, objectives and strategic choice have significant influence on service quality. The importance performance matrix analysis *(IPMA)* analysis revealed that strategic choice is the most important factor among all other factors in order to measure service quality. In conclusion, administrative suggestions, boundaries and future research guidelines have been considered.

Keywords: vision, mission, objectives, strategic choice, service quality

1. Introduce the Problem

Management issues are essential to any organization. How to plan to accomplish things, organize their company to be effective and active, leading and encourage employees, and set controls to make sure that they follow their plans and achieve their goals. Good management is essential to start a business, grow a business, and maintain a business once it has achieved some success measures. Good management works through others to accomplish tasks that help achieve organizational goals as efficiently as possible. Efficiency is not enough to ensure success, managers must also strive for effectiveness, which accomplishes tasks that help to achieve organizational goals, such as customer service and satisfaction. (Thomson, 2001, pp. 1-3).

Strategic management as a concept is not new. This term was used for the first time in (1970), and it meant that the team of planners thought a lot or a little about strategic programs and then tried to sell them to decision makers. Goodstein et al. (1992) defined the strategic management"…the process by which the guiding members of an organization envision its future and develop the necessary procedures and operations to achieve that future". The concept of strategic management based on the definition of strategic planning shows that although planning is an introduction to strategic management, it is not sufficient if it is not followed by the dissemination, implementation, and evaluation of the plan being implemented. It is a systems approach to identify and make the necessary changes and measure the performance of the organization as well as it moves towards its vision. Gluck et al. (1982) defined strategic management as ". . . management . . . system . . . that links strategic planning and decision making with the day-to-day business of operational management" (Wells,1998, P.P. 3-4). The term strategic management confirms the importance of managers with regard to strategy. Strategies do not happen by themselves. Strategies require people, especially the executives who determine and perform strategy. The role of strategic management differs in nature from other aspects of management. Strategic management involves understanding the strategic position of the organization, developing strategic options for the future and managing the strategy at work (Johnson et al. 2008, pp. 11-12). Strategic administration is one of the key instruments offered to administrators of establishments to create structural managing systems. Strategic planning and the strategy implementation process are the keys to strategic management (BērziĦs, 2010, p. 4)**.** Strategic management is the frame of information that gives answers to questions about the evolution and application of good strategies. Strategic management is essential to all organizations because strategy provides bosses and stuff

with a specified guideline for their daily work (Carpenter et al. 2012, p. 22). "Strategic management can be defined as the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives. The purpose of strategic management is to exploit and create new and different opportunities for tomorrow; long-range planning, in contrast, tries to optimize for tomorrow the trends of today" (David, 2011, p. 6). Also, key administration is a progression of regulatory choices and activity that find the long-run execution of an organization. It covers natural review (both outer and inward), methodology detailing, technique execution, and valuation and observing (Wheelen & Hunger, 2012, p. 41).

2. Literature Review

Al-Dajani, (2011) "The role of strategic planning in the quality of institutional performance" The objective of this research is to define the role of strategic planning in the quality of institutional performance and developing criteria and indicators for measuring the quality of institutional performance in Palestinian universities, by answering the main research question "What is the role of strategic planning in the quality of institutional performance of Palestinian universities? " To answer the research question, the researcher followed the analytical descriptive approach and the building developing approach. The research community consisted of deans, directors, planning and quality committees at two universities in Gaza Strip (the Islamic University and Al-Aqsa University).   The researcher collected data by a questionnaire and interviews. The researcher used SPSS to analyze the respondents' answers, and the focus group was used as a tool for developing standards and pointers of recognized functioning. The conclusions of the research showed that are variants between the Palestinian universities in the level of quality of the institutional performance; Quality dimensions of institutional performance are very high in the Palestinian universities; There is a relation between the role of strategic planning and the quality of institutional performance for the Palestinian universities. The researcher recommended the Palestinian universities several recommendations, including: Palestinian universities have to develop a specific and systematic technique to ensure wider participation of the University's internal and external community in formulating and updating the vision and mission of the university; Arranging the objectives according to the priority and providing the necessary financial and material resources, by dividing them into necessary objectives that are covered by the university budget, and developmental objectives that should be provided through projects funded externally; Concern the strategic alternatives when setting the implementation plan and using new models in the planning process such as balanced performance card.

Msosa, (2015) "Assessing Customer Service in the Malawian Public Postal Service" This examination intention is to review benefit quality in the Malawian open postal administration. A balanced SERVPERF survey was connected to assess clients' impression of administration quality, customer fulfillment, and customer dependability. The administration quality measurements of effects, dependability, sympathy, affirmation, and responsiveness were utilized to gauge clients' impression of administration quality. An example measured 400 respondents of the eight Post Offices where this exploration was done were chosen. To dissect the information elucidating and inferential insights were utilized. Spearman rho was utilized to learn the connection between factors. Man-Whitney and Kruskal-Wallis tests were utilized to separate between two autonomous factors. The aftereffects of this examination show that clients' impression of administration quality was regularly great at all the five measurements of administration quality and every one of that measurements have a positive association with consumer loyalty. Likewise, the connection between consumer loyalty and client dedication was agreed and huge. The scientist prescribed that it is imperative to enhance the measurements of administration quality since they impact consumer loyalty which thus impact client steadfastness.

3. Hypotheses and proposed framework

H1: Vision is positively influence on Service Quality.

H2: Mission is positively influence on Service Quality.

H3: Objective is positively influence on Service Quality.

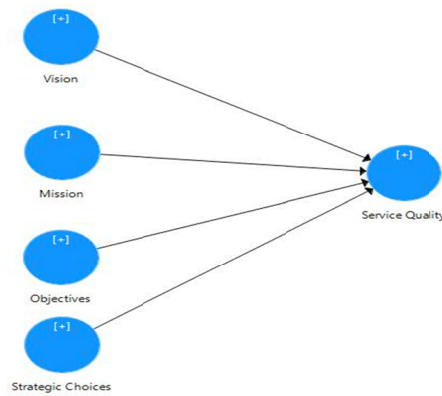*H4: Strategic Choices is positively influence on Service Quality.*

Figure 1. Theoretical Framework

4. Methodology

4.1 Data Analysis

Data was analyzed using structural equation modeling. We respected two phase analytical techniques recommended by Hair et al., (2014): measurement model and structural model. Instrument validity and reliability was tested with measurement model whereas hypotheses were tested through structural model. Additionally, bootstrapping method was also applied to examine importance of the path as proposed by Hair et al., (2016). SmartPLS 3.0 software was used for data analysis (Ringle, Wende, & Becker, 2015).

4.2 Measurement Model

Prior to structural modeling measurement model need to be measured for construct validity, and discriminant validity. In order to achieve convergent validity composite reliability (CR) and average variance extracted (AVE) was evaluated (Rahi, Ghani, Alnaser, & Ngah, 2018). Therefore, discriminant validity was achieved using Fornell and Larcker (1981) criterion. Table 1 displays the outcomes of element loadings as optional by Chin (1998) upper limit level of 0.6. Results revealed that values of AVE recommended by Fornell and Larcker (1981) as it must be greater than 0.5, confirmed the convergent validity of the constructs. Construct reliability was confirmed as values exceeded 0.7 recommended by (Hair, Black, Babin, Anderson, & Tatham, 2010; Rahi, Ghani, & Alnaser, 2017).

Table 1. Outcomes of model

Hypotheses	Loading	(α)	CR	AVE
Mission				
MIS1:	0.762	0.760	0.847	0.582
MIS2:	0.743			
MIS3:	0.781			
MIS4:	0.764			
Objectives				
OBJ1:	0.913	0.882	0.927	0.808
OBJ2:	0.866			
OBJ3:	0.916			
Strategic Choice				
SC1:	0.827	0.849	0.909	0.769
SC2:	0.898			
SC3:	0.904			
Service Quality				
SQ1:	0.843	0.856	0.913	0.777
SQ2:	0.900			
SQ3:	0.901			
Vision				
VIS1:	0.761	0.843	0.896	0.685
VIS2:	0.907			
VIS3:	0.725			
VIS4:	0.903			

4.2 Discriminant Validity

Discriminate validity was evaluated using Fornell & Larcker (1981) criterion. It is the quantity where concepts articles distinguish amid concepts and dealings different notions Rahi et al., 2017). In order to achieve discriminant validity the average variance shared between each construct and its measure should be greater than the variance shared between the constructs and other constructs (Compeau, Higgins, & Huff, 1999; Rahi, 2018). Conclusions as showed in Table 2 square root of the AVE (as showed in bold values on the diagonals) were greater than the consequent row and column values that indicates the measures were discriminate.

Table 2. Discriminant validity of the measurement model

Constructs	MIS	OBJ	SQ	SC	VIS
Mission	*0.763*				
Objectives	0.192	*0.899*			
Service Quality	0.375	0.430	*0.882*		
Strategic Choices	0.242	0.277	0.744	*0.877*	
Vision	0.265	0.323	0.642	0.557	*0.828*

Note. Bold values indicate the square root of AVE of each construct.

Discriminant validity was also assessed using cross loading indicator method. According to Hair Jr et al. (2016) discriminant validity can be measured by examining the cross loading of the indicators. It very well may be analyzed by looking at a marker's external loadings on the related develops and it ought to be more prominent than the majority of its stacking on alternate builds (Rahi, 2017). Table 3 delineates that every one of the things estimating a specific builds stacked higher on that develop and stacked lower on alternate builds that affirms the discriminant legitimacy of the builds (Rahi, Ghani, & Ngah, 2018).

Table 3. Loading and cross loadings

Constructs	Mission	Objectives	Strategic Choices	Service Quality	Vision
MIS1	*0.762*	0.110	0.193	0.288	0.194
MIS2	*0.743*	0.102	0.149	0.266	0.242
MIS3	*0.781*	0.153	0.208	0.289	0.231
MIS4	*0.764*	0.214	0.184	0.299	0.145
OBJ1	0.164	*0.913*	0.193	0.344	0.265
OBJ2	0.194	*0.866*	0.313	0.436	0.337
OBJ3	0.153	*0.916*	0.223	0.366	0.255
SC1	0.209	0.192	*0.827*	0.616	0.571
SC2	0.183	0.278	*0.898*	0.655	0.451
SC3	0.243	0.256	*0.904*	0.684	0.451
SQ1	0.320	0.311	0.612	*0.843*	0.666
SQ2	0.321	0.431	0.665	*0.900*	0.514
SQ3	0.350	0.395	0.688	*0.901*	0.519
VIS1	0.213	0.271	0.415	0.470	*0.761*
VIS2	0.231	0.227	0.475	0.549	*0.907*
VIS3	0.232	0.347	0.479	0.535	*0.725*
VIS4	0.199	0.227	0.467	0.560	*0.903*

Henseler, Ringle, and Sarstedt (2015) suggested an alternative approach to assess the discriminant validity namely: Heterotrait-Monotrait Ratio (HTMT). It is evaluated using criterion, value greater than HTMT 0.85 value of 0.85 Kline (2011) or HTMT.90 value of 0.90 Gold and Arvind Malhotra (2001) shows there is a problem with discriminant weight. Therefore, Chart 4 shows that all standards are minor than the obligatory edge value of HTMT.85 by Kline (2011) and HTMT .90 by Gold and Arvind Malhotra (2001), representative that distinguish validity of the concepts (Rahi & Ghani, 2018b).

Table 4. Heterotrait-Monotrait Ratio (HTMT)

	Mission	Objectives	Service Quality	Strategic Choices	Vision
Mission					
Objectives	0.229				
Service Quality	0.464	0.488			
Strategic Choices	0.299	0.311	0.872		
Vision	0.334	0.371	0.756	0.662	

Note. Heterotrait-Monotrait Ratio (HTMT) discriminate at (HTMT <0.90/ HTMT <0.85).

4.3 Structural Model

Once measurement model is achieved, structural model can be assessed. Assessing structural model involves path significance, R^2 standards and consistent t-values as optional by Hair Jr et al. (2016) and Rahi and Ghani (2018a). Additionally, theories were tested using bootstrapping process with a resample of 5000, (F. Hair Jr et al., 2014). Table 5 depicts the consequences of hypotheses with its equal of meaning.

Table 5. Outcomes of hypothesis analysis

Hypothesis	Relationship	β	S.E	t-value	Decision
H1	Vision -> Service Quality	0.259	0.058	4.497***	Supported
H2	Mission -> Service Quality	0.148	0.037	4.035***	Supported
H3	Objectives -> Service Quality	0.176	0.034	5.159***	Supported
H4	Strategic Choices -> Service Quality	0.515	0.054	9.588***	Supported

Note. Significance level where, *p < 0.05, **p < 0.01, ***p < 0.001.

Table 5 depicted that the relationship between vision and service quality is supported by H1: (β = 0.259, p< 0.001). Following, the relationship between mission and service quality is supported by H2: (β = 0.148, p< 0.001). Hence, H3 showed that objective is positively related with service quality and supported by (β = 0.176, p< 0.001). Hereafter, the relationship between strategic choice and service quality is supported by H4: (β = 0.515, p< 0.001). Thus, all the proposed hypotheses are statistically significant.

4.4 Evaluating Effect Size

It is stated that P value can show you that effect exist however, it does not reveal the size of the effect (Cohen, 1988). Thus, effect size (f^2) used to assess the relative impact of a predictor construct on an endogenous construct (Rahi & Ghani, 2018a). Table 6 indicated that among all variables strategic choice have large effect size 0.558 whilst mission objective and vision have small effect sizes. The predictive relevance of the model was assessed through blindfolding procedure. According to Hair et al. (2016) , the Q^2 meanings are larger than 0 it revealed that model has analytical significance for a confident endogenous construct. The predictive relevance of the prototype is greater than 0 (0.498) indicates that model has enough predictive power. Finally, coefficient of determination R^2 68% for service quality is jointly predicted by mission, vision, strategic choice and objectives.

Table 6. Evaluating effect size

Constructs	R^2	Q^2	f^2	Decision
Service Quality	0.680	0.498		
Mission-> Service Quality			0.062	Small
Objectives-> Service Quality			0.084	Small
Strategic Choice -> Service Quality			0.558	Large
Vision -> Service Quality			0.136	Small

Note. f^2: 0.02, small; 0.15, medium; 0.35, large.

4.5 Significance Performance Matrix Analysis (IPMA)

A post hoc significance performance matrix analysis (IPMA) was put on employing service quality as endogenous variable. IPMA added an additional dimension to the analysis by evaluating performance and

importance scores (Hair Jr et al., 2016; Samar, Norjaya, & Feras, 2017). Table 7 depicts importance scores indicate that strategic choice is the most important variable in order to assess service quality.

Table 7. Index Values and total effects

Constructs	Total effect of the latent variable Service Quality (Importance)	Index values (Performance)
Mission	0.157	71.611
Objectives	0.167	59.888
Strategic Choices	0.521	66.197
Vision	0.281	67.581

5. Conclusion

This study dealt with the relationship and the role of vision, mission, objective, and strategic choice analysis between the strategic planning and the quality of service provided to citizens in Jenin municipality as a case study. The study focused on the research question which was: "what is the impact of strategic planning in the Jenin municipality on the quality of the service provided to the citizens". This chapter inserts a summary of the study results and some needed recommendations to Jenin municipality and other Palestinian municipalities to link strategic planning process with the quality of service to provide good services to citizens and satisfy their needs.

References

Bērziħs, G. (2010). Strategic Management, Project, Development and Approbation of Applied Courses Based on the Transfer of Teaching Innovations in Finance and Management for Further Education of Entrepreneurs and Specialists in Latvia, Lithuania and Bulgaria", part of the Leonardo da Vinci programme. Retrieved from http://www.bcci.bg/projects/latvia/pdf/10_StrategVadisana_GB_-_EN.pdf

Chin, W. W. (1998). Commentary: Issues and opinion on structural equation modeling: JSTOR.

Cohen, J. (1988). *Statistical power analysis for the behavioural sciences.* Hillside. NJ: Lawrence Earlbaum Associates.

Compeau, D., Higgins, C. A., & Huff, S. (1999). Social cognitive theory and individual reactions to computing technology: A longitudinal study. *MIS quarterly*, 145-158.

David, F. R. D. (2011). Strategic Management Concepts and Cases, Thirteenth Edition: Pearson Education, Inc., publishing as Prentice Hall. Francis Marion University Florence, South Carolina.

F. Hair Jr, J., Sarstedt, M., Hopkins, L., & Kuppelwieser, V. (2014). Partial least squares structural equation modeling (PLS-SEM) An emerging tool in business research. *European Business Review, 26*(2), 106-121.

Fornell, C., & Larcker, D. F. (1981). Structural equation models with unobservable variables and measurement error: Algebra and statistics. *Journal of Marketing Research*, 382-388.

Gold, A. H., & Arvind Malhotra, A. H. S. (2001). Knowledge management: An organizational capabilities perspective. *Journal of Management Information Systems, 18*(1), 185-214.

Hair Jr, J. F., Hult, G. T. M., Ringle, C., & Sarstedt, M. (2016). *A primer on partial least squares structural equation modeling (PLS-SEM)*: Sage Publications.

Hair, J. F., Black, W. C., Babin, B. J., Anderson, R. E., & Tatham, R. L. (2010). Multivariate Data Analysis. *7*.

Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Academy of Marketing Science. Journal, 43*(1), 115.

Johnson, G., Scholes, K., & Whittington, R. (2008). Exploring Corporate Strategy, Eighth Edition. London: Agency Ltd, Saffron House.

Kline, R. (2011). Principles and Practice of Structural Equation Modeling, 3rd edn Guilford Press. *New York*.

Rahi, S. (2017). *Structural Equation Modeling Using SmartPLS*: CreateSpace Independent Publishing Platform.

Rahi, S. (2018). *Research Design and Methods*: CreateSpace Independent Publishing Platform.

Rahi, S., & Ghani, M. A. (2018a). *Investigating the Role of E-Service Quality and Brand Image in Internet Banking Acceptance Context with Structural Equation Modeling (SEM-PLS).* Paper presented at the

Economic and Social Development (Book of Proceedings), 30th International Scientific Conference on Economic and Social.

Rahi, S., & Ghani, M. A. (2018b). *A Structural Equation Modeling (SEM-AMOS) for Investigating Brand Loyalty and Customer's Intention towards Adoption of Internet Banking* Paper presented at the Economic and Social Development (Book of Proceedings), 29th International Scientific Conference on Economic and Social.

Rahi, S., Ghani, M. A., & Alnaser, F. M. (2017). The Influence of E-Customer Services and Perceived Value on Brand Loyalty of Banks and Internet Banking Adoption: A Structural Equation Model (SEM). *The Journal of Internet Banking and Commerce, 22*(1), 1-18.

Rahi, S., Ghani, M., & Ngah, A. (2018). A structural equation model for evaluating user's intention to adopt internet banking and intention to recommend technology. *Accounting, 4*(4), 139-152.

Rahi, S., Ghani, M., Alnaser, F., & Ngah, A. (2018). Investigating the role of unified theory of acceptance and use of technology (UTAUT) in internet banking adoption context. *Management Science Letters, 8*(3), 173-186.

Ringle, C. M., Wende, S., & Becker, J. M. (2015). SmartPLS 3. Boenningstedt: SmartPLS GmbH.

Samar, R., Norjaya, M. Y., & Feras, M. A. (2017). Measuring the role of website design, assurance, customer service and brand image towards customer loyalty and intention to adopt interent banking. *The Journal of Internet Banking and Commerce, 22*(S8).

Thomson, M. T. M. (n. d.), (2001). MGMT Enter, Part 1, Introduction to Management. Retrieved from https://www.swlearning.com/pdfs/chapter/0324117922_1.PDF

Wheelen, T. L., & Hunger, J. D. (2012). Concepts in Strategic Management and Business Policy, thirteen editions, Pearson Educational Inc., United States of America.