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**The Impact of Strategic Planning on Achieving  
Competitive Advantage in Palestinian Insurance  
Companies**

By

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**This thesis was submitted in partial fulfilment of the  
requirements for the master's degree in Strategic Planning  
and Fundraising**

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Thesis Approval

**The Impact of Strategic Planning on Achieving Competitive Advantage in  
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## Declaration

I, Omar Amara, declare that the MA thesis entitled “The impact of strategic planning on achieving competitive advantage in Palestinian insurance companies” contains no material that has been submitted previously, in whole or in part, for the award of any other academic degree or diploma. Except where otherwise indicated, this thesis is my own work.

Signature .  .....

Omar Amara

Date: 25 / 1 / 2023

## **Dedication**

This thesis is dedicated to my parents Mohammad and Naela who believed in me

To my wonderful brothers and sisters

To my best friends

&

To all anonymous supporters

## **Acknowledgments**

I'd like to express my gratitude to several people whose contributed in a way or another in the successful completion of this study.

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Finally, a very Special thanks to the woman who repeatedly bet on my failure and challenged me a lot...But unfortunately, I succeeded with love.

## **Abstract**

This survey-based research aims to investigate the extent of the implementation of strategic planning process in Palestinian insurance companies, in addition to investigate the relationship between strategic planning process and its impact on competitive advantage within Palestinian insurance companies listed on the Palestine Stock Exchange (PEX), particularly in West Bank. It assesses the attitudes to and perceptions of top and middle management in those firms towards strategic planning, to examine the level of adoption and application of strategic planning regarding (environmental analysis, goals, mission, vision, strategic alternatives, strategy implementation) and determine the level of competitive advantage in terms of (cost, quality, flexibility, and delivery). It also presents a framework for deducting the correlation between strategic planning and Insurance companies' competitive advantage.

A descriptive analytical approach was adopted, and primary data were collected through an online (digital) questionnaire prepared for this purpose, which was verified through arbitration by a group of academic arbitrators, limited to (5) arbitrators. The Population of the study consisted of all employees in the senior and middle management (279 individuals) working in the Palestinian insurance firms registered in the PEX, limited to (8) insurance firms in the year 2022, where the study adopted the convenience sampling method to identify the study sample. In total, (121) online questionnaires were filled from (8) insurance firms representing 80% of the insurance sector in Palestine. The findings indicated a high impact of strategic planning processes on competitive advantage in Palestinian insurance firms, in addition to a statistically significant impact at the level of significance ( $0.05 \alpha \leq$ ) of the application of strategic planning in terms of (vision, mission, environmental analysis, goals, strategic alternatives, and strategy implementation) on the competitive advantage of insurance companies listed on the Palestine exchange. This support findings from other studies covering different firms operating in various services industries. The study suggests that systematic strategic planning is required as a

comprehensive framework for implementation, control, and evaluation of strategy formulation, selection, and implementation for SME owners in Palestine, and for responsible business bodies such as capital market authority and ministry of national economy to actively promote it.

**KEYWORDS:** Strategic planning, Competitive advantage, Insurance sector.

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**List of abbreviations**

PCMA	Palestine Capital Market Authority
SWOT	Strengths, Weaknesses, Opportunities, Threats
SPSS	Statistical Package for Social Sciences
PNA	Palestine National Authority
SMEs	Small and Medium-Sized Enterprises
BOP	Balance of Payments
GDP	Gross Domestic Product
PEX	Palestine Exchange
ICT	Information and Communications Technology
CEOs	Chief Executive Officers
SLR	Simple Liner Regression
SDs	Standard Deviations
PNA	Palestinian National Authority
AKI	Association Of Kenya Insurers

## Chapter I

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### Introduction

#### 1.0 Background of the study

Insurance sector is among the most important risk-related financial sectors for any country's economy. Palestine is like other countries that feel the importance of the insurance sector in view of its role in stimulating economic and social development, through specialized bodies to practice this activity, which are usually called insurance companies.

Insurance is one of the most successful economic devices, policies, and functions used to indemnification losses and mitigate, control and transfer risks. Insurance industry is an important part of the services sector worldwide, providing insurance services by insurers “insurance firms” to the insured in the form of compensation programs and agreements, and this service is limited to covering the material risk exposed by insureds in exchange of paying a certain indemnification to the insurer that undertakes to pay the material value of the covered risk, i.e. That the insurer is ready to pay the indemnification amount to the designated beneficiaries at any time during the insurance period, and thus it is an enterprise that collects premiums from the insured in advance, to reinvest them in return for a financial return and thus is a source of investment funds. Insurers are financial enterprises which plays a key important and effective role in economic growth, enhance employment, and finance economic projects by the accumulation of funds from various sources for capital investments, and directing accumulated funds towards various fields of investment, such as stocks, shares, and housing, thus enhance the wheel of economic development, and contribute to the national economy growth (Hemrit, 2022; Rejda & McNamara, 2013, P20-22; Zweifel & Eisen, 2014, P2-6).

The massive funds accumulated by insurers in exchange for various insurance' services are an essential source of long-term funding for either public or private projects and investments. The fact of retaining funds with insurance companies without investing and benefiting from them negatively affects the interests of investors and boards of directors. The survival of insurance companies and its activities depends mostly on the success of their investment policies and its derived returns (Kornelius, et al., 2021).

In 1933, the Palestinian national authority (PNA) began regulating the insurance sector in Palestine, according to the transfer of powers and responsibilities agreement, known as the "Oslo 1" agreement, which was signed between the Palestine Liberation Organization and the Israeli occupation authority. The legal and geographical scope of its responsibility for the sector was expanded in 1994 under the "Oslo 2" agreement, according to which the PNA became the legal authorization and supervisory body in the field of insurance, including licensing insurers and agents, and regulating their activities. The Palestinian insurance sector suffered from the absence of modern legislation, supervisory mechanisms, and government censorship due to the PNA's reliance on old legislation left over from the Jordanian annexation of West Bank lands in the period between 1950 and 1967. However, the establishment of the Palestine Capital Market Authority (PCMA) in 2004 was an important factor in creating the desired change in the Palestinian insurance sector, which resulted in the issuance of Insurance Law No. (20) of 2005, which intended to reorganize and regulate the insurance sector. By the middle of 2022, the number of insurers licensed by the PCMA reached 10 firms operating in different fields of insurance, including 8 companies registered on the Palestine Exchange (PEX). At the end of 2021, the insurance industry in Palestine achieved a return on equity of 9.3%, and a total insurance portfolio of 341.5 million dollars, and 1.89% penetration rate (PCMA, 2021).

On the other hand, the concepts of competitive advantage, competitive strategies, competitiveness, and competition in services-oriented businesses, such as insurance firms,

occupies an increasing attention in recent years in the field of strategic management, strategic planning, and economics. Competitiveness is a key strategic element that assists in exploiting opportunities and provides a real chance for the firms to achieve sustainable profitability compared to other rivals. Thus, enhance the positioning of a firm for its profitability and differentiation over its rivals in the areas of services, cost, quality, and price, and thus focus on production (Huda, et al., 2019)

This thesis aims to investigate the impact of strategic planning in the insurance sector in Palestine on achieving competitive advantage in the offered services to the insureds and identifying the actuality of strategic planning in insurance firms and the competitiveness of the services provided in aspects of (quality, flexibility, delivery, and cost), in addition to the impact of strategic planning on achieving competitive edge by looking to the vision, mission, goals and environmental analysis while linking the strategic planning dimensions with the of the competitive advantage's dimensions and sources in these firms, at the time while the problem of the study lies in the main question about the extent of the impact of strategic planning on achieving the competitive advantage in the insurance firms in Palestine.

## **1.1 Research problem**

Many studies have examined the importance of strategic planning in achieving competitiveness and competitive advantages in a highly competitive market and changing environment. Porter & Kramer (2002) and (Khan & Waheed, 2018) indicated a linkage between strategic planning and the emergence of competitive advantage, which showed that the competitive edge emerges at a time when the firms exploit their different resources and capabilities, and discovers or adopts new innovative and creative approaches, methods, and strategies that are more effective than those used by other rivals. Where it is able to embody this discovery in the field, in other words, by simply creating a process of creativity in its broad sense. The research gap in this study appears in the question raised about the impact of strategic

planning process on achieving competitive advantage in the insurance sector, where the concepts of strategic planning and competitive advantage are considered a real revolution in the world of business administration at the academic level. Problems are not relevant and practical. Academically, it has a strategic dimension, but management is seen as a dynamic and continuous process aimed at addressing many internal and external concerns to achieve the continuous superiority of the organization over others, i.e., over competitors, suppliers, buyers, and other parties with whom it deals. This balance of superiority is the work of an institution towards other parties in the market, and the competitive advantage has two main dimensions, the internal dimension, and the external dimension. Internally, the competitive advantage of any institution is built on several distinctive capabilities. Those in charge of this institution must know well these capabilities, resources, and investment. In order to achieve a competitive advantage. Thus, enhancing the competitiveness of these companies' services and their competitive advantages is vital for their survival in the insurance sector and the market and for long-term survival, especially in an era in which markets and industries are witnessing great change and competition. Thus, providing distinctive services with competitive advantages is a prerequisite for survival in the market.

## **1.2 Significance of the study**

The current study gains its importance from the importance of the topic that highlights on the correlation between strategic planning and achieving competitive advantage in the insurance firms operating in Palestine. Various studies have linked strategic planning and competitive advantage, such as Fathi & Esfahani (2012), Önder & Ergin (2012), and Tahir & Razali (2011).

The study gained its importance since it considered the first in the Palestinian context, which addressing the relationship among the strategic planning components and competitive advantage across the insurance sector in the economic environment in Palestinian territories.

Moreover, the study's findings and recommendations are also expected to be as an added scientific value for intellectuals and researchers concerned in the study's topic, in addition to economists and decision makers in Palestinian insurance sector.

### **1.3 Research objectives**

The current study seeks to achieve the following specific objectives:

- I. Determine the level of implementation of strategic planning in terms of (environmental analysis, goals, mission, vision, strategic alternatives, strategy implementation) In insurance firms listed on the Palestine Stock Exchange (PEX).
- II. Determine the level of competitive advantage in terms of (cost, flexibility, delivery, and quality) In insurance firms listed on the PEX.
- III. Determine the impact of strategic planning in terms of (environmental analysis, goals, mission, vision, strategic alternatives, strategy implementation) on competitive advantage in insurance firms listed on the PEX.

### **1.4 Research questions**

The following major study questions will be answered to cover each of the study objectives stated clearly in the previous section:

- What is the impact of strategic planning on competitive advantage in insurance firms listed on the PEX?

Through the main question of the study, the following **sub-questions** stemmed out:

- What is the level of implementation of strategic planning regarding (environmental analysis, company's goals, mission, vision, strategic alternatives, strategy implementation) in insurance firms listed on the PEX?

#### **Sub questions:**

- What is the level of competitive advantage in terms of (cost, quality, delivery, and flexibility) In insurance firms listed on the PEX?

- What is the impact of strategic planning in terms of (environmental analysis) on competitive advantage in insurance firms listed on the PEX?
- What is the impact of strategic planning in terms of (company's goals) on competitive advantage in insurance firms listed on the PEX?
- What is the impact of strategic planning in terms of (Mission) on competitive advantage in insurance firms listed on the PEX?
- What is the impact of strategic planning in terms of (Vision) on competitive advantage in insurance firms listed on the PEX?
- What is the impact of strategic planning in terms of (Strategic alternatives) on competitive advantage in insurance firms listed on the PEX?
- What is the impact of strategic planning in terms of (strategy implementation) on competitive advantage in insurance firms listed on the PEX?

### **1.5 Research hypothesis**

In order to answer the main question of the research and sub-questions, a set of the following main hypotheses was developed to be tested:

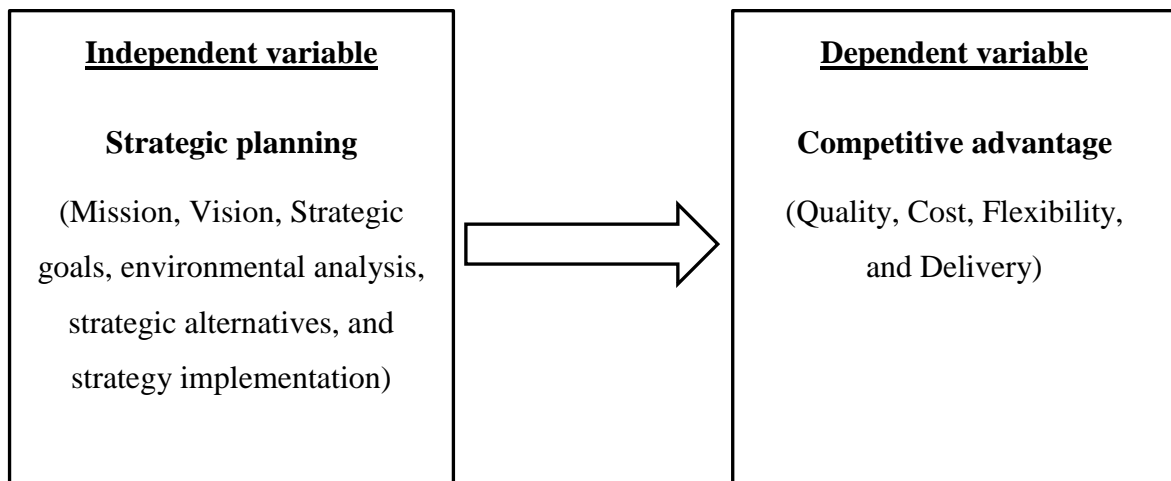
- There is no statistically significant effect at the significance level (0.05) in the level of application of strategic planning with regard to (environmental analysis) on competitive advantage in insurance firms listed on the PEX.
- There is no statistically significant effect at the significance level (0.05) in the level of implementation of strategic planning with regard to (company's goals) on competitive advantage in insurance firms listed on the PEX.
- There is no statistically significant effect at the significance level (0.05) in the level of implementation of strategic planning with regard to (Mission) on competitive advantage in insurance firms listed on the PEX.
- There is no statistically significant effect at the significance level (0.05) in the level of

implementation of strategic planning with regard to (Vision) on competitive advantage in insurance firms listed on the PEX.

- There is no statistically significant effect at the significance level (0.05) in the level of implementation of strategic planning with regard to (Strategic alternatives) on competitive advantage in insurance firms listed on the PEX.
- There is no statistically significant effect at the significance level (0.05) in the level of implementation of strategic planning with regard to (strategy implementation) on competitive advantage in insurance firms listed on the PEX.

## 1.6 Research model

The following model represents the interaction between the independent and dependent variables of the current study:



**Figure 1.1: Research model (Source: Researcher)**

## Chapter II

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### Theoretical framework & Literature review

#### 2.0 Introduction

The core of this chapter is to be comprehensively apprised of what experts, researchers and other intellectuals have done in line with the study topic. This research concerns studying the impact of strategic planning on achieving competitive advantage in insurance companies in Palestine, to assess proof of the contribution of strategic planning process and activities in those companies who embrace it on achieving a competitive advantage for their customers from senior and middle management point of view. It is purposed to examine the strategic planning practices and attitudes of Palestinian insurance companies' employees at the middle and top management towards strategic planning, and to investigate the peculiar influences on the relationship between strategic planning and achieving competitive edge. The justification for this review is critical analysis of the previous body of knowledge to comprehend the context of the current study's work, to identify gaps and establish relationships, trends, and patterns and to comprehend the various points of view and features acknowledged by the previous intellectuals. This is essential as many researchers may have used various approaches, as they conducted their studies in several commercial industries and points of time. Throughout this review, there is also an intention to fill any discovered gaps in the literature and answer any unanswered questions from past studies reviewed.

Researchers and intellectuals have debated the importance of strategic planning and its impact on achieving competitive edge in different industries and sectors. Fundamental studies proposed a positive correlation, for example increases in profitability, sustainability in tumultuous economical environments, establishment of competitive edge and huge profit growth, among

other suggestions (Othman, 2017; Qrichi & Sultani, 2017; Soebroto & Budiyanto, 2021). Anyhow, other research proposed both either no correlation or neutral results (Mustafa, 2014). The previous studies contain a several fundamental concepts and terminologies of the subject of research as it is purposed to establish the conceptual and theoretical framework of the research. The previous studies begin with an argumentation of the theoretical models, elements, functions, importance, and the general evolution of strategic planning. Later, is a debate on the importance of strategic planning, as well as studies regarding the strategic planning practices in many enterprises in different industries and markets and its impact on achieving competitive advantage or competitiveness. The topic of insurance is introduced by a review of the concept of insurance, importance of insurance, and Palestinian insurance sector combining either quantitative or qualitative growth indicators related to insurance industry and firms in Palestine. Finally, the section introduces a review of studies examined the strategic planning, and its effect on competitive edge, particularly insurance firms and other SMEs in different industries. Therefore, the following ideas and fields are covered in the literature review in this chapter: Strategic planning concept, competitive advantage, and insurance, Strategic planning frameworks, process, models, and structures, achieving competitive advantage through strategic planning, the importance of strategic planning, previous studies about strategic planning and its impact on achieving competitive advantage of small SMEs, strategic planning practices.

## **2.1 Strategic planning**

As this research doesn't seek to assess, judge, or evaluate the theories and terminologies of strategic planning as its essence objective, it does outline a generic overview of the importance, concept, functions, elements, and key models in the field of strategic planning model structure.

### **2.1.1 The concept of strategic planning**

Strategic planning has varied number of definitions. It is aimed to investigate the goals of an institution, define strategic policies, programs and necessary action plans needed to achieve the goals and reach the targets, and to develop the methods that ensure the implementation and application of the organization's strategic policies and programs as planned (Ahmad & Mohammed, 2019).

Strategic planning is defined as a set of operations that help the organization to define its strategies, goals, objectives and taking decisions over allocating its resources for the sake of achieving its goals. Strategic planning is a management tool that offers the organization the ability to concentrate its efforts, resources, and capabilities to ensure that its members' efforts work towards achieving its goals, vision, mission and to evaluate and adapt the procedures, processes, and strategies of the enterprise to match with the business changing environment (Njeri & Kombo, 2015).

Strategic planning, according to Abdul Wahab (2016), is also defined as a thorough and comprehensive way of thinking to accurately shape the company's vision within the framework of defining the company's mission up to achieving its goals and objectives by analyzing the internal and external ambiance and environment, and by developing, evaluating, and selecting the best strategic alternatives that make advantage of available opportunities and be able to avoid, mitigate or reduce future risks.

It is an organized strategic thinking which owns its strategic structure, techniques and effective tools, and applies a scientific approach to predict the future and its variables that might occur in the different industries, markets or fields, and analyzes the internal and external environments of institutions and companies to gain the utmost benefit of any available opportunities or to face any possible or existing challenges in a way that enables companies to come up with viable

long-term strategies to achieve the strategic objectives of an enterprise or a firm (Al-Ayasra & Al-Kubaisi, 2018).

Strategic planning is an essential process for making evolving decisions based on accessible information obtained and its future implications and developing and ensuring the implementation of time-bound goals, strategies, plans and programs, with full support of the senior management and the participation of all personnel and stakeholders in the Organization (Bouhadid, 2015).

Strategic planning is also defined as the design and insight of the company's mission and defining its goals, objectives, policies, approaches, and strategic programs, actions and plans necessary to achieve its objectives by setting and formulating the policies and methods necessary to ensure their implementation. Strategic planning is also of prominent importance in the management process as it outlines the strategic business orientation of companies and the course of management process. It identifies the futural activities and actions that can be performed in regard of the availability of market opportunities and external threats (Othman, 2017).

### **2.1.2 Importance of strategic planning**

In thinking strategically about a business, management must develop a pure understanding of why the firm exists, what aspires to and what distinguishes it over rivals in the marketplace, which explains the company's mission and vision and clarifies the necessity of the existence of a clear strategy outlines why the firm matters in a specific industry by establishing its methodologies and tactics in creating superiority in provided products and services for clients, customers, and buyers and how various resources and capabilities could be exploited and utilized creatively to deliver the desired superior value to buyers. This calls for a comprehensive strategic planning process that ensures answering all strategic issues (Gamble et al., 2014).

Strategic planning is a key form of long-term planning for the future. It is one of the most comprehensive methods and processes that inspire enterprises, organizations, and firms of all kinds, forms, and sizes to adapt to their internal and external environment; thereby, increasing their competency and efficiency of output, either on the level of products or services and that occurs by confronting or mitigating threats and seeking to invest or exploit opportunities that enhance the competitive position, that leads to developing and achieving the goals of the company. This can also help to invest all human and tangible resources and capabilities and make benefit of its internal and external environment based either on the available opportunities or confronting challenges and risks (Mustafa et al., 2019). The importance of strategic planning, primarily, is that it is considered the primary guarantor for the adequacy of the company's strategy with its external and internal environment, and the formation and development of the company's corporate strategies as a link between both the company's internal and external environment, particularly, its objectives, mission, vision, core values, resources, and capabilities which leads to what is called as a strategic fit (Grant, 2016).

Strategic plans get an opportunity to succeed when it relies on strategies based on procedures, methods, and competitive movements which aim to attract buyers in ways that distinguish a company over its rivals at the same industry. Trying to emulate the strategies of successful corporations is rarely successful. Instead, the strategy adopted by each company needs some distinctive elements that attract customers and produce a competitive advantage. The strategy, in essence, depends on being able to compete differently – to do what other competing companies do not do, and more efficiently to do what other competitors can't do. Strategic planning is greatly important since it forms the process upon which strategies are identified, selected, and adopted by a company and followed in its futural stages. This will directly affect the forthcoming performance of the company, its competitiveness in the industry and its ability to gain or achieve a sustainable competitive advantage over its rivals, which will be the result

of adopting a specific competitive strategy: Cost leadership or differentiation (Gamble et al., 2014).

### **2.1.3 Strategic planning application requirements**

Effective implementation of strategic planning requires the provision of a set of key elements, which are as follows (Jarjer, 2015; Simerson, 2011):

- 1. Preparing the organization for the strategic planning process:** The process of preparing the organization to carry out the strategic planning process is one of the most important requirements of strategic planning implementation, and this preparation is done by : Working to convince the members of the organization of the importance and necessity of preparing the plan through an integrated system of the planning process, the existence of strong link between the achievement of the interest of the organization and the immediate and future material and moral benefits they receive., identifying methods and tools necessary to provide the data and information required by the implementation of the strategic planning process and the reality of the current competitive position of the organization, describing the level of real exploitation of the organization's potential, identifying the members of the planning team and the coordinators between the organizational units and the different departments with the need to involve the senior departments, determine their competencies and distribute planning tools to related members and develop an integrated program that explains the mechanism of the work of the planning team.
- 2. Availability of needed information for strategic planning process:** The implementation of an effective strategic planning system requires the availability of information necessary for the strategic planning process, the know-how of the organization about the availability of information of internal and external elements, identifying non-available information that must be provided for the preparation of the strategic plan, identifying the sources and means of obtaining information, determining the operational procedures and the timetable for

information obtaining's purpose and parties concerned and responsible for providing those information, methods and tools for analysis, interpretation and processing information, how to use it in the preparation of the strategic plan and identifying systems and rules for the circulation, preservation and follow-up of information.

3. **Continuity of strategic thinking:** The continuity of strategic thinking among the members of the organization represents the most important real investments of the organization, as their perceptions and concerns are not limited to the stage of preparing the strategic plan, but go beyond that to become stable basic concepts, method of thinking, and a continuous professional commitment to the strategic planning system, which requires designing and linking the incentive system to the key performance indicators associated with the achievement of strategic plans, goals and mission of the organization and the establishment of an integrated information system which helps the members of the organization to follow up the changes in the organization's environment, whether internal or external, and directs them to adapt to achieve the strategic goals and mission of the organization, and the development of administrative system, policies and rules of work, based on the principle of accountability associated with achievements rather than focusing on the operational aspects.
4. **Identifying and utilizing an executive sponsor of the strategic planning process:** The implementation or execution of the strategic planning process requires mainly members of the organization to change the way they think, act and perform. In short, corporate strategic planning creates a need for companies to reset their attention, refocus, or reorient their efforts and resources. More specifically, an individual acting as an executive sponsor of strategic planning will be an important factor in: Advocate for the importance of the newly developed or modified strategic plan, strategic objectives, tactics, and associated Major and secondary tasks for leaders, executives, and supervisors in senior management, emphasize the importance of the strategic plan when discussing the strategic planning process, general

issues, and topics with key stakeholders, advocate for the importance of modifying or developing the company's technology, systems, and processes to Optimize strategy implementation, encourage leaders and executives to integrate goals and metrics related to the strategic plan into their systems and processes (e.g., performance management system and employee evaluation process) and work with other leaders and executives to manage disagreement, resolve conflict, and manage crises related to strategy formulation and implementation.

**5. Identification and management of key stakeholders:** key stakeholders are very important in the process of strategic planning, implementation, and execution, especially as they are fundamentally will impact the ability of the firm to achieve its newly developed, refined or verified vision and mission. More specifically, they will influence the: Degree to which enterprise's methodologies, tools, and techniques are deployed, utilized, or implemented according to a design, instruction, or specification, The Sharing of creative ideas, procedures, processes, suggestions, and features, an important part of designing, developing, and providing innovative and creative products and services. Accordingly, managing organization's key stakeholders should be adopted as an important consideration from strategic planning committee to determine how to documentation, solidify, and archiving the inputs, contributions, assistance, and support of enterprise's key stakeholders.

**6. Extent of attention of senior management to strategic planning:** The success of any firm and the effectiveness of the planning process depends on the extent of importance and attention that top-level management gives to the strategic planning process, and this is evidenced by the time allocated by the senior management to the strategic planning process, compared to the time taken in implementing actions and discussing nominal matters or carrying out detailed data that are not fundamentally influential in the decision-making process, organization's members realization of the desire and seriousness of senior

management and its willingness to allocate more time and effort to growing up the effectiveness of the strategic planning system in the organization, degree of senior management's readiness to bear and mitigate the burden of the costs and risks of the strategic planning process, senior management's ability to confront critical situations and deal effectively with, extent of keenness and commitment of senior management in an active participation and attending strategic plans preparation meetings and workshops and its effective implementation, organization's members realization of the upper-management's seriousness in a correct and integrated implementation of the conclusions of the process of preparing strategic plan and the rapid substantive response to changes that require the development and updating of strategic plan elements, in addition to the organization's members realization of the extent of keenness of senior management to achieve a balance between the strategic goals and mission of the organization on a one hand and the benefits included in it for the members on the other hand, As well as the extent, status and keenness of senior management in pushing organization's members to follow a methodical and strategic thinking, and ensure its continuity and application in all stages of preparing strategic planning.

#### **2.1.4 Strategic planning model structure**

The great treatment of strategic planning subject in many research and studies greatly influenced the multiplicity of models proposed for the structure of strategic planning process, which in turn was an important factor in the emergence of systematic strategic planning concept, which tries systematically to come up with a comprehensive structure and framework for Strategic Planning model. Hence, addressing and discussing some structures has been done by (Butuner, 2015) and (Hamed, 2020) considered as a scientific key:

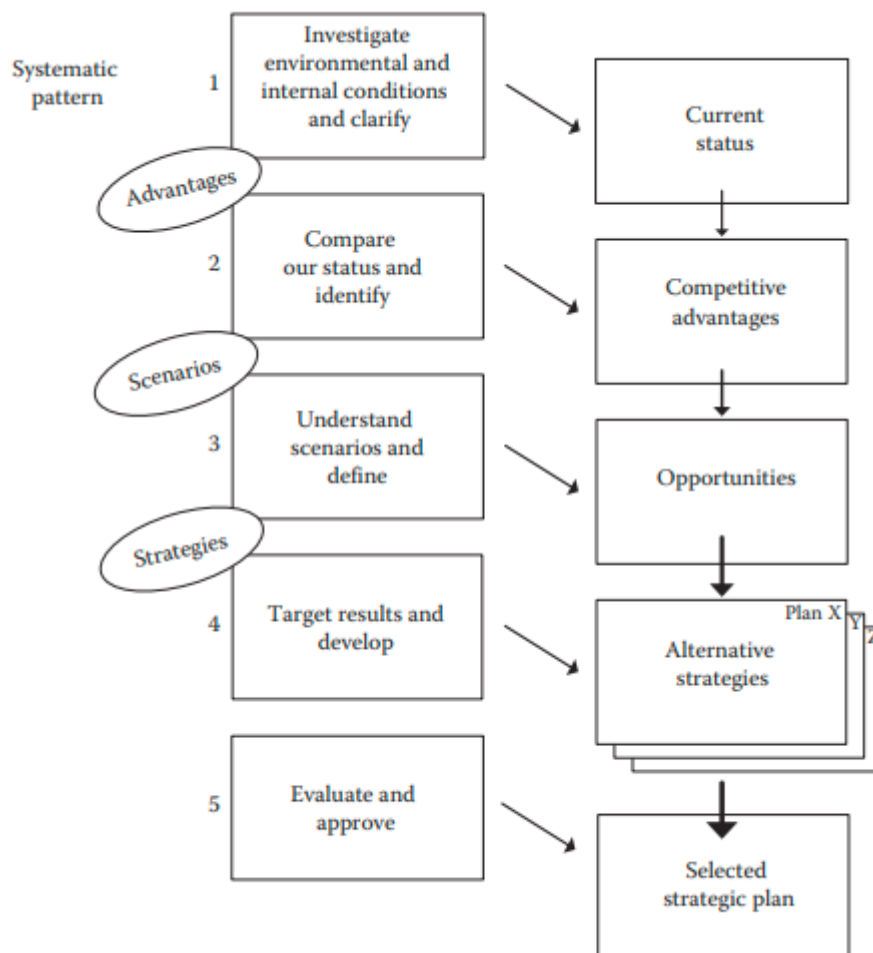
According to Butuner (2015), before strategic planning process began, businesses obligated to clarify their mission, vision, and identify their primary procedures, strategies, and core values.

As a result, the proper prior formulation, refining or verification of the mission, vision and primary procedures has an important role in achieving successful and effective strategic planning. Briefly, strategic planning mainly helps businesses to answer four basic questions, at the time answering those questions shape up strategic planning process:

- Where are we now?
- Where would we want to go?
- How can we reach our desired destination?
- How can we monitor and assess our success?

Following those questions, the answer to the question "Where are we now" enables a firm's status analysis including a thorough review and assessment of the internal and external environment in which the firms operate through environmental analysis. Moreover, The answer of "What do we want to achieve?", determines the strategic goals that represent the conceptual results toward which actions and efforts will be designed, as well as the objectives that represent measurable desires required to be achieved so that the objectives can be attained, in light of the mission, which is a brief expression of the reason of business existence in a specific market or industry; the vision, which is a conceptual and realistic brief expression of the desired destination; and the fundamental directions that guide the firm's personnel, operations, and resources.

Hence, main strategies chosen by strategic planning committee, which are the strategic decisions, action plans, directions, and tactics to be determined to achieve strategic goals and objectives, answer the question, “How can we reach our target destination?”. Finally, the collection of managerial information, monitoring the reporting process of implementation plan, the evaluation of the extent to which the results accomplished are consistent with the prior established vision, mission, primary policies, objectives, and goals (i.e., performance evaluation) and the assessment process involving the review of the plan in view of the results, answers the question, “How can we monitor and evaluate our success?”. The considerations outlined previously will spell out structure of strategic planning model in the following diagram (Butuner, 2015):



**Figure 2.1: Hakan Butuner's systematic strategic planning pattern**

**Source: Hakan Butuner (2015, page 37)**

Successively to the above, Hamed (2020) in his study on the role of strategic planning in achieving competitive advantage in the industrial organization in Egypt, lays down another structure of the strategic planning model divided into two main parts: environmental analysis and strategy formulation. In terms of environmental analysis, businesses are based on an interactive relationship with the internal components of that business and the external components in the market or industry, which drives to two primary aspects of environmental analysis, which includes internal analysis and external analysis of the business environment. Hence the following should be clarified:

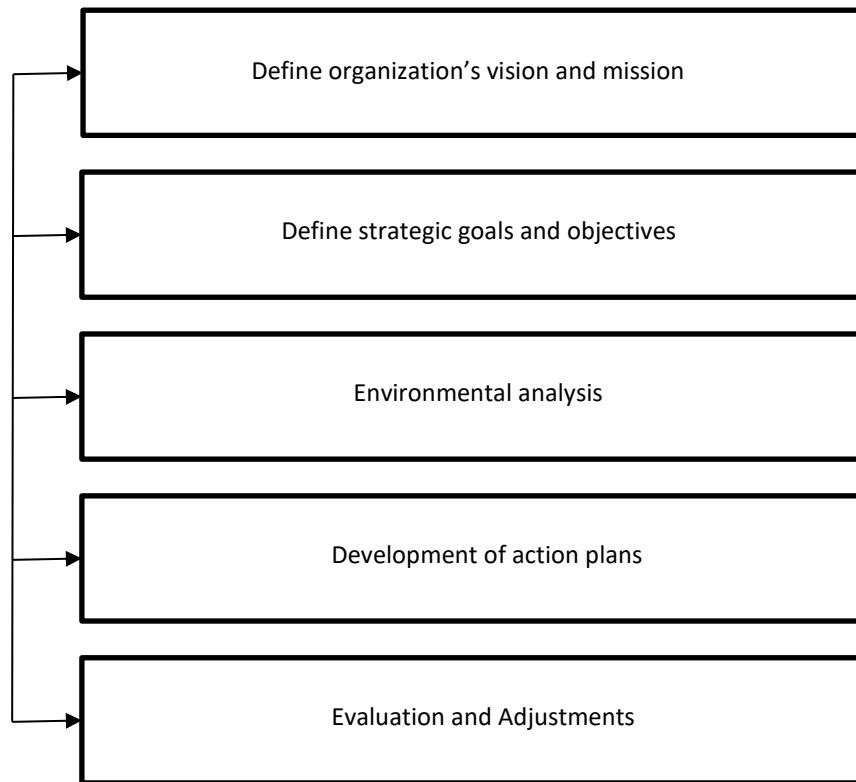
- External environment analysis

The external environment consists mainly of stakeholders and bargaining powers (buyers, suppliers, competitors, and government bodies regulating the industry), so the analysis process of external environment considered as a determination of the abundance or scarcity of material and human resources, business needs and intensity of competition.

- Internal environment analysis

Here, all the internal factors that affect the competitive position of the firm are analyzed, and this includes the analysis of the following: mission, vision, goals, objectives, core values, organizational structure, resources and capabilities, value chain, and performance.

**While strategy formulation includes vision, mission, goals, objectives, action plans and policies.**



**Figure 2.2: Mohammad Hamed's structure of strategic planning model**

**Source: Mohammad Hamed (2020, page 35)**

### **2.1.5 Functions of strategic planning**

Strategic planning has several functions, the most important of which are (Soebroto and Budiyanto, 2021):

1. Identifying the mission and objectives of the company is very important for any organization. It is considered the main cause for the establishment of that enterprise and reflects the existential philosophy of the enterprise which defines the organization's mission, future objectives, and executive activities. It is, therefore, considered a unique core goal that differs from that of other similar enterprises, and defines the scope of its operations in terms of products, services, technology, and markets. The formulation of such task must be performed in a way that reflects the values, priorities, and preferences of strategic decision

makers. After the formulation of the mission of the organization, the problem of how to execute it arises. At this stage, a set of evident temporary objectives must be presented for the purpose of achieving these objectives that will eventually lead to the completion of the mission of the organization. It should be noted that these objectives are used as the basis of planning, making policies, and defining the criteria for performance which play important role in the success of the organization. Thus, an important portion of the strategic planning process relies on the comprehension of how to formulate goals, policies, objectives, and plans.

2. Business environment analysis, which considered as the second step in the process of strategic planning which aims to identify the points of strength and weakness in the organization and compare them with other organizations, and to identify the environmental risks and threats compared with the available opportunities in these organizations.
3. Analysis of strategic issues, generation, evaluation, and selection are core principles in managing effective organizational strategies. The strategy, which seeks to align the company features with the challenges posed by the external ambience, is seen as a tool that organizations can use to achieve this by obtaining and harmonizing resources, and capacities, so that the organizations construct a competitive feature and make it thrive.
4. It is considered as the system of development, implementation, evaluation, and supervision of the strategies which has been formulated. A good-formulated strategy is considered of no practical value without proper execution. The company must evaluate the implementation of the strategy and conduct the necessary supervision for its implementation.

### **2.1.6 Elements of strategic planning**

According to Simerson (2011), to optimize usefulness of a strategic plan (at a minimum) should contain following eight elements:

1. Gather, analyze, and summarize information and data about enterprise's current state. This is done by analyzing the following:

- a. The value to be delivered to customers.
- b. External and internal forces that likely to affect enterprise's short-term and long-term success.
- c. Strengths, Weaknesses, opportunities, and threats (conduct a SWOT analysis).

Moreover, according to Grant (2016), some other points considered important in assessing business's current state and should be analyzed:

- d. Performance: It is related to the analysis of performance measures related to stock market value and financial(accounting) analysis through the company's profitability ratios.
  - e. Industry: Mainly focuses on analyzing the attractiveness and profitability of the industry using Porter's Five Forces of Competition Framework (Suppliers, Buyers, Substitutes, and Potential entrants) or via extended forces according to Grant (2016) point of view (Suppliers, Buyers, Substitutes, Potential entrants, and Complements).
2. Create, verify, or refine enterprise's mission, vision, values, and sweet spot.
- a. Mission: It's a statement of purposes that distinguish one firm from other similar companies. This statement defines the scope of the company's operations in terms of product and market, and addresses the primary question facing all strategists: "What is our business?" It describes the values and priorities of the organization, and forces managers to develop and reflect on the nature and scope of current operations, it evaluates the potential attractiveness of futural activities and markets, and it does not only chart the futural broad tendency of the company, but also serves as a constant reminder to the employees of why the enterprise or firm exists (David, 2016).

**Based on a review of the literature, the effective mission should refer to the following elements (Cherunilam, 2014):**

- I. Clarity: The mission statement must be concise and comprehensive so that the organization's purpose, values, and goals become clear and guiding to every member of the organization.
- II. Relevancy: The mission statement must be appropriate to the organization in terms of its history, culture, and shared values.
- III. Current: Environmental and organizational changes may prompt significant adjustments to the mission. Therefore, firm's mission should be revised and reviewed several times to make sure it's not obsolete.
- IV. Positively Inspiring: The mission statement should be able to inspire and encourage employees to commit to achieving the mission through a deep belief in the company's mission and its role in customer service and providing a value to customers.
- V. Uniqueness: The mission statement must establish the individual organization, if not the company's uniqueness.
- VI. Continuity: The mission statement should continuously guide, inspire, and face a challenge in the company's pursuit of its mission, and never achieve its ultimate goal.
- VII. Adapted to target audience: The target audience whom the statement addresses (i.e. employees, shareholders, consumers or the public) has an impact on the length, tone and clarity of the statement.

The company's mission statement must be clear to define the company's products or its services, to define the buyer's needs which it should provide, to define the customer groups or markets it seeks to serve, and to define its approach to customer satisfaction and defining the company's own identity (Gamble et al., 2016).

- b. Vision: is an ambitious description of what the Organization wishes to achieve or going to achieve on the medium or long term. Its purpose is to serve as a vivid guide for selecting current and future courses of action (Mohammadian, 2017).

**To be effectively formulated, the vision statement must be characterized by the following (Gamble et al., 2016):**

- I. Graphic: The vision statement should draw a picture of the type of company that the management is trying to create and position(s) in the market that the company is striving to stake out.
  - II. Directional: It should describes the strategic orientation that the management has designed and the types of changes that occur in the market, product, customer, and technology that will help the company prepare for the future.
  - III. Focused: Focus is sufficiently defined to provide managers with guidance in decision-making and resource allocation.
  - IV. Flexibility: The revelation is not so focused as to make it difficult for management to adapt to the changing conditions in the market, customer preferences or technology.
  - V. Efficiency: Within the scope of what the company can reasonably expect to achieve.
  - VI. Desirable: Suggests why the directional path makes good sense for business.
  - VII. Easy to approach: It can be explained in 5 to 10 minutes, ideally, it can be shortened into a simple, unforgettable "logo" (like Henry Ford's famous vision of a car in every garage).
- c. Value: many companies have developed a statement of values (sometimes called core values) to guide the actions and behavior of company employees in managing the company's business and following its strategic vision and mission. These values are the specific beliefs and desirable ways of doing things in the company and are often associated with such things as fair treatment, honor, integrity, ethical behavior, innovation, teamwork, passion for excellence, social responsibility, and community citizenship. Most companies typically

possess four to eight core values, representing respect for one's dignity, relentless integrity, absolute trust, continued credibility, continuous improvement, personal renewal, open celebration of individual and collective achievements, entrepreneurship, customer service, community return, respect for all people, doing the right thing, caring for people, building strong relationships, and creating value for contributors (Gamble et al, 2016). At the time of developing a written proposition of organizational values, stakeholders can contribute to the expression of these values and assess the compatibility of their personal values and motivations with those of the organization. This process will help build stakeholder commitment to the organization and strengthen the harmonization of individuals and institutions. Explicit values also assist in the appointment and selection of personnel and board members who share the values of the organization (Allison & Kaye, 2015).

3. Develop, verify, or refine enterprise's strategic goals statements, to add clarity and specificity to what your enterprise will pursue to achieve in terms of — market development, product development, customer service, and growth.
4. Identify and prioritize the tools, means, and ways by which enterprises will accomplish its strategic goals.
5. Setting an action plan which identify strategy's tactics, assign roles and responsibilities to related employees, establish timelines, and define metrics.
6. Plan for monitoring deployment and implementation. This plan should describe how the company will identify, control, and monitor unexpected obstacles and how will address it.
7. Constant and consistent execution of strategic planning. Management should take steps to ensure a coordinated and enduring execution at the level of entire company in light of the Realization of the importance of individuals and staff involvement and contribution, describe how company will help ensure that everyone has the needed levels of awareness, understanding, commitment, and corroboration of execution.

8. Continuous improvements of strategic planning process. Management should identify and describe what will do to continuously improve its strategic planning process and how it will attempt to improve the way it deploys and implements the resulting strategies to help ensure increasingly more effective and efficient execution.

### **2.1.7 The role of strategic planning in achieving competitive advantage**

Today's strategic planning practice has gained fame worldwide and across public and private companies, previous literature indicated a positive correlation between strategic planning and organizations' overall performance. Strategic planning improves the department's efficiency and raises its readiness to any expected market changes, thereby achieving better results and influencing the organization. This in turn leads to a direct improvement in its performance and achieves competitive advantages. It is a critical factor for its success (Chomba, 2018).

Porter (1996) noticed through pursuing a broad strategy that a company can achieve superior and distinct performance by developing overall cost leadership, differentiation or focusing on competitors, markets, or industries, and noticed that the strategy revolves around a competitive advantage through a different delivery of a unique service or product that incorporates strategic responses to changes in the company's strategic behavior to guarantee success within the changing in future environment. The organization's strategic position is often influenced by the external environment and internal strategic capabilities and resources as well as the expectations and influence of stakeholders (Munge and Kitiabi, 2017).

In other words, for the sake of survival and gaining a competitive advantage, institutions of all sizes increasingly need to pursue the development of clear and well-defined strategies, so after assessing organizational and environmental resources, the selection of appropriate strategies to optimize current requirements will be possible. (Soebroto & Budiyanto, 2021).

A company that has a competitive advantage creates value for itself when implementing its strategy. This value is not, simultaneously, implemented by any current or potential competitor. Companies whose managers create unparalleled, unique, and difficult to replicate valuable resources can gain a competitive advantage and can efficiently exploit their competitive advantages to support decision-making to penetrate a new external market (Muritala & Ajetunmobi, 2019).

## **2.2 Competitive advantage**

While this thesis intends to assess the relationship between Strategic Planning and the extent of its impact on achieving competitive advantage in Palestinian insurance companies, it is necessary to provide a general impression of the concept of competitive advantage, its importance, dimensions, emergence factors, and the conditions of its effectiveness.

### **2.2.1 The concept of competitive advantage**

Any firm can earn a superior profitability either by positioning in an attractive industry or establishing a competitive advantage over its rivals. Of these two, the competitive advantage is considered the most important, especially with either the lack of emergence of new attractive industries guarantee secure investment and returns, at the time when existing industries suffering from threat of new entrants represented with the ease of entry. Hence, the primary goal of a strategy is to establish a positioning of competitive advantage for the firm. In order to understand how competitive advantage emerges in firms, markets, and industries, we should initially understand what competitive advantage is (Grant, 2016).

The presence of competitive advantage considered as a comparative measure within an industry that measures the competitiveness of one firm compared to another, it is considered a crucial factor that helps a firm to reach a special competitive position in the marketplace. The development of a competitive advantage requires long-term planning and constancy over time. It's not just a result of a smart marketing effort, it's an integrated effort by all enterprise's

departments, resources, and capabilities (Rolstadås, 2012). The major important contribution to the concept of competitive advantage came from studies prepared by Michael Porter. He enlightened the competitive advantage description as follows (Porter, 1985):

“Competitive advantage grows out of value a firm is able to create for its customers that exceed the firm's cost of creating it. Value is what customers are willing to pay, and superior value stems from offering lower price than competitors for equivalent benefits or providing unique benefits that more than offset a higher price. There are two basic types of competitive advantage: cost leadership and differentiation.”

Porter's definition of competitive advantage mostly focuses merely on comparative and superior value offered to customers. This is understandable since exchange of products or service with money is the essence of current business nowadays. However, this definition could be too narrow to promote a linkage between strategic planning and competitive advantage.

A competitive advantage refers to the differentiation of an organization from its competitors in its product or service to a consumer; this means that there is a significant superiority of the product or service provided by the organization over other similar or alternative products or services of competing organizations (Hamed, 2020).

Competitiveness is also defined as positive direct supply chain improvement strategies that have an impact on performance, as well as targeting physical matters, exploiting available human resources, and effectively improving policies that enhance the Organization's opportunities to reach the highest levels of market competitiveness (Abu Juma'a & Al-Hamdi, 2021).

Development of a competitive advantage requires long-term planning and constancy over time. It's not just a result of a smart marketing effort, it's an integrated effort by all enterprise's departments, resources, and capabilities (Rolstadås, 1995). A competitive advantage represents the value that an organization can create for its customers, as well as the costs incurred in creating such value. This value may be a characteristic of a product, a low price, or anything

that makes the consumer satisfied with the organization and accept its services, which gives it a preference over other rivals (Qrichi and Sultani, 2017).

The competitive advantage means that an organization should have what distinguishes it from other rivals and increases its value in the marketplace, and its profits and influence in the market. The competitive advantage is that the organization has a unique position over its competitors that enables it to provide one or more distinct services in a more successful and profitable manner, through lower cost or franchise, or to design new services commensurate with the expectations of customers (Lachin et al., 2017).

Competitive advantage can be defined as an integrated set of behaviors that lead to a continuous advantage over competitors, and this strategy is determined by three main components: the method of competition, the competition arena, and the basis of competition (Al-omari, 2020).

It is the case that a company can create a good defensive position over its competitors, and it also relies on special competencies, the specific strengths of companies that can make companies different from those offered by competitors and have lower prices than competitors (Soebroto & Budiyanto, 2021).

The main objective of a firm is to create a competitive advantage according to its resources and capabilities in achieving competitiveness, reaching a position of excellence in terms of performance in customer-based markets and stabilizing competitive advantages based on the principle of know-how, understanding customer needs, customer focus, as well as process development from the customer's point of view. The stable competitive advantage is those advantages that are valuable to customers by leveraging the organization's efficiency, Not easily imitated by competitors, achieve good performance and competitiveness of the company (Soleymanzade et al., 2017).

Competitive advantage is presented as an advantage of a greater value than the competitors' advantage in marketing or technological knowledge. Competitive advantage is the company

ability of creating a larger financial value than that of its competitors. It is the art of creating the value for customer of the organization in a better way than competition. It is a competitive advantage that can be achieved through a set of strategies (Adebisi, Odiachi, & Sulaimon, 2021).

It is clear from the previous definitions that creating a competitive advantage for companies and institutions is mainly related to the following:

- Creating value for customers and buyers that exceeds the value offered by other rivals in the same market.
- Long-term planning.
- The differentiation that companies create in their products and services provided to customers.

Based on the previous, the competitive advantage of insurance companies can be defined in this study as “the ability of an insurance company to achieve differentiation over other insurance companies by adopting a strategic planning process that results in competitive strategies that are difficult to imitate, and providing differentiated services in several aspects, including: quality, cost, delivery, and flexibility, which in turn create superior value to the customers.”

### **2.2.2 Competitive advantage emergence factors**

The emergence of competitive advantage can be either by internal or external changes “Sources”. These changes can be detailed briefly in the following (Grant, 2018):

- I. **External sources of change:** To create a competitive edge through an external source of change, the change must have differential effects on different firms because of the differentiation of their different capabilities and resources or competitive position.

Changes in customer needs or technological, economic, or legal changes are considered as an example of external changes that affect business firms and institutions, which in turn may create an opportunity for distinction for some businesses, as a result of the rapid exploitation

to these changes and market needs. Hence the importance of an enterprise's ability to respond quickly to external variables, through optimization of opportunities and risk avoidance, depends on its flexibility and ability to track and anticipate changes through strategic information analysis (BenGhalia & Oraibi, 2021).

II. **Internal sources of change:** Competitive edge can be generated through internal sources of changes within companies and commercial institutions, which are often represented by innovation, Know-how, and creativity. It's worth noting that innovation is not limited to typically thoughts of new products or new technology, it goes broader to "Strategic innovation" concept, which typically involves new approaches to serving customers and competing with other rivals at the same market and creating value for customers from novel products, experiences, or modes of product delivery.

According to (BenGhalia & Oraibi, 2021), Know-how, creativity, innovation, and learning have a significant role in creating a competitive advantage. This role is not limited only in the product or service but also in the strategy, mode of work or technology used, and creativity in generating a new benefit for the client; so, the enterprise must offer full attention to the creative element, the human being in this case, by providing the appropriate internal environment for creativity without any prior conditions.

### **2.2.3 Importance of competitive advantage**

Organizations aspire to improve and develop their competitive capacities through a competitive environment adapted to specialized efficiency and resources and used to ensure survival and sustainability in the context of the decline of the economy that has taken place for many years throughout the world. Therefore, organizations will be forced to take advantage of the increasingly competitive global market, give up and withdraw from losses, or encourage innovation and creativity, where productivity will be enhanced and improved. In addition, improving competitiveness facilitates the elimination of many of the obstacles to improving

productive efficiency that are the problem in the domestic market, and therefore the existence of a competitive environment is an efficient tool for ensuring improved levels of payment and operational efficiency (Abu Juma'a & Al-Hamdi, 2021).

### **2.2.4 Dimensions of competitive advantage**

A firm can achieve a higher profitability (or potential profit) over other rivals in one of two ways: either it can provide an identical service or product at a lower cost, or it can provide a service or product that is differentiated in such a way that the customer is willing to pay a price premium that exceeds the additional cost of the differentiation. Accordingly, the main dimensions of the competitive advantage are as follows (Grant, 2018, P 178-188; AbdulHamid, 2021; Gamble et al, 2016, P 97-99):

#### **I. Cost**

Cost is one of the dimensions and types of competitive advantage. In pursuit of cost advantage as a competitive advantage, the goal of a business company is to become the cost leader in its industrial or market segment, and this requires the company to control most of cost drivers related to different activities within a company, such as value chain costs analysis, and exploit all sources of cost advantage.

It is one of the most competitive tools for companies and is related to the company's ability to minimize the cost of services provided while maintaining the same quality and providing various services at a lower cost compared to other rivals.

#### **II. Differentiation**

A company differentiates itself from other rivals by providing unique products, services, processes, activities, or procedures that is valuable to customers and buyers. Differentiation is not only about offering products or services with unique or distinctive features; it goes beyond the tangible characteristics of the service or product to include everything about creative understanding of customers' needs, preferences, and each imaginable interaction between a

firm and its customers. Creating significant differentiation requires looking at two main sides: the firm (supply side) and customers (demand side). On the supply side, an analysis should be taken to identify all activities that a firm performs and its resources and capabilities that has access to, which can be exploited to create uniqueness and creativity in providing products and services. On the demand side, the key is to identify, investigate, and understand customers' needs, wants, lifestyles, aspirations, determinants of their choices (how they choose?), and what motivates them to interact with the firm.

It is clear from the above that differentiation includes two important dimensions, tangible and intangible. Intangible differentiation emerges when customers perceive the value of a service or product after a unique experience (for example, chocolate taste, education, or medical services). Tangible differentiation associated with noticeable and visible characteristics of a service or product that in line with customers' tastes, preferences, and choices, for example design, color, and complementary services such as: after-sales and delivery.

Finally, after a brief review of the concept of differentiation with its dimensions and requirements, the firms which tends to be differentiated in the services sector mainly should focus on the following: quality, delivery, flexibility.

- **Quality**

The quality of end-user products and services is ultimately affected by the quality of the inputs, skills, and resources that are relied upon in the production of those services and products. To achieve a unique quality, the firm must keep up with continuous improvement of the quality of services and performance. (Gamble et al, 2016, P 97-98).

- **Delivery**

It is an important approach to enhance differentiation through improvements, changes, and enhancements in the value chain system. This is done through the sales channels and services offices, through which the company provides and delivers services to customers. Firms can

work to create a differentiated delivery through quicker delivery to customers, Commitment to the timing of delivery of services, diversity of communication channels, and quick handling of complaints.

- **Flexibility**

It's related to the firm's ability of speed response to changes in customers' preferences of services to suit the renewable and changing needs of customers and buyers. Flexibility mainly includes the following: The company's ability to provide new and diverse services from time to time based on the changing desires of customers and the company's ability to respond to the increasing demand for its services in the market (AbdulHamid, 2021).

### **2.2.5 Measures and strategies for achieving competitive advantage**

Competitive advantage can be achieved according to a range of strategies, which are illustrated below, and which bring competitive advantage to firms (Uti & Adim, 2019):

- I. **Cost leadership strategy:** It is one of Porter's general strategies, known as cost leadership, and focuses on gaining a competitive advantage by obtaining the lowest cost in the industry. In order to achieve a low-cost advantage, the Organization must have a low-cost leadership strategy and a workforce committed to a low-cost strategy, the Organization must be prepared to discontinue any activities where it has no cost and outsourcing of activities to other organizations should be considered with a cost advantage. To obtain an effective cost-driving strategy, a company must have a large market share.
- II. **Market focus strategy:** The market focus strategy relies on the choice of market location where buyers have distinct preferences that are determined through geographical singularity, specialized requirements for product use or special features that members like, in a focus strategy, targeting a particular segment of the market, a company can choose to focus on a selected group of customers, product group, geographic area or service line, and focus on

increasing its market share by working in a niche market or in markets that are either unattractive or ignored by large competitors.

III. **Differentiation strategy:** The strategy of differentiation aims to build a competitive advantage by offering unique services that are characterized by valuable advantages such as quality, innovation, and customer service. Differentiation can depend on the service itself, the delivery system, and a wide range of other factors. With these features, companies offer additional values to customers that will reward them at a price.

### 2.2.6 Conditions for the efficacy of competitive advantage

Competitive advantage has conditions to be efficient so that the Organization achieves its objectives. These conditions are (Al-Omari, 2020):

- I. **Decisive:** That competitive advantage gives the right to precedence and superiority among competitors.
- II. **Continuity:** That is to be able to continue over a period of time, the examination: The competitive advantage has a period of time similar to a product or a service, namely:
  - Presentation phase: The longest and first stage needs appropriate human, material and financial reflection and preparedness, and the volume of competitive advantage increases further until reaching saturation, which is the maximum limit for competitive excellence.
  - Adoption phase: The situation at this stage is relatively stable, in terms of growth, that is, when competing organizations realize the importance of this competitive advantage, they adopt it, and they do their best to imitate it where the return is as high as possible.
  - Recession phase: The size of the competitive advantage declines, and it gradually moves into recession, because competitors have mimicked the organization's capabilities, and then its primacy has declined.
  - Necessity phase: At this stage, the organization begins to renew and develop competitive advantage capabilities to replace the old ones for the sake of reducing cost, supporting the

product/ service competitive advantage. At this stage, the organizations start renewing and developing the competitive advantage different basics.

## **2.3 Insurance**

While this thesis intends to assess the relationship between Strategic Planning and the extent of its impact on achieving competitive advantage in Palestinian insurance companies, it is necessary to provide a general impression of the concept of insurance, its Immurgence, importance, types, standards, and the Palestinian insurance sector according to the context of the study.

### **2.3.1 Immurgence of insurance**

The Babylonian-era of the Rafidain civilization is considered to be the first insurance launch, and this implies the Hammurabi Act, which involves traders agreeing if one ship is lost, another ship will be built as an alternative to the lost vessel, but if the loss is caused by the ship sailing for distances not previously gone or by a certain fault, it has no right to claim another one. Vietnamese stated their contract in more vivid in which the ship owner abides to take the risks of the cruise in exchange for a specific payment. While in case of the destruction of the ship, the contractor loses the money he paid to the owner. If the ship arrives at the beach, the contractor is supposed to earn more. (Milhem, 2019)

As a result of the trade policy of the 14th century, on which the economic thought was based at the time, particularly on the two sides of the Mediterranean Sea, the economist was guided by the so-called sea disk to secure his goods. As far as insurance technicians were concerned, the French legislator in the 17th century was concerned, owing to the then French State's incentive policy for industry, which necessarily required the insurance of commercial risks arising from the export of goods produced on the seas and oceans, followed by England, Italy, the Netherlands, and Spain. The first insurance company was established in England in 1720 in the

field of marine insurance after the spread of similar companies around Europe. (Zrouqi & AbdelMajid, 2012).

### **2.3.2 The concept of insurance**

There have been several definitions on the subject of insurance in order to reach to a comprehensive and precise one. As defined in Palestinian Law No. 20 of 2005 the "insurance contract" refers to: any agreement or pledge under which the insurer is obliged to offer the insured or the beneficiary for whom the insurance is done an amount of money, income, salary or other financial compensation in case of an incident or risk set forth in the contract, for a premium or other payment to the insured by the insurer (Encyclopedia of Palestinian Laws and Courts Judgments - Maqam, 2005).

Insurance is defined as a method of financing risk by combining a large number of loss exposure units to make losses more predictable. Insurance is also defined as a mechanism or service for transferring risk to the insurer in exchange for an agreed cash payment (premium) prior to the loss (Hohl, 2019).

It is defined as a process whereby one party (the insured) or one of his beneficiaries, receives an amount of money from the insurer who takes the set-off, in accordance with the laws of statistics, in case of risk realized from a third party, in return for payment of a certain amount - the premium (bouhroud, 2012).

### **2.3.3 The importance of insurance**

Individuals, enterprises, and firms seek to protect themselves against irregular, uncertain, but probable risks threatening their investments or assets by employing one or several tools of risk management such as saving, retained earnings or in particular, using insurance to mitigate expected losses because of the occurrence of those risks (Zweifel and Eisen, 2014). Therefore,

there is social and economic importance of insurance include the following:

- I. Reducing the anxiety and fear of individuals and capitalists, thus providing peace of mind and safety as a guarantee of financial compensation for losses resulting from certain risks (Al-Bared, 2014).
- II. Insurance plays an important role in loss avoidance and prevention. Insurance is a prevention factor. For example, the insurance company studies the causes of various hazards including fires, work-related injuries, and road accidents ...etc. (Rejda & McNamara, 2013).
- III. Maintaining the same standard of living without resorting to the assistance of others, as it allows individuals to recover the same financial situation before the losses occur (Al-Bared, 2014).
- IV. Indemnification for Loss which permits business firms, enterprises, and individuals to survive in markets and industries and restore their prior financial position after an occurrence of any loss. As a result, businesses can ensure their financial security. Because insureds are restored either in part or in whole after an occurrence of loss, businesses are likely to remain in markets and employees in their jobs. Suppliers continue to operate normally, and buyers receive the goods they want. In short, the insurance is important in compensation of loss which contributes greatly to business survival and leads to stability and therefore is one of the most important social and economic benefits of insurance (Rejda & McNamara, 2013).
- V. Insurance helps enhancement of credit, which is necessary for all enterprises. For example, the lender will not grant credit in the case of mortgage loans unless it is confirmed that the property is insured against all risks to which it may be exposed (Al-Bared, 2014).

- VI. Insurance serves capital accumulation and assists in the formation of capitals. Capital accumulated naturally since premiums are paid at the beginning of the insured period for a long period of time while losses occur with a lag, which may amount to years in the cases of life insurance. Over the life of a contract, a compilation of financial gains to the insurer occurs, and the payment of customers obligations of compensation or savings at the time while conditions of contract has been met. By investing these funds, the insurer brings economic benefits to society and state, which positively affects the GDP (Zweifel and Eisen, 2014).
- VII. At the national level, insurance premiums are a significant part of international trade transactions in the form of invisible imports and exports, on which States rely as part of their exports, and insurance can achieve a balance of payments surplus or avoid a deficit by increasing unforeseen exports. For example, through hard currency earned by insurance companies for insurance services on foreigners or the return on their investments in foreign countries and the proceeds from the balance-of-payments operations under insurance, they can improve the balance of payments (Al-Bared, 2014).

The commercial importance of insurance is that it is one of the most important means of investment saving. Insurance increases production, facilitates and enhance credit and increases business confidence. In addition, it balances supply and demand in economic life cycle, contributes to the expansion of employment and contributes to the improvement of the balance of payments (BOP). Socially, it offers stability for individuals and families, and increases the feeling of responsibility and decreases incidents. (Madassi and Ulwani, 2019).

### **2.3.4 Types of insurance**

Insurance is known as a very vast field. As there are many potential risks should be mitigated, new types of insurance appear. Insurance can be categorized as either private(voluntary) or

government insurance. Among those classifications there is different types as following (Rejda & McNamara, 2013) and (Vaughan & Vaughan, 2013):

### **I. Private insurance (Voluntary insurance)**

Noteworthy, private insurance consists of plans or programs that are available for individuals against probable risks which may result in financial losses. Private insurance may be divided into three broad classifications includes life and health insurance and property and liability insurance.

- **Life insurance**

Life insurance is designed to provide designated beneficiaries a protection against two distinct risks: precocious death and longevity. As a matter of personal preference, death at any age is probably premature, and longevity (living too long) does not normally strike one as an undesirable contingency. Life insurance, endowments, and annuities protect the individual and his or her dependents against the undesirable financial consequences of premature death and longevity. Some life insurers also sell (1) individual and group health insurance programs that cover medical expenses as a result of illness or injury; (2) disability compensation programs that replace income lost during a period of disability; and (3) long-term care programs that cover care facilities.

- **Health insurance**

health insurance is defined as “insurance against loss by sickness or accidental bodily injury.” The “loss” may be the loss of wages caused by the illness or accident, or it may be surgical expenses, expenses for doctor bills, physician fees, hospital bills, prescription drugs, medicine, or the expenses of long-term care and a wide variety of medical costs. Included within this definition are forms of insurance that provide lump-sum or periodic compensations in the event of loss occur by illness or accident, such as disability, accidental death, and dismemberment insurance.

- **Property and liability insurance**

Property and liability insurance consists of those forms of insurance programs designed to indemnify property owners against losses resulting from damage to or loss of real or personal property caused by various perils and losses arising from legal liability. It includes the following types of insurance programs: Property insurance, marine insurance, automobile insurance, liability insurance, workers compensation insurance, equipment breakdown insurance, burglary, robbery, and cybersecurity Insurance, theft insurance, credit or trade credit insurance, and title insurance.

## **II. Government insurance (Social and public insurance)**

Government insurance is insurance that is generally provided by the government in the form of social insurance programs and other government insurance programs, such as: workers Compensation, unemployment Insurance, and retirement System.

- **Social insurance**

Social insurance programs are government insurance programs with some differences from private insurance in several ways. Participation is normally compulsory and may be financed in large part by the insured's employer, employees, or both. There are many examples of social insurance, including: Old-Age, unemployment, and workers compensation programs.

- **Other government insurance (Public Insurance)**

This type of insurance not fit precisely into either previous field, it's a government operated insurance programs mostly on federal level. There are some examples, including: Securities investors protection programs, and unsatisfied judgment fund programs.

### **2.3.5 Insurance service standards**

A set of criteria is required to make insurance and its services distinct and acceptable to customers. These criteria include the following (Kartat, 2015):

- I. Setting standards and standard levels for the services provided.

- II. Participation of all managers in efforts to improve the services provided.
- III. Continuously develop providers' skills.
- IV. Develop appropriate policies to resolve customers' problems that may arise expeditiously.
- V. Evaluate performance in the delivery of services provided to ascertain good performance in the light of the plans developed.
- VI. Set a flexible or varying price for the service in the sense that the organization charges different prices for its services, based on the customer's desire, which in turn serves to balance the volatility of demand and thereby reduce the characteristic of non-serviceability. The most important forms of price inequality are: the time-based price inequality, the client's ability to pay for discrimination and the required quality of service, and spatial inequality.
- VII. Valuable people's competencies in the framework of strengthening competitive advantage by creating a working environment in which continuous improvement and development achieve client satisfaction.
- VIII. Upgrade the relationship between the insurance institution and customers by improving the image of the service and giving the customer the full opportunity to express his requests and the extent of his needs to restructure the insurance service.

In order for insurance services to succeed, companies must challenge the marketing strategy of their insurance services, identify the insurance services market, create market databases, identify marketing tactic and flexible attitude towards changes in the environment to provide the quality of insurance service, so that it fully meets the changing interests and needs of insurance companies and changes to existing insurance services, including quality, coverage and discounts rewards, financiers, etc., as a service brand must be a guarantee of existence insurance companies must also respect the insured as a partner and recognize the insured's needs and companies must stimulate and train their employees, and they must also provide current insurance premiums so that they are appropriate and at competitive prices. and enhance insurers'

confidence in dealing with claims, and the experience of other customers in resolving claims (Ćurčić, Piljan, & Simonović, 2019j).

### **2.3.6 Quality of insurance services**

The quality of insurance services may be (Selimović, Martinović, & Hurko, 2020):

- I. From the point of view of the insured person, the quality of the service provided can be described as deviating from the expectations of the insured person vis-à-vis management and knowledge management as well as risk management.
- II. The quality of insurance services depends on the characteristics of the sales team and their motivation to work in the company.
- III. The quality of the services provided is characterized by a focus on customization and client-centered processes, so that infrastructure and processes must create new and added value for users.

### **2.3.7 Variations in insurance services to achieve competitive advantage**

Competitive advantage depends on a company's basic comparative advantages, specific capabilities and capital, and an insurer can be distinguished or offered on the market by product (insurance services), distribution channels, human resources, and image. However, when it comes to companies providing services such as insurers, differentiation refers to speed, comfort, or wisdom in providing services, and insurance companies differentiated in the insurance market through distribution channels gain a competitive advantage through the way they regulate market coverage, mobility, adaptability and efficiency, or the performance of their distribution channel. Successful differentiation between the insurer and the services provided depends on the design of distribution channels, and insurers can gain a strong competitive advantage through the differentiation of human resources. Gaining a competitive advantage based on human resources requires that the insurer carefully select employees who are in contact with consumers and conduct continuous training to promote them from the point of

view of consumers. Communication with service personnel may be the most important aspect of the service. However, from a company's point of view, the quality of the service and the way it is delivered or delivered by human resources dealing directly with clients can be an important source of differentiation and potential for a competitive advantage for the following reasons (Angelevska-Najdeska, 2018):

- I. It is an essential part of the product - human resources in insurance companies that deal directly with the customer are often the most obvious element of the service and determine its quality significantly.
- II. They are a service company - human resources in insurance companies that have direct contact with customers representing the company, and in the customer's view they are in fact the company.
- III. They are the trademark - the human resources of insurance companies that communicate directly with customers and the service they provide are often an essential part of the brand, and they determine whether they are offered or delivered what the brand promises.
- IV. Affects sales - Human resources in insurers that deal directly with customers are often a key factor in achieving sales, selling in transit, and raising sales.
- V. Productivity - determines the human resources of insurance companies that have direct contact with customers have a strong impact on the productivity of the insurance company's performance.

### **2.3.8 Palestinian insurance market**

Insurance covers several main branches, including liability insurance such as vehicles and workers' insurance, public accident insurance, fire insurance, maritime insurance, occupational liability insurance, life insurance, health insurance and specialized insurance (agriculture). Despite the small size of the Palestinian market, the insurance sector is a promising sector if the life insurance base and private insurance on more than three quarters of the insurance portfolio

are expanded. What is worth mentioning is that the sector achieved a remarkable growth in 2014 of 7.7% compared to 2013. financial portfolio doubled from \$94 million in 2008 to \$171 million in 2014 And this growth is likely to increase if the believer base is expanded, such as workers' insurance that did not exceed 20%, and life insurance that did not exceed 3.2% of the total portfolio (Palestinian Economic Policy Research Institute “MAS”, 2016).

Despite this growth, the Palestinian market faces a severe inter-firm competition because of the small size of the market and the lack of expansion of the insurance base (Especially voluntary insurance), 10 companies operating in 2014 and down to 9 in 2015, Its increased again to 10 companies, according to the operational data of insurance companies for the year 2021, of which only 8 companies are registered in the Palestine Stock Exchange, operating through 174 branches and offices, 263 agents and producers, and 20 insurance intermediaries, used to promote insurance services and products in a small market with a total circulation of only \$230 million, and total assets (in circulation and fixed), approximately \$386 million. Notably, three companies control more than 60% of the insurance portfolio in Palestine and seven account for the rest (% 40), vehicle insurance accounts for about 58% of the insurance portfolio, health for about 18%, and the rest for all other types of insurance such as workers (7.8%), fire (9.4%), life (3.2%) and others. According to Palestinian Capital Market Authority (Palestinian Capital Market Authority), net insurance profits in 2021 were about \$15 million, which does not allow for a move towards new and strong investments (PCMA, 2021).

If the profit rate for the 10 companies is taken, the values become \$1 million per company. This is where the great challenge for companies operating in Palestine is the intensity of the competition. (Large competition due to the satisfaction of a small market with many companies) results in each company seeking a greater share of the market. In view of the lower profitability of companies, stronger competition means lower prices because it is the easiest way to increase market share, but this results in lower profitability or loss for a large part of insurance

companies. (Legally binding) workers' insurance, not because of business, marketing, and corporate efforts (Evidence that about 65% of vehicle insurance is compulsory, and workers' insurance is also compulsory) This means that there are areas for these companies to work to expand the insurance base outside the mandatory law (work on voluntary insurance) (Palestinian Economic Policy Research Institute "MAS", 2016).

## **2.4 Literature review**

In this chapter, the researcher examined some of the previous studies on strategic planning and its impact on the competitiveness, competitive position, and competitive advantage, of insurance companies operating in Palestine. They were a combination of Arab and foreign studies, where the researcher seeks to determine the results obtained. This chapter also seeks to identify the research method used in these studies to build on the theoretical framework of the current study and to develop the study tool.

### **(Adebisi, Odiachi, & Sulaimon, 2021) "The Nigerian Insurance Industry Competitive Advantage: The Role of Innovation Capability"**

This study investigated competitive advantage and its relationship with innovation capability in the Nigerian insurance sector. A cross-sectional study design has been used, while the questionnaire was adopted as primary data collection method from selected insurance firms. The study population consisted of employees working of (55) registered insurers in Nigeria across license types (general, composite, and life business). An insurance company. The study used a stratified random sampling method, while the sample consisted of 150 employees. The results revealed that innovation capability had a significant impact on competitive advantage, in addition to, the necessity to pay attention to this capability with the ability to strengthen industry activities. In view of this, the study recommended that insurance companies in Nigeria understand and exploit intangible assets, particularly in terms of innovation capacity, and

identify and harness innovation capacity through adequate investment and alignment with market shifts to help improve competitiveness.

**belhout & Benterbeh (2021) study entitled: “Strategic planning and its role in achieving competitive advantage: Case study of Cement Association in Laghouat”**

According to a case study conducted by Belhout & Benterbeh (2021) on the strategic planning and its role in achieving competitive advantage, a survey conducted on the cement association in Laghouat, where the purpose of the study was to identify the role of strategic planning and its contribution in the establishment of competitive advantage. The analytical descriptive approach has been adopted, while the questionnaire has been used as a data collection tool, distributed to the sample of the study, which consisted of (35) individuals, with a purpose of exploring the views of company’s staff. Results showed that there was an application of the strategic planning process in terms of environmental analysis (internal and external environment analysis), Strategy formulation (Mission, Vision, and Strategic goals), and strategies implementation. In addition to, a strong positive relationship between strategic planning process and achieving the competitive advantage with a high value of the correlation coefficient (0.82), and that’s through the management’s ability to analyze the internal and external variables, formulate, and implement the plan to obtain a superior advantage by which the institution improves its competitive position. Moreover, the study concluded the existence of a significant moral impact of strategic planning with its dimensions and components on the competitive advantage of Laghouat Cement Corporation. Considering this, the study recommended to keep abreast of developments in the modern management style, represented by Strategic Management, which considers strategic planning as one of its stages.

**Abu Juma'a & Al-Hamdi Study (2021) study entitled: "The Impact of Strategic Leadership on Competitiveness in Al-Nabeel Food Industries – Jordan"**

This study aimed to measure the impact of strategic leadership on the competitiveness of Nabil Food Industries in Jordan. The study used the analytical descriptive method to answer the research's main and sub-questions, while the questionnaire has been used as a data collection tool for analysis purposes. However, the study population is consisted of (950) staff of Nabil Food Industries co., while the sample was consisted of (11) employee represented by members of the senior and middle management, and (150) employee of the lower management who have more than 10 years' experience and participate in providing information for decision-making purposes. The study found a series of results, the most important of which was the existence of an impact of strategic leadership in achieving competitiveness at Al-Nabil Food Industries in Jordan. In addition, the study presented a set of recommendations, perhaps the most prominent of which is the need to review the results of this study by industrial business organizations in Jordan to benefit from in improving and developing their strategic leadership capability to achieve their competitiveness, and the need to review the annual strategic plan to identify the strengths and weaknesses of the business.

**Soebroto and Budiyanto (2021) study entitled: "The Role of Competitive Advantage as Mediating the Effect of Strategic Planning on Company Performance"**

This study aimed to investigate the impact of strategic planning on competitive advantage and organizational performance. The study used the quantitative approach, while the study population is consisted of all company managers in Surabaya who carry out strategic planning activities. The questionnaire was used as a data collection method from the sample of the study, which consisted of 96 managers. The study results have revealed that strategic planning has a positive and significant impact on competitive advantage, in addition, the competitive

advantage has a positive and significant impact on corporate performance. However, the study recommended that business managers to implement strategic planning activities correctly.

**Hamed's Study (2020) study entitled: "The Role of Strategic Planning in Increasing the Competitiveness of the Industrial Organization in Egypt"**

The study aimed at highlighting the role of strategic planning and determining its ability to create a competitive advantage for the industrial organization, identifying the problems and constraints of its application. A descriptive method has been used, while a questionnaire has been adopted as a study tool to achieve the study's objectives. However, the study population consisted of the factories operating in the metallurgical and engineering industries in Egypt, while the sample reached (300) individual from (6) factories. Hamed's study has many results, perhaps the most prominent of which is that strategic planning supports the organization's competitiveness and thus creates a competitive advantage, However, its application in the industrial organization faces a number of constraints associated with the implementation of strategic planning, such the lack of employees' conviction on the part of the organization regarding the importance of strategic planning which they considered as an addition rather than a necessity, In addition to impediments associated with the management methodology, including lack of effective standards to control the performance and an inadequate organizational structure. In the light of this, the study recommended raising awareness of the concept of strategic planning and its relevance to all levels of management of the organization through specialized training courses and educational seminars.

**Al-omari Study (2020) study entitled: "Impact of strategic planning on s achieving competitive advantage in Jordanian universities"**

Al-omari (2020) study, aimed to identify the impact of strategic planning on the achievement of competitive advantage in Jordanian universities. A descriptive method used to answer the research's questions and achieve its objectives, while a questionnaire has been developed as a

data collection tool, which was distributed to a survey sample representing with study's population of (225) individuals, where the recovered valid questionnaires for statistical analysis was (188) one. However, the most important conclusions of the study which are: that there is a positive impact of strategic planning on achieving competitive advantage in Jordanian universities, in addition a major impact of strategic vision, strategic mission, strategic objectives and strategic environmental analysis on achieving competitive advantage in Jordanian universities. In the light of this, the study recommended that staff should pay more attention to harmonization and communication between them, which affect the achievement of discrimination and efficiency in the services provided by universities.

**Ahmad & Mohammed Study (2019) study entitled: “The Intermediary Role of Strategic Flexibility in the Relationship between Strategic Planning and Competitive Flexibility”**

This study aims to recognize the intermediary role of strategic flexibility in the relationship between strategic planning and the achievement of competitive advantage by applying to the insurance companies in North Kurdufan (El-Obeid City). A descriptive analytical method has been adopted and a comprehensive inventory as sample collection method was used, while a questionnaire designed as a data collection tool, where it was distributed to (61) respondents, where (50) valid statistical analysis questionnaire was recovered. However, the study concluded that the insurance companies of North Kurdufan (El-Obeid city) are interested in developing a flexible strategic plan that enables them to adapt with environmental variables and can be constantly updated when new conditions occur leading to the timely provision of service to the clients. In addition to, its participation of employees in formulating the strategic objectives of the company helped in reducing the cost of services provided to the client and increasing satisfaction, while the study indicated a partial correlation between strategic planning and achieving competitive advantage as the results showed a relationship with partial impact between the strategic planning dimensions (Strategic plan and strategic objectives) with the

strategic flexibility. Moreover, Results showed that there is a partial impact relationship between strategic flexibility and achieving competitive advantage, while the strategic flexibility mediates the relationship between strategic planning and achieving competitive advantage. In light of this, the most important recommendations is that insurers should show more interest in analyzing the internal environment to obtain the strengths that enable them to reduce their preventive processes to outperform competitors.

**Mustafa et al. (2019) Study entitled: “Conceptualizing a Proposal for Competitive Advantage at Tanta University in the Light of Strategic Planning Entrance”**

The study aimed to develop a proposed vision for achieving Tanta University's competitive advantage in the light of the strategic planning. The study relied on the descriptive method to achieve its objectives, and the questionnaire was used as an essential tool for data collection that was applied to a sample of the University's faculties members. Based on the case study method and the Delphi method of research dealing with future topics for the purpose of forecasting, testing, and gathering information through the survey of a group of experts and specialists on the issues under study, the sample of the study consisted of 240 members of the faculty of the Tanta university. The study found a lot of results, the most important of which are: The degree of availability of competitive advantage indicators in teaching, scientific research, and community service at Tanta University was intermediate, in addition, the study indicated that there were statistically significant differences in the degree of availability of competitive advantage indicators at Tanta University in its three functions (Teaching, scientific research, community service) according to the variable of the nature of the college (Theory, process, practical theory), differences were in favor of practical theoretical colleges, and results indicated statistically significant differences in the degree of availability of competitive advantage indicators at Tanta University in its three functions (Teaching, scientific research, community service) according to the job title variable (Teacher, Assistant Professor, Professor,

Full-time Professor), differences in favor of professors, and statistically significant differences in the degree of availability of competitive advantage indicators at Tanta University in its three functions (Teaching, scientific research, community service) according to the administrative location variable (faculty member only, faculty member in charge of administrative work), differences in favor of colleges were faculty members in charge of administrative work.

**(Muritala & Ajetunmobi, 2019) “Competitive Intelligence and Sustainable Competitive Advantage of Selected Insurance Companies in Nigeria”**

This study addressed competitive intelligence and the sustainable competitive advantage of selected Nigerian insurers. A survey research method was adopted, while the study’s population consisted of 3439 professionals and administrative staff from 36 Nigerian insurance firm headquarters, while a stratified sampling method was used, with a sample size of 834 members. However, the study’s results showed that competitive intelligence with the dimensions of (strategic alliance intelligence, competitor intelligence, and social intelligence) had a strong positive relationship with the competitive advantage of selected Nigerian insurers. In view of this, the study recommended that insurance firms professionals and managers provide their companies with new information and marketing systems to enable them to exploit the opportunities discovered in the market which will affect the establishment of an advantage over rivals.

**(Uti & Adim, 2019) “Network Governance and Competitive Advantage of Insurance Companies in Port Harcourt Nigeria”**

This study investigated the relationship between network governance and the competitive advantage in terms of cost-leadership, market focus, and differentiation strategy as measures of competitive advantage. A cross sectional design has been adopted to investigate 10 selected insurance firms in selected city (Port Harcourt) in Nigeria. Questionnaire has been used as a preliminary data collection method, while it was distributed to the entire study’s population as

a census which consisted of (97) directors and supervisors, without any sampling. However, the study revealed that there was a statistically significant relationship between network governance and the competitive advantage of insurance firms, in addition to a significant impact on the competitive advantage of insurance companies in Port Harcourt. In that light, the study recommended the necessity of insurance firms management to learn how interorganizational networks should be developed and managed with respect to business models and related strategies that are an integral part of the firm's business strategies, which spells out the basic principles of networks management.

**(O.O et al., 2019) “Effect of Strategic Leadership on Competitive Advantage of Selected Quoted Insurance Companies in Nigeria”**

The study aimed to examine the effect of strategic leadership components such as ethical practices, strategic direction, strategic control, strategic vision, and strategic intent, on the competitive advantage of selected Nigerian insurers. A survey research method was used to achieve the study objectives, and the study population consisted of (420) employees working in top and middle management positions. The study used purposive sampling method, and questionnaire was distributed to all the study respondents (420), where (395) were returned completed and useful for analysis purposes. The study results showed that there is a positive significant effect of strategic leadership with its components on competitive advantage. However, the study recommended that insurers' management is committed to continuing training their employees, establishing workshops and development programs in order to empower staff with strategic leadership skills and knowledge to achieve competitive advantage.

**Ahmed (2018) study entitled: “Impact of strategic planning on competitive advantage: Application to Faisal Islamic Bank of Sudan 2012-2017”**

The study aimed to identify the impact of strategic planning on the achievement of competitive advantage in Sudanese banks, and to determine the extent of strategic planning impact in terms

of (Vision, Mission, Goals, Internal environment, and External environment) on the competitive advantage of Faisal Islamic Bank, and the identification of the impact (Internal and external environment elements) on competitive advantage. A descriptive analytical approach used, while study population consisted of Faisal Islamic Bank employees in Sudan, where random sampling method adopted which determined the study sample size. The questionnaire were used as a data collection method and has been distributed to (143) staff. However, the study produced a few findings, the most important of which were: The Bank had a clear strategic mission, developing and diversifying banking services, and attracting resources and deposits. In view of that, the study recommended that the Bank should work to improve the working environment, necessity to involve staff in formulating the mission, the necessity to establish an external relationship, and a clear strategic goals and objectives should be stated.

**(Matilu & K'Obonyo, 2018) “Competitive Strategies and Human Resource Management Practices Adopted by the Insurance Companies in Nairobi, Kenya”**

This study was conducted with a view to identifying the relationship between competitive strategies and human resources management practices adopted by insurance companies in Kenya (Nairobi city). A descriptive approach has been adopted and a comprehensive survey method were used to investigate (42) insurers registered in Kenya and the primary data were collected through questionnaires. However, the results of the study showed that most insurance companies have aligned their strategy with human resource management practices for survival, competition, and enhance their competitiveness. In addition, the results also revealed that the insurance companies used the cost-leadership strategy through cost reduction or cutting cost practices, and the differentiation strategy by offering a wide range of products and services, while to achieve this, the companies used highly skilled and creative employees, and most companies provide training for staff in order to develop their skills as a means to bridging the gap between the efficiency of human resources and competitive advantage. In light of this, the

study recommended the necessity of insurance companies to improve customer service in an attempt to survive in the competitive market, and insurance companies must ensure their efficiency in marketing, offering incentives, and being strategically located.

**(Chomba, 2018) “STRATEGIC PLANNING ON PERFORMANCE OF INSURANCE FIRMS IN KENYA: THE CASE OF BRITAM, KENYA.”**

This study aimed to identify strategic planning in terms of (Vision, Mission, and Values) on performance of Britam's insurance company in Kenya. The descriptive research design was adopted, and the study population consisted of (720) members of employees working in the Britam's company, and a random sample was taken consisting of (88) individuals through a questionnaire which was distributed to them. However, the results revealed that Britam's mission, vision and values had an impact on their performance. In addition, the results also indicated that Britam's strategic leadership had an impact on company performance, and strategic surveillance had played an important role in influencing Britam's performance. Furthermore, the study also found that the firm's values have contributed to the establishment of benchmarks or milestones that indicate whether the goals and objectives have been attained or not. Also, the company's values have enabled it to gain competitive advantage in the insurance industry. Moreover, it discovered that the management participation in Britam guaranteed that the practice of strategic planning is effective and that there is efficient integration as a role for strategic planning systems through the knowledge and expertise of different functions. With regard to monitoring and evaluation, the Britam merger and strategic control and control help to determine the degree to which strategies achieve corporate goals and objectives and combine human expertise and organizational resources to implement valuable organizational strategies. Based on results, the study recommended that Britam should focus more on mission, vision and values and strengthen them to be fully improved.

**Al-ayasra & Al-kubaisi (2018) study entitled: “Strategic planning in private universities to achieve competitive advantage and its relationship to community development”**

This study aimed to identify the relationship between strategic planning in private universities on competitive advantage and their relationship with community development. A descriptive analytical approach has been adopted to achieve the study’s objectives, while questionnaire has been used as a data collection method, where two questionnaire was developed, the first one related to strategic planning and its impact on competitive advantage, while the second one related to community development. However, the population of study consisted of academic and administrative university leaders working at private Jordanian universities, while study’s sample consisted of (100) members of them. The results of the study showed that the strategic planning gives the private university a high level of reliability and the ability to continue to compete in a competitive market, in addition, the results indicated a positive strong correlation between strategic planning and achieving competitive advantage in private Jordanian universities and it showed a positive correlation between strategic planning in private universities and community development. In view of this, the study recommended that there is a necessity for private universities to adopt strategic planning as a secure way to win competitive advantage, thereby building a relationship of development and interaction with society, in addition to, conducting a deep analysis and research to determine weaknesses and strengths to boost its performance.

**Qrichi and Sultani (2017) study entitled: “The role of strategic marketing planning in achieving a competitive advantage of the Algerian economic company: a study applied to the Cable Industry Institution, General Cable branch, Biskra”**

This study aimed to identify the perceptions of staff at the Cable Industry Institution in Algeria towards the extent of strategic marketing planning practices and the role it plays in achieving competitive advantage. The descriptive analytical approach was used, and a questionnaire was

adopted as a key tool for data collection from the study sample which consisted of (70) employees, related to (90) staff as a study population. However, the study produced several findings: The level of strategic marketing planning and the competitive advantage were moderate. Also, there is a moral role for strategic marketing planning in achieving the competitive advantage where the relationship between these two variables is strong (0.773). In light of this, the study recommended the necessity of Cable Industry Institution to increase its interest strategic marketing planning as a performance booster, and raising staff awareness to the institution's marketing mission during their various activities, and to maximize investment in the human resource to enhance its competitive position.

**Othman (2017) study entitled: “Strategic planning and its role in achieving competitive advantage by applying to telecommunications companies operating in Sudan”.**

The study aimed to investigate the relationship between strategic planning and competitive advantage in Sudanese telecommunications companies. An analytical descriptive approach was used to describe the phenomenon and analyze collected data, while a questionnaire was adopted as a data collection tool and was distributed to the study's sample which consisted of 320 employees of the Sudanese telecommunications companies, where (292) questionnaire were valid for statistical analysis. Anyhow, the study concluded that Sudanese telecommunications companies had developed a clear vision and mission for all employees and established strategic objectives that were SMART and written to all employees which reflected the success of these companies. However, the study suggested that the company should continue to rely on strategic planning in its future operations to gain a competitive advantage and achieve its goals.

**Al-Abdullat (2017) study entitled: “Characteristics of strategic planning and its impact on achieving the competitive advantage: Moderating role for strategic thinking: Applied study in the Telecommunications Sector in Jordan”.**

This applied study aimed to identify the characteristics of strategic planning and its impact on competitive advantage while strategic thinking considered as a moderating variable in the Jordanian telecommunications sector. A descriptive analytical approach has been used in this study, while the questionnaire was adopted as a data collection tool. The study population consisted of all staff at the middle and top management of telecommunications companies in Jordan. The questionnaire was distributed to a representative sample consisted of (329) staff members of Jordan's telecommunications companies, while (287) of recovered questionnaires were valid for statistical analysis. Anyhow, a few findings have been reached through the study, the most important of which are: the level of strategic planning characteristics in terms of relative importance was at a high average, in addition to, the level of competitive advantage was also found to be at a high average. Moreover, the results revealed a statistically significant impact of strategic thinking in its different dimensions in improving the impact of strategic planning characteristics on competitive advantage. In the light of the findings, the study recommended that Jordanian telecommunications companies should maintain continuous attention to the characteristics of strategic planning and using all ways and tools to ensure that this attention is increasing continuously.

**Seyyed Amiri et al., (2017) study entitled: “Competitive Intelligence and Developing Sustainable Competitive Advantage”.**

This study aimed to discuss competitive intelligence as a tool of establishing a competitive advantage for insurers in Iran insurance sector and its impact on creating a sustainable competitive edge. The descriptive approach was followed, and questionnaires was used as a tool for applying the study, which was distributed to the sample of the study which consisted of

(123) members of the middle and senior managers working for the Iranian insurer in Tehran. The results revealed that competitive intelligence had a positive impact on the establishment of competitive advantage, in addition, the corporate competitive intelligence was required to gain a competitive advantage through the creation of a strategic unit for collection, analysis and sharing of intelligent information derived from the internal and external environment.

**Soleymanzade et al., (2017) study entitled: “Identify and Ranking the Factors Influencing Insurance Company’s Competitive Advantage with Qualitative and Quantitative Methods”.**

This study aimed at identifying factors that could help achieve competitive advantage in insurance companies through quantitative and qualitative methods. The study used the analytical exploratory approach, as well as identifying factors affecting the acquisition of the competitive advantage of insurance by selecting factors that had repeated blurring. These factors were classified by the opaque FAHP technique using the dual comparison questionnaire, and an semi-interview was conducted using the target sample method. A (17) experts and managers were selected, the determining factors were divided into (6) criteria including standards of comfort, customer responsiveness, quality, internet services, creativity, and brand. The results of the study showed that insurance sector has a poor performance in terms of the standards of creativity and internet services.

**MUIA (2017) study entitled: “Effect of Competitive Strategies on The Performance of Insurance Companies in Kenya”.**

This study was aimed at identifying the impact of competitive strategies on the performance of Kenya's insurance companies on the performance of Kenya's insurance industry. The study used the descriptive method, and the study population consisted of all directorate of strategic planning in Kenya’s insurance firms amount to (47) listed under the membership of (AKI) in Kenya. A judgmental sampling method was used to select a sample of three employees from

each company's strategic planning directorate. The questionnaire was adopted as a data collection tool, where distributed to (141) respondents, and a (135) of them were retrieved is valid for statistical analysis. The results have revealed that the majority of Kenyan insurers offer a wide range of products which helps meet the differentiated needs of customers. Furthermore, It also indicated a statistically significant positive strong correlation between the differentiation strategy and insurers' performance. Moreover, the results also revealed that most companies offering lower prices than rivals and invest greatly in promotional sales, in addition, many companies constantly reduce employment inputs through operations' automation. Additionally, the results also showed a strong positive correlation between cost-leadership strategy and insurers' performance in Kenya. As well, the results also showed that the most of insurers in Kenya serve a particular geographical market which indicted the adoption of focus strategy, which proved by the significant strong positive correlation between focus strategy and insurers' performance. The study presented a series of proposals, the most important of which was further studies to determine whether overall strategies had a unique contribution to the insurance companies' performance.

**Munge & Kitiabi (2017) study entitled: “Challenges of Strategy Implementation Insurance Companies in KENYA”.**

The aim of this study was to investigate the challenges of implementing strategies in Kenyan insurance companies. The descriptive approach was used on the basis of the descriptive survey. Questionnaire was also used as a primary data collection tool. The Population of the study covered all of the insurance companies operating in Kenya as of August 2014 which consisted of (46) Company. The results of the study showed that among the macroeconomic factors identified to influence the implementation of the strategy were; high inflation rates in the Kenyan markets and low purchasing power of buyers, rigorous guidelines for compliance with laws, regulatory and capital requirements, rapid technological changes and advancement, while

the industry-particular challenges that influenced the implementation of the strategy were; the threat of price wars, intense competition and competition between insurers and strong bargaining power of buyers and customers, among the internal factors affecting the implementation of the strategy were; Lack of employees' participation, Centralization of decisions that are due to firm's bureaucratic procedures and structures, lack of communication, lack of pre-adopted guidance in implementation. Moreover, the study found that the strategic responses adopted by insurers for the effective implementation of their strategies were to link rewards to the implementation of the strategy in order to promote effective implementation and joining a lobby through (AKI) to meet environmental, economic, organizational, and political challenges. However, the study recommended that in order to meet the challenges of implementing the strategy, companies should avoid staff resistance to implementing the strategy by ensuring staff participation in decisions, and should work to reduce the firm's bureaucratic procedures and structures, and establish an effective communication channels and tools with employees.

**AbdulWahab (2016) Study entitled: “Strategic Planning as an Applied Management Approach to Performance Development and Competitive Advantage”.**

This study sought to articulate the potential role of strategic planning and its impact on performance development and competitive advantage in insurance companies in Egypt. A case study method was used to achieve the objectives of the study, the case, with the aim of studying deeply the situation of some insurance companies affiliated with the insurance holding company and some private companies with a high acquisition rate in the Egyptian market, while the study population consisted of State-owned and some private companies with high relative market share. The study used the stratified random sampling, while the sample included (820) of heads of sectors, central administration, and general managers. The study adopted a questionnaire as a tool for applying the study, as well as in-person interviews. Anyhow, the study reached a

several results, including that Egyptian insurance companies have already started applying the Strategic Planning Approach since a long time to keep up with business development, in addition, the results also pointed to the success of Egyptian insurance companies in making a systematic and integrated change based on a comprehensive process plan that covered their administrative and productive processes, thereby contributing to the improvement and development of their performance and ensuring their survival and growth to achieve competitive advantage. Moreover, the study also indicated that all Strategic Planning Approach linkages with performance development elements are positive and significant, thus clearly contributing to competitive advantage. Furthermore, the study showed that there was a difference in the impact of the Strategic Planning Approach on the achievement of competitive advantage across insurance companies. In the light of this, the study recommended that traditional management methods, systems and principles should be reconsidered and reviewed and that the intellectual and conceptual contents of the strategic planning approach should be institutionalized and operationalized.

**Makhnach (2015) study entitled: “Strategic planning as a tool to create the competitive advantage of damage insurers: Study on the situation of certain Algerian insurance companies.”**

The study aimed to identify the reality of adopting strategic planning as a management approach through its two dimensions (Strategic analysis of the environment and availability of strategic planning elements) in establishing and creating competitive advantage in terms of main dimensions (Lower cost, differentiation, and creativity) in some Algerian damage insurance companies. In this study, the analytical descriptive approach was used to achieve the objectives and test hypotheses of the study. A questionnaire was designed and adopted as a data collection tool, where distributed to a (50) staff associated senior and middle management decision makers in (5) companies, where (395) were returned completed and useful for analysis purposes. The

study found that the adoption of strategic planning as a management method by damage insurance companies in Algeria has a strong positive correlation with the creation of competitive advantage, in addition, the adoption of strategic planning as a management method contributes to the establishment and creation of competitive advantage in Algerian insurance companies for damages.

**Beljazeyeh et al. (2015) study entitled: “The Impact of Competitive Strategy on the Strategic Performance of the organization: Field Study of Telecommunications Companies in Algeria”.**

This study aimed to determine the impact of a competitive strategy in terms of (cost-leadership, differentiation, and focus strategy) in boosting strategic performance in terms of (Financial, client, internal process, learning and growth, and social perspective). A descriptive analytical approach was adopted, and a comprehensive sampling method was used, while a questionnaire was adopted as a data collection tool. The study population consisted of all staff at the middle and senior management in the telecommunications companies in Algeria. The questionnaire distributed to (72) members of the study population, while (51) questionnaire was valid for statistical analysis. Anyhow, the study produced multiple findings, the most important of which were: Algerian’s telecommunications companies apply competitive strategies such as cost leadership, differentiation, and focus strategy at high levels, and that’s indicating that those companies are aware of the importance of the application of competitive strategies on their performance. Furthermore, the study indicated a statistically significant impact of competitive strategies (differentiation, cost-leadership, and focus strategy) on strategic performance.

**Huang, Dyerson, Wu, and Harindranath (2015) study entitled: “From Temporary Competitive Advantage to Sustainable Competitive Advantage”.**

The aim of this study was to establish a conceptual distinction between two types of competitive advantage at a firm level: Temporary competitive advantage and sustainable competitive

advantage. The study seek to discover how companies refine, boost, and enhance their temporary competitive advantage to establish later on a sustainable competitive advantage. A descriptive analytical approach was used, where the study's population consisted of CEOs and senior managers at the Taiwan's ICT manufacturing companies and the study based on a survey that included (165) company from Taiwan's ICT industry. Anyhow, the study showed many results including that firms can achieve temporary competitive advantage by strengthening its position in the market. Moreover, firms with a stronger market position could only gain a better services and products of temporary competitive advantage, whereas firms with a superiority in the technological capabilities or resources as an internal factor could achieve a better products and services as an outcome of sustainable competitive advantage. In light of this, the study recommended that policymakers review policies adopted to accelerate a supportive environment for companies for the development of internal resources and capacities, which successively would achieve sustainable competitive advantage.

**Njeri and Kombo (2015) study entitled: “Effect of Cultural Factors on Strategic Planning in Insurance Industry in Kenya: A study of Insurance Companies in Nakuru CBD”.**

The study was carried on to determine the impact of cultural factors on strategic planning in Nakuru's insurance firms. The study was based on the correlative survey method, and the study population is made up of all the insurance firms in the Nakuru CBD City which were (21) company. In order to achieve the study's objectives, a questionnaires was distributed to managers involved in strategic planning in insurance firms. Anyhow, results showed that perception of cultural factors influences strategic planning in Nakuru's insurance firms, and the study also emphasized the need for managers who involved in strategic planning to align their strategic planning process with cultural factors. In this light, the study recommended further research into companies' strategic planning challenges.

**Mustafa (2014) study entitled: “The role of strategic planning in achieving the competitive advantage of SMEs: A Field Study of a Sample of Small and Medium Enterprises in Jijel State”.**

The study aimed to examine the role of strategic planning in the achievement of competitive advantage of SMEs. To address the problem of the study, the researcher used a descriptive approach, and a questionnaire was used as a data collection tool, which was distributed to the sample of the study, which consisted of (30) SMEs. The study found that there is a practice of strategic planning in the enterprises under consideration, but that there are constraints to its application and exercise in a way that could establish a competitive advantage, in addition, the results showed that there was no relationship between strategic planning and competitive advantage, however, the SMEs also show that there are multiple competitive advantages in terms of their sources. The study concluded that several recommendations were made to emphasize the need for attention to strategic planning as a business methodology for SME managers.

**Kiragu (2014) study entitled: “Assessment of Challenges Facing Insurance Companies in Building Competitive Advantage in Kenya: A Survey of Insurance Firms”.**

This study sought to assess the challenges facing insurers in the establishment of a competitive advantage in insurance companies in Kenya. A descriptive research method was used and applied to achieve the study’s objectives, while the study population consisted of GMs and marketing managers working in (44) headquarters of insurers in Nairobi and questionnaire adopted as a primary data collection tool. Anyhow, the study produced some results, the most important of which were: the regulations of government influence the competitive position of insurers and their competitiveness. Furthermore, the insurance services channels and its distribution significantly affecting the delivery levels of service and products, which leads to the belief that the adoption of online marketing is a must.

**Ilovi (2011) study entitled: “Sustainable Competitive Advantage in The Insurance Industry in Kenya”.**

This study sought to provide a deep comprehension of the sustainable competitive advantage nature employed by Kenyan insurers. In addition, it aimed to determine how insurers create a sustainable competitive advantage and what are the challenges they face in the process of its creation. The study relied on the survey method and questionnaire was adopted as a data collection tool. The study population consisted of (41) insurance and reinsurance companies, including (21) public insurance companies, (9) life insurance companies, (12) composite insurance companies, and random sampling from study population was used. However, the study indicated that most companies adopted the cost-leadership strategy in the creation of a sustainable competitive advantage. Moreover, the study noted that all companies, regardless of the adopted competitive strategy, face challenges in implementing the strategy. Anyhow, the study had some limitations that included classifying companies on the basis of different services provided as a whole against their individual categories. Other constraints did not consider the implementation of the strategy as a whole and did not take into account the role of industry regulation and policy framework. Based on the study's findings, it is recommended that corporate decision makers continuously assess their strategies with a view to staying ahead of competition.

**2.4.1 Discussion of previous studies**

From the researcher's review of previous studies, it is relatively clear that these studies are recent, which demonstrates the importance of the strategic planning study and its impact on the achievement of competitive advantage. It is noted that many efforts have been made by researchers to study this vital topic in the organizations in general. The current study sought to reveal the impact of strategic planning on the achievement of competitive advantage.

#### **2.4.1.1 In terms of the purpose of the study**

The research trends of previous studies have varied, aiming at strategic planning and competitive advantage, while the current study has sought to reveal the impact of strategic planning on the achievement of competitive advantage in the insurance firms in Palestine.

#### **2.4.1.2 In terms of study variables**

Several variables have been measured in previous studies, both in terms of strategic planning and in terms of achieving competitive advantages by limiting them to specific dimensions, while the current study will address strategic planning in its dimensions. (vision, message, objectives) as a tool to achieve competitive advantage by studying strategies According to the researcher, most of the previous studies on strategic planning have been applied in societies outside Palestine, and this is the first attempt being made in a Palestinian public and in the Palestinian insurance sector.

#### **2.4.1.3 In terms of the study population and sample**

Research trends have varied in determining the study population and have been identified in previous studies, most of which have been applied in business organizations in general, while the current study will be applied to employees of Palestinian insurance companies.

#### **2.4.1.4 In terms of study methodology**

Previous studies have adopted the analytical descriptive approach, specifically local and Arab studies. Foreign studies have varied in their curricula. In order to achieve their objectives, the current study has relied on the analytical descriptive approach.

#### **2.4.1.5 In terms of results and conclusions**

The results of previous studies varied according to their relevance to the topic of the study. A study of (belhout & Benterbeh, 2021) concluded that there is an impact of applying the strategic planning process in achieving competitive advantage through the management's ability to analyze the variables of the internal and external environment and formulate and

implement the strategic plan to obtain a superior advantage by which the company improves its competitive position, as well the study of Abu Juma'a and Al-Hamdi (2021) revealed that there is an impact of strategic leadership in achieving competitiveness in Al-Nabil Company for Food Industries in Jordan. Furthermore, the study of Adebisi et al. (2021) showed that the ability to innovate had a significant impact on competitive advantage, while Soebroto and Budiyanto (2021) study showed that the strategic planning has a positive and significant impact on competitive advantage, in addition, as revealed by Hamed's study (2020) that the strategic planning supports the organization's competitiveness and thus creates a competitive advantage for it, as well as Al-Omari (2020) study showed that there is a positive impact of strategic planning in achieving competitive advantage, besides the study of Ahmad and Mohammed (2019) which showed an existence of a partial relationship between strategic planning and achieving competitive advantage. In addition to , a study by Muritala & Ajetunmobi (2019) revealed that the competitive intelligence had a positive relationship with the competitive advantage of insurance companies, besides a study by Uti and Adim (2019) showed that there is a statistically significant relationship between network management and the competitive advantage of insurance companies, while the study of O.O & et al. (2019) showed that there is a moral impact of strategic leadership on competitive advantage. In addition to, the study of (Al-ayasra & Al-kubaisi, 2018) revealed that the role of strategic planning in achieving competitive advantage and its role in community development came at an average level, as the Ahmed Study (2018) showed that involving employees in the process of formulating strategic mission, and the establishing of clear strategic goals and objectives could influence the achievement of competitive advantage. Furthermore, a study by Matilu & K'Obonyo (2018) showed that most insurance companies aligned their strategy with human resources management practices for survival, competition, and enhance their competitiveness. In addition, a study done by Chomba

(2018) on Britam's insurance company indicated that mission, vision and values had an impact on its the company's performance, while values specifically have enabled the company to gain a competitive advantage in the insurance industry in Kenya. Also, Qrichi and Sultani's (2017) study revealed that the strategic marketing planning and competitive advantage has a moral role in achieving the competitive advantage.

Most studies, regardless of the variables they examined, found that there is a positive and significant relationship between the strategic planning process and the establishment of a competitive advantage for companies or organizations that seek to obtain it. However, it is clear that at least to achieve a competitive advantage, these companies must have a clear direction through the existence or development of a strategic vision and a mission for their employees.

## Chapter III

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### Research Methodology

#### 3.0 Introduction

Over past years, much argument has been discussed about the preferable methodology and approach to be adopted to investigate in the social sciences, particularly in the field of economics, strategic planning, and business administration. This chapter includes in detail description of the methodology, procedures, description of the sample and population of the study, the preparation of the questionnaire, the procedures for validating the reliability and validity of the tool of study and the statistical analysis of the characteristics of the sample "statistical processing" for the data that the researcher applied in this study, which all used and adopted to discuss the theoretical framework confirmed in chapter two and to address the questions of the study debated in Chapter One. As a result, it is divided into twelve sections.

In section one, the study method and its justification is presented; the primary and secondary data sources, the aptness of the method selected, as well as the reasoning behind not selecting other methods is described in section two; in section three the study population is detailed; section four describes the sample of study and its demographic characteristics; in section five the design of research instrument is detailed; sections six and seven describe the tool of the study and its constancy, content, and construct validity; the variables of study are discussed in section eight; in sections nine and ten the statistical processing, procedures and methods is detailed; final section the research ethics is presented.

### 3.1 Methodology

In the reliance of the reviewed literature of strategic planning and competitive advantage, this research develops a theoretical model to answer the study questions and test hypotheses and propositions specified in Chapter One. Punch (2005) confirms that the methods adopted in the fulfillment of a research must be in accordance with the research's questions. As a result, a mixed approach was executed to test the hypotheses and to answer the questions of this research. Amaratunga, Baldry, Sashar & Newton (2002) stated that adopting quantitative research allows intellectuals to establish statistically significant indication about the strength of correlations between variables. Furthermore, they pointed up that the statistical outcomes and conclusions provide trends of variables' relationships that explains hypothesis and literature. As a result, the purpose of this research is to assess the fundamental variables discussed in the theoretical framework and test the hypothesis linked with it.

In addition, according to Mertler (2021), conducting quantitative research seek to describe current situation and establishing relationships between variables and explain it. Moreover, according to Cohen, Morrison and Manion (2017), quantitative research is used when researcher is interested in discovering the difference and regularity in the impact of one or more independent variables on a dependent variable (outcome) and when the study's objective is to examine through experiential statements what the case is in the reality rather than what the case must be. This is consistent with the study's objective, which is to discuss and examine the strategic planning process used by insurance sector companies and its impact on achieving competitive edge, not to state what it should be. Moreover, Creswell (2018) stated that quantitative research is proper for testing objective theories which consists of a set of variables, definitions, and propositions that presents a specific phenomenon by examining and explaining relationship among variables by collecting data by predetermined instruments that yield numerical data that are investigated by mathematical based methods (statistics)' and since the

established hypotheses delineated in the earlier chapters test correlations among a set of variables related to strategic planning and competitive advantage, the use of statistical methods is fitting the test of strength of correlations and relationships in this study.

This research began with investigating the impact of strategic planning on achieving a competitive edge for insurance companies through a review of related literature, despite the fact that the focus of these literatures was mostly on other economies and industries. The researcher's task is to examine the extent to which insurance companies in Palestine adopting the strategic planning as a strategic business approach, and whether adopting such approach improves the achievement of competitive advantage across a variety of dimensions such as quality, flexibility, delivery, and cost, among others.

According to the characteristics of the information and data required to complete this research, and for the sake of achieving its objectives, the researcher applied the descriptive analytical approach as it suits the nature of the study, which needs to collect, classify, analyze, and interpret data to derive main important points and conclusions that can be generalized. The descriptive method is often associated with the studies of social sciences and humanities, and depends on describing the phenomenon as it is, collecting the necessary data and information about it, classifying, and organizing this information, adding to that the books, references and previous studies related to the core of the study.

### **3.2 Data collection method**

Methods of data collection are an essential portion of study design. There are various ways to collect data, each of which has its advantages and disadvantages. The choice of the proper method crucially boosts the research's importance (Sekaran and Bougie, 2019). The research method and approach used to collect data are determined not only by the study's purpose, but also by the resources available. There are times that some methods can't be adopted according to some limitations such as an insufficiency in resources or required skills (Kumar,

2019). Considering the purpose of the study and possible constraints during research, the Survey-based research has been used as a primary data collection method in this research supported by secondary sources of data which were mainly books and previous studies that dealt with the topic of research in whole or partially.

### **3.2.1 Primary sources**

As the study aimed to examine the impact of strategic planning process on achieving competitive edge within Palestinian Insurance firms, a self-administered online questionnaire was adopted as the most appropriate tool for unprocessed data collection to address the analytical aspect of the study's topic for the following main justifications: first and foremost, it is an useful tool, particularly while it is free from the bias of the interviewer; answers are in respondents' own words while the researcher doesn't need to have any management over respondents' events (Kothari, 2013). Second, it provides a numeric description of attitudes, opinions, or trends of a determined population by studying a sample of that population, which enables the investigator to generalizing study findings and conclusions from a sample respondent to the whole population (Creswell, 2018). Third, the data collection method by mailing the questionnaires to the sample respondents is most extensively employed in various business and economic surveys (Kothari, 2013).

To address the analytical aspect of the topic of this study, unprocessed data was unpacked using statistical analysis software (Statistical Package For Social Sciences, SPSS) to carry out statistical data processing and to insightfully study the results, in order to build up recommendations and proposals that may help decision makers and guide them toward making their decisions upon the results and the scientific foundations and methods used in dealing with such phenomena.

### 3.2.2 Secondary sources

In addition to the primary data source ‘survey questionnaires’, a secondary method ‘secondary data sources’ were referred to address the theoretical framework and to further help in the explanation about background of the study and validate the results gained by the primary method. Jain (2018) states that since almost all data sources could have some biases, collecting data from multiple sources of data lends credibility and reliability to the research study.

A review was made to secondary sources of data from several books, articles, references, periodicals, reports, previous research, and studies in multiple languages that dealt with the study’s topic, in addition to searching, and reading on websites, to put the study at the readers’ disposal and help them understand it more clearly and more vibrant.

### 3.3 Population of the study

The population of the study consists of all employees in the senior and middle management of Palestinian insurance companies in the West Bank in the year 2022. As the date of preparation of the study, population reached to (297) employees. Table (3.1) shows how the study population members were distributed according to two categories: company and managerial level to which they belong. Therefore, the respondents are familiar with the information sought.

**Table 3.1: The distribution of the members of the study population upon company and management**

Company	Management	
	Senior (Upper)	Middle
Palestine Insurance Co.	13	20
TRUST International Insurance Co.	25	30
National Insurance Co.	18	34
Al-Mashreq Insurance Co.	15	23
Al-Ahliya Insurance Co.	12	10
Al-Takaful Insurance Co.	16	25
Global United Insurance Co.	10	19
Tamkeen Insurance Co.	11	16
<b>Total</b>	<b>120</b>	<b>177</b>

### 3.4 Sampling

The researcher used the convenience sampling method to the employees of the senior and middle management in the Palestinian insurance companies operating in the West Bank in the year 2022, that consisted of (121) male and female employees. The study tool was distributed to them electronically via email, and table No. (3.2) illustrates the demographic characteristics of the sample:

**Table 3.2: The demographic characteristics of the sample**

Variable	Variable Level	Number	%Percentage
Gender	Male	92	76.0
	Female	29	24.0
Qualification	Diploma	8	6.6
	B.A.	91	75.2
	M.A. and above	22	18.2
Experience	5 years or less	13	10.7
	6-10 years	61	50.4
	More than 10 years	47	38.8
Job Title	General Manager	8	6.6
	Head of Department	66	54.5
	Department Manager	47	38.8
The company they work for	Palestine Insurance Co.	18	14.9
	TRUST Insurance Co.	19	15.7
	National Insurance Co.	18	14.9
	Eastern Insurance Co.	17	14.0
	Al-Ahliya Insurance Co.	11	9.1
	Al-Takaful Insurance Co.	14	11.6
	International United Insurance Co.	13	10.7
	Tamkeen Insurance Co.	11	9.1

### 3.5 Study tool

In the current study, the researcher used a questionnaire as a tool to collect data and information. The tool of the study was established in alignment with the literature available on this topic; previous studies, books, scientific references, and theses, of which (Othman, 2017) was the most salient. In order to study strategic planning and its impact on achieving

competitive advantage in Palestinian insurance companies, as it consisted of two main parts, as described in Appendix No. (2), where the first part dealt with personal data, namely (gender, scientific qualification, years of experience, job title, and company for which they work). The second part constitutes of the study tool fields and their sections, as shown in table (3.3)

**Table 3.3: Sections and parts of study's tool**

<b>Study tool and its fields</b>	<b>No. of items</b>
<b>Part I: Personal data</b>	5
<b>Part II:</b>	
<b>Section I: Strategic planning</b>	<b>46</b>
First: Vision	4
Second: Mission statement	7
Third: Environmental analysis	9
Fourth: Objectives of the company	7
Fifth: Strategic alternatives	7
Sixth: Selection and implementation of strategies	12
<b>Section II: Competitive Advantage</b>	<b>28</b>
First: Cost	6
Second: Flexibility	5
Third: Delivery	6
Fourth: Quality	11
<b>Total items of second section:</b>	<b>74</b>
<b>Total questionnaire items and its variables</b>	<b>79</b>

**Part I:** The first part dealt with personal data (gender, educational qualification, years of experience, job title, and the company that the respondent works for).

**Part II:** The second part consisted of the fields and axes of the study, and it was divided into two main sections, each section contained several closed questions, and the options was a five-point scale according to a Likert scale with its five degrees (strongly agree, agree, neutral, disagree, disagree strongly), which were as follows:

**Section I:** This section consisted of (46) paragraphs distributed over six attempts related to the components of strategic planning. This section was developed after reviewing the previous literature. According Ghanaimi and Sultani (2021) study, strategic planning was examined through three components which were: Strategic vision, strategic mission, and strategic goals.

Furthermore, Mubarak (2017) defined four components of strategic planning during the development of the study's tool which were: clear vision and mission, internal and external environment analysis, strategy implementation, and performance evaluation. Accordingly, the current study adopted its own components, which were as follows:

- **Vision:** It consists of (4) paragraphs to track and measure the extent of the company's interest in having its own strategic vision, which would affect achieving a competitive advantage for the company.
- **Mission:** It consists of (7) paragraphs to track and measure the extent of the company's interest in having its own mission, which would affect achieving a competitive advantage for the company.
- **Environmental analysis:** It consists of (9) paragraphs to track and examine the extent of which the companies analyze their external and internal environments which would affect achieving a competitive advantage for the company.
- **Objectives:** It consists of (7) paragraphs to track and measure the extent of the company's interest in having its own strategic objectives, which would affect achieving a competitive advantage for the company.
- **Strategic Alternatives:** It consists of (7) paragraphs to track and measure the extent of which the companies adopt strategic alternatives in the alignment of strategic planning process which would affect achieving a competitive advantage for the company.
- **Strategies implementation:** It consists of (12) paragraphs to track and measure the extent of the company's interest in implementing strategies adopted through strategic planning process, which would affect achieving a competitive advantage for the company.

**Section II:** This section consisted of (28) paragraphs distributed over four attempts related to the dimensions of competitive advantage. The section was developed after reviewing the previous literature. According to Othman (2017) study, competitive advantage was measured

using three variables which were: Cost, Quality, and Creativity. However, Zoubi and Leghassim (2020) defined competitive advantage as cost, differentiation, flexibility, and delivery. Accordingly, the current study adopted a combination of both, which were as follows:

- **Cost:** It consists of (6) paragraphs to measure the Cost's dimension of the competitive advantage.
- **Quality:** It consists of (11) paragraphs to measure the Quality's dimension of the competitive advantage.
- **Flexibility:** It consists of (5) paragraphs to measure the Flexibility's dimension of the competitive advantage.
- **Delivery:** It consists of (6) paragraphs to measure the Delivery's dimension of the competitive advantage.

### **3.6 Validity of the study tool**

The validity of the questionnaire means verifying the validity of the study tool to measure what it aimed to, and that gained by including all the elements necessary for analysis in it, and that its items and vocabulary are clear to everyone uses it. The researcher has codified the items of the questionnaire in a way that ensures the truthfulness of the study tool, and the items of the questionnaire have been confirmed in two ways:

#### **3.6.1 Content validity of the study tool**

The researcher designed the questionnaire in its initial form, then in order to verify the content validity of the study tool, a specific procedure of evaluating the study instrument by a panel of experts has been taken, by presenting it to the research' supervisor and a group of (5) experts. Appendix (1) clarifies the names of the referees who kindly judged the study tool, where they thankfully expressed their opinions and observations in terms of: the clarity of the language of the items and their linguistic integrity, the extent to which the items include the

investigated aspect, and the addition of any necessary information, amendments, or items they deem for the final output of the tool.

### **3.6.2 Validity of the internal constancy of the study tool**

The researcher verified the authenticity of the study instrument through determining the Pearson correlation coefficient of each axis' items with the total score of each field of the study tool, as illustrated in Table (3.4).

**Table 3.4: Results of the Pearson correlation coefficient of the correlation matrix of the items of each axis with the overall score of each field of the study tool**

<b>Strategic planning area</b>											
<b>Item No.</b>	<b>(t) value</b>	<b>Statistical Significance</b>	<b>Item No.</b>	<b>(t) value</b>	<b>Statistical Significance</b>	<b>Item No.</b>	<b>(t) value</b>	<b>Statistical Significance</b>	<b>Item No.</b>	<b>(t) value</b>	<b>Statistical Significance</b>
<b>Vision</b>			<b>Environmental analysis</b>			23	0.725	0.000	<b>Selection and implementation of strategies</b>		
1	0.825	0.000	12	0.752	0.000	24	0.692	0.000	35	0.727	0.000
2	0.828	0.000	13	0.617	0.000	25	0.660	0.000	36	0.569	0.000
3	0.699	0.000	14	0.656	0.000	26	0.645	0.000	37	0.703	0.000
4	0.732	0.000	15	0.700	0.000	27	0.676	0.000	38	0.784	0.000
<b>Mission statement</b>			16	0.491	0.000	<b>Strategic alternatives</b>			39	0.760	0.000
5	0.609	0.000	17	0.693	0.000	28	0.633	0.000	40	0.747	0.000
6	0.724	0.000	18	0.553	0.000	29	0.773	0.000	41	0.729	0.000
7	0.585	0.000	19	0.650	0.000	30	0.621	0.000	42	0.660	0.000
8	0.607	0.000	20	0.702	0.000	31	0.695	0.000	43	0.628	0.000
9	0.685	0.000	<b>Company objectives</b>			32	0.681	0.000	44	0.694	0.000
10	0.751	0.000	21	0.757	0.000	33	0.514	0.000	45	0.628	0.000
11	0.748	0.000	22	0.748	0.000	34	0.728	0.000	46	0.676	0.000

<b>Competitive Advantage Area</b>					
<b>Item no.</b>	<b>(t) value</b>	<b>Statistical Significance</b>	<b>Item no.</b>	<b>(t) value</b>	<b>Statistical Significance</b>
<b>Cost</b>			14	0.763	0.000
1	0.477	0.000	15	0.676	0.000
2	0.802	0.000	16	0.692	0.000
3	0.736	0.000	17	0.805	0.000
4	0.801	0.000	<b>Quality</b>		
5	0.673	0.000	18	0.641	0.000
6	0.626	0.000	19	0.550	0.000
<b>Flexibility</b>			20	0.660	0.000
7	0.780	0.000	21	0.731	0.000
8	0.735	0.000	22	0.684	0.000
9	0.823	0.000	23	0.605	0.000
10	0.713	0.000	24	0.491	0.000
11	0.737	0.000	25	0.772	0.000
<b>Delivery</b>			26	0.701	0.000
12	0.776	0.000	27	0.654	0.000
13	0.733	0.000	28	0.765	0.000

\* Statistical significance at 0.05 level.

\*\* Statistical significance at 0.01 level.

The data in Table (3.4) indicate that all the values of the matrix of correlation of the items of the study tool with the total score of each field and each axis of the study tool are statistically significant, indicating the strength of internal constancy together share in measuring the impact of strategic planning on competitive advantage in the insurance firms in Palestine, upon the theoretical framework on which the scale was built.

### 3.6.3 Construct validity

Construct validity is one of the measures of tool validity that measures the extent to which the goals that the tool investigates are achieved. It shows to what degree each field of study correlation with the total degree of questionnaire. To verify the construct validity of the research tool, two basic methods has been used: correlations and confirmatory factor analysis.

#### 3.6.3.1 Measure construct validity through correlations

The researcher has verified the construct validity of the tool by calculating the Pearson correlation coefficient between each field of the online questionnaire scale and the total score of the scale, and then calculating the Pearson correlation coefficient between each axis with the total degree of the field to which it belongs, as shown in Table (3.5).

**Table 3.5: Pearson correlation results of the correlation matrix of each component or dimension with the total degree of the field to which it belongs.**

Variable	(T) value	Statistical Significance
Vision	0.776	0.000
Mission statement	0.733	0.000
Environmental analysis	0.763	0.000
Company objectives	0.676	0.000
Strategic alternatives	0.692	0.000
Selection and implementation of strategies	0.805	0.000
Cost	0.601	0.000
Flexibility	0.880	0.000
Delivery	0.867	0.000
Quality	0.883	0.000

The data in Table (3.5) indicate that all the values of the correlation matrix of each axis with the total degree of the field to which it belongs are statistically significant, indicating the strength of the internal construction of the axes of each field with the total score of the same field, and that they share together the impact of strategic planning on achieving competitive advantage in the insurance firms in Palestine, according the theoretical framework upon which the scale was built.

### 3.6.3.2 Measure construct validity through confirmatory factor analysis (CFA)

The confirmatory factor analysis was used for the components of strategic planning process and the dimensions of competitive advantage using the method of Maximum Likelihood (ML), the results indicated a good match in the light of the match indicators, as illustrated in Table (3.6).

**Table 3.6: Results of CFA analysis of the study tool**

Goodness-of-fit Measures	Acceptable Level	Value
Chi-square	Not statistically significant	52.7
Degree of Freedom	-	30
X <sup>2</sup> /DF	1 < X <sup>2</sup> /df < 5	1.76
RMSEA	0 – 0.08	0.079
RMR	0 – 0.08	0.008
SRMSR	0 – 0.08	0.036
TLI	> 0.90	0.968
GFI	> 0.90	0.924
CFI	> 0.90	0.979

### 3.7 Constancy of the study tool

The constancy of the study's tool has been confirmed through the method of internal constancy using Cronbach alpha which depends on the calculation of item variances. Although the measurement rules of the value to be obtained are not defined, getting an alpha value greater than or equal to (60%) is considered acceptable, as illustrated in Table (3.7)

**Table 3.7: Results of constancy coefficient of the study tool**

Scale of the study and its axes	No. of items	Cronbach alpha
Vision	4	0.768
Mission statement	6	0.782
Environmental analysis	9	0.827
Company objectives	7	0.824
Strategic alternatives	7	0.785
Selection and implementation of strategies	12	0.900
Cost	<b>46</b>	<b>0.961</b>
Flexibility	6	0.778
Delivery	5	0.813
Quality	6	0.830
Vision	11	0.869
<b>Competitive advantage</b>	<b>28</b>	<b>0.917</b>
<b>Strategic planning and competitive advantage</b>	<b>74</b>	<b>0.971</b>

The data in Table (3.7) indicate that the values of constancy of the study tool in its axes and fields ranged between (76.8%-96.4%), which is a high value, and the value of constancy at the total degree of the study tool is (97.7%). Thus, the tool (questionnaire) has a high degree of constancy and can be accredited to achieve the objectives of the study.

### **3.8 Study implementation' steps**

1. Identifying the topic of the study, which is to identify the impact of strategic planning on achieving competitive advantage in Palestinian insurance companies.
2. After confirming the authenticity of the study tool (questionnaire), the researcher made an electronic questionnaire and distributed it to the members of the study sample via e-mail.
3. The study sample members filled out the questionnaire with what was required of them and then the researcher verified the responses, in preparation for unpacking them into the statistical Analysis Program (SPSS).
4. The analysis and forming recommendations were carried out using the Social Science Statistical Packet Software (SPSS).

### 3.9 Study variables

#### **Independent variables: Strategic planning and its axes:**

- vision
- mission statement
- environmental analysis
- company objectives
- strategic alternatives
- implementation of strategies.

#### **Dependent variables: Competitive advantage and its following axes:**

- \* Cost
- \* Flexibility
- \* Delivery
- \* Quality

#### **Demographic variables:**

- Gender (male/ female)
- Qualifications (diploma, B.A, M.A and above)
- Experience (5 years or less, 6-10 years, 10 years or more)
- Job title (employee, head of unit, head of department, department manager, general manager)
- Company to which they belong (Palestine insurance company, Trust insurance company, National insurance company, Al-mashriq insurance company, Al-ahliya insurance company, Al-takaful insurance company, Global United insurance company, and Tamkeen insurance company)

### 3.10 Statistical processing

Upon received questionnaires and confirming their validity for analysis, it has been reviewed in preparation for the statistical processing of the data. The data were given certain numbers as they were unpacked into computer files, that was, by converting verbal answers to numeric as follows; strongly agree answer was given (5) degrees, agree (4) degrees, neither agree or disagree (3) degrees, disagree (2) degrees, and strongly disagree (1) one degree, so that the higher the degree is, the greater the impact of strategic planning on achieving competitive advantage in Palestinian insurance companies.

The statistical processing of the data was carried out by extracting numbers, percentages, arithmetic averages, standard deviations, Pearson correlation coefficient, simple linear regression analysis, multiple linear regression analysis, and alpha Cronbach stability equation, using the Social Science Statistical Packet Software (SPSS). In this study, the following reference equation will be used to measure the impact of strategic planning on achieving competitive advantage in Palestinian insurance companies:

$$Y = \beta_0 + \beta_{x1} + \beta_{x2} + \beta_{x3} + \beta_{x4} + \beta_{x5} + \beta_{x6} + e$$

Y= competitive advantage

X<sub>1</sub>= vision axis

X<sub>2</sub>= mission statement axis

X<sub>3</sub>= environmental analysis axis

X<sub>4</sub>= company objectives axis

X<sub>5</sub>= strategic alternatives axis

X<sub>6</sub>= selection and implementation of strategies

### 3.11 Statistical methodologies

The researcher relied on a set of statistical methods provided by the Statistical Analysis Program (SPSS) which are as follows:

1. Descriptive Statistics: it was used to calculate frequencies, averages, percentages, relative weights, and dispersion measures, and standard deviation.
2. Pearson correlation: it was used to verify the coincidence of the study instrument by showing the correlation between the items of each axis with the total degree of the field to which it belongs.
3. Cronbach Alpha Stability Equation: The stability equation was used to find out the degree of constancy of the study instrument, which ranges between (0 – 1), and the ratio (60%) is considered acceptable in conducting scientific research.
4. Simple Linear Regression: This equation was used to find out the impact of strategic planning on achieving competitive advantage in Palestinian insurance companies.
5. After giving the attitudes of the sample members figures representing weights of their trends from (1-5) the difference between the highest value and the lowest value was calculated which ranged from (1-5), the value of the range was divided by the number of options required for judging the results which in this case equals (5) to become  $4 \div 5 = 0.80$ , and therefore this value continues to be increased starting from the lowest value in order to give the periods for determining the state or trend based on the arithmetic mean, as illustrated in table (3.8):

**Table 3.8: Debugging keys**

<b>Degree</b>	<b>Mean</b>
Very low	1.79 - 1.00
Low	2.60 - 1.80
Medium	3.40 – 2.61
High	4.20 – 3.41
Very high	5.00 – 4.21

### **3.12 Study ethics**

Scientific research is simultaneously considered an ethical and methodological process; therefore, the researcher has adhered to the ethical along with the cognitive and methodological specifications during his writing of this study, and meant to be keen on the following issues:

1. Staying away from plagiarism and science theft and adhere to accuracy, honesty, and transparency in documentation.
2. Preserving the rights of shareholders in research and studies when publishing the study.

## Chapter IV

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### Data analysis and discussion of the study results

#### 4.0 Introduction

This chapter present a comprehensive detail of the most significant conclusions and results of the study, on the correlation between strategic planning and competitive advantage among insurers in Palestine, by answering the questions of the study, and confirming the hypotheses' validity through proper statistical methods.

#### 4.1 Answering study questions

##### 4.1.1 Answering the study main question: What is the impact of strategic planning on achieving competitive advantage in the Palestinian insurance companies?

To answer the main question of the study, the results of the simple linear regression of the impact of strategic planning on achieving competitive advantage in Palestinian insurance firms were extracted, as shown in Table (4.1)

**Table 4.1: Results of SLR Analysis of the Impact of Strategic Planning on Competitive Advantage in Insurance firms in Palestine**

Dependent variable	Constant	Value (B)	Correlation Coefficient (R)	R squared (R <sup>2</sup> )	(t) value	Statistical significance
Competitive Advantage	0.864	0.813	0.852	0.725	17.734	0.000

##### Independent variable: Strategic planning

The data in Table (4.1) indicate that there is a high impact of strategic planning on achieving competitive advantage in Palestinian insurance companies, where the value of the correlation coefficient (R) (0.852), meaning that the change in strategic planning by one unit leads to a change in competitive advantage by (85.2%), and the value of the coefficient of determination (R<sup>2</sup>) (0.725), which explains (72.5%) of the changes in the competitive advantage are due to

strategic planning, and the rest is due to other factors. This is because the value of the statistical function was (0.000), i.e., this value is less than the value of alpha (0.05). The value of (T) (17.734) is greater than the tabular value adopted by the researcher (1.66), and this leads to reject the (H0: null hypothesis) and accept the (H1: alternative hypothesis), which emphasizes that there is an impact of the strategic planning processes that take place within the insurance firms in Palestine on the competitive advantage of those firms. The following sub-questions has emerged from the main question:

#### **4.1.2 Answering sub-questions of the study**

**4.1.2.1 Answer to the first sub-question:** What is the level of strategic planning application in terms of (environmental analysis, company's goals, mission, vision, strategic alternatives, implementation of strategy) in insurance firms listed on the Palestine Exchange?

To answer this question, the arithmetic averages, and SDs of the level of application of strategic planning in insurance companies listed on the Palestine Exchange were extracted, as illustrated in Table (4.2).

**Table 4.2: Arithmetic Averages and SDs of the Level of Strategic Planning in Insurance firms Listed on the PEX**

<b>Order</b>	<b>Dimensions of strategic planning</b>	<b>AVG</b>	<b>STD</b>	<b>Degree</b>	<b>Percentage%</b>
1	Vision	4.44	0.500	Very high	% 88.8
2	Mission statement	4.36	0.425	Very high	% 87.2
3	Environmental analysis	4.33	0.410	Very high	% 86.6
5	Company Objectives	4.28	0.438	Very high	% 85.6
6	Strategic alternatives	4.25	0.417	Very high	% 85.0
4	Selection and implementation of strategies	4.31	0.435	Very high	% 86.2
	<b>Level of application of strategic planning</b>	<b>4.32</b>	<b>0.381</b>	Very high	<b>% 86.4</b>

The statistics in Table (4.2) indicated that the level of application of strategic planning among insurance companies listed on the Palestine Exchange appeared at a very high degree, where the arithmetic average reached (4.32) with a standard deviation (0.38), at a percentage of

(86.4%), and the most important axes of strategic planning was the vision, followed by the Mission statement, then environmental analysis, followed by the selection and implementation of strategies, then the objectives of the company, while the least important of which was the axis of strategic alternatives

**4.1.2.2 Answer to the second sub-question:** What is the level of competitive edge in insurance firms listed on the PEX in terms of (quality, flexibility, cost, and delivery)?

To answer the previous question, the arithmetic averages, and standard deviations of the level of competitive advantage in insurance companies listed on the Palestine Exchange were extracted, as shown in (4.3)

**Table 4.3: Arithmetic Averages and SDs of the Level of Competitive Advantage in Insurance Companies Listed on the PEX**

Order	Dimensions of competitive advantage	AVG	STD	Degree	Percentage %
4	Cost	4.21	0.569	High	% 84.2
1	Flexibility	4.47	0.459	Very high	% 89.4
3	Delivery	4.41	0.443	Very high	% 88.2
2	Quality	4.45	0.393	Very high	% 89.0
	<b>Level of competitive advantage</b>	<b>4.38</b>	<b>0.364</b>	<b>Very high</b>	<b>% 87.6</b>

The data in Table (4.3) indicate that the level of competitive advantage in insurance companies listed on the Palestine Exchange came to a very high degree, where the arithmetic average was (4.38) with a standard deviation (0.34), at a percentage of (87.6%), and the most important axes of competitive advantage, flexibility, then quality, then delivery, and the least important of which is the cost axis, and the tables (4.4, 4.5, 4.6, 4.7) show the items of the axes of competitive advantage arranged by importance in each axis.

#### **First: Cost**

The averages and standard deviations of the cost axis items of the competitive advantage area are arranged by importance, as shown in Table (4.4)

**Table 4.4: Averages and SDs of (Cost) items of competitive advantage ranked by importance**

Rank	No.	Items	AVG	STD	Degree	Percentage %
1	5	The company monitors cost elements to reduce them	4.49	0.634	Very high	% 89.8
2	6	A company can increase of its customers if it lowers its prices	4.34	0.759	Very high	% 86.8
3	2	The company has the ability to produce its insurance services at a lower cost compared to other competitors in the same insurance services	4.26	0.861	Very high	% 85.2
4	1	The company is interested in the policy of reducing administrative and service costs through its use of modern and advanced technologies	4.16	0.671	High	% 83.2
5	4	The company's service costs are low compared to its competitors	4.07	0.920	High	% 81.4
6	3	The company seeks to cooperate with lower-cost reinsurers to re-insure its services to customers	3.95	1.040	High	% 79.0
<b>Overall Degree</b>			<b>4.21</b>	<b>0.569</b>	<b>High</b>	<b>% 84.2</b>

The data in Table (4.4) indicate that the level of cost dimension in the competitive advantage in the insurance companies listed on the Palestine Exchange appeared at a high degree, where the average was (4.21) with a standard deviation (0.57), at a percentage of (84.2%), and the most important items: Insurance companies monitored the elements of costs to reduce them, it came with an average (4.49) and a standard deviation (0.63), followed by the possibility of insurance companies increasing the number of their customers if they reduce their prices, this came with an average (4.34) and a standard deviation (0.76), followed by the ability of insurance companies to produce insurance services at a lower cost compared to other competitors in the same insurance services market, which came with an average (4.26) with a standard deviation (0.86)

The least important was the quest of insurance companies to cooperate with reinsurers with a lower cost to re-insure their services provided to customers. The average was (3.95) with a standard deviation (1.04), followed by a lower cost of services compared to their competitors,

and came with an average (4.07) and a standard deviation (0.92), followed by the interest of insurance companies in reducing administrative and service costs through their use of modern and advanced technologies, it came with an average (4.16) and a standard deviation (0.67)

### **Second: Flexibility**

The averages and standard deviations of the items of the axis of flexibility of the field of competitive advantage are arranged by importance, as shown in Table 4.5.

**Table 4.5: Arithmetic averages and SDs of (flexibility) items of competitive advantage ranked by importance**

Rank	No.	Items	AVG	STD	Degree	Percentage%
1	11	The company is able to meet the growing demand for its insurance services and meet the needs of existing and new customers	4.55	0.577	Very high	% 91.0
2	7	The company works to modernize and digitize insurance processes and procedures in response to the wishes and needs of customers and customers	4.50	0.591	Very high	% 90.0
3	9	The company has the rapid ability to modify or develop services in line with the evolution of the needs of customers and customers in the market	4.47	0.593	Very high	% 89.4
4	8	The company works to provide a variety of services to meet the different desires of customers	4.39	0.650	Very high	% 87.8
5	10	The company motivates its employees to innovate and create new ideas that reflect on the diversity of its services and modernity	4.36	0.619	Very high	% 87.2
<b>Overall degree</b>			<b>4.47</b>	<b>0.459</b>	<b>Very high</b>	<b>% 89.4</b>

The data in Table (4.5) indicate that the level of flexibility in the competitive advantage in the insurance companies listed on the Palestine Exchange reached to a very high degree, where the arithmetic average was (4.47) with a standard deviation (0.46), and at a percentage of (89.4%), and the most important items were: The ability of insurance companies to meet the increasing demand for their insurance services and meet the needs of their current and new customers, it showed an average of (4.55) with a standard deviation (0.58), followed by the work of insurance companies on the modernization and digitization of insurance processes and procedures. In response to the wishes and needs of customers. This came with an average (4.50) with a

standard deviation (0.59), followed by the ability of insurance companies to modify or develop services quickly in proportion to the development of the needs of customers in the market, which came with an average (4.47) and a standard deviation (0.59).

The least important was the motivation of insurance companies to their employees to be innovative to create new ideas that reflect the diversity and modernization of their services. The average was (4.36) with a standard deviation (0.62), followed by the work of insurance companies to provide a variety of services to meet the different desires of their customers, it came with an average (4.39) with a standard deviation (0.65)

### Third: Delivery

The arithmetic averages and standard deviations of the delivery axis items of the competitive advantage area are arranged by importance, as shown in Table 4.6

**Table 4.6: Arithmetic averages and SDs of (delivery) items of competitive advantage ranked by importance**

Rank	No.	Items	AVG	STD	Degree	Percentage%
1	13	The company works to convey its insurance services as far as possible in the markets	4.55	0.548	Very high	% 91.0
2	14	The company has a modern and effective communication policy for the exchange of information with its customers	4.50	0.565	Very high	% 90.0
3	17	The Company is committed to providing and delivering its services according to the schedule agreed with the clients	4.46	0.606	Very high	% 89.2
4	16	The company provides a variety of methods for customers to request or subscribe to services (e.g., agent offices, main branches, website or mobile application)	4.45	0.605	Very high	% 89.0
5	12	The company relies on a modern network of offices and agents to achieve speed in the provision of services and ease of delivery to customers	4.29	0.554	Very high	% 85.8
6	15	The Company responds to customer inquiries and complaints promptly	4.21	0.718	High	% 84.2
<b>Overall degree</b>			<b>4.41</b>	<b>0.443</b>	<b>Very high</b>	<b>% 88.2</b>

The data in Table (4.6) indicate that the level of delivery dimension in the competitive edge in the insurance firms listed on the Palestine Exchange reached a very high degree, where the average was (4.41) with a standard deviation (0.44), and at a percentage of (88.2%). The most important items were: The work of insurance companies to deliver their insurance services to the farthest possible point in the markets, it appeared with an average (4.55) and a standard deviation of (0.55), followed by the existence of modern and effective communication policies for insurance companies to exchange information with their customers. This is presented with an average of (4.50) and a standard deviation (0.57), followed by the commitment of insurance companies to provide and deliver their services according to the schedule agreed on with customers, which showed an average of (4.46) and a standard deviation (0.61)

The least important was the immediate response of insurance companies to customer inquiries and complaints, which showed an average (4.21) and a standard deviation (0.72), followed by the dependence of insurance companies on a network of modern offices and agents to achieve speed in the provision of services and ease of delivery to customers, and came with an average (4.29) and a standard deviation (0.55), followed by the insurance companies having various ways that allow customers to request or subscribe to services, it came with an arithmetic average (4.45) with a standard deviation (0.61).

#### **Fourth: Quality**

The averages and standard deviations of the quality axis items of the competitive advantage area are arranged by importance, as shown in Table 4.7.

**Table 4.7: Averages and SDs of (quality) items of competitive advantage ranked by importance**

Order	No.	Items	AVG	STD	Degree	Percentage %
1	22	The company has a good reputation with customers.	4.58	0.528	Very high	% 91.6
2	25	The company continuously strives to raise the quality of its insurance services	4.57	0.589	Very high	% 91.4
3	18	The company provides its services with specifications unique from its competitors and with high quality	4.50	0.550	Very high	% 90.0
4	28	The company can increase its market share through the quality of the services it provides	4.48	0.593	Very high	% 89.6
5	20	The company has a strong attraction advantage based on the quality of its services	4.46	0.560	Very high	% 89.2
6	21	The company is keen to measure customer satisfaction with the services it provides	4.45	0.591	Very high	% 89.0
7	19	The company adopts the international specifications of total quality to improve the level of its services	4.43	0.603	Very high	% 88.6
8	23	The company is keen to design insurance services that match the expectations of customers in the market	4.33	0.568	Very high	% 86.6
9	27	Customers are attracted to the company's services based on its quality and excellence	4.25	0.710	Very high	% 85.0
10	24	Customers trust in the quality of the company's services	4.21	0.590	High	% 84.2
11	26	The company relies on high quality inputs, resources, and skills in the design of its insurance services	4.19	0.637	High	% 83.8
<b>Overall degree</b>			<b>4.41</b>	<b>0.393</b>	Very high	<b>% 88.2</b>

The data in Table (4.7) indicate that the level of quality in the competitive advantage in the insurance companies listed on the Palestine Exchange came to a very high degree, where the arithmetic average (4.41) with a standard deviation (0.39), and by (88.2%), and the most important items: Insurance companies have a good reputation among customers, it came with an average of (4.58) and a standard deviation (0.53), followed by the insurance companies constantly and continuously sought to raise the quality of their insurance services, that showed an average (4.57) With a standard deviation (0.59). It was followed by insurance companies

providing their services with unique specifications and with high quality in comparison to their competitors. This came with an average of (4.50) and with a standard deviation (0.55).

The least important was the dependence of insurance companies on inputs, sources and skills of high quality in the design of their insurance services, where the average was (4.19) with a standard deviation (0.64), followed by the confidence of customers in the quality of the services of insurance companies, and that showed an average (4.21) and a standard deviation (0.59), followed by the attraction of customers to the services of insurance companies based on their quality and excellence, it came with an average (4.25) with a standard deviation (0.71)

**4.1.2.3 Answer to the third sub-question:** What is the level of application of the vision of insurance companies listed on the Palestine Exchange?

To answer the previous question, the averages and standard deviations were extracted on the level of application of the vision of the insurance companies listed on the Palestine Exchange, as illustrated in Table 4.8

**Table 4.8: Arithmetic averages and SDs of the items (Vision) of insurance companies listed on the PEX ranked by importance**

Rank	No.	Items	AVG	STD	Degree	Percentage %
1	1	The company has a clear vision for the future	4.60	0.598	Very high	% 92.0
2	3	The company's vision is characterized by the expressive formulation of its activity	4.45	0.632	Very high	% 89.0
3	2	The vision outlines the future directions of the company in relation to its field of business activity	4.41	0.654	Very high	% 88.2
4	4	The company's management seeks to make changes in some of its activities in line with its future aspirations and vision	4.30	0.715	Very high	% 86.0
<b>Overall degree</b>			<b>4.44</b>	<b>0.500</b>	<b>Very high</b>	<b>% 88.8</b>

The data in Table (4.8) indicate that the level of application of the vision of insurance companies listed on the Palestine Exchange came to a very high degree, where the average (4.44) with a standard deviation (0.50), and at a percentage of (88.8%), and the most important items came

that insurance companies have a clear future vision, which appeared with an average (4.60) and a standard deviation (0.60), then followed by the privilege of seeing insurance companies in the formulation expressing their activity, that showed an average of (4.45) and a standard deviation (0.63). After that came the explanation Insurance companies see future trends in their field of business, with an average of (4.41) and a standard deviation (0.65).

Less important was the management of insurance companies seeking to make changes in some of their activities in line with their future aspirations and vision, with an average (4.30) and with a standard deviation (0.72).

**4.1.2.4 Answer to the fourth sub-question:** What is the level of application of the letter of insurance companies listed on the Palestine Exchange?

To answer the previous question, the arithmetic averages and standard deviations were extracted on the level of application of the mission of the insurance companies listed on the Palestine Exchange, as shown in Table (4.9)

**Table 4.9: Averages and SDs of the items of (mission) of insurance companies listed on the PEX ranked by importance**

Order	No.	Items	AVG	STD	Degree	Percentage%
1	10	The company is keen to disclose the ethical values it believes in in its dealings with customers	4.62	0.581	Very high	% 92.4
2	5	The company has a clear perception of the activities it carries out	4.58	0.544	Very high	% 91.6
3	8	The company is keen to introduce customers to the various services it provides	4.53	0.633	Very high	% 90.6
4	6	The Company reviews, audits or refines its message from time to time	4.29	0.651	Very high	% 85.8
5	9	The company's mission focuses on the continuous use of modern technologies to meet customer needs	4.18	0.658	High	% 83.6
6	11	The company's mission is ambitious and stimulating for work and creativity by the employees within it	4.15	0.707	High	% 83.0
7	7	The employees of the company are aware of the contents of its mission when practicing various activities	4.13	0.632	High	% 82.6
<b>Overall degree</b>			<b>4.36</b>	<b>0.425</b>	<b>Very high</b>	<b>% 87.2</b>

The data in Table (4.9) indicate that the level of application of the mission of insurance companies listed on the Palestine Exchange came to a very high degree, where the average was (4.36) with a standard deviation (0.43), and at a percentage of (87.2%), and the most important item came the keenness of insurance companies to disclose the ethical values they believe in in their dealings with customers, where this came to an average of (4.62) with a standard deviation (0.58), this was followed by the insurance companies having a clear perception of the activities they practice, and came with an average of (4.58) and a standard deviation (0.54), following that was the keenness of insurance companies to familiarize customers with the various services they provide, which showed an average of (4.53) with a standard deviation (0.63).

The least important thing was the awareness of the employees of insurance companies of the contents of their mission when practicing various activities, it came with an average (4.13) and with a standard deviation (0.63), followed by the ambition and motivation of insurance companies in their mission of work and creativity by the workers within them, with an average (4.15) with a standard deviation (0.71), followed by the focus of the message of insurance companies on the continuous use of modern technologies to achieve the needs of customers, with an average (4.18) with a standard deviation (0.56).

**4.1.2.5 Answer to the fifth sub-question:** What is the level of application of environmental analysis of insurance companies listed on the Palestine Exchange?

To answer the previous question, the averages and standard deviations were extracted the level of application of environmental analysis of insurance companies listed on the Palestine Exchange, as shown in Table 4.10.

**Table 4.10: Averages and SDs of the items of (environmental analysis) application in Palestinian Insurance companies listed on the PEX ranked by importance**

Order	No.	Items	AVG	STD	Degree	Percent age%
1	13	The company is keen to study and follow up the services provided by competitors in the insurance services market	4.57	0.603	Very high	% 91.4
2	14	The company is keen to understand and follow up on the economic changes that may occur in the Palestinian territories.	4.55	0.577	Very high	% 91.0
3	18	The company is working to identify its main competitors in the market to identify its competitive position	4.43	0.589	Very high	88.6%
4	12	The company periodically analyzes and reviews the weaknesses and strengths associated with the internal work environment	4.40	0.653	Very high	% 88.0
5	19	The company analyzes and studies its internal resources and capabilities	4.36	0.695	Very high	% 87.2
6	17	The company works to identify external threats to avoid them and reduce their effects	4.29	0.638	Very high	% 85.8
7	15	The company works to identify opportunities in the external environment to exploit and invest them to provide modern insurance services that meet the needs	4.21	0.618	High	% 84.2
8	16	The company is keen to study and analyze the culture and customs prevailing in society to develop appropriate insurance services	4.12	0.600	High	% 82.4
9	20	The company's management is interested in researching and analyzing innovation in partnership with its employees	4.04	0.712	High	% 80.8
<b>Overall degree</b>			<b>4.33</b>	<b>0.410</b>	Very high	<b>% 86.6</b>

The data in Table (4.10) indicate that the level of application of environmental analysis of insurance companies listed on the Palestine Exchange appeared at a very high degree, where the average was (4.33) with a standard deviation (0.41), and by (86.6%), and the most important items came the keenness of insurance companies to study and follow up the services provided by competitors in the insurance services market. This came with an average (4.57) and with a

standard deviation (0.60), followed by the keenness of insurance companies to understand and follow up on the economic changes that may occur In the Palestinian territories, it came with an average (4.55) and with a standard deviation (0.58), followed by the work of insurance companies to identify their main competitors in the market in order to identify their competitive position, with an average (4.43) with a standard deviation (0.59).

The least important was the interest of the management of insurance companies in searching for the reservoirs of innovation and analyzing them in the company with its employees, it showed an average (4.04) with a standard deviation (0.71), followed by the keenness of insurance companies to study and analyze the culture and customs prevailing in society to develop appropriate insurance services, with an average (4.12) and a standard deviation (0.60), followed by the work of insurance companies to identify opportunities in the external environment in order to exploit and invest them to provide modern insurance services that meet the needs, with an average (4.21) and with a standard deviation (0.62).

**4.1.2.6 Answer to the sixth sub-question:** What is the level of implementation of the objectives of insurance companies listed on the Palestine Exchange?

To answer this question, the averages and standard deviations were extracted on the level of application of the objectives of the insurance companies listed on the Palestine Exchange, as illustrated in Table (4.11).

**Table 4.11: Averages and SDs of the items of the level of application of the objectives of insurance companies listed on the PEX ranked by importance**

Order	No.	Items	AVG	STD	Degree	Percentage%
1	23	The company considers the different opinions of employees when developing and setting its objectives	4.50	0.634	Very high	% 90.0
2	21	The company has specific and measurable goals	4.45	0.606	Very high	% 89.0
3	26	When reviewing or developing objectives, the company takes into consideration ease and clarity	4.36	0.658	Very high	% 87.2
4	22	The Company periodically reviews, audits, or develops its strategic objectives.	4.33	0.604	Very high	% 86.6
5	27	The company seeks to have its objectives express its mission and vision	4.30	0.587	Very high	% 86.0
6	24	The company works to set a time frame to adhere to achieve its objectives	4.26	0.599	Very high	% 85.2
7	25	The company periodically develops its service objectives in the light of the results of its continuous analysis of its environment	3.72	0.698	High	% 74.4
<b>Overall degree</b>			<b>4.28</b>	<b>0.438</b>	<b>Very high</b>	<b>% 85.6</b>

The data in Table (4.11) indicate that the level of application of the objectives of insurance companies listed on the Palestine Exchange reached a very high degree, where the average was (4.28) with a standard deviation (0.44), and by (85.6%), and the most important items took into account the opinions of insurance companies when developing and determining their goals, where this showed an average (4.50) with a standard deviation (0.63), followed by the presence of specific goals for insurance companies that are measurable, that showed an average (4.45) with a standard deviation (0.61), It was followed by insurance companies taking into consideration the number of their review or development of the objectives of ease and clarity, with an average (4.36) and a standard deviation (0.66).

The least important thing was that insurance companies develop their service objectives periodically in light of the results of their continuous analysis of their environment, this viewed

an average (3.72) with a standard deviation (0.70), followed by the work of insurance companies to determine a time frame to adhere to achieve their goals, with an average (4.26) and a standard deviation (0.60), followed by the quest of insurance companies to have their objectives express their mission and vision, with an average (4.30) and a standard deviation (0.59).

**4.1.2.7 Answer to the seventh sub-question:** What is the level of application of strategic alternatives to insurance companies listed on the Palestine Exchange?

To answer this question, the standard deviations and averages were calculated from the level of application of strategic alternatives to insurance companies listed on the PEX, as illustrated in Table 4.12.

**Table 4.12 Averages and standard deviations of (strategic alternatives) items in Palestinian Insurance companies listed on the PEX ranked by importance**

Rank	No.	Items	AVG	STD	Degree	Percentage%
1	31	The company is interested in choosing strategic alternatives based on the analysis of the internal and external environment of the company	4.30	0.614	Very high	% 86.0
2	33	The company is keen to develop or choose strategic alternatives to the company according to its weaknesses and strengths.	4.27	0.632	Very high	% 85.4
3	28	The company's management develops flexible and changeable business plans depending on the available circumstances.	4.26	0.629	Very high	% 85.2
3	32	The company is keen to take the opinions of experts regarding the formulation and identification of strategic alternatives	4.26	0.728	Very high	% 85.2
4	30	The company seeks to formulate alternative strategies alongside its current approved strategies	4.25	0.585	Very high	% 85.0
5	34	The company is keen to take into account the strategies of competing companies when formulating strategic alternatives to the company	4.24	0.646	Very high	% 84.8
6	29	The company's management is working to identify clear strategic alternatives.	4.14	0.567	High	% 82.8
<b>Overall degree</b>			<b>4.25</b>	<b>0.417</b>	Very high	<b>% 85.0</b>

The data in Table (4.12) indicate that the level of application of strategic alternatives to insurance companies listed on the Palestine Exchange showed a very high degree, where the average was (4.25) with a standard deviation (0.42), and by (85.0%), and the most important items were the interest of insurance companies in choosing strategic alternatives based on the analysis of the internal and external environment of the company, as this showed an average (4.30) with a standard deviation (0.61), followed by the keenness of insurance companies to develop or choose strategic alternatives to the company according to a citizen weakness and strength, with an average (4.27) with a standard deviation (0.63), followed by the development of flexible and changeable action plans by the management of insurance companies according to the available conditions, as well as the keenness of insurance companies to take the opinions of experts regarding the formulation and identification of strategic alternatives, with an average (4.26) and with a standard deviation (0.63).

The least important was the work of the management of insurance companies to identify clear strategic alternatives, it showed an average (4.14) with a standard deviation (0.57), followed by the keenness of insurance companies to take into account the strategies of competing companies when formulating strategic alternatives to the company, with an average (4.24) and with a standard deviation (0.65), followed by the quest of insurance companies to formulate alternative strategies besides their strategies, with an average (4.25) with a standard deviation (0.59).

**4.1.2.8 Answer to the eighth sub-question:** What is the level of selection and implementation of strategies for insurance companies listed on the Palestine Exchange?

To answer the previous question, averages and standard deviations were extracted from the level of selection and implementation of strategies by insurance companies listed on the Palestine Exchange, as illustrated in Table 4.13.

**Table 4.13: Averages and standard deviations of the items of (implementation of strategies) in Insurance companies listed on the PEX ranked by importance**

Order	No.	Items	AVG	STD	Degree	Percentage%
1	41	The company is keen to determine the necessary budgets for the plans, procedures and projects emanating from the strategy	4.50	0.647	Very high	% 90.0
2	42	The company identifies the persons and departments directly responsible for the implementation of the strategy and the functional and executive plans emanating from it.	4.41	0.628	Very high	% 88.2
3	38	Management sets the necessary guidelines for employees to implement and implement plans	4.40	0.640	Very high	% 88.0
4	44	The company works to implement its own strategy, plans and alternatives to enhance its competitive position in the market	4.38	0.598	Very high	% 87.6
5	37	Management provides the necessary capabilities for the successful implementation of the strategy and its emanating plans.	4.35	0.609	Very high	% 87.0
6	40	The company determines the actions, plans and projects that must be taken to implement the strategy	4.33	0.638	Very high	% 86.6
7	46	The company chooses its strategy based on predictions of future changes and taking into account internal possibilities	4.31	0.560	Very high	% 86.2
8	35	The company evaluates potential strategies before choosing and adopting the company's strategy	4.28	0.581	Very high	% 85.6
9	39	The company develops functional policies that help implement the overall strategy	4.25	0.649	Very high	85.0%
10	45	The company implements the strategy within its specified time frame	4.23	0.680	Very high	% 84.6
11	36	The implementation of the strategy contributes to the enhancement and improvement of the company's activity and service process	4.11	0.560	High	% 82.2
12	43	Senior management shares with other departments the process of implementing the strategy	4.07	0.750	High	% 81.4
<b>Overall degree</b>			<b>4.31</b>	<b>0.435</b>	<b>Very high</b>	<b>% 86.2</b>

The data in Table (4.13) indicate that the level of selection and implementation of strategies by insurance companies listed on the Palestine Exchange came to a very high degree, where the average was (4.31) with a standard deviation (0.44), and by (86.2%), and the most important

items came the keenness of insurance companies to determine the necessary budgets for plans, procedures and projects emanating from the strategy, where this showed an average (4.50) with a standard deviation (0.65), followed by the identification of insurance companies persons and departments directly responsible for the implementation of the strategy and plans. The functional and executive emanating from it, with an average (4.41) with a standard deviation (0.63), the management of insurance companies has developed the necessary guidelines for employees to apply and implement plans, with an average (4.40) with a standard deviation (0.64).

The participation of senior management and other departments in the process of implementing the strategy was less important, as this came with an average (4.07) with a standard deviation (0.75), followed by the contribution of the implementation of the strategy in enhancing and improving the activity of insurance companies and the service process, with an average (4.11) and with a standard deviation (0.56), followed by the implementation of strategic insurance companies in their specified time frame, with an average (4.23) and a standard deviation (0.68).

## **4.2 Examination and testing of study hypotheses**

**4.2.1 First hypothesis:** There is no statistically significant impact at the significance level ( $\alpha \leq 0.05$ ) in the level of implementation of strategic planning with regard to (Vision) on the competitive advantage of insurance firms listed on the PEX.

To verify the validity of the first hypothesis, the results of the simple linear regression were extracted for the impact of the application of strategic planning in terms of (vision) on the competitive advantage of insurance companies listed on the Palestine Exchange, as shown in Table (4.14).

**Table 4.14: Results of SLR Analysis of the impact of Strategic Planning in terms of (Vision) on the Competitive Advantage**

Dependent variant	Constant	Value (B)	Correlation Coefficient (R)	R squared (R <sup>2</sup> )	(t) value	Statistical Significance
Competitive Advantage	2.281	0.227	0.648	0.420	9.285	0.000

**Independent variable:** strategic planning in terms of (vision)

**Simple linear regression equation:**  $\hat{y} = 2.281 + 0.227 * x_1 + e$

The data in Table (4.14) indicate that there is a statistically significant effect at the level of significance ( $\alpha \leq 0.05$ ) for the application of strategic planning in terms of (vision) on the competitive advantage of insurance companies listed on the Palestine Exchange, where the value of the correlation coefficient (R) is (0.648), meaning that the change in vision of insurance companies listed on the Palestine Exchange by one unit leads to a change in competitive advantage by (64.8%), and the value of the determination coefficient (R<sup>2</sup>) is (0.420), which explains the percentage (42.0%) of the changes in the competitive advantage of insurance companies listed on the Palestine Exchange are due to vision, and the rest is due to other factors, because the value of the statistical function amounted to (0.000), that is, this value is less than the value of alpha (0.05), and the value of (T) (9.285) which is greater than the tabular value adopted by the researcher (1.66), thus rejecting the null hypothesis and accepting the alternative hypothesis that confirms the existence of a statistically significant effect at the level of significance ( $\alpha \leq 0.05$ ) for the application of planning Strategic in terms of (vision) on the competitive advantage of insurance companies listed on the Palestine Exchange.

The researcher relates this result to the interest of the Palestinian insurance companies in introducing their employees to the company's future aspirations and its vision in serving customers and members of society, which constitutes an important incentive for workers in the various departments of these companies to work creatively, seriously, and ambitiously, which

contributes directly or indirectly on achieving and creating a competitive advantage for those firms in the Palestinian insurance sector. This result is agreed with the result of the Ghanaimi and Sultani (2021) study.

**4.2.2 Second hypothesis: There is no statistically significant effect at the significance level ( $\alpha \leq 0.05$ ) in the level of application of strategic planning in terms of (mission) on the competitive advantage of insurance companies listed on the Palestine Exchange.**

To validate the second hypothesis, the results of the simple linear regression were extracted for the impact of the application of strategic planning in terms of (mission) on the competitive advantage of insurance companies listed on the Palestine Exchange, as shown in Table 4.15.

**Table 4.15: Results of SLR Analysis of the Strategic Planning in terms of (Mission statement) on the Competitive Advantage**

Dependent variable	Constant	Value (B)	Correlation Coefficient (R)	R squared (R <sup>2</sup> )	(T) value	Statistical Significance
Competitive advantage	1.639	0.628	0.733	0.537	11.742	0.000

**Independent variable:** strategic planning in terms of (mission)

**Simple linear regression equation:**  $\hat{y} = 1.639 + 0.628 * x_2 + e$

The data in Table (4.15) indicate that there is a statistically significant effect at the level of significance ( $\alpha \leq 0.05$ ) for the application of strategic planning in terms of (mission) on the competitive advantage of insurance companies listed on the Palestine Exchange, where the value of the correlation coefficient (R) (0.733), meaning that the change in the mission for insurance companies listed on the Palestine Exchange by one unit leads to a change in the competitive advantage by (73.3%), and the value of the determination coefficient (R<sup>2</sup>) (0.537), which explains the percentage ( 53.7% of the changes in the competitive advantage of insurance companies listed on the Palestine Exchange are due to the mission, and the rest is due to other factors, because the value of the statistical significant amounted to (0.000) which is less than

the value of alpha (0.05), and the value of (T) (11.742) which is greater than the tabular value adopted by the researcher (1.66), thus rejecting the zero hypothesis and accepting the alternative hypothesis that confirms the existence of a statistically significant effect at the level of significance ( $\alpha \leq 0.05$ ) for the application of planning Strategic in terms of (mission) on the competitive advantage of insurance companies listed on the Palestine Exchange.

The researcher relates this result to the interest of the Palestinian insurance companies in developing a clear mission explaining the nature of their commercial activity and the services they provide and offer in the market to meet the desires, needs, and wants of individuals in the community, which contributes directly and indirectly in creating a clear orientation for the company, which in turn directly or indirectly enhances the creation or achievement of a competitive advantage for these firms in the Palestinian insurance sector. This finding is agreed with the finding of Othman (2017) study.

**4.2.3 Third hypothesis: There is no statistically significant impact at the significance level ( $\alpha \leq 0.05$ ) in the level of application of strategic planning in terms of (environmental analysis) on the competitive advantage of insurance firms listed on the PEX.**

To verify the validity of the third hypothesis, the results of the simple linear regression were extracted for the impact of the application of strategic planning in terms of (environmental analysis) on the competitive advantage of insurance companies listed on the PEX, as shown in Table 4.16.

**Table 4.16: Results of SLR Analysis of the Strategic Planning in terms of (Environmental Analysis) on the Competitive Advantage**

Dependent variable	Constant	Value (B)	Correlation Coefficient (R)	R squared ( $R^2$ )	(t) value	Statistical Significance
Competitive Advantage	1.528	0.658	0.741	0.549	12.033	0.000

**Independent variable:** strategic planning in terms of (environmental analysis)

**Simple linear regression equation:**  $\hat{y} = 1.528 + 0.658 * x_3 + e$

The data in Table (4.16) indicate that there is a statistically significant effect at the level of significance ( $\alpha \leq 0.05$ ) for the application of strategic planning in terms of (environmental analysis) on the competitive advantage of insurance companies listed on the Palestine Exchange, where the value of the correlation coefficient (R) (0.741), meaning that the change in the environmental analysis of insurance companies listed on the Palestine Exchange by one unit leads to a change in the competitive advantage by (74.1%), and the value of the coefficient of determination (R<sup>2</sup>) (0.549), This explains the percentage (54.9%) of the changes in the competitive advantage of insurance companies listed on the Palestine Exchange due to careful environmental analysis, and the rest due to other factors, because the value of the statistical significance amounted to (0.000), that is, this value is less than the value of alpha (0.05), and the value of (T) (12.033) is greater than the tabular value adopted by the researcher (1.66), thus rejecting the zero hypothesis and accepting the alternative hypothesis that emphasizes the existence of a statistically significant effect at the level of significance ( $\alpha \leq 0.05$ ) to apply strategic planning in terms of (environmental analysis) to the competitive advantage of insurance companies listed on the Palestine Exchange.

**4.2.4 Fourth hypothesis: There is no statistically significant effect at the significance level ( $\alpha \leq 0.05$ ) in the level of application of strategic planning in terms of (Objectives of the company) on the competitive advantage of insurance companies listed on the Palestine Exchange.**

To validate the fourth hypothesis, the results of the simple linear regression were extracted for the impact of the application of strategic planning in terms of (the objectives of the company) on the competitive advantage of insurance companies listed on the Palestine Exchange, as shown in Table (4.17).

**Table 4.17: Results of SLR Analysis of the Strategic Planning in terms of (Company objectives) on the Competitive Advantage**

Dependent variable	Fixed limit Constant	value (B)	Correlation Coefficient (R)	R squared (R <sup>2</sup> )	(t) value	Statistical Significance
Competitive Advantage	1.634	0.641	0.771	0.595	13.219	0.000

**Independent variable:** strategic planning in terms of (company objectives)

**Simple linear regression equation:**  $\hat{y} = 1.634 + 0.641 * x_4 + e$

The data in Table (4.17) indicate that there is a statistically significant effect at the level of significance ( $\alpha \leq 0.05$ ) for the application of strategic planning in terms of (the objectives of the company) on the competitive advantage of insurance companies listed on the Palestine Exchange, where the value of the correlation coefficient (R) (0.771), meaning that the change in the objectives of the company for insurance companies listed on the Palestine Exchange by one unit leads to a change in the competitive advantage by (77.1%), and the value of the coefficient of determination (R<sup>2</sup>) (0.595), which explains The percentage (22.6%) of the changes in the competitive advantage of insurance companies listed on the Palestine Exchange is due to the objectives of the company, and the rest is due to other factors, because the value of the statistical function amounted to (0.000), that is, this value is less than the value of alpha (0.05), and the value of (T) (13.219) which is greater than the tabular value adopted by the researcher (1.66), thus rejecting the null hypothesis and accepting the alternative hypothesis that confirms the existence of a statistically significant effect at the level of significance ( $\alpha \leq 0.05$ ) to apply strategic planning in terms of (objectives of the company) to the competitive advantage of insurance companies listed on the Palestine Exchange.

**4.2.5 Fifth Hypothesis: There is no statistically significant effect at the significance level ( $\alpha \leq 0.05$ ) in the level of application of strategic planning in terms of (strategic alternatives) on the competitive advantage of insurance companies listed on the Palestine Exchange.**

To validate the fifth hypothesis, the results of the simple linear regression were extracted for the impact of the application of strategic planning in terms of (strategic alternatives) on the competitive advantage of insurance companies listed on the Palestine Exchange, as shown in Table 4.18.

**Table 4.18: Results of SLR Analysis of Strategic Planning in terms of (Strategic Alternatives) on the Competitive Advantage**

Dependent variable	Constant	Value (B)	Correlation Coefficient (R)	R squared (R <sup>2</sup> )	(t) value	Statistical Significance
Competitive Advantage	2.022	0.554	0.635	0.403	8.957	0.000

**Independent variable:** strategic planning in terms of (strategic alternatives)

**Simple linear regression equation:**  $\hat{y} = 2.022 + 0.554 * x_5 + e$

The data in Table (4.18) indicate that there is a statistically significant effect at the level of significance ( $\alpha \leq 0.05$ ) for the application of strategic planning in terms of (strategic alternatives) on the competitive advantage of insurance companies listed on the Palestine Exchange, where the value of the correlation coefficient (R) (0.635), meaning that the change in the strategic alternatives of insurance companies listed on the Palestine Exchange by one unit leads to a change in the competitive advantage by (63.5%), and the value of the coefficient of determination (R<sup>2</sup>) (0.403), which explains The percentage (40.3%) of the changes in the competitive advantage of insurance companies listed on the Palestine Exchange are due to strategic alternatives, and the rest is due to other factors, because the value of the statistical function amounted to (0.000), that is, this value is less than the value of alpha (0.05), and the value of (T) (8.957), which is greater than the tabular value adopted by the researcher (1.66), thus rejecting the zero hypothesis and accepting the alternative hypothesis, which confirms the existence of a statistically significant effect at the level of significance ( $\alpha \leq 0.05$ ) to apply

strategic planning in terms of (strategic alternatives) to the competitive edge of insurance firms listed on the Palestine Exchange.

**4.2.6 Sixth Hypothesis: There is no statistically significant effect at the significance level ( $\alpha \leq 0.05$ ) in the level of implementation of strategic planning in terms of (selection and implementation of strategies) on the competitive edge of insurance firms listed on the PEX.**

To validate the sixth hypothesis, the results of the simple linear regression were extracted for the impact of the application of strategic planning in terms of (selection and implementation of strategies) on the competitive edge of insurance firms listed on the Palestine Exchange, as shown in Table 4.19.

**Table 4.19: Results of SLR Analysis of the Impact of Strategic Planning in terms of (Implementation of Strategies) on the Competitive Advantage**

Dependent variable	Constant	Value (B)	Correlation Coefficient (R)	R squared (R2)	(t) value	Statistical Significance
Competitive Advantage	1.264	0.722	0.864	0.746	18.680	0.000

**Independent variable:** strategic planning in terms of (implementation of strategies)

**Simple linear regression equation:**  $\hat{y} = 1.264 + 0.722 * x_6 + e$

The data in Table (4.19) indicate that there is a statistically significant effect at the level of significance ( $\alpha \leq 0.05$ ) for the implementation of strategic planning in terms of (selection and implementation of strategies) on the competitive edge of insurance firms listed on the Palestine Exchange, where the value of the correlation coefficient (R) (0.864), meaning that the change in the selection and implementation of strategies for insurance companies listed on the Palestine Exchange by one unit leads to a change in competitive advantage by (84.4%), and the value of the coefficient of determination (R2) (0.746), This explains the percentage (74.6%) of the changes in the competitive edge of insurance firms listed on the Palestine Exchange due to the

selection and implementation of strategies, and the rest due to other factors, because the value of the statistical function amounted to (0.000), that is, this value is less than the value of alpha (0.05), and the value of (T) (16.680) which is greater than the tabular value adopted by the researcher (1.66), thus rejecting the zero hypothesis and accepting the alternative hypothesis, which confirms the existence of a statistically significant effect. At the level of significance ( $\alpha \leq 0.05$ ) to apply strategic planning in terms of (selection and implementation of strategies) to the competitive edge of insurance firms listed on the Palestine Exchange.

To determine the impact of strategic planning components (vision, mission, environmental analysis, objectives, strategic alternatives, implementation of strategies) on the competitive advantage of insurance companies listed on the Palestine Exchange, a multiple linear regression analysis was performed, as shown In Table (4.20)

**Table 4.20: Results of Multiple Linear Regression Analysis**

Dependent variable	Correlation Coefficient (R)	R squared (R <sup>2</sup> )	F Value	Statistical Significance	Independent variables	P-Value	Value (Beta)	(t) value	Statistical Significance
Competitive Advantage	0.892	0.796	74.189	0.000	Vision	0.060	0.082	1.330	0.186
					Mission	-0.058	-0.068	-0.747	0.456
					Environmental Analysis	0.214	0.241	2.927	0.004
					Objectives	0.147	0.177	2.380	0.019
					Strategic alternatives	-0.167	-0.191	-2.668	0.009
					Strategies implementation	0.580	0.694	7.875	0.000

**Independent variable:** Strategic planning in terms of (environmental analysis, mission, vision, objectives, strategic alternatives, implementation of strategies).

The data in Table (4.20) indicate that there is a statistically significant effect at the significance level ( $\alpha \leq 0.05$ ) for applying the dimensions(components) of strategic planning on the competitive advantage of insurance companies listed on the Palestine Exchange, where the value of (F) reached (74.189), which is statistically significant at significance level of ( $\alpha \leq 0.05$ ), and the value of the correlation coefficient (R) was (0.892), which means that the change in the

dimensions of strategic planning for insurance companies listed on the Palestine Stock Exchange by one unit leads to a change in the competitive advantage by (89.2%). The value of the coefficient of determination (R<sup>2</sup>) (0.796), and this indicates that the explanatory and predictive ability to apply strategic planning (vision, mission, environmental analysis, company objectives, strategic alternatives, and implementation of strategies) on the competitive advantage of insurance companies listed on the Palestine Exchange amounted to ( 79.6%). Looking at the values of the t-test for independent variables, it becomes clear that the accurate environmental analysis, the company's goals, strategic alternatives, and strategies' implementation have a statistically significant impact on the competitive advantage of insurance companies listed on the Palestine Exchange. The calculated t-test value ranged between (7.875 - 2.380), It is statistically significant and ranged between (0.000-0.019) at the level of statistical significance ( $\alpha \leq 0.05$ ), while no impact of the vision and mission of the insurance companies listed on the Palestine Exchange was found. The calculated t-test value ranged between (0.774-1.330) , which is not statistically significant, its statistical significance ranged (0.456-0.186), and when conducting a training stepwise multiple regression analysis, to determine the importance of each of the dimensions of applying strategic planning separately in contributing to the mathematical model that represents the dimensions of strategic planning in impacting the competitive advantage of insurance companies listed on the Palestine Exchange, as shown in Table (4.21)

**Table 4.21: Results of the stepwise multiple regression analysis**

Ranking the independent variables	Correlation Coefficient (R)	R squared (R <sup>2</sup> )	F Value	Value (Beta)	(T) value	Statistical Significance
Strategies implementation	0.864	0.746	348.934	0.588	8.382	0.000
Environmental Analysis	0.877	0.769	196.312	0.205	3.258	0.001
Strategic alternatives	0.884	0.782	139.975	-0.168	-2.692	0.008
Objectives	0.890	0.793	110.849	0.147	2.428	0.017

The data in Table (4.21) shows the ranking of the dimensions(components) of strategic planning into the regression equation. The dimension of strategies' implementation ranked on the top place, with (0.746) explanatory and predictive capability to influence the competitive advantage of the insurance companies listed on the Palestine Exchange, which meaning that (74.6%) of the changes in the competitive advantage are due to the strategies' implementation, and the rest is due to other factors. However, the environmental analysis, strategic alternatives, and company goals came in the second, third, and fourth rank, respectively, with (0.769), (0.782), (0.793) explanatory and predictive ability in affecting the competitive advantage of the insurance companies listed on the Palestine Exchange, respectively as well, which means that (76.9%) of the changes in the competitive advantage are due to environmental analysis, (78.2%) of the changes in the competitive advantage are due to strategic alternatives, (79.3%) of the changes in the competitive advantage are due to company' goals, and the rest is due to other factors. It is worth mentioning that both remaining dimensions of vision and mission were excluded of the regression equation because they are not statistically significant at the level of statistical significance ( $\alpha \leq 0.05$ ) and do not have any effect on the competitive advantage of the insurance companies listed on the Palestine Exchange.

## Chapter V

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### Summary of findings, conclusions, and recommendations

#### 5.0 Introduction

This chapter aims to review the most important findings and conclusions reached by the study, and what the researcher concluded after performing the analysis and statistical processing of data, and the testing of the hypotheses of the study, to identify the impact of strategic planning on achieving competitive edge in Palestinian insurance firms, and then the researcher presents a set of recommendations and suggestions.

#### 5.1 Summary of findings and conclusions

After conducting this study, which aimed to study the impact of strategic planning on achieving competitive advantage in Palestinian insurance companies, the researcher reached the following conclusions:

- The existence of a high impact of strategic planning on achieving competitive advantage in Palestinian insurance firms.
- The level of application of strategic planning in insurance companies listed on the PEX has come to a very high degree.
- The level of competitive edge in insurance firms listed on the PEX came to a very high degree.
- The existence of a statistically significant effect at the level of significance ( $\alpha \leq 0.05$ ) of the implementation of strategic planning in terms of (vision) on the competitive edge of insurance companies listed on the PEX.

- The existence of a statistically significant effect at the level of significance ( $\alpha \leq 0.05$ ) of the implementation of strategic planning in terms of (mission) on the competitive edge of insurance firms listed on the PEX.
- The existence of a statistically significant effect at the level of significance ( $\alpha \leq 0.05$ ) of the implementation of strategic planning in terms of (environmental analysis) on the competitive edge of insurance firms listed on the PEX.
- The existence of a statistically significant effect at the level of significance ( $\alpha \leq 0.05$ ) of the implementation of strategic planning in terms of (goals of the company) on the competitive edge of insurance firms listed on the PEX.
- The most important elements(components) of strategic planning that affect achieving a competitive advantage in the Palestinian insurance sector were arranged according to their importance, respectively: strategies implementation, environmental analysis, strategic alternatives, and company's objectives. At the time, the vision and mission were excluded because they are not statistically significant at the level of statistical significance ( $0.05 \alpha \leq$ ) and do not have any effect on the competitive advantage of the insurance companies listed on the PEX.

## **5.2 Recommendations**

Upon the findings reached by the researcher, a set of recommendations that can help decision makers to make their decisions are presented, and accordingly the researcher recommends the following:

- I. The necessity of applying strategic planning with the help of experts to form an integrated model in the companies, which should be implemented with the participation of all internal and external senior parties.
- II. The necessity of senior management support in the implementation and adoption of strategic planning because of its importance in achieving competitive edge.

- III. Constant attempts to identify the renewed needs and preferences of customers to meet them through providing new services and products.
- IV. Developing modern ways of communication with customers because of its positive impact on achieving competitive advantages and better performance.

### **5.3 Suggestions**

Considering these findings, the researcher proposes the following:

- I. A systematic strategic planning is required as a comprehensive framework for implementation, control, and evaluation of strategy formulation, selection, and implementation for SME owners in Palestine
- II. Working to keep abreast of developments in the modern management style represented in strategic management, which considers strategic planning as one of its stages.
- III. Service companies should rely on strategic planning and long-term planning for in order to create and establish a competitive advantage that helps them to achieve their strategic goals and gain a competitive position.
- IV. Commercial institutions should work to promote and support research and development activities to reduce the costs of products and services provided by companies in order to provide services at a lower cost and high quality.
- V. Companies should show greater interest in process of strategies' implementation, due to the importance of the process of implementation the selected strategies in helping those companies to achieve a competitive advantage in their services provided in a competitive market.

### **5.4 Future studies**

Since the current study has focused on the application and adoption of strategic planning in Palestinian insurance companies and its impact on competitive advantage, the following future studies are recommended:

- I. Conducting a study on the impact of strategic intelligence on achieving competitive advantage.
- II. Conducting a study on the impact of adopting digital marketing strategies on achieving competitive advantages.

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## Appendix (1)

### The names of the arbitrators

#	Name	Workplace
1	Salwa Al-Barghouti	Assistant Professor in the Department of Business Administration – Al-Quds University
2	Mohammad Al-Zanoun	Assistant Professor of Business Administration - University of Gaza
3	Oroubah Barghouti	Assistant Professor in the Department of Banking and Financial Sciences – Al-Quds University
4	Yahya Saleh	Associate Professor at An-Najah National University
5	Fathallah Ghanem	Assistant Professor at Al-Quds Open University

## Appendix (2)

Arab American University

Deanship of graduate studies



## Questionnaire

Dear gentlemen

This study aims to investigate the "impact of strategic planning on achieving competitive advantage in Palestinian insurance companies", please answer its questions and paragraphs with credibility and honesty, knowing that your identity will not be revealed through the information required and expected to be provided, and no information contained in this study will be provided to any party, all the information you provide will be treated with the utmost confidence, confidentiality and professionalism, as your active participation in filling out this questionnaire will contribute to enrich scientific research, with the assurance that you can fill out the questionnaire at a time convenient for you.

Your answers are essential in building an accurate picture towards strategic planning and its impact on achieving competitive advantage in your company, as there are no costs associated with completing the questionnaire other than your time, and I thank you for giving me part of your time, and if you have any queries or would like more information about this study, please call 0593100432 or email me at [o.amarah@student.aaup.edu](mailto:o.amarah@student.aaup.edu)

Thanks for your cooperation.

Researcher: Omar Mohammed Amara

supervision: Dr. Majid Mansoor

**First section:** personal data: please put (✓) opposite the answer that applies to you

**Gender:** 1. Male 2. Female

**Educational Qualification:** 1. Diploma 2. Bachelor 3. Master and above

**Years of Experience:**  5 years and less  6 – 10 years  More than 10 years

**Job Title:**  Employee  Unit Head  Section Head  Department Director  GM

**The company you work for:**

Palestine Insurance  Trust International Insurance  National Insurance

Al-Mashreq insurance  Al-Ahliya Insurance  Al-Takaful Insurance

Global united insurance  Tamkeen insurance

**Second section:** the axes of the questionnaire

The following are paragraphs expressing strategic planning and its impact on the competitive advantage in Palestinian insurance companies, please kindly read them and choose the appropriate answer by putting a tick (✓) in the place that expresses your opinion:

**First field: Strategic Planning**

#		Strongly agree	agree	Neutral	Disagree	Strongly Disagree
<b>Vision</b>						
1.	The company has a clear future vision					
2.	The vision shows the future directions of the company in its field of business					
3.	The company's vision is characterized by the expression of its activity					
4.	The company's management seeks to make changes in some of its activities in line with its future aspirations and vision					
<b>Mission</b>						
5.	The company has a clear vision of its activities					
6.	The company reviews, audits or refines its mission from time to time					
7.	The company's employees are aware of the contents of its mission when performing various activities					
8.	The company is keen to introduce customers to the various services it provides					
9.	The company's mission focuses on the continuous adoption of modern technologies to achieve customer needs					
10.	The company is keen to disclose the ethical values it believes in in its dealings with customers					

#		Strongly agree	agree	Neutral	Disagree	Strongly Disagree
11.	The company's message is ambitious and motivating for work and creativity on the part of its employees					
<b>Environmental analysis</b>						
12.	The company periodically analyzes, and reviews strengths and weaknesses related to the internal work environment					
13.	The company is keen to study and follow up the services provided by competitors in the insurance services market					
14.	The company is keen to understand and follow the economic changes that may occur in the Palestinian territories					
15.	The company works to identify opportunities in the external environment in order to exploit and invest them to provide modern insurance services that meet the needs					
16.	The company is keen to study and analyze the culture and norms prevailing in society to develop appropriate insurance services					
17.	The company works to identify external threats to avoid and limit their effects					
18.	The company is working to identify its main competitors in the market in order to identify its competitive position					
19.	The company analyzes and studies its internal resources and capabilities					
20.	The company's management is interested in searching for and analyzing innovation sources in partnership with its employees					
<b>Objectives</b>						
21.	The company has specific and measurable objectives					
22.	The company reviews, refine or develops its strategic objectives periodically					
23.	The company takes into account the different opinions of employees when developing and defining its objectives					
24.	The company sets a time frame that it adheres to achieve its objectives					
25.	The company periodically develops its service objectives in light of the results of its continuous analysis of its environment					
26.	The company, when reviewing or developing the objectives, takes into account ease and clarity					
27.	The company seeks to make its objectives expressive of its mission and vision					
<b>Strategic alternatives</b>						
28.	The company's management develops flexible work plans that are subject to change according to the available circumstances.					
29.	The company's management is working to identify clear strategic alternatives.					
30.	The company seeks to formulate alternative strategies in addition to its current approved strategies					
31.	The company is interested in choosing strategic alternatives based on the analysis of the company's internal and external environment					
32.	The company is keen to take the opinions of experts regarding the formulation and identification of strategic alternatives					
33.	The company is keen to develop or choose strategic alternatives for the company according to its strengths and weaknesses.					

#		Strongly agree	agree	Neutral	Disagree	Strongly Disagree
34.	The company is keen to take into account the strategies of competing companies when formulating strategic alternatives for the company.					
<b>Strategy selection and implementation</b>						
35.	The company evaluates potential strategies before selecting and adopting a corporate strategy					
36.	The company chooses its strategy based on predictions of future changes and taking into account internal potential					
37.	Management provides the capabilities necessary for the successful implementation of the strategy and the plans emanating from it.					
38.	Management sets necessary guidelines for employees to implement and implement plans.					
39.	The company develops functional policies that help implement the overall strategy					
40.	The company determines the actions, plans and projects that must be taken to implement the strategy					
41.	The company is keen to determine the necessary budgets for plans, procedures and projects emanating from the strategy					
42.	The company identifies personnel and departments directly responsible for implementing the strategy and the functional and operational plans emanating from it					
43.	Senior management participates with other departments in the strategy implementation process					
44.	The company is working on implementing its own strategy, plans and alternatives to enhance its competitive position in the market					
45.	The company implements the strategy within the specified time frame					
46.	The implementation of the strategy contributes to the enhancement and improvement of the company's activity and service process					

### **Second field: Competitive advantage**

#		Strongly agree	agree	Neutral	Disagree	Strongly Disagree
<b>Cost</b>						
1.	The company is concerned with the policy of reducing administrative and service costs through its use of modern and advanced technologies					
2.	The company has the ability to produce its insurance services at a lower cost compared to other competitors in the same insurance services market					
3.	The company seeks to cooperate with lower-cost reinsurers to reinsure its services to customers					
4.	The company's service costs are low compared to its competitors					
5.	The company monitors the cost components to reduce them					
6.	A company can increase the number of its customers if it lowers its prices					

<b>Flexibility</b>						
7.	The company is working on modernizing and digitizing insurance operations and procedures in response to the desires and needs of clients and customers					
8.	The company provides a variety of services to meet the different needs of customers					
9.	The company has the ability to quickly modify or develop services in line with the evolution of the needs of customers and customers in the market					
10.	The company motivates its employees to innovate and create new ideas that are reflected in the diversity and modernity of its services					
11.	The company is able to meet the increasing demand for its insurance services and meet the needs of existing and new clients					
<b>Delivery</b>						
12.	The company relies on a network of modern offices and agents to achieve speed in providing services and ease of delivery to customers					
13.	The company is working to deliver its insurance services to the farthest possible point in the market					
14.	The company has a modern and effective communication policy for exchanging information between it and customers					
15.	The company responds to customer inquiries and complaints immediately					
16.	The company has a variety of ways that allow customers to request or subscribe to services (such as: agent offices, main branches, a website or a mobile application)					
17.	The company is committed to providing and delivering its services according to the schedule agreed upon with customers					
<b>Quality</b>						
18.	The company provides its services with unique specifications from its competitors and with high quality					
19.	The company adopts international standards for total quality to improve the level of its services					
20.	The company has a strong attractive advantage based on the quality of its services					
21.	The company is keen to measure customer satisfaction with its services					
22.	The company has a good reputation among clients and customers					
23.	The company is keen to design insurance services that match the expectations of customers in the market					
24.	Customers trust the quality of the company's services					
25.	The company constantly and continuously seeks to enhance the quality of its insurance services					
26.	The company relies on high-quality inputs, resources, and skills in designing its insurance services					
27.	Customers are attracted to the company's services based on its quality and excellence					
28.	The company has the ability to increase its market share through the quality of its services provided					

**We thank you for filling out the questionnaire, and we hope that you can make sure that all of its items are filled out**

## Appendix (3)

Arab American University  
Faculty of Graduate Studies



الجامعة العربية الأمريكية  
كلية الدراسات العليا

16/7/2022

السادة شركة تمكين للتأمين المحترمين

تسهيل مهمة بحثية

تحية طيبة وبعد،

تهديكم كلية الدراسات العليا في الجامعة العربية الأمريكية أطيب التحيات، وبالإشارة الى الموضوع أعلاه، تشهد كلية الدراسات العليا في الجامعة أن الطالب عمر محمد عمر عمارة والذي يحمل الرقم الجامعي 201812623 هو طالب ماجستير في برنامج التخطيط الاستراتيجي وتجنيب الاموال ويعمل على رسالة الماجستير الخاصة به بعنوان:

"أثر التخطيط الإستراتيجي على تحقيق الميزة التنافسية في شركات التأمين الفلسطينية تحت اشراف الدكتور مجيد منصور"، نأمل من حضرتكم الإيعاز لمن يلزم لمساعدته للحصول على المعلومات اللازمة للدراسة، علماً أن المعلومات ستستخدم لغاية البحث فقط وسيتم التعامل معها بغاية السرية، وقد أعطيت هذه الرسالة بناءً على طلبه.

وتفضلوا بقبول فائق الاحترام

عميد كلية الدراسات العليا

د. نوار قطب



**تمكين للتأمين**  
TAMKEEN INSURANCE

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## ملخص

هدفت هذه الدراسة إلى قياس مدى تطبيق التخطيط الاستراتيجي في شركات التأمين الفلسطينية المسجلة في بورصة فلسطين (PEX)، بالإضافة إلى اختبار العلاقة ما بين التخطيط الاستراتيجي وأثره على الميزة التنافسية، حيث تمثلت مشكلة البحث الرئيسية في محاولة التعرف على أثر التخطيط الاستراتيجي بمكوناته المتعددة المتمثلة (بالتحليل البيئي، الرؤية، الرسالة، البدائل الاستراتيجية، وتطبيق الاستراتيجيات) على تحقيق الميزة التنافسية بأبعادها المتمثلة (بالجودة، التكلفة، المرونة، والتسليم) في شركات التأمين في فلسطين، ولتحقيق أهداف الدراسة والإجابة على أسئلتها فقد تم استخدام المنهج الوصفي التحليلي، حيث تم الاعتماد على المنهج الوصفي في عرض البيانات ووصفها بشكل فعال وعلى المنهج التحليلي في تحليل نتائج الدراسة وذلك من خلال استخدام الاستبانة كأداة لجمع البيانات الأولية والدراسات السابقة كمصدر أساسي للبيانات الثانوية. وتكوّن مجتمع الدراسة من جميع الموظفين العاملين في الإدارة العليا والمتوسطة والبالغ عددهم 297 موظفاً (فرداً) في شركات التأمين المسجلة في بورصة فلسطين وعددها (8) شركات للعام 2022، وحيث اعتمدت الدراسة طريقة العينة الملائمة غير الاحتمالية لتحديد وأخذ العينة الخاصة بالدراسة وتم جمع البيانات الأولية من خلال استبانة رقمية (الالكترونية) أعدت لهذا الغرض والتي تم التحقق من صدقها الظاهري عبر تحكيمها من خلال مجموعة من المحكمين الأكاديميين والذين بلغ عددهم (6) محكمين وحيث بلغ عدد الاستجابات الصالحة للتحليل (121) استبانة من المجتمع الأصلي. ولقد تمثلت نتائج الدراسة بوجود أثر مرتفع للتخطيط الاستراتيجي على تحقيق الميزة التنافسية لشركات التأمين وبالإضافة إلى أن مستوى تطبيق التخطيط الاستراتيجي جاء بدرجة مرتفعة جداً، وعدا عن وجود أثر ذو دلالة إحصائية عند مستوى الدلالة ( $\alpha \leq 0.05$ ) لتطبيق التخطيط الاستراتيجي من حيث (الرؤية، الرسالة، التحليل البيئي، الأهداف، البدائل الاستراتيجية، وتطبيق الاستراتيجيات) على الميزة التنافسية لشركات التأمين المدرجة في بورصة فلسطين، وهذا يدعم نتائج دراسات أخرى غطت شركات خدماتية متنوعة في صناعات مختلفة.

ولقد توصلت الدراسة إلى مقترحات نهائية عامة تضمنت ضرورة تبني التخطيط الاستراتيجي المنهجي كإطار شامل للتنفيذ والرقابة والتقييم لصياغة الاستراتيجية واختيارها وتنفيذها لأصحاب المشاريع والشركات الصغيرة والمتوسطة في فلسطين نظراً لما لذلك من أثر على الميزة التنافسية في سوق تنافسي مليء بالخدمات المتنوعة التي تتمايز فيما بينها بالخصائص والميزات، وعلى ضرورة أن تقوم الهيئات الرسمية وغير الرسمية المسؤولة مثل هيئة سوق رأس المال ووزارة الاقتصاد الوطني للترويج لتبني ذلك بشكل جدي.

**الكلمات المفتاحية:** التخطيط الاستراتيجي، الميزة التنافسية، قطاع التأمين.