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Faculty of Graduate Studies

**The Impact of Strategic Planning on the Performance
of Palestinian Banks**

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Banks**

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Declaration

I declare that I have written the entirety of this master thesis and has been generated as a result of my own original thesis, and it has not been submitted elsewhere for any other degree. Moreover, I have not used any sources without giving them a reference.

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Abstract

This study aims to investigate the impact of strategic planning on performance in Palestinian banks and to answer one main question which is: what is the impact of strategic planning on financial performance, customer service processes, as well as internal business processes in banks.

The researcher applied an analytical descriptive approach to reach generalizations that is caused by a specific pattern which provides clear analysis of the topic. The sources to collect information and data used in the study are primary and secondary data. To achieve the objectives of the study, a questionnaire was distributed to employees in senior levels (section head and above) in five main banks operating in the Palestine, which are: Bank of Palestine, Arab Bank, The National bank, Quds Bank, and Palestine Islamic Bank. The banks were selected based on the highest market share in terms of net direct facilities in 2017.

The study concluded that there is a high level of strategic planning in the banks participated in the study, from the point of view of managers and senior employees, in addition to a clear good level in the banks' performance, where performance was high in the dimensions of financial, customer service, and internal operations, and it was moderate in the learning and growth dimension. Moreover, the study concluded that there is a positive relationship between strategic planning and the four dimensions of performance.

Based on the results of this research, the researcher recommended that it's necessary to involve employees in banks in the preparation of strategic plans, and the management of Palestinian banks should pay more attention to developing the elements of strategic

planning because there is a positive impact of strategic planning on the performance in banks participated in the study.

Key Terms:

Strategic planning, financial performance, customer service performance, internal business processes, bank management, efficiency, quality, growth.

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Chapter One

Introduction

1-1 Overview

Strategic planning is considered as the compass that guides organizations and directs them to the right direction. It is an organized effort to reach decisions, systems, and strategic plans to obtain the required profitability results and achieve the goal of the organization in satisfying the needs of the target group of customers (Lawrie, 2014).

The emergence of strategic planning as the latest form of planning types has changed how organizations plan and develop their own strategies. Strategic management has become an essential tool for organizations to learn and evolve if they desire to formulate a state of excellence and respond effectively to accelerating global changes (Lawlor, 2006).

Organizations including some banks depend on strategic planning in building a sound and solid foundation for all their components of policy planning, systems, infrastructure development, process planning, investment of resources, and development of physical and human resources. This would allow them to conduct organizational analysis, in order to achieve comprehensive institutional development within a framework of flexible integrated performance that aimed to continuous development and improvement (Ali and Jradi, 2016).

1-2 Research Problem

The challenges faced by banks are increasing as a result of the rapid global developments and changes in their operating environment, and the responsibility has become greater on the management to maintain or improve their performance in all

fields. At present, the study of strategic management is a basic necessity for the management of banks. Strategic management starts with creating the vision of the future for the banks and then to draw its missions and determine their long-term goals, and establish the relations between them and their environment, to make long term strategic decisions and then review and evaluate those decisions.

The management's interest in strategic planning is the right and effective way to know the different possibilities and capacities that can be available to the organization through different project plans and programs so that these institutions can maintain a high level of quality of services provided to its customers. Strategic planning and management contribute to the effective allocation of organizational resources, directing and integrating activities, as well as helping organizations to anticipate strategic issues, and any fundamental changes, and develop strategies to address those variables.

Due to the nature of the management's work in seeking to provide high-quality banking services, their performance and productivity through their work reflect the extent to which the institution has a conscious leadership that performs its activities efficiently. This efficiency in performance comes from advanced strategic planning through multiple stages that enable this institution to meet the conditions of the future, and requirements at all times according to the circumstances. This study will investigate the impact of strategic planning in Palestinian Banks on their performance. If a positive correlation is realized, then the management of banks that carry out strategic planning will be assured that their efforts in conducting strategic planning are worthwhile, and this will encourage other banks that do not conduct strategic planning to do so.

The main question for this research is: **What is the impact of strategic planning on the performance of banks in Palestine?** From this main question, it is important to answer the following sub-questions:

- What is the impact of strategic planning on financial performance of Banks?
- What is the impact of strategic planning on the performance of customer service in banks?
- What is the impact of strategic planning on the performance of the internal business processes in Banks?
- What is the impact of strategic planning on learning and growth in Banks?
- What are the strategic planning dimensions affecting the performance of banks?

1-3 Research Objectives

The objective of this study is to investigate the impact of strategic planning on the performance of banks in Palestine, and also this paper will try to achieve the following sub-objectives:

- Identify the level of strategic planning in banks in Palestine.
- Identify the level of performance of banks that implement strategic planning with respect to financial performance, customer service performance, internal business process performance and learning and growth.
-

1-4 The Significance of the Research

The research topic is about the impact of strategic planning on the performance of banks. Strategic planning is one of the important and urging topics in the field of management and business administration, as a scientific method used to develop

priorities and objectives and identify programs and projects that can achieve institutional goals within a certain period of time in line with the expectations of the institution and taking into account the available resources and potential constraints. Strategic planning is a major process implemented by management, it creates clear image for management on how to work efficiently given the available resources. The process gives clear idea on what are the potentials for success in addition to the potential of risk and challenges. It also supports the management's plans for sustainability. Hence, the study is significant as it explores the strategic planning of banks which interlinks with their success and growth in the market.

1-5 Research Limitations:

The findings of this study have to be seen in light of some limitations. For example, Covid-19 and its related restrictions limited the ability to access more information from bank's management. In addition, the Data Collection Process was not controlled by the researcher because it was sent to the sample participants through the HR department as banks do not allow the idea of submitting the questionnaire to the employees directly. Thus, employees may not give accurate answers. Recent literature was limited around this topic which may be considered another limitation for the study.

1-6 Research Model:

This research aims to study the relationship between the performance of banks which is the dependent variable and the strategic planning in banks which is the independent variable.

Variables related to strategic planning include Strategic mission, Strategic Goals, Strategic Analysis, and Strategic Choice.

Variables related to performance of banks include Financial Performance, Customer service performance, Internal Operations Performance, and Learning and Growth Performance.

1-7 Research Hypothesis

The hypothesis of this research are as follow:

- There is a direct relationship between strategic planning and financial performance of Banks in Palestine.
- There is a direct relationship between strategic planning and customer service performance of Banks in Palestine.
- There is a direct relationship between strategic planning and internal business process performance of Banks in Palestine.
- There is a direct relationship between strategic planning and learning and growth performance of Banks in Palestine.
- There is a direct relationship between strategic planning and overall performance of Banks in Palestine.
- There is a statistical significant effect of the strategic planning dimensions on the total performance of Banks in Palestine.
- There are significant statistical differences in the answers of respondents about the level of strategic planning in the banks related to gender, age, education level, and experience.

- There are significant statistical differences in the answers of respondents about the level of performance in the banks related to gender, age, education level, and experience.

1-8 Research Structure

This research begins with an introduction on the context of banking in Palestine and explanation of strategic planning and its impact on different work levels. Following the introduction, a theoretical framework of the study is introduced, then a thorough literature review of relevant studies and resources. Then, the research methodology is presented. Following that is an overview of the data analysis and results, then the study ends with conclusions and recommendations.

Chapter 2

Theoretical Framework

2-1 Overview

This chapter presents the theoretical framework for this research, which includes the definition of strategic planning, its characteristics, its component, its stages, its obstacles, its importance for banks, and consists of the measurement methods for the performance of banks. The framework also includes a thorough literature review of relevant studies and academic resources.

2-2 Strategic Planning

2-2-1 The Definition of Strategic Planning

The strategic planning has many definitions in the literature in which all of them agreed on its relationship with future and how to face potential changes to meet future goals.

Below are some of those definitions:

- 1- An organized effort that leads to making decisions, setting future goals, strategies and programs, and implementing and following them (Gnaim, 2001).
- 2- Continuous, complex operations, and a core management function that includes preparing strategic plans, implementing them, and monitoring and evaluating implementation processes (Algalbi and Idris, 2007).
- 3- The proper way to decide the long-term goals of the institution, the real trend towards the achievement of these goals (Policastro, 2003).
- 4- Create practical links between the organization's long-term goals, resources, and environmental conditions, using specific methods and activities (Berzins, 2008).

5- Organizational management activity that is used for prioritizing activities, consider energy and resources, enhance operations, make sure that employees and other stakeholders work towards common goals, establish agreement on intended results/outcomes, and check and adjust the direction of the organization in response to the changing environment (Maleka, 2014). It is worth mentioning that the study applies Maleka-2014 definition in its analysis.

2-2-2 Strategic Planning Characteristics

There are many characteristics of strategic planning. The following are the most important:

1. Inclusiveness and integration: It requires studying the surrounding external and internal environmental factors and looking at them in a comprehensive way, including political, economic, technical, and cultural factors, and since these factors are variable, it requires that the strategic planning be dynamic to meet compatibility and adaptation to the surrounding environment (Morsi, 2006).
2. Flexibility: Strategic planning is flexible in terms of predicting changes that occur in the surrounding environmental factors, and information about these forecasts must be taken into account when making strategic decisions (Mkhaimar, 2005).
3. Predicting the future: It aims to predict and care about what may happen in the future (Alhussainy, 2014).
4. The dynamism: Where plans can be changed according to variability in the environment surrounding the institution (Alhussainy, 2014).
5. Continuity: Where strategic planning is based on sustainability and depends on feedback (Alhussainy, 2014).

6. Consensus: it is a complicated process that requires concerted efforts, agreement, and the existence of proper capabilities (Alhussainy, 2014).

(Bani Hamdan and Idris, 2007) show that strategic planning is characterized by:

“Good strategic planning processes give guidance, not distraction ... Good strategic planning processes are directed by customers, market needs, and environmental requirements ... Good strategic planning is an interactive process ... It must be active towards available opportunities An effective strategic planning process is aggressive and enterprising ... must be offensive ... must be results-oriented”.

2-2-3 The Importance of Strategic Planning

The importance of strategic planning arises from the several benefits which result from its implementation. These benefits can be summarized as follow (Roshina C, 2019):

1. Financial benefits...
2. Directory of organizational activities...
3. Competitive advantage...
4. Reduces risk...
5. Reducing the long gap between administrative decisions and obtaining revenue...
6. Promotes motivation and innovation...
7. Optimal use of resources...

Also, some studies such as (Al-Zabin, 2016) indicates that the implementation of strategic planning has shown remarkable results in the business market, where it is almost not possible not to achieve a profit for the organization through the implementation of methods and techniques of strategic planning in its work. Organizations that have a clearly defined concept of strategic planning have the highest

capacity to achieve their goals. As for organizations that do not apply strategic planning in their work, they have little chances of survival and continuity in the market.

2-2-4 Strategic Planning Components

(Krach, 2016) indicates that the components of strategic planning are the following:

1. **Mission, vision, and aspirations:** The vision includes formulating the reason for the existence of the institution, and what it aspires to be in the future. It consists of the goals that the institution wants to achieve with an explanatory plan of how fulfilling it. The mission of the institution should be more concise so that for example, a picture is drawn of what the institution's work should be within five or ten years. When an organization has clear and concrete ideas about its goal and value, it is a significant step towards formulating a plan that leads to success. When formulating the mission and vision within the strategic plan, this helps the institution to define its aspirations by looking at the important goal of the institution. (Krach, 2016)
2. **Core values:** It includes what employees must and should not do, and it's the necessary principles that guide leaders and employees to make daily and long-term decisions. It is preferable that the core values be documented on paper, even if known, to embed them in the ears of all relevant persons. (Krach, 2016)
3. **Strengths, weaknesses, opportunities, and threats:** The SWOT analysis is an accurate description of the institution's current situation, as it represents a snapshot of the organization's open paths and risks it may face, as well as the reliable assets that are available to help the company achieve future successes. The institution's

plan must include examining the competitive advantage that enables the institution to be at the forefront of the market in its field. (Krach, 2016)

4. **Objectives, strategies, and operational tactics:** The organization needs to focus on long-term goals to make its vision a reality. These goals usually have a schedule of several years or more. Within the "general strategies," the organization defines the overall means on which it will depend to achieve its goals and, thus, its vision. After that, the organization works to organize short-term priorities and performance initiatives that clarify "who, what, and when" resources that will be used to accomplish these priorities. The organization needs to follow-up and continuously answer the question of how the objectives will be achieved to obtain high accuracy in operational matters. (Krach, 2016)
5. **Measurements and funding streams:** Management needs a way to monitor the organization's performance and production and to compare it with the regularly scheduled goals. You also need a financial analysis that takes into account past performance and expectations, as this helps the organization's management and current and potential investors obtain an overview of the institution's financial resources. (Krach, 2016).

2-2-5 Strategic Planning Stages

The strategic planning process consists of five main stages (Al-Zabin, 2016):

1. **Strategic vision:** The future path of the institution is determined by its strategic vision, as well as the destination that the organization wants to reach and the level that it wants to achieve, and the goals that it intends to accomplish in addition to the capabilities that it plans to develop. The vision should not contradict the mission

statement and the goal of the institution, as it focuses on its image and what it wants to achieve, and what the organization looks like when achieving its goals. (Al-Zabin, 2016)

2. **The strategic mission:** The existence of any institution is related to a specific mission that it seeks to achieve, and the mission derives its primary constituents from the values that its founders carry and from the environment in which the institution and the society to which it belongs. Hence, the mission is the purpose or reason for the institution's existence in a specific environment, it is a written document that represents the institution's constitution and its main guide to all decisions and efforts, usually covering a long period of time. The can be defined as "the distinctive framework of the corporation from other institutions in terms of its field of activity, products, customers, and markets, and aims to explain the fundamental reason for the existence of the corporation, its identity, operations, and practices." The importance of the mission is that it is an element of cohesion and clarity of purpose for each institution, as it is a reference point for decision-makers, and the mission must be brief and general, as it is considered a general guide for strategic planning. (Al-Zabin, 2016)
3. **Strategic goals:** It reflects the goals and objectives of the institution's ability to interact with its environment, and these goals have a significant role in issuing strategic decisions, clarifying their priorities and the importance of each, and the goals contribute to assessing the institution's performance and identifying its growth rates. Therefore, the institution needs to set objective, clear, fair, and achievable goals. The goals can be defined as the final results of activities that are carried out in a highly organized manner and express the intention of the planner, to move from

the current position to the targeted position, which qualitatively increases in terms of the ability to accomplish the current position, and the goals usually specify what the institution should do? And when? (Al-Zabin, 2016)

4. **Strategic and marketing analysis:** this includes three main activities; SWOT analysis for the institution, competitor's analysis, and customer's analysis. Through the SWOT analysis, the institution can analyze its internal situation and external environment and can evaluate previous performance and current activities, which led them to identify the internal strengths and weaknesses, and the external opportunities and threats. Through the competitor's analysis, the institution will have an understanding of its competitive advantage or disadvantage compared with its competitor's position, and it will create insights about competitor's strategies. It will possess the basic information to develop future strategies to maintain their competitive advantage or to establish a new one over competitors. And through customer's analysis, the institution will identify the purchasing roles within the decision-making unit, it will study the type of buying behavior and decision process for its potential customers, and it will determine the factors that affect the buying behavior. (Al-Zabin, 2016)
5. **The strategic choices:** This stage of strategy has four steps; developing a product strategy, pricing policies and strategies, promotional plan, and distribution plan. When an organization develops a product strategy, three interrelated elements of the product must be identified; the physical product features including its performance, style and quality, the benefits that are provided to the buyer, and the marketing support services such as delivery, installation, and after-sales service. The pricing policies and strategies affected by some important factors like; company objectives,

competitive position, nature and structure of competition, product life cycle, customers and negotiations, government regulations, and industrial unions. Due to the flexibility of the price, the company can use it in several ways as a tactical weapon, such as increasing short-term sales, and reflecting geographical or segmentation differences. In developing the promotional and communications plan, the company's marketing plan needs to realize that the various communication tools such as sales promotion, advertising, public relations, etc. cannot be viewed in isolation from the company's strategy in general and the marketing strategy more accurately. (Al-Zabin, 2016)

2-2-6 Strategic Planning Obstacles

According to (Dajani, 2006), There are two types of obstacles for strategic planning.

The general and organizational obstacles.

(Dajani, 2006) The general obstacles can be summarized by:

1. The inaccuracy of information and data.
2. Employee's negative attitudes towards working plan.
3. Invalid predictions and assumptions.
4. The neglect of the human side, which leads to workers' rejection of the plan and preventing its implementation.
5. Reliance on third parties in the development of the plan.
6. Failure to consider the change in reality, such as the type of economy and the financial position of the institution.
7. Reasons related to not monitoring the planning steps.

8. The lack of clarity of responsibilities related to the planning and the wrong belief that strategic planning is only the responsibility of senior management.
9. Insufficient time for management due to its tendency to centralize and busy routine and procedural works.

(Dajani, 2006) For organizational obstacles, it can be summarized by the following:

1. Management style, in decision-making.
2. The mode of work, which is represented by lack of clarity of objectives, dictatorship, irrational time constraints, and procrastination by adherence to formal procedures, bureaucracy, the frustration of new ideas, lack of motivation, and lack of delegation due to lack of confidence in the capabilities of others.
3. The business climate is characterized by the fear of failure, a policy of satisfying all parties, resistance to change, and lack of proper evaluation.

2-3 Institutional Performance

This section presents the concept of organizational performance, the criteria used to measure it, the concept of the balanced scorecard, its dimensions, and the importance of its application in organizations.

2-3-1 The Concept of Institutional Performance

There are many different definitions of the concept of institutional performance in previous literature, and there is no specific definition of it due to the multiplicity of its aspects and dimensions, and its correlation and overlap with several terms and concepts similar to it. There are those who look at performance as a function of efficiency, and others look at it from the side of effectiveness, and there are studies that express

performance in other terms such as efficiency, productivity, outcome and even competitiveness, although it differs from these concepts completely differently. This study presents some definitions of institutional performance that were mentioned in previous literature.

According to (Algalbi and Idris, 2007), the institutional performance refers to the valuable output produced by the system in the form of goods and services, while (Aldouri, 2007) defined it by the interaction between behavior and achievement, that is, it expresses the sum of actions and results together. According to (Peterson et al., 2003) Institutional performance can also be defined as the extent to which the institution is able to use multiple resources efficiently and effectively to produce outputs compatible with its objectives and suitable for its users, and (Kuvass, 2006) defines institutional performance the outputs and goals that the organization seeks to achieve through its employees.

2-3-2 The Importance of Institutional Performance

The previous definitions clearly show the importance of institutional performance for all companies and organizations. A well-performing institution is distinguished by its ability to grow and compete. The importance of institutional performance can be summarized as follows (Balaska, 2012):

- Directing institutions to achieve the set goals.
- Provide an indication for the current and future status of the institution.
- One of the most important tools for discovering glitches.
- Contributes to developing and improving the performance of employees.

According to (Abd al-Rahim, 2008), it is necessary for organizations to measure the results of their work even if they do not get through these results a return or reward, because the information obtained transforms the performance of the organization to the best. Also, the organization's failure to measure its activity leads to the inability to control it, and thus it cannot be managed. The following are a set of reasons that push organizations to measure their performance:

- Control: Measuring performance helps reduce deviations that occur during work.
- Self-evaluation: The measurement is used to evaluate the performance of operations and determine the improvements to be implemented.
- Continuous Improvement: Measurement is used to identify sources of defects, process trends, prevent errors, and determine the efficiency and effectiveness of operations and opportunities for improvement.
- Management evaluation: Without measuring there is no way to ensure that the organization is achieving the added value of its objectives or that the organization is operating efficiently and effectively.

2-3-3 Difficulties of Measuring Institutional Performance

The institutional performance measurement process is exposed to difficulties and errors facing the organization and those responsible for the measurement process, and the organization must not let any of these errors constitute an obstacle in its measurement system, and these difficulties are as follows (Algalbi and Idris, 2007):

- Collecting large amounts of data and information; This leads to neglect by the administration and officials of the measurement process ...
- Most organizations rely on short-term data (financial and operational) ...

- Relying in decision-making on experience and previous experiences ...
- Reliance on a small number of data ...
- The inconsistency of the standards set with the strategic plan leads to contradiction and chaos within the organization ...

2-3-4 The Criteria for Evaluating Institutional Performance

The criteria for evaluating institutional performance are (Balaska, 2012):

- Efficiency
- Effectiveness
- Quality
- Timing
- Productivity

2-3-5 Balanced Scorecard To Measure Institutional Performance

The criticisms leveled against the financial performance measures of institutions resulted from the failure of these measures in the face of many variables in the business environment. As the traditional financial measures have become an inappropriate tool for determining the extent of sound performance, ineffective in directing management's attention to deficiencies and lack of efficiency, and ineffective in directing and guiding management on how to improve the competitive position of the enterprise to ensure its survival and growth, and organizations are looking for a new system to evaluate performance. (Abu Qamar, 2009).

As a result of the criticism directed at financial performance measures, the changing manufacturing environment, and the increase in the degree of competition between

organizations, most organizations have tended to use non-financial performance measures in addition to financial measures, until the balanced scorecard was reached in order to evaluate the performance of organizations. As this measure provides a strategic direction that leads the future performance of the organization and measures of its operational performance. Performance measures are not limited to financial performance measures only, but also non-financial performance measures are used, which gives a clearer picture of the organization's performance and the best way to reach the desired performance (Al-Ghahouri, 1998).

The Balanced Scorecard was first introduced by (Kaplan & Norton, 1992). In this model, the researchers proposed a reliable methodology for evaluating institutional performance through a combination of financial and non-financial dimensions.

It can be said that the Balanced Scorecard is a methodology that translates the strategic plan into practical actions so that it starts from the organization's vision, objectives, critical success factors, and performance measures (Harlem, 2002).

(Kaplan & Norton, 1996) argue that the Balanced Scorecard constitutes a roadmap for organizations of all sizes and activities that helps translate their vision into a series of performance measures.

2-3-6 The Dimensions of Balanced Scorecard

The balanced scorecard is concerned with three stakeholders in the organization, which are shareholders, customers and workers. The metrics that are selected in each of these aspects must fit the organization's strategy, so that a balance is achieved between the goals in the short and long term, and between the desired outputs and performance drivers for these outputs through the four dimensions of the card (Abu Qamar, 2009).

The balanced scorecard model proposed for the first time in 1992 includes four dimensions of organizational performance evaluation (Kaplan & Norton, 1992):

1. The financial dimension: This dimension aims to answer the question: How do our shareholders perceive us? This dimension revolves around the institution's ability to satisfy its shareholders through long-term profitability. The financial dimension is the first dimension in the balanced scorecard to measure institutional performance, and it includes a number of important criteria, including: the criterion of achieving a fair profit, which is a strategic goal that most organizations seek to reach, the criterion for balanced growth of the mix of revenues from investment activities, and the criterion of reducing costs to the maximum extent Possible, and the criterion for maximizing wealth for shareholders and depositors through real returns on investment, and a criterion for achieving added economic value.

2. The customer dimension: This dimension aims to answer the question: How do our customers perceive us? This dimension revolves around the organization's ability to provide high-quality goods and services, effective delivery, and overall customer service and satisfaction.

3. The internal process dimension: This dimension aims to answer the question: What should we be distinguished by? This dimension is anchored in the internal business that leads to financial success and customer satisfaction. To achieve corporate goals and meet customer expectations, organizations must define the key business processes that characterize them.

4. Learning and growth dimension: This dimension aims to answer the question: Are we continuing to improve and create value? This dimension concerns the capabilities of employees, the quality of information systems, and the organizational structure in order

to achieve corporate goals. Internal processes will only succeed if the skilled and motivated employees lead these processes with accurate information at suitable time.

Chapter 3

Literature Review

3-1 Overview

This chapter presents the findings of a group of previous studies and research papers in the field of strategic planning and its impact on institutional performance and the quality of the services provided. These studies were presented from newest to oldest.

3-2 Review of Previous Studies

The paper (Donkor and others, 2017) aims to examine the moderating role of IT capability on strategic planning and the financial performance of family businesses in Ghana. The research depends on a quantitative approach to investigate the causal impact of the interaction of IT capabilities and strategic planning on the performance of family businesses in Ghana. The study depends on primary and secondary data sources as bases for attaining relevant information to answer research questions. A sample size of 80 family firms was selected using purposive sampling techniques. The study finds that most family businesses in Ghana have achieved moderate levels of performance. Besides, strategic planning activities are not widely implemented among family businesses in Ghana; however, the results of this study showed that there is a significant positive relationship between strategic planning and family business performance. Furthermore, the study concludes that there is a strong correlation between the IT capacity of family businesses in Ghana and their performance. Regarding the moderate impact of IT capability, the study concluded that the integration of strategic planning activities with IT capabilities enhances the performance of family businesses in Ghana.

The study of (Jarjar and Aljatry, 2017) aimed to test the impact of strategic planning in increasing the level of performance in Libyan public commercial banks. The study relied on a sample of (271) individuals working in Libyan banks, which consists of heads of boards of directors, general managers, directors of departments and branches and their assistants. The study basically concluded that there is an important impact of the size of the financial position of the bank on the practice of strategic planning, and also, the study concluded that there is a positive relationship between the support of the senior management of banks and their interests to adopt strategic planning, and the process of strategic analysis of the internal and external environment, and the presence of a vision and a clear and written mission from one hand, and the improvement in the performance level of banks, on the other hand.

The study of (Al-Zabin, 2016) aimed to find the link between strategic planning and performance in the University of Jordan Hospital in Amman / Jordan. And to provide clear visions of the adoption of strategic planning commensurate with the local environment in Jordan to achieve the desired change and emphasize the role of strategic analysis in achieving the required performance. The descriptive approach was followed in presenting data and the analytical approach in analyzing its results, which aims to know the impact of strategic planning on institutional performance in public hospitals. Data were collected by distributing a questionnaire to the employees of the University of Jordan Hospital, where the study sample reached 194 employees out of a total of 2665 employees. This questionnaire was used as the main and reliable measurement tool in this study to collect data and was designed to cover all variables of the research model. The study found that there is a positive and statistically significant effect of the strategic vision, the strategic mission, the strategic goals, the strategic analysis, and the

strategic choice on the level of performance of government hospitals. The study recommended the necessity of linking the outputs of the strategic planning process by public hospitals to each other, to achieve a comprehensive cumulative construction, which reflects positively on the efficiency of institutional performance in the long run. The study also called for exchanging experiences and seeking to develop a hospital relationship with other hospitals.

The study of (Mohammad and Alhgazi, 2015) aimed to identify the extent of strategic planning practice in Yemeni Islamic banks, as well as the level of success of Yemeni Islamic banks, in addition to knowing the impact of strategic planning practice on the level of success of Yemeni Islamic banks. The study population consisted of all Yemeni Islamic banks, and the study sample included all these banks represented by the public administrations and main branches, where a comprehensive intentional sample of workers in those banks was selected with a size of (150) individuals, which included all managers and their deputies, as well as heads of departments in Headquarters and branches. The data were collected through a questionnaire that was built and developed to measure the objectives of this study and test its hypotheses. The data was analyzed using the (SPSS) program. Descriptive statistical methods were used, as well as the inferential statistical method. The study reached a set of results, the most important of which is that the level of Yemeni Islamic banks' practice of strategic planning was high, and the level of success of these banks was also high, in addition to the existence of a positive correlation between Yemeni Islamic banks' practice of all strategic planning activities and the level of success of those Banks, where there is a positive impact of practicing strategic planning activities in increasing the success of Yemeni Islamic banks and improving their efficiency and effectiveness.

The aim of the study of (Salkić, 2014) is to identify the relationship between strategic planning and management of public institutions in Bosnia and Herzegovina. The researcher concludes that the dependence on strategic planning in public institutions leads to a more effective, efficient, and rational management of institutional resources. Also, strategic planning determines certain sides of performance measurement, which decreases the likelihood that managers will assign resources based on their personal feelings, preferences, or aspirations, or as a response to some political pressure, contributing to a more effective, efficient, transparent, and rational management of the institution in delivering high quality of public services.

The study of (Alkhasawneh, 2013) aimed to find out the extent to which the balanced scorecard is applied in improving the banking performance matrix in Jordanian Islamic banks, in addition to identifying the obstacles to the application and its impact on improving the banking performance matrix. To achieve the objectives of the study, a questionnaire was designed, where 52 questionnaires were distributed, and the results of the study concluded that there is a statistically significant effect of applying the balanced scorecard dimensions in Jordanian Islamic banks, and that the application of such dimensions will contribute to improving the banking performance matrix.

The study of (Alhakem, et al. 2013) aimed to identify the impact of strategic planning in achieving the marketing objectives of financial institutions. The study followed the descriptive analytical approach. The study was relied on the intentional sample, where a questionnaire was designed to collect data, and 150 questionnaires were distributed, of which 119 were retrieved, with a recovery rate of 3.79%. The study depends on the regression analysis to test the hypotheses of the study. The study concludes that there is

a positive relationship between strategic planning and marketing objectives for the Sudan banks.

The paper of (Aldehayyat and Al Khattab, 2013) aimed to identify the features of strategic planning systems in Jordanian hotels and test their impact on organizational effectiveness. This study was based on a survey of famous hotels in the Jordanian tourist areas; the Dead Sea, Aqaba, Amman, and Petra. This study concludes that there is a significant positive impact on strategic planning and on organizational effectiveness.

This study of (Mohammed and Alnea'ami, 2012) aimed to identify the relationship between the clarity of the concept of strategic management and the extent of its practice among managers of private banks in the city of Mosul. This study relied on the descriptive analytical approach, and the method of the field study, and relied on one main hypothesis, which is the existence of a significant correlation between the clarity of the concept of strategic management and the level of strategic management practice in private banks. The questionnaire was used as a main tool for collecting data and information in the field side of the study, as well as sub-tools such as personal interviews and the use of some bank records, and they were analyzed by software package (SPSS). The study concludes that most of the managers of private banks from the study sample have a precise clarity of the concept of strategic management, and they also stressed the importance of using the concept of strategic management in practical life, and the need to communicate it to managers and employees. Also, the study found that the private banks studied practice strategic management to a high degree, and the clarity of their concept has a close relationship with increasing the practice of strategic management.

The purpose of the paper (Efendioglu and Karabulut, 2010) is to investigate the impact of strategic planning on the financial performance of major industrial firms in Turkey. The researchers in this paper depend on a questionnaire distributed to the CEOs for a sample of Turkish industrial firms. The paper concludes that many domestic and foreign firms in the study sample have a strategic process on an annual basis and considered a very important organizational activity. Also, the paper finds that there are possibilities of positive correlations between the practice of strategic planning in Turkish companies and their performance.

The study of (Durgam and abufaddah, 2009) aimed to know the impact of applying the balanced scorecard model defined within its four aspects: financial, customer, internal operations, growth and learning, in enhancing the strategic financial performance of Palestinian national banks operating in the Gaza Strip. The study concluded that the Palestinian national banks operating in the Gaza Strip have a good understanding that their success requires working diligently and seriously to enhance the strategic financial performance. The study also concluded that banks have a clear vision of the dimensions of the basic strategic financial performance, which enables them to achieve outstanding strategic financial performance.

The study of (Hakala & Kauranen, 2009) aimed to identify the impact of strategic planning on the growth of small and medium-sized companies in Finland, and the study at the beginning touched on the difference in views between researchers in the field of strategic planning and its effect on growth and excellence in performance in small and medium-sized companies and newly emerging business enterprises, where the study indicates that many researchers discussed the positive relationship between strategic planning and achieving growth rates in companies. Accordingly, this study aimed to

increase knowledge about the impact of strategic planning on the growth of small and newly emerging projects by focusing on the various components of strategic planning. Accordingly, the study examined the areas of strategic planning included in the planning process, such as (sales, marketing, advertising, production Technology, innovations, human resources, finance, and accounting). The study examined the effect of using systematic and scientific planning on the growth of companies and comparing companies that follow the method of systematic planning with companies that do not use it in terms of growth for each. The study also examined the strategic planning tools that are employed as part of the planning process. The primary goal of the study lies in providing a broader and more comprehensive understanding regarding the application of the elements of strategic planning that can distinguish between institutions in terms of growth rates through two basic criteria upon which the study was based, namely the rate of return on investment and the increase in the number of workers. To achieve the objectives of the study, an applied analysis was done of a sample of 130 startups (small and medium-sized). The results of the analysis showed that the companies that follow the systematic and non-systematic planning of human resources achieved more growth rates than those that did not use the systematic and non-systematic planning of human resources. The companies that use strategic financial analysis have grown more than those that do not apply strategic financial analysis. The study confirmed that following strategic planning had a positive correlation with companies that grow. The study emphasized that what explains the growth of small projects is choosing the appropriate strategic planning and not just the application of any strategic plan.

The study (Abu Dawla and Salhia, 2005) aimed at identifying the attitudes of human resource management directors towards evaluating the level of strategic planning

practice in human resources management in Jordanian public sector and the private sector institutions through several dimensions, the most important of which is the extent of the existence of formal strategic plans at the level of the organization as a whole, and at the level of human resources management, and the extent of achieving the process of linking and integration between them. The study relied on the descriptive-analytical approach and the field study method. The researchers distributed 96 questionnaires to the public and private sector organizations, which represent the total population for the study. The study concluded that; the absence of strategic planning in general and the absence of integrated strategic plans for human resources management in most of the researched organizations. The study also showed many obstacles that prevent the adoption of an integrated strategic plan for human resources management, and these obstacles include the lack of sufficient support from senior management, the absence of a process of linking strategic planning as a whole with strategic planning for human resources management, and the low job level of workers in human resources management, and the lack of an effective feedback system.

The study of (Jarrar, 2004) aimed to identify the impact of the strategic choices followed in the Palestinian pharmaceutical industries sector on the competitive advantage of the sector, where the sample size reached 36 members of the boards of directors in pharmaceutical companies, and the researcher used the descriptive analytical approach in his study. The study found that Palestinian pharmaceutical companies tend to rely more on variables of differentiation strategy than on variables of leadership strategy at low costs. The results also showed a positive correlation between the strategic choice and the competitive advantage that Palestinian pharmaceutical companies possess. Based on the main findings of the research, the researcher

recommended the following: the need for companies to give more attention to quality and innovation as important sources of non-price competitive advantage, commitment to applying good manufacturing rules, modernizing and developing production technology, and manufacturing pharmaceutical products with good quality, effectiveness, and reasonable prices so that they can compete in foreign markets.

The study of (Al-Khatib, 2003) aimed to reveal the reality of strategic planning in the Jordanian pharmaceutical industry, through the degree of clarity of concept, degree of practice, information sources, and the parties involved in this study. The researcher adopted the descriptive and analytical approach in this study, where the study concluded that the strategic planning process takes place through senior management at a rate of 56% with a high degree of centralization in decision-making. The study also concluded that there is an interest in strategic planning by managers of Jordanian pharmaceutical companies. The study indicates that the managers of the pharmaceutical industry do not take into account the elements of the internal and external environments, as well as there is no relationship between institutional performance and companies' analysis of these environmental elements.

The study of (Abu Muammar, 2002) aimed to identify the extent of the use of strategic planning for human resources in private industrial organizations in Gaza Strip, and the role of this in maximizing their ability to raise the efficiency and effectiveness of organizations. The researcher used the descriptive approach in this study, which found that strategic planning is absent for human resource in industrial organizations for the Gaza Strip, and also indicates that the effective link and coordination between the human resources strategy and the enterprise strategy would raise the efficiency and effectiveness of the organization as a whole. The study also concluded that there is

confusion among members of senior management between the concept of strategic planning and long-term planning, and between strategies and plans.

The study of (Al-Shaikh, 2001) aimed to examine the process of strategic planning in the context of developing countries, with a special case of business firms in the United Arab Emirates. The researcher depends on a survey to collect data from businesses in the UAE. The results show that the spread of strategic planning in firms in UAE is still in its infancy, and only 10% of the firms in the study use strategic planning. Moreover, some businesses appear to have a weak understanding of strategic planning practices. As an example of limited strategic planning, there is planning without documentation in some companies. Although some firms are documenting their plans, the majority of companies fail to achieve any specific and measurable goals. The main recommendations for this study are that firms in UAE, should be serious in the adoption of strategic planning, they should be prepared to deal with the expected changes in the business environment when developing their strategic plans.

Chapter 4

Research Methodology

4-1 Overview

This chapter presents the research design, scope of the study, the population and the sample method used for sampling process, data collection instrument, and the validity and reliability tests for the measurements. Moreover, the research depends on normality distribution test for the study variables in order to decide the suitable statistical methods to test the hypothesis.

4-2 Study Design

In this study, the researcher depends on the analytical descriptive approach since it is the most appropriate method for the subject of the study as it relies on description, analysis, comparison and evaluation in order to reach generalizations that have an added value for knowledge and science. In addition, the following sources were used to collect the information and data needed for this study:

1. Primary data: collection of data through a questionnaire especially designed to measure the variables of the study.
2. Secondary data: review of previous literature related to the subject of this study to prepare the theoretical framework.

4-3 Population of the Study

The target population of this study are the employees in the high positions (section head and higher) in five main banks operating in the West Bank, which are: Bank of

Palestine, Arab bank, The National Bank, Quds Bank, and Palestine Islamic Bank, where the estimated population size for each bank is as follow:

Table 4-1: Population size per bank

Bank Name	Total number of employees in 2019	Population (Number of employees in high positions- section head and above)
Bank of Palestine	1,731	437
Arab bank	923	209
The National bank	632	143
Quds Bank	741	168
Palestine Islamic Bank	664	150
Total	4,691	1,107

Sources: Bank of Palestine. (2020). Annual Report and Financials 2019.

Arab Bank group. (2020). Annual Report 2019.

The National Bank. (2020). Annual Report 2019.

Quds Bank. (2020). Annual Report 2019.

Palestine Islamic Bank. Annual Report 2019.

The above 5 banks were selected based on the highest market share in terms of net direct facilities in 2017.

<https://www.abp.ps/public/files/server/2017%20>

4-4 Sample Size and Sampling Method

The sample size for this study was calculated according to the following formula

(Cochran modified formula) (Cochran, 1977):

$$n = N * \frac{\frac{Z^2 * P * (1 - p)}{e^2}}{(N - 1 + \frac{Z^2 * P * (1 - p)}{e^2})}$$

Where,

N, refers to the population size, which equal to 1,107.

Z, refers to the critical value for z-score at 95% confidence level which equal to 1.96

e, refers to the margin of error, which will be set equal to 0.07.

p, refers to sample proportion, which will be set to 0.5.

According to the above formula, the sample size is equal to 167.

The study depends on the stratified random sampling approach according the population sample size for each bank. After the distribution of questionnaire to 167 employees in high positions (section head and above), the researcher received 120 responses (72% response rate), In addition, the researcher excluded 16 non completed questionnaires, so the accurate sample size for this study is 104 with validity rate of 62%. Table 2 below shows the distribution of sample size per bank.

The questionnaire was distributed as hard copy in person to the banks' human resources departments due to the Covid-19 restrictions and internal policies within banks.

Table 4-2: Sample size per bank

Bank Name	Population	% from total population	Sample Size	% from total sample
Bank of Palestine	437	39%	38	37%
Arab bank	209	19%	21	20%
The National bank	143	13%	13	13%

Bank Name	Population	% from total population	Sample Size	% from total sample
Quds Bank	168	15%	17	16%
Palestine Islamic Bank	150	14%	15	14%
Total	1,107	100%	104	100%

Source: <https://www.abp.ps/public/files/server/2017%20>

4-5 Instrument for Data Collection

The research depends on a questionnaire as the main instrument, in which the structure of the questionnaire is in table 4-3.

Table 4-3: The structure of the questionnaire

Section	Dimension/Variables	Number of paragraphs
Section 1: Strategic planning in banks	Strategic mission	4
	Strategic Goals	5
	Strategic Analysis	8
	Strategic Choice	7
Section 2: Performance of banks	Financial Performance	5
	Customer service performance	4
	Internal Operations Performance	4
	Learning and Growth Performance	4
Section 3: Demographics	Age, Gender, Education, Experience, Position	5

4-6 Designing the Questionnaire

The design of the study questionnaire as a main instrument to investigate the impact of strategic planning on banks performance depends on the following systematic steps:

1. Review and scan previous studies in the subjects related to this study and used them to identify the questionnaire paragraphs.
2. Identify the main sections and sub dimensions for the questionnaire.
3. Distribute the paragraphs to related dimensions and sections.
4. Design an initial draft for the questionnaire.
5. Arbitration and review the questionnaire by experts and university professors.
6. Delete, add, and modify some paragraphs according to arbitrators notes.
7. Design a final draft for the questionnaire.

4-7 Validity of the Questionnaire

According to (Obaidat, et al., 2001) the validity means that the instrument should include all elements, and paragraphs and vocabulary must be clear and understood by everyone. Another definition of the questionnaire is that it must measure what it is designed to measure (Jerjawi, 2010). The researcher in this study tests three types of validity: external, internal and structure validity.

4-7-1 External Validity

The researcher tests the external validity of the questionnaire through presenting it to experts (Dr. Raid Shomali and Dr. Yahya Saleh) in the study field and university professors for arbitration. After the review of the questionnaire, the researcher deleted, added, and modified some paragraphs according to arbitrators' notes.

4-7-2 Internal Validity

The internal validity means that each paragraph in the questionnaire is consistent with the measurement to which this paragraph belongs (Andrade, 2018). This study depends on the correlation coefficient between each paragraph and the whole dimension in which this paragraph belongs.

- **Internal Validity for Strategic Mission**

According to table 4-4, it can be concluded that the dimension of strategic mission in the questionnaire is valid since all correlation coefficients with its paragraphs are statistically significant at 5% level of significance.

Table: 4-4: The correlation coefficients between the paragraphs of strategic mission and whole dimension

Number	Paragraph	Correlation coefficient	P-value
1	The mission of the bank is clear to the senior management.	0.742	0.000
2	The mission of the bank is clear to the employees.	0.866	0.000
3	The mission is characterized by its ability to adapt to the surrounding changes.	0.848	0.000
4	The mission directs and unifies the efforts of all bank employees at their various administrative levels.	0.873	0.000

- **Internal Validity for Strategic Goals**

According to table 4-5, it can be concluded that the dimension of strategic goals in the questionnaire is valid since all correlation coefficients with its paragraphs are statistically significant at 5% level of significance.

Table: 4-5: The correlation coefficients between the paragraphs of strategic goals and whole dimension

Number	Paragraph	Correlation coefficient	P-value
1	The bank's management works to clearly define goals along with a clear vision.	0.595	0.000
2	The bank's management sets fair and achievable goals.	0.613	0.000
3	The Bank's management participates with the employees in developing the operational plan to support the achievement of the strategic objectives.	0.733	0.000
4	The bank's management sets clear policies for all employees to implement the strategic plan.	0.795	0.000
5	The bank's management works on a regular basis to develop human resources.	0.778	0.000

- **Internal Validity for Strategic Analysis**

According to table 4-6, it can be concluded that the dimension of strategic analysis in the questionnaire is valid since all correlation coefficients with its paragraphs are statistically significant at 5% level of significance.

Table: 4-6: The correlation coefficients between the paragraphs of strategic analysis and whole dimension

Number	Paragraph	Correlation coefficient	P-value
1	The Bank's management analyzes the external environment on a regular basis in order to identify the threats or the available opportunities.	0.784	0.000
2	The Bank's management analyzes the internal environment to identify its strengths and weaknesses on a regular basis.	0.825	0.000
3	The bank's management is constantly analyzing the competitors.	0.835	0.000
4	The bank's management continuously analyzes clients.	0.804	0.000
5	The management of the bank is prepared to face the potential threats or risks.	0.850	0.000
6	The Bank's management works to define a clear vision for enhancing the strengths and addressing the weaknesses.	0.849	0.000
7	The Bank's management works to exploit the available opportunities to achieve its strategic objectives.	0.818	0.000
8	The bank's management takes into consideration historical data and information for various variables.	0.806	0.000

- **Internal Validity for Strategic Choice**

According to table 4-7, it can be concluded that the dimension of strategic choice in the questionnaire is valid since all correlation coefficients with its paragraphs are statistically significant at 5% level of significance.

Table: 4-7: The correlation coefficients between the paragraphs of strategic choice and whole dimension

Number	Paragraph	Correlation coefficient	P-value
1	The bank's management works on developing alternative strategies and plans in advance.	0.646	0.000
2	The bank's management develops strategies for the various services frequently in order to raise the level of quality of services provided.	0.810	0.000
3	The Bank's management develops the marketing and promotion strategy frequently.	0.751	0.000
4	The management of the bank adheres to a specific timetable to achieve the strategic objectives.	0.809	0.000
5	The Bank's management works to evaluate and review previous strategic plans.	0.788	0.000
6	The Bank's management is committed to develop clear performance indicators to evaluate the strategic plan.	0.866	0.000
7	The bank's management has sufficient flexibility to deal with and adapt to emergency changes.	0.828	0.000

- **Internal Validity for Financial performance**

According to table 4-8, it can be concluded that the dimension of financial performance in the questionnaire is valid since all correlation coefficients with its paragraphs are statistically significant at 5% level of significance.

Table: 4-8: The correlation coefficients between the paragraphs of financial performance and whole dimension

Number	Paragraph	Correlation coefficient	P-value
1	The bank's market share is increasing annually	0.781	0.000
2	The subscriber (customer) base is growing annually	0.854	0.000
3	Return on capital is constantly rising	0.836	0.000
4	The costs of executing operations are continuously reduced	0.676	0.000
5	The revenue obtained from the new customers is an important part of the total revenue	0.550	0.000

- **Internal Validity for Customer Service performance**

According to table 4-9, it can be concluded that the dimension of customer service performance in the questionnaire is valid since all correlation coefficients with its paragraphs are statistically significant at 5% level of significance.

Table: 4-9: The correlation coefficients between the paragraphs of customer service performance and whole dimension

Number	Paragraph	Correlation coefficient	P-value
1	Direct contact policy with clients contributes to greatly increasing customer loyalty	0.879	0.000
2	Taking care of existing customers contributes significantly to gaining new customers	0.831	0.000
3	There is a steady decrease in the number of complaints from customers	0.842	0.000
4	There is a continuous increase in the number of positive comments from customers	0.801	0.000

▪ **Internal Validity for Internal Operations Performance**

According to table 4-10, it can be concluded that the dimension of internal operations performance in the questionnaire is valid since all correlation coefficients with its paragraphs are statistically significant at 5% level of significance.

Table: 4-10: The correlation coefficients between the paragraphs of internal operations performance and whole dimension

Number	Paragraph	Correlation coefficient	P-value
1	The internal processes are efficient and flexible	0.796	0.000
2	Additional services are offered to clients from time to time	0.873	0.000
3	There are no problems related to the provided electronic services	0.817	0.000
4	There is a steady decrease in service delivery and response time to clients	0.780	0.000

- **Internal Validity for Learning and Growth Performance**

According to table 4-11, it can be concluded that the dimension of learning and growth performance in the questionnaire is valid since all correlation coefficients with its paragraphs are statistically significant at 5% level of significance.

Table: 4-11: The correlation coefficients between the paragraphs of learning and growth performance and whole dimension

Number	Paragraph	Correlation coefficient	P-value
1	The results of the bank are extremely satisfactory for the employees	0.850	0.000
2	There is a continually decreasing employee turnover rate	0.745	0.000
3	The bank takes employee suggestions with a high degree of attention	0.888	0.000
4	The bank seeks to implement important proposals and rewards them	0.928	0.000

4-7-3 Structure Validity

The structure validity test aims to examine the extent in which the instrument achieves its purpose. In this study the researcher tests the structure validity through the correlation coefficients between each dimension (measure) with all dimensions.

According to table 4-12, it can be concluded that the instrument has a structure validity, since all correlation coefficients are statistically significant at 5% level of significance.

Table: 4-12: The correlation coefficients between each dimension and all dimensions

Dimension	Correlation coefficient	P-value
Strategic mission	0.557	0.000
Strategic Goals	0.774	0.000
Strategic Analysis	0.791	0.000
Strategic Choice	0.812	0.000
Financial Performance	0.823	0.000
Customer service performance	0.697	0.000
Internal Operations Performance	0.845	0.000
Learning and Growth Performance	0.802	0.000

4-8 Reliability of the Questionnaire

Reliability refers to the ability of the questionnaire to give similar results every time it is used, and thus obtaining correct and reliable results. The method of Cronbach's Alpha coefficient was used to calculate the coefficient of stability for the paragraphs, in which the instrument is considered reliable if the value of the coefficient is greater than 0.7.

According to table 4-13, it can be concluded that the instrument is stable and reliable since all coefficients of Cronbach's Alpha are more than 0.7.

Table: 4-13: Cronbach's Alpha coefficients for the questionnaire dimensions

Dimension	Number of items	Cronbach alpha
Strategic mission	4	0.852
Strategic Goals	5	0.742
Strategic Analysis	8	0.929
Strategic Choice	7	0.897
Financial Performance	5	0.797
Customer service performance	4	0.856
Internal Operations Performance	4	0.824
Learning and Growth Performance	4	0.874

4-9 Normality Distribution Test

The normal distribution test for the eight study variables in the questionnaire was conducted through the tests of Kolmogorov-Smirnov and Shapiro-Wilk. According to table 4-14, it can be concluded that all the null hypotheses which indicate that the variables follow the normal distribution at 5% level of significance should be rejected, since the p-value for both tests and for all variables is below 5%. Hence, the parametric tests can't be used for hypotheses testing, and instead the non-parametric tests will be used to test the hypotheses of the study.

Table: 4-14: Normal distribution test for study variables

Variable	Kolmogorov-Smirnov			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Strategic mission	.181	104	.000	.922	104	.000
Strategic Goals	.128	104	.000	.963	104	.006
Strategic Analysis	.135	104	.000	.961	104	.004
Strategic Choice	.121	104	.001	.959	104	.002
Financial Performance	.140	104	.000	.934	104	.000
Customer service performance	.140	104	.000	.907	104	.000
Internal Operations Performance	.119	104	.001	.956	104	.002
Learning and Growth Performance	.146	104	.000	.945	104	.000

4-10 Correction Key

The responses of the questionnaire paragraphs are depending on the Likert scale from 5 points (1 to 5), so the range of the responses is 4 (5-1), and hence the range of responses was divided into 5 groups with width of 0.8 (4/5) which is considered as the correction key for the mean of responses as in table 4-15.

Table: 4-15: Correction key of the questionnaire responses

Interval of statistical mean	Description
1.00 – 1.79	Very Low
1.80 – 2.59	Low
2.60 – 3.39	Moderate
3.40 – 4.19	High
4.20 – 5.00	Very High

4-11 Statistical Methods

The study analysis was conducted using the statistical package for social science (SPSS). In addition to achieve the study objectives, answer the questions, and test hypotheses, the researcher used the following statistical analysis and tests:

- 1- Frequencies and percentages for the demographic variables.
- 2- Statistical means, standard deviations, and relative weights for the variables of the study.
- 3- Spearman's correlation between the study variables to test the hypothesis of the study.
- 4- Regression analysis for the performance of banks on the dimensions of strategic planning.
- 5- Kolmogorov-Smirnov and Shapiro-Wilk tests, to examine if the variables follow the normal distribution.
- 6- Mann-Whitney test: to compare the study variables according to gender.
- 7- Kruskal Wallis test: to compare the study variables according to age, education level, experience, position.

Chapter 5

Data Analysis and Hypotheses Testing

5-1 Overview

This chapter focuses on the analysis of data in order to provide answers to the study questions and test its hypotheses. The statistical package for social sciences (SPSS) software was used to attain the study outputs which are presented and analyzed in this chapter. This chapter provides an interpretation of the study findings and makes a comparison with previous studies in the same field.

5-2 Study Sample Description

Table 5-1 shows the demographic data for the 104 respondents. The table shows the gender information, in which about two-third of the sample were males (69.2%), and about one-third of them were females (30.8%).

Table 5-1: Distribution of the sample by gender

Gender	Frequency	Percent
Male	72	69.2%
Female	32	30.8%
Total	104	100%

The sample distribution by gender for the sample study is close to the population distribution for the employees in banking sector, in which according to the labor force survey in 2019, the proportion of males' workers in financial services activities was about 71%, and the proportion of females was 29% (PCBS, 2020).

Table 5-2 shows the distribution for the 104 respondents according to their age. The table indicates that more than half of them were between 30 to 39 years old (53.8%),

and about fifth of them were less than 30 years old (21.2%), and 18.3% of them were between 40 to 49 years' old, and the rest (6.7%) were 50 years old or above.

Table 5-2: Distribution of the sample by age

Age	Frequency	Percent
Less than 30 years	22	21.2%
30 – 39 years	46	53.8%
40 – 49 years	19	18.3%
50 year or above	7	6.7%
Total	104	100%

The sample distribution by age for the sample study is consistent with the belief that most of high-level employees and supervisors are in the thirties, in which they possess good knowledge, appropriate skills, and good experience in their field of work.

Table 5-3 shows the distribution for the 104 respondents according to education level. The table indicates that vast majority of them have a bachelor's degree (86.5%), In addition about 11.5% of them have a master's degree, and only 1.9% of them have a diploma degree.

Table 5-3: Distribution of the sample by education level

Education level	Frequency	Percent
Diploma	2	1.9%
Bachelor	90	86.5%
Master	12	11.5%
Total	104	100%

Table 5-4 shows the experience level distribution for the 104 respondents. The table indicates that more than half of them have at least ten years of experience (54.8%), In

addition about quarter of them (26%) have experience from six to ten years, and 11.5% of them have experience of less than 4 years, and the rest (7.7%) have four or five years of experience.

Table 5-4: Distribution of the sample by experience

Experience	Frequency	Percent
3 years and less	12	11.5%
4- 5 years	8	7.7%
6 – 10 years	27	26.0%
More than 10 years	57	54.8%
Total	104	100%

Table 5-5 shows the distribution for the 104 respondents according to job position. The table indicates that about two-third of the sample were in the position of section head (67.3%), In addition about 31.7% of them were in manager position, and only 1% of them were in general manager position.

Table 5-5: Distribution of the sample by job position

Job position	Frequency	Percent
Section Head	70	67.3%
Manager	33	31.7%
General Manager	1	1.0%
Total	104	100%

5-3 Analysis of study variables

5-3-1 Strategic Planning Level

5-3-1-1 Strategic Mission

The dimension of strategic mission in the questionnaire was represented by 4 statements reflecting the level of strategic mission in banks in Palestine in the form of five Likert scale. Table 5-6 shows the result of strategic mission dimension.

Table: 5-6: Analysis of the dimension of Strategic mission

Number	Paragraph	Mean	Standard deviation	Degree	Rank
1	The mission of the bank is clear to the senior management.	4.43	0.59	Very High	1
2	The mission of the bank is clear to the employees.	4.05	0.61	High	2
3	The mission is characterized by its ability to adapt to the surrounding changes.	3.99	0.68	High	3
4	The mission directs and unifies the efforts of all bank employees at their various administrative levels	3.94	0.75	High	4
Average		4.10	0.55	High	

Paragraph one ranked as first in regarding to its degree, which is “The mission of the bank is clear to the senior management” with a statistical mean of 4.43 out of 5 (about 89%). This result indicates that there is a clear documentation of the main guide and clear purposes for the Palestinian Banks which form a reference point for decision-makers.

Paragraph two “The mission of the bank is clear to the employees” which ranked as second in regarding to its degree with a statistical mean of 4.05 out of 5 (about 81%).

This may indicate that the senior managers in Palestinian banks share in high extent the main goals and purposes with their employees.

Paragraph three “The mission is characterized by its ability to adapt to the surrounding changes” ranked third in importance with a high degree and a statistical mean of 3.99 out of 5 (about 80%). This result may mean that there is a high flexibility in the missions of Palestinian banks, in which they formulate the mission based on external variables, like competitors, economic situation, political situation, and market needs.

Paragraph four “The mission directs and unifies the efforts of all bank employees at their various administrative levels” ranked last in importance but with a high degree and a statistical mean of 3.94 out of 5 (about 79%). This result indicates that there is a well-defined and clear organizational structure in the mission of Palestinian banks that defines the roles, tasks, and titles. This leads to the unification of efforts in order to achieve the goals, non-overlapping powers, elimination of conflicts between the competencies, and helps to optimize the use of human competencies in terms of distributing job roles, defining activities, and facilitating administrative communication processes between administrative levels.

In general, the dimension of Strategic mission has a high degree with a statistical mean of 4.1 out of 5 (about 82%). This finding is similar to the results of the study of (Mohammed and Alnea'ami, 2012) about the relationship between the clarity of the concept of strategic management and the extent of its practice among bank managers in the Iraqi city of Mosul, which indicates that banks, to a high degree, prepare long-term strategic plans that cover a future period of time. In addition, there is no contradiction with the study of (Mohammad and Alhgazi, 2015) about the impact of strategic planning on the success of the Yemeni Islamic Banks, which indicates that Yemeni

Islamic banks are designing the strategic mission to a high degree in terms of having a clear, written and known mission to all employees. On the other hand, there is contradiction with the study of (Jarjar and Aljatry, 2017) about the impact of strategic planning on increasing the level of performance in Libyan commercial banks, which indicate that there is a lack of a clear, long-term vision and mission in Libyan commercial banks, and lack of interest of the bank management to clarify and explain the vision and mission of the bank to the employees.

5-3-1-2 Strategic Goals

The dimension of strategic goals in the questionnaire was represented by 5 statements reflecting the level of strategic goals formulation in banks in Palestine in the form of five Likert scale. Table 5-7 shows the result of the analysis of the strategic goals dimension.

Table: 5-7: Analysis of the dimension of strategic goals

Number	Paragraph	Mean	Standard deviation	Degree	Rank
1	The bank's management works to clearly define goals along with a clear vision.	4.27	0.71	Very High	1
2	The bank's management sets fair and achievable goals.	3.81	0.70	High	4
3	The bank's management participates with the employees in developing the operational plan to support the achievement of the strategic objectives.	3.26	1.05	Moderate	5

Number	Paragraph	Mean	Standard deviation	Degree	Rank
4	The bank's management sets clear policies for all employees to implement the strategic plan.	3.82	0.80	High	3
5	The bank's management works on a regular basis to develop human resources.	3.87	0.85	High	2
Average		3.80	0.58	High	

Paragraph one ranked as first in regarding to its degree, which is “The bank's management works to clearly define goals along with a clear vision.” with a statistical mean of 4.27 out of 5 (about 85%). This means that the managers have a relatively high interest in understanding the bank’s goals, and this helps in devising various possible methods and techniques to implement the bank’s mission and achieve its goals, as well as arranging priorities and marking guidelines for the employees.

Paragraph five “The bank's management works on a regular basis to develop human resources” which ranked as second in regarding to its degree with a statistical mean of 3.87 out of 5 (about 77%). This result indicates that Palestinian bank managers are aware of the importance of developing human resources and their role in achieving strategic goals and implementing plans.

Paragraph four “The bank's management sets clear policies for all employees to implement the strategic plan.” ranked third in importance and with a high degree and a statistical mean of 3.82 out of 5 (about 76%). This result indicates the seriousness of bank managers to implement strategic plans by distributing specific tasks and policies to employees.

Paragraph two “The bank's management sets fair and achievable goals” ranked fourth in importance with a high degree and a statistical mean of 3.81 out of 5 (about 76%). This result indicates that strategic planning process let bank managers depend on the surrounding variables and set goals that are applicable and achievable.

Paragraph three “The Bank's management participates with the employees in developing the operational plan to support the achievement of the strategic objectives” ranked last in importance with a moderate degree and a statistical mean of 3.26 out of 5 (about 65%). This result indicates that there could be an improvement when managers cooperate with employees when designing the operational plans.

In general, the dimension of strategic goals has a high degree with a statistical mean of 3.8 out of 5 (about 76%). This finding matches the results of the study of (Mohammed and Alnea'ami, 2012) about the relationship between the clarity of the concept of strategic management and the extent of its practice among bank managers, which indicates that banks document their strategic goals in written form and consider the circumstances and surrounding factors and objectivity when formulating the goals in order to reflect the real capabilities of the bank. They are also flexible, as they can be modified whenever new circumstances and factors emerge. There is no contradiction with the study of (Mohammad and Alhgazi, 2015) about the impact of strategic planning on the success of the Yemeni Islamic Banks, which indicates that strategic goals that are formulated by the Yemeni Islamic Banks are specific, clearly formulated, written and the bank's vision and mission are taken into account before considering any goal. On the other hand, there is contradiction with the study of (Jarjar and Aljatry, 2017) about the impact of strategic planning on increasing the level of performance in Libyan commercial banks, which indicate that long-term goals for banking operations

are not drawn and defined, and the bank's management support is low for the strategic planning process.

5-3-1-3 Strategic Analysis

The dimension of strategic analysis in the questionnaire was represented by 8 statements reflecting the level of strategic analysis in banks in Palestine in the form of five Likert scale. Table 5-8 shows the result of strategic analysis dimension.

Table: 5-8: Analysis of the dimension of strategic Analysis

Number	Paragraph	Mean	Standard deviation	Degree	Rank
1	The Bank's management analyzes the external environment on a regular basis in order to identify the threats or the available opportunities.	4.05	0.67	High	2
2	The Bank's management analyzes the internal environment to identify its strengths and weaknesses on a regular basis.	3.83	0.85	High	8
3	The bank's management is constantly analyzing the competitors.	3.95	0.73	High	5
4	The bank's management continuously analyzes clients.	4.12	0.74	High	1
5	The management of the bank is prepared to face the potential threats or risks.	4.05	0.63	High	2
6	The Bank's management aims to define a clear vision for enhancing the strengths and addressing the weaknesses.	3.94	0.68	High	6

Number	Paragraph	Mean	Standard deviation	Degree	Rank
7	The Bank's management works to exploit the available opportunities to achieve its strategic objectives.	4.05	0.67	High	2
8	The bank's management takes into consideration historical data and information for various variables.	3.90	0.72	High	7
Average		3.99	0.58	High	

Paragraph four ranked as first in regarding to its degree, which is “The bank's management continuously analyzes clients” with a statistical mean of 4.12 out of 5 (about 82%), which means that the banks managers believe that the clients’ analysis is the most important factor in the strategic planning process, in which this will provide them with valuable information for the planning process as client’s behaviors, trends and needs.

Paragraph one “The Bank's management analyzes the external environment on a regular basis in order to identify the threats or the available opportunities” which ranked as second in regarding to its degree with a statistical mean of 4.05 out of 5 (about 81%), so according to this result, Palestinian banks are able to lay down and define policies and techniques for how to face external threats, and how to take advantage of the opportunities available within their strategic plan.

Paragraph five “The management of the bank is prepared to face the potential threats or risks” which ranked as second bis in regarding to its degree with a statistical mean of 4.05 out of 5 (about 81%).

Paragraph seven “The Bank's management works to exploit the available opportunities to achieve its strategic objectives” which ranked as second bis in regarding to its degree with a statistical mean of 4.05 out of 5 (about 81%).

Paragraph three “The bank's management is constantly analyzing the competitors” ranked fifth in importance with a high degree and a statistical mean of 3.95 out of 5 (about 79%). This result indicates that banks’ managers are interested in identifying competitors, their characteristics, and specifications of their services and comparing them with the bank’s services.

Paragraph six “The Bank's management aims to define a clear vision for enhancing the strengths and addressing the weaknesses” ranked sixth in importance with a high degree and a statistical mean of 3.94 out of 5 (about 79%).

Paragraph eight “The bank's management takes into consideration historical data and information for various variables” ranked seventh in importance with a high degree and a statistical mean of 3.90 out of 5 (about 78%).

Paragraph two “The Bank's management analyzes the internal environment to identify its strengths and weaknesses on a regular basis” ranked last in importance but with a high degree and a statistical mean of 3.83 out of 5 (about 77%).

In general, the dimension of strategic analysis has a high degree with a statistical mean of 3.99 out of 5 (about 80%). This finding agrees with the results of the study of (Mohammed and Alnea'ami, 2012) about the relationship between the clarity of the concept of strategic management and the extent of its practice among bank managers, which indicates that banks analyze the external environment in terms of political, economic, cultural, and social factors. It also analyzes the internal environment in terms of analyzing human resources, financial situation, and administrative situation. There is

no contradiction with the study of (Mohammad and Alhgazi, 2015) about the impact of strategic planning on the success of the Yemeni Islamic Banks, which indicates that banks analyze the external environment in terms of political, legal, economic, technical, social, competitive factors, customer-related factors, and investment risks. It also analyzes the internal factors in terms of human resources, financial capabilities, technical capabilities, information capabilities, and the quality and cost of banking services. On the other hand, there is contradiction with the study of (Jarjar and Aljatry, 2017) about the impact of strategic planning on increasing the level of performance in Libyan commercial banks, which indicates a weakness in the level of strategic analysis carried out by banks.

5-3-1-4 Strategic Choice

The dimension of strategic choice in the questionnaire was represented by 7 statements reflecting the level of strategic choice in banks in Palestine in the form of five Likert scale. Table 5-9 shows the result of strategic choice dimension.

Table: 5-9: Analysis of the dimension of strategic choice

Number	Paragraph	Mean	Standard deviation	Degree	Rank
1	The bank's management works on developing alternative strategies and plans in advance.	4.10	0.68	High	2
2	The bank's management continuously develops strategies for the various services in order to raise the level of quality of services provided.	4.15	0.66	High	1
3	The Bank's management develops marketing and promotion strategy regularly.	4.08	0.66	High	4
4	The management of the bank adheres to a specific timetable to achieve the strategic objectives.	4.09	0.64	High	3
5	The Bank's management works to evaluate and review previous strategic plans.	3.88	0.71	High	7
6	The Bank's management is committed to develop clear performance indicators to evaluate the strategic plan.	4.05	0.76	High	5
7	The bank's management has sufficient flexibility to deal with and adapt to emergency changes.	3.89	0.76	High	6
Average		4.03	0.55	High	

Paragraph two ranked as first in regarding to its degree, which is “The bank's management continuously develops strategies for the various services in order to raise the level of quality of services provided.” with a statistical mean of 4.15 out of 5 (about 83%). This indicates the serious interest of Palestinian banks in the quality of banking services and customer satisfaction, in addition to the bank’s orientation towards achieving all possible needs of clients.

Paragraph one “The bank's management works on developing alternative strategies and plans in advance” ranked second in importance with a high degree and a statistical mean with 4.1 out of 5 (about 82%). This indicates the good readiness of Palestinian banks to face changes and emergency circumstances.

Paragraph four “The management of the bank adheres to a specific timetable to achieve the strategic objectives” ranked third in importance with a high degree and a statistical mean of 4.09 out of 5 (about 82%).

Paragraph three “The Bank's management develops marketing and promotion strategy regularly” ranked fourth in importance with a high degree and a statistical mean of 4.08 out of 5 (about 82%).

Paragraph six “The Bank's management is committed to develop clear performance indicators to evaluate the strategic plan” ranked fifth in importance and with a high degree and a statistical mean of 4.05 out of 5 (about 81%).

Paragraph seven “The bank's management has sufficient flexibility to deal with and adapt to emergency changes” ranked sixth in importance with a high degree and a statistical mean of 3.89 out of 5 (about 78%).

Paragraph five “The Bank's management works to evaluate and review previous strategic plans” ranked last in importance but with a high degree and a statistical mean of 3.88 out of 5 (about 78%).

In general, the dimension of strategic choice has a high degree with a statistical mean of 4.03 out of 5 (about 81%). This finding agrees with the results of the study of (Mohammed and Alnea'ami, 2012) about the relationship between the clarity of the concept of strategic management and the extent of its practice among bank managers, which indicates that banks are setting up a formal system for monitoring performance when implementing the strategic plan, as well as carrying out a process of continuous monitoring and evaluation of strategic performance, and working to review the strategic plan periodically to determine the required changes. There is no contradiction with the study of (Mohammad and Alhgazi, 2015) about the impact of strategic planning on the success of the Yemeni Islamic Banks, which indicates that banks are developing several alternative strategies to achieve the bank's goals, as well as working on selecting the appropriate strategy considering the results of evaluating strategic alternatives. On the other hand, there is a contradiction with the study of (Jarjar and Aljatry, 2017) about the impact of strategic planning on increasing the level of performance in Libyan commercial banks, which indicates a weakness in the spread of strategic planning practices.

5-3-1-5 Levels of Strategic Planning

Table 5-10 shows the summary of the levels of strategic planning dimensions in Palestinian banks (mission, goals, analysis, and choice).

Table: 5-10: The levels of Strategic Planning

Number	Paragraph	Mean	Standard deviation	Degree	Rank
1	Strategic mission	4.10	0.55	High	1
2	Strategic Goals	3.80	0.58	High	4
3	Strategic Analysis	3.99	0.58	High	3
4	Strategic Choice	4.03	0.55	High	2
	Average	3.98	0.47	High	

The first dimension “strategic mission” ranked first with a high degree and a statistical mean of 4.10 out of 5 (about 82%). The bank’s good mission helps to define the vision and translate it into operational goals. It is also considered a basis for motivating workers towards the greatest possible productivity, creating a very good work environment, as well as helping the bank to face various challenges and changes and address them.

The fourth dimension “strategic choice” ranked second with a high degree and a statistical mean of 4.03 out of 5 (about 81%). The appropriate strategic choices are considered one of the most important reasons that play an important role in achieving banking goals successfully. The strategic choice is a method that works to transform the bank from the current competitive situation to a better competitive position, according to the internal and external circumstances.

The third dimension “strategic analysis” ranked third with a high degree and a statistical mean of 3.99 out of 5 (about 80%). Strategic analysis is the main pillar in knowing the strengths, the weaknesses, the opportunities and external risks, identifying and studying the forces affecting the market, predicting the near future and exploiting it in a way that

serves the purpose and the mission of the bank. A good strategic analysis leads to a good assessment of the risks and opportunities that may affect the bank and make it always in a state of readiness for any internal or external change that may occur. It also leads to extracting the competitive advantage of the bank and to use it to move towards leadership. Moreover, it also contributes in increasing the efficiency of workers.

The second dimension “strategic goals” ranked last with a high degree and a statistical mean of 3.80 out of 5 (about 76%). The importance of setting appropriate strategic objectives is to achieve the bank's vision. In order to achieve the required vision, goals must be logic, clear and have to be measured periodically. In addition, setting institutional goals helps in leading the efforts of the bank's employees and improve performance. Therefore, banks’ managers must be at a high level in formulating the bank’s vision and setting institutional goals to commensurate with the achievement of goals.

In general, the level of strategic planning in Palestinian banks in this study has a high degree with a statistical mean of 3.98 out of 5 (about 80%). The previous analysis achieved the first sub-objective of this study “Identify the level of strategic planning in banks in Palestine”.

5-3-2 Performance of Banks

5-3-2-1 Financial Performance

The dimension of financial performance in the questionnaire was represented by 5 statements reflecting the level of financial performance in banks in Palestine in the form of five Likert scale. Table 5-11 shows the result of financial performance dimension.

Table: 5-11: Analysis of the dimension of Financial Performance

Number	Paragraph	Mean	Standard deviation	Degree	Rank
1	The bank's market share is increasing annually	3.90	0.98	High	3
2	The subscriber (customer) base is growing annually	4.06	0.86	High	1
3	Return on capital is constantly rising	3.77	0.91	High	4
4	The costs of performing operations are continuously reduced	3.38	0.94	Moderate	5
5	The revenue obtained from the new customers is an important part of the total revenue	3.97	0.72	High	2
	Average	3.82	0.66	High	

Paragraph two ranked as first in regarding to its degree, which is “The subscriber (customer) base is growing annually” with a statistical mean of 4.06 out of 5 (about 81%). This result indicates a continuous increase in the demand for banking services over time, and this leads to revenue growth and thus profit growth.

Paragraph five “The revenue obtained from the new customers is an important part of the total revenue” ranked second in importance with a high degree and a statistical mean of 3.97 out of 5 (about 79%).

Paragraph one “The bank's market share is increasing annually” ranked third in importance with a high degree and a statistical mean of 3.90 out of 5 (about 78%). This result means that there is growth in large Palestinian banks at the expense of smaller banks. Since the banks participated in this study are the largest banks, and since all of

them believe that their market share is increasing, this must be at the expense of the smaller banks.

Paragraph three “Return on capital is constantly rising” ranked fourth in importance with a high degree and a statistical mean with 3.77 out of 5 (about 75%).

Paragraph four “The costs of performing operations are continuously reduced” ranked last in importance and with a moderate degree and a statistical mean of 3.38 out of 5 (about 68%). This means that bank managers must work more towards reducing operational costs and moving towards automating the largest possible number of banking services.

In general, the dimension of financial performance has a high degree with a statistical mean of 3.82 out of 5 (about 76%). This finding agrees with the results of the study of (Abu-Qamar, 2009) about the evaluation of the performance of Bank of Palestine using the balanced scorecard, which indicates a high financial performance in the Bank of Palestine, in which the management is working to increase sales of various banking services by entering new areas, it also seeks to maximize shareholders' wealth by achieving real returns on investment. In addition, there is no contradiction with the paper of (Durgam and abufaddah, 2009) about the effect of implementing balanced scorecard (BSC) in enhancing strategic financial performance of national Palestinian banks that are actively working in Gaza strip, which indicates that there is a high measurement of the dimensions of increasing the operating profit margin, continuity and sustainability of improvement, optimized use of assets, enhancing and sustaining effectiveness, balancing future returns and risks, and achieving and sustaining competitive advantage. Also, this study agrees with the results of the study of

(Alkhasawneh, 2013) which indicates a high degree of financial performance dimension in Jordanian banks.

5-3-2-2 Customer Service Performance

The dimension of customer service performance in the questionnaire was represented by 4 statements reflecting the level of customer service performance in banks in Palestine in the form of five Likert scale. Table 5-12 shows the result of customer service performance dimension.

Table: 5-12: Analysis of the dimension of Customer Service Performance

Number	Paragraph	Mean	Standard deviation	Degree	Rank
1	Direct contact policy with clients contributes to greatly increasing customer loyalty	4.05	0.86	High	1
2	Taking care of existing customers contributes significantly to gaining new customers	3.96	0.89	High	2
3	There is a steady decrease in the number of complaints from customers	3.38	0.91	Moderate	4
4	There is a continuous increase in the number of positive comments from customers	3.54	0.98	High	3
Average		3.73	0.76	High	

Paragraph one ranked as first in regarding to its degree, which is “Direct contact policy with clients contributes to greatly increasing customer loyalty” with a statistical mean of 4.05 out of 5 (about 81%).

Paragraph two “Taking care of existing customers contributes significantly to gaining new customers” ranked second in importance with a high degree and a statistical mean of 3.96 out of 5 (about 79%).

Paragraph four “There is a continuous increase in the number of positive comments from customers” ranked third in importance with a high degree and a statistical mean of 3.54 out of 5 (about 71%).

Paragraph three “There is a steady decrease in the number of complaints from customers” ranked last in importance with a moderate degree and a statistical mean of 3.38 out of 5 (about 68%). This means that bank managers must work more on raising mechanisms to raise customer satisfaction and reduce complaints by raising the quality of banking services.

In general, the dimension of customer service performance has a high degree with a statistical mean of 3.73 out of 5 (about 75%). This finding agrees with the results of the study of (Abu-Qamar, 2009) about evaluating the performance of Bank of Palestine using the balanced scorecard, which indicates a high customer performance in the Bank, in which there is an acceptable level of customer satisfaction with the banking services provided by the bank, and the measure of attracting new customers takes into account the goal of adequate profitability. Also, this study agrees with the results of the study of (Alkhasawneh, 2013) which indicates a high degree of customer service performance dimension in Jordanian banks.

5-3-2-3 Internal Operations Performance

The dimension of internal operations performance in the questionnaire was represented by 4 statements reflecting the level of internal operations performance in banks in Palestine in the form of five Likert scale. Table 5-13 shows the result of internal operations performance dimension.

Table: 5-13: Analysis of the dimension of Internal Operations Performance

Number	Paragraph	Mean	Standard deviation	Degree	Rank
1	The internal processes are efficient and flexible	3.74	0.78	High	2
2	Additional services are offered to clients from time to time	3.79	0.81	High	1
3	There are no problems related to the provided electronic services	3.43	1.07	High	4
4	There is a steady decrease in service delivery and response time to clients	3.46	0.82	High	3
Average		3.61	0.71	High	

Paragraph two ranked as first in regarding to its degree, which is “Additional services are offered to clients from time to time” with a statistical mean of 3.79 out of 5 (about 76%).

Paragraph one “The internal processes are efficient and flexible” ranked second in importance with a high degree and a statistical mean of 3.74 out of 5 (about 75%).

Paragraph four “There is a steady decrease in service delivery and response time to clients” ranked third in importance with a high degree and a statistical mean of 3.46 out of 5 (about 69%).

Paragraph three “There are no problems related to the provided electronic services” ranked last in importance with a high degree and a statistical mean of 3.43 out of 5 (about 69%).

In general, the dimension of internal operations performance has a high degree with a statistical mean of 3.61 out of 5 (about 72%). This finding agrees with the results of the study of (Abu-Qamar, 2009) about evaluating the performance of Bank of Palestine using the balanced scorecard, which indicates a high internal operations performance in the Bank of Palestine, in which there is a positive impact of the bank's promotional campaigns in attracting new customers, The bank is interested in implementing banking services and internal business procedures in a distinct manner that surpasses the services provided by competitors, the bank responds to customers' complaints, and defects are dealt within a short time, and banking services are provided to customers through the bank's assessment of its customers' needs and desires. Also, this study agrees with the results of the study of (Alkhasawneh, 2013) which indicates a high degree of internal operations performance dimension in Jordanian banks.

5-3-2-4 Learning and Growth Performance

The dimension of learning and growth performance in the questionnaire was represented by 4 statements reflecting the level of learning and growth performance in banks in Palestine in the form of five Likert scale. Table 5-14 shows the result of learning and growth performance dimension.

Table: 5-14: Analysis of the dimension of Learning and Growth Performance

Number	Paragraph	Mean	Standard deviation	Degree	Rank
1	The results of the bank are extremely satisfactory for the employees	3.37	0.92	Moderate	1
2	There is continuous decrease in employee turnover rate	3.14	0.96	Moderate	4
3	The bank takes employee suggestions with a high degree of attention	3.30	0.93	Moderate	2
4	The bank seeks to implement important proposals and rewards them	3.25	0.96	Moderate	3
Average		3.26	0.81	Moderate	

Paragraph one ranked as first in regarding to its importance with moderate degree, which is “The results of the bank are extremely satisfactory for the employees” with a statistical mean of 3.37 out of 5 (about 67%). This result means that there is a good possibility, from the employees' point of view, to achieve better results.

Paragraph three “The bank takes employee suggestions with a high degree of attention” ranked second in importance and with a moderate degree and a statistical mean of 3.30 out of 5 (about 66%). Based on this result, banks’ managers should pay more attention to employees’ notes and suggestions and take them seriously.

Paragraph four “The bank seeks to implement important proposals and rewards them” ranked third in importance and with a moderate degree and a statistical mean of 3.25 out of 5 (about 65%). This moderate result may affect the motivation of workers to create, think and present important proposals.

Paragraph two “There is continuous decrease in employee turnover rate” ranked third in importance and with a moderate degree and a statistical mean of 3.14 out of 5 (about 63%).

In general, the dimension of learning and growth performance has a moderate degree with a statistical mean of 3.26 out of 5 (about 65%). This finding is different from the results of the study of (Abu-Qamar, 2009) about evaluating the performance of Bank of Palestine using the balanced scorecard, which indicates a high learning and growth performance in the Bank of Palestine, in which the bank makes continuous improvements in providing banking services to customers to ensure excellence in service provision and thus ensure customer loyalty, the percentage of employees whose presence in the bank is an added value increases, the percentage of employees who leave work and move to other places is small, and each employee submits a multiple of improvement and development proposals to the bank annually. Also, this study doesn't agree with the results of the study of (Alkhasawneh, 2013) which indicates a high degree of learning and growth performance dimension in Jordanian banks.

5-3-2-5 Performance Levels for Banks

Table 5-15 shows the summary of the levels of performance dimensions in Palestinian banks (Financial, Customer service, Internal Operation, and Learning and Growth).

Table: 5-15: Performance levels for banks

Number	Paragraph	Mean	Standard deviation	Degree	Rank
1	Financial Performance	3.82	0.66	High	1
2	Customer service Performance	3.73	0.76	High	2
3	Internal Operation Performance	3.61	0.71	High	3
4	Learning and Growth Performance	3.26	0.81	Moderate	4
	Average	3.61	0.62	High	

The first dimension “financial performance” ranked first with a high degree and a statistical mean of 3.82 out of 5 (about 76%). Whereas the second dimension “customer service performance” ranked second with a high degree and a statistical mean of 3.73 out of 5 (about 75%). In addition, the third dimension “internal operation performance” ranked third with a high degree and a statistical mean of 3.61 out of 5 (about 72%). Finally, the fourth dimension “learning and growth performance” ranked last with a moderate degree with a statistical mean of 3.26 out of 5 (about 65%).

In general, the level of performance in Palestinian banks in this study has a high degree and a statistical mean of 3.61 out of 5 (about 72%). The previous analysis achieved the second sub-objective of this study “Identify the level of performance of banks that implement strategic planning with respect to financial performance, customer service performance, internal business process performance and learning and growth”. However, the learning and growth performance at banks is lower than the other dimensions indicating that Palestinian banks has lower degree of learning and growth performance comparing to the Jordanian banks according to (Alkhasawneh, 2013).

5-4 Hypothesis Testing and Discussions

Hypothesis 1: There is a direct relationship (at $\alpha \leq 0.05$) between strategic planning and financial performance of Banks in Palestine.

Spearman correlation was performed to test this hypothesis, that examine if there is a significant direct relationship between strategic planning and financial performance of Banks in Palestine. The test results are shown in table 5-16.

Table: 5-16: Spearman's correlation test between financial performance and strategic planning

		Mission	goals	Analysis	Choice	Strategic Planning
Financial Performance	Correlation	0.402	0.553	0.547	0.557	0.584
	Coefficient					
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000
	N	104	104	104	104	104

The Spearman correlation test in table 5-16 indicates that there is a positive significant relationship between all dimensions of strategic planning (Mission, goals, analysis, and choice) and financial performance since the p-value of the test is less than (0.05). Also, there is a positive significant relationship between the strategic planning and financial performance since the p-value of the test is less than (0.05), and with correlation of about (0.58). This result is consistent with the paper of (Donkor et al, 2017) about the effect of strategic planning on family business performance in Ghana, which indicates that there is a positive effect for strategic planning on the financial performance. Also, the result is consistent with the paper of (Efendioglu and Karabulut, 2010) about companies in Turkey which reveals that there is a positive correlation between strategic planning and performance. In addition, the result is consistent with the study of (Alhakem. et al, 2013) about the strategic planning and its effect on financial performance in a Sudan bank, which indicate that there is a significant effect for strategic planning on the achievement of financial goals for the bank, and the strategic planning also helped the bank's management in allocating part of its resources to train employees to carry out their work in the highest possible quality and efficiency.

Furthermore, this is consistent with the paper of (Jarjar and Aljatry, 2017) about commercial banks in Libya, which indicates that strategic planning in Libyan commercial banks has significantly positive effect on capital efficiency, the degree of liquidity, asset quality, and degree of profitability. Moreover, this is consistent with the paper of (Alghalbi and Almalki, 2018) about Iraqi oil company, which indicates that there is a positive significant effect for strategic planning on the financial performance.

Hypothesis 2: There is a direct relationship (at $\alpha \leq 0.05$) between strategic planning and customer service performance of Banks in Palestine.

Spearman correlation was performed to test this hypothesis, that examines if there is a significant direct relationship between strategic planning and customer service performance of Banks in Palestine. The test results are shown in table 5-17.

Table: 5-17: Spearman's correlation test between customer service performance and strategic planning

		Mission	goals	Analysis	Choice	Strategic Planning
Customer Service Performance	Correlation	0.226	0.436	0.425	0.542	0.476
	Coefficient					
	Sig. (2-tailed)	0.021	0.000	0.000	0.000	0.000
	N	104	104	104	104	104

The Spearman correlation test in table 5-17 indicates that there is a positive significant relationship between all dimensions of strategic planning (Mission, goals, analysis, and choice) and customer service performance since the p-value of the test is less than (0.05). Also, there is a positive significant relationship between the strategic planning and customer service performance since the p-value of the test is less than (0.05), and

with correlation of about (0.48). This result is consistent with the outcomes of the paper of (Mohammad and Hamza, 2020) about Algerian commercial banks, which indicates that there is a positive significant effect of strategic planning on client's satisfaction. Also this is consistent with the outcomes of the paper of (Abed-Aljaber, 2015) about Sudan commercial bank, which concluded that there is a positive effect of strategic planning on client's loyalty and satisfaction. In addition, this is consistent with the outcomes of the paper of (Ali, 2019) about Jordan Telecom Company, which indicates that there is a positive effect of strategic planning on the quality of services provided to customers. Moreover, this is consistent with the paper of (Alghalbi and Almalki, 2018) about Iraqi Oil Company, which indicates that there is a positive significant effect for strategic planning on the customer service performance.

Hypothesis 3: There is a direct relationship (at $\alpha \leq 0.05$) between strategic planning and internal business process performance of Banks in Palestine.

Spearman correlation was performed to test this hypothesis, that examine if there is a significant direct relationship between strategic planning and internal operation performance of Banks in Palestine. The test results are shown in table 5-18.

Table: 5-18: Spearman's correlation test between internal operation performance and strategic planning

		Mission	goals	Analysis	Choice	Strategic Planning
Internal operation Performance	Correlation	0.451	0.527	0.613	0.638	0.676
	Coefficient					
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000
	N	104	104	104	104	104

The Spearman correlation test in table 5-18 indicate that there is a positive significant relationship between all dimensions of strategic planning (Mission, goals, analysis, and choice) and internal operation performance since the p-value of the test is less than (0.05). Also there is a positive significant relationship between the strategic planning and internal operation performance since the p-value of the test is less than (0.05), and with correlation of about (0.68). This is consistent with the paper of (Jarjar and Aljatry, 2017) about commercial banks in Libya, which indicates that strategic planning in Libyan commercial banks has a significant role in determining the vision of the bank, and defining the general framework for its practices and working operations. In addition, this is consistent with the paper of (Beldjazia et al, 2019) about telecommunication companies in Algeria, which indicates that there is a positive significant effect for competitive strategy on the internal operation performance. Moreover, this is consistent with the paper of (Alghalbi and Almalki, 2018) about Iraqi oil company, which indicates that there is a positive significant effect for strategic planning on the internal operations performance.

Hypothesis 4: There is a direct relationship (at $\alpha \leq 0.05$) between strategic planning and learning and growth performance of Banks in Palestine.

Spearman correlation was performed to test this hypothesis, that examine if there is a significant direct relationship between strategic planning and learning and growth performance of Banks in Palestine. The test results are shown in table 5-19.

Table: 5-19: Spearman's correlation test between learning and growth performance and strategic planning

		Mission	goals	Analysis	Choice	Strategic Planning
Learning and Growth Performance	Correlation	0.227	0.592	0.466	0.509	0.529
	Coefficient					
	Sig. (2-tailed)	0.020	0.000	0.000	0.000	0.000
	N	104	104	104	104	104

The Spearman correlation test in table 5-19 indicate that there is a positive significant relationship between all dimensions of strategic planning (Mission, goals, analysis, and choice) and learning and growth performance since the p-value of the test is less than (0.05). Also there is a positive significant relationship between the strategic planning and learning and growth performance since the p-value of the test is less than (0.05), and with correlation of about (0.53). This result is consistent with the study of (Hakala & Kauranen, 2009) about small and medium-sized companies in Finland, which found that appropriate strategic planning has an important role in the growth of small and medium companies. In addition, this is consistent with the paper of (Beldjazia et al, 2019) about telecommunication companies in Algeria, which indicates that there is a positive significant effect for competitive strategy on the learning and growth performance. Moreover, this is consistent with the paper of (Alghalbi and Almalki, 2018) about Iraqi oil company, which indicates that there is a positive significant effect for strategic planning on the learning and growth performance.

Hypothesis 5: There is a direct relationship (at $\alpha \leq 0.05$) between strategic planning and overall performance of Banks in Palestine.

Spearman correlation was performed to test this hypothesis, that examine if there is a significant direct relationship between strategic planning and overall performance of Banks in Palestine. The test results are shown in table 5-20.

Table: 5-20: Spearman's correlation test between total performance and strategic planning

		Mission	goals	Analysis	Choice	Strategic Planning
Total	Correlation	0.371	0.634	0.572	0.651	0.654
	Coefficient					
Performance	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000
	N	104	104	104	104	104

The Spearman correlation test in table 5-20 indicate that there is a positive significant relationship between all dimensions of strategic planning (Mission, goals, analysis, and choice) and overall performance since the p-value of the test is less than (0.05). Also there is a positive significant relationship between the strategic planning and overall performance since the p-value of the test is less than (0.05), and with correlation of about (0.65). This is consistent with the paper of (Jarjar and Aljatry, 2017) about commercial banks in Libya, which indicates that strategic planning in Libyan commercial banks has significant positive effect on the overall performance, especially when supervised by senior management. In addition, this is consistent with the paper of (Beldjazia et al, 2019) about telecommunication companies in Algeria, which indicates

that there is a positive significant effect for competitive strategy on the overall performance. Moreover, this is consistent with the paper of (Alghalbi and Almalki, 2018) about Iraqi oil company, which indicates that there is a positive significant effect for strategic planning on the overall performance.

Hypothesis 6: There is a statistical significant effect at 5% level of significance of the strategic planning dimensions on the total performance of Banks in Palestine.

Multiple regression was performed to test this hypothesis, that examines if there is a significant effect of the dimensions of strategic planning on the overall performance of Banks in Palestine. The regression results are shown in table 5-21.

Table: 5-21: Multiple regression results between total performance and strategic planning dimensions

Independent Variable	B	Std. Error	t	Sig.
(Constant)	0.473	0.390	1.213	0.228
Mission	-0.170	0.105	-1.619	0.109
Goals	0.347	0.113	3.058	0.003
Analysis	0.158	0.128	1.238	0.218
Choice	0.466	0.130	3.594	0.001
R	0.708			
R ²	0.502			
Adjusted R ²	0.482			
Std. Error of the Estimate	0.4482			

From the regression results in table 5-21, the below equation can be written:

$$\text{Overall performance} = 0.473 - 0.170 * \text{Mission} + 0.347 * \text{Goals} + 0.158 * \text{Analysis} \\ + 0.466 * \text{Choice}$$

Model Diagnosis

The following tests were conducted to examine if the estimation fulfills the assumptions of ordinary least square method (OLS), which is widely used to estimate the coefficients of linear multiple regression.

- **The Normality of Error Term (Residuals)**

The histogram of the residuals for the dependent variable (overall performance) in figure 5-1 shows that the error term is normally distributed, and the error mean approximately equals 0.

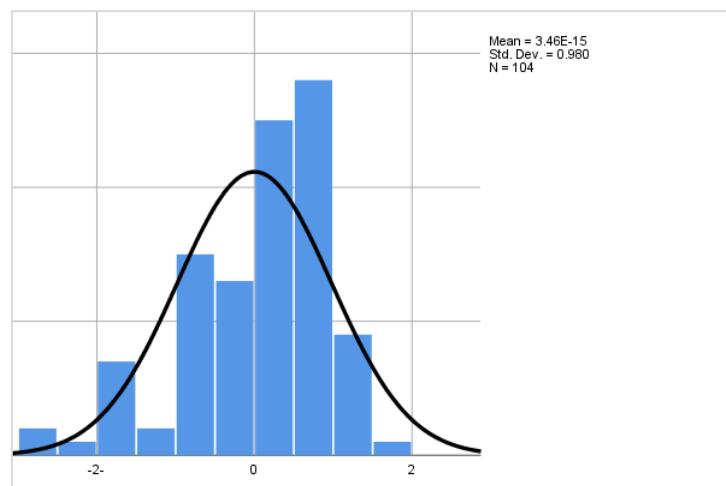


Figure 5-1: Histogram of Residuals for total performance

- **Heteroscedasticity**

The plot of residuals for the dependent variable (overall performance) in figure 5-2 shows that the error term has a constant variance since all the values around 0, which means that there is no heteroscedasticity problem.

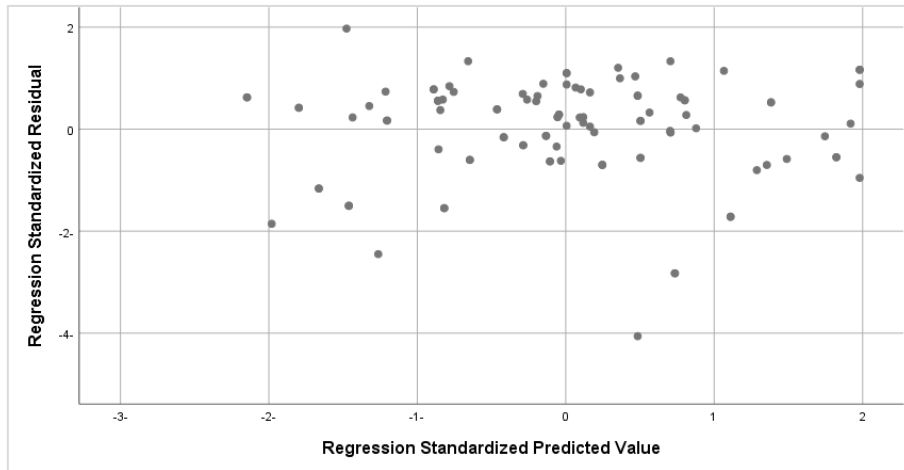


Figure 5-2: Plot of Residuals of total performance

- **Multicollinearity**

Table 5-22 shows the variance inflated factor (VIF) for the regression, which is less than 5 for all independent variables, so we can conclude that there is no multicollinearity problem in the regression model.

Table: 5-22: Multicollinearity test for the model

	Tolerance	VIF
Mission	0.591	1.693
Goals	0.446	2.241
Analysis	0.349	2.865
Choice	0.385	2.595

Regression Results

Based on the results of the diagnosis tests for model, we can conclude that the model fulfills the assumption of OLS method, and the estimated coefficients are efficient, consistent, and unbiased.

The value of the R^2 for the regression model is about 50%, which means that the four dimensions for strategic planning explains about 50% of the variation in the overall performance.

From the outcomes of the regression in table 5-21, we can conclude the following:

- There is no significant effect for the strategic mission on the overall performance, holding the other three dimensions constant.
- There is significant positive effect for the Strategic Goals on the overall performance, holding the other three dimensions constant, and we can explain the coefficient by as strategic goals level rise by one degree, the overall performance will rise by about 0.35 degree.
- There is no significant effect for the strategic analysis on the overall performance, holding the other three dimensions constant.
- There is significant positive effect for the strategic choice on the overall performance, holding the other three dimensions constant, and we can explain the coefficient by as strategic choice level rise by one degree, the overall performance will rise by about 0.47 degree.

The previous analysis achieved the main objective of this study “the impact of strategic planning on the performance of banks in Palestine”.

Hypothesis 7: There are significant statistical differences at 5% level of significance in the answers of respondents about the level of strategic planning in the banks related to gender, age, education level, and experience.

The non-parametric test of Mann-Whitney was performed to test if there are statistical differences at 5% level of significance in the answers of respondents about the level of strategic planning in the banks related to gender, since this test is used to test the

relationships between scale variable (level of strategic planning) and categorical variable with only two groups (gender). While the non-parametric test of Kruskal-Wallis was performed to test the differences related to age, education level, and experience.

Gender

Table 5-23 shows the results of Mann-Whitney test for the differences at 5% level of significance in the answers of respondents about the level of strategic planning in the banks related to gender.

Table: 5-23: Mann-Whitney U nonparametric test results between strategic planning dimensions and gender

	Mean Rank		Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2- tailed)
	Male	Female				
Mission	56.06	44.50	896.000	1424.000	-1.841	0.066
Goals	54.28	48.50	1024.000	1552.000	-0.909	0.363
Analysis	55.60	45.52	928.500	1456.500	-1.585	0.113
Choice	55.14	46.56	962.000	1490.000	-1.350	0.177

From the results of Mann-Whitney test in table 5-23, we can conclude the following:

- There are no significant differences in the answers of the respondents about the level of strategic mission due to gender since the p-value of the test is more than (5%).
- There are no significant differences in the answers of the respondents about the level of strategic goals due to gender since the p-value of the test is more than (5%).
- There are no significant differences in the answers of the respondents about the level of strategic analysis due to gender since the p-value of the test is more than (5%).

- There are no significant differences in the answers of the respondents about the level of strategic choice due to gender since the p-value of the test is more than (5%).

Age

Table 5-24 shows the results of Kruskal-Wallis test for the differences at 5% level of significance in the answers of respondents about the level of strategic planning in the banks related to age.

Table: 5-24: Kruskal-Wallis H nonparametric test results between strategic planning dimensions and age

	Mean Rank				Kruskal-Wallis H	df	Asymp. Sig
	<30	30-39	40-49	50+			
Mission	43.27	57.21	46.66	59.64	4.726	3	0.193
Goals	48.25	51.83	60.71	48.93	2.003	3	0.572
Analysis	49.70	52.72	55.11	52.43	0.338	3	0.953
Choice	49.05	55.12	54.32	37.5	2.555	3	0.465

From the results of Kruskal-Wallis test in table 5-24, we can conclude the following:

- There are no significant differences in the answers of the respondents about the level of strategic mission due to age since the p-value of the test is more than (5%).
- There are no significant differences in the answers of the respondents about the level of strategic goals due to age since the p-value of the test is more than (5%).
- There are no significant differences in the answers of the respondents about the level of strategic analysis due to age since the p-value of the test is more than (5%).
- There are no significant differences in the answers of the respondents about the level of strategic choice due to age since the p-value of the test is more than (5%).

Education Level

Table 5-25 shows the results of Kruskal-Wallis test for the differences at 5% level of significance in the answers of respondents about the level of strategic planning in the banks related to education level.

Table: 5-25: Kruskal-Wallis H nonparametric test results between strategic planning dimensions and education level

	Mean Rank			Kruskal-Wallis H	df	Asymp. Sig
	Diploma	BA	Master			
Mission	22.50	55.26	36.83	6.222	2	0.045
goals	83.50	52.71	45.79	2.755	2	0.252
Analysis	74.00	52.27	50.67	1.080	2	0.583
Choice	86.00	52.65	45.79	3.118	2	0.210

From the results of Kruskal-Wallis test in table 5-25, we can conclude the following:

- There are significant differences in the answers of the respondents about the level of strategic mission due to education level since the p-value of the test is less than (5%). This result means that respondents with bachelor's degree indicates that there is higher strategic mission compared to others.
- There are no significant differences in the answers of the respondents about the level of strategic goals due to education level since the p-value of the test is more than (5%).
- There are no significant differences in the answers of the respondents about the level of strategic analysis due to education level since the p-value of the test is more than (5%).

- There are no significant differences in the answers of the respondents about the level of strategic choice due to education level since the p-value of the test is more than (5%).

Experience

Table 5-26 shows the results of Kruskal-Wallis test for the differences at 5% level of significance in the answers of respondents about the level of strategic planning in the banks related to experience.

Table: 5-26: Kruskal-Wallis H nonparametric test results between strategic planning dimensions and experience

	Mean Rank				Kruskal-Wallis H	df	Asymp. Sig
	<=3	4-5	6 -10	10+			
Mission	39.50	53.63	60.69	51.20	4.520	3	0.211
goals	50.50	34.31	57.93	52.90	3.908	3	0.272
Analysis	54.25	11.19	57.17	55.72	16.561	3	0.001
Choice	47.17	12.75	62.41	54.51	17.750	3	0.000

From the results of Kruskal-Wallis test in table 5-26, we can conclude the following:

- There are no significant differences in the answers of the respondents about the level of strategic mission due to experience since the p-value of the test is more than (5%).
- There are no significant differences in the answers of the respondents about the level of strategic goals due to experience since the p-value of the test is more than (5%).
- There are significant differences in the answers of the respondents about the level of strategic analysis due to experience since the p-value of the test is less than (5%). This result means that respondents with experience from 4 to 5 years indicates that there is lower strategic analysis compared to others.
- There are significant differences in the answers of the respondents about the level of strategic choice due to experience since the p-value of the test is less than (5%). This result means that respondents with experience from 4 to 5 years indicates that there is lower strategic choice compared to others.

Hypothesis 8: There are significant statistical differences at 5% level of significance in the answers of respondents about the level of performance in the banks related to gender, age, education level, and experience.

The non-parametric test of Mann-Whitney was performed to test if there are statistical differences at 5% level of significance in the answers of respondents about the level of performance in the banks related to gender, while the non-parametric test of Kruskal-Wallis was performed to test the differences related to age, education level, and experience.

Gender

Table 5-27 shows the results of Mann-Whitney test for the differences at 5% level of significance in the answers of respondents about the level of overall performance in the banks related to gender.

Table: 5-27: Mann-Whitney U nonparametric test results between overall performance and gender

	Mean Rank		Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2-tailed)
	Male	Female				
Performance	53.53	50.17	1077.50	1605.50	-0.525	0.600

From the results of Mann-Whitney test in table 5-27, we can conclude that there are no significant differences in the answers of the respondents about the level of overall performance due to gender since the p-value of the test is more than (5%).

Age

Table 5-28 shows the results of Kruskal-Wallis test for the differences at 5% level of significance in the answers of respondents about the level of overall performance in the banks related to age.

Table: 5-28: Kruskal-Wallis H nonparametric test results between overall performance and age

	Mean Rank				Kruskal-Wallis H	df	Asymp. Sig
	<30	30-39	40-49	50+			
Performance	42.89	54.03	65.29	35.79	7.947	3	0.047

From the results of Kruskal-Wallis test in table 5-28, we can conclude that there are significant differences in the answers of the respondents about the level of overall performance due to age since the p-value of the test is less than (5%). This result means that respondents with age from 40 to 49 years indicates that there is higher performance compared to others.

Education Level

Table 5-29 shows the results of Kruskal-Wallis test for the differences at 5% level of significance in the answers of respondents about the level of overall performance in the banks related to education level.

Table: 5-29: Kruskal-Wallis H nonparametric test results between overall performance and education

	Mean Rank			Kruskal-Wallis H	df	Asymp. Sig
	Diploma	BA	Master			
Performance	26.5	53.60	48.58	1.809	2	0.405

From the results of Kruskal-Wallis test in table 5-29, we can conclude that there are no significant differences in the answers of the respondents about the level of overall performance due to education level since the p-value of the test is more than (5%).

Experience

Table 5-30 shows the results of Kruskal-Wallis test for the differences at 5% level of significance in the answers of respondents about the level of overall performance in the banks related to experience.

Table: 5-30: Kruskal-Wallis H nonparametric test results between overall performance and experience

	Mean Rank				Kruskal-Wallis H	df	Asymp. Sig
	<=3	4-5	6 -10	10+			
Performance	31.67	19.06	65.31	55.51	21.006	3	0.000

From the results of Kruskal-Wallis test in table 5-30, we can conclude that there are significant differences in the answers of the respondents about the level of overall performance due to experience since the p-value of the test is less than (5%). This result means that respondents with experience from 4 to 5 years indicates that there is lower performance compared to others.

Chapter 6

Conclusions and Recommendations

6.1 Overview

In this thesis, the impact of strategic planning on the performance of Palestinian banks was studied initially by reviewing the literature, and then by collecting data from five biggest banks in Palestine through a questionnaire designed for this purpose. Following the statistical analysis of the data collected, and the interpretation of the outcomes and comparing them with previous literature, this chapter provides a set of conclusions and recommendations.

6.2 Conclusions

The study showed that the managers and high-level employees in Palestinian banks claim that there is a good level of strategic planning in their banks, and this study found a good positive correlation between that level and the performance level of those banks. But it cannot conclusively assert that there is a direct causal relationship of strategic planning to performance, as this requires conducting experimental studies to prove that relationship.

This study has achieved all its objectives and provided answers to all its questions, where the study first concluded that there is a high level of strategic planning in the banks participated in the study, from the point of view of managers and senior employees, and secondly, it found a good level in the banks' performance, where performance was high in the dimensions of financial, customer service, and internal operations, while the performance was moderate in the learning and growth dimension. Later, the study concluded that there is a positive relationship between strategic

planning and the four dimensions of performance. Based on the results of this study, it is necessary to know the appropriate strategic practices to raise the level of performance in banks in general, and in particular the level of learning and growth.

Below are the results of the study classified as follows: results related to the independent variable of strategic planning level, results related to the dependent variable of performance of banks, and results related to the test of hypothesis.

6.2.1 Results related to the independent variable of strategic planning level

- The findings show that there is a **high** degree in the Palestinian banks in the existence of strategic mission for the banks with statistical mean 4.1 out of 5 (relative weight with 82%).
- The findings show that there is a **high** degree in the Palestinian banks in the existence of strategic goals for the banks with statistical mean 3.8 out of 5 (relative weight with 76%).
- The findings show that there is a **high** degree in the Palestinian banks in the existence of strategic analysis in the banks with statistical mean 3.99 out of 5 (relative weight with 80%).
- The findings show that there is a **high** degree in the Palestinian banks in the existence of strategic choice in the banks with statistical mean 4.03 out of 5 (relative weight with 81%).
- The findings show that there is a **high** degree in the Palestinian banks in the existence of strategic planning in the banks with statistical mean 3.98 out of 5 (relative weight with 80%).

6.2.2 Results related to the dependent variable of performance of banks

- The findings show that there is a **high** degree for the financial performance in the Palestinian banks with statistical mean 3.82 out of 5 (relative weight with 76%).
- The findings show that there is a **high** degree for the customer service performance in the Palestinian banks with statistical mean 3.73 out of 5 (relative weight with 75%).
- The findings show that there is a **high** degree for the internal operation performance in the Palestinian banks with statistical mean 3.61 out of 5 (relative weight with 72%).
- The findings show that there is a **moderate** degree for the learning and growth performance in the Palestinian banks with statistical mean 3.26 out of 5 (relative weight with 65%).
- The findings show that there is a **high** degree for the performance levels of the Palestinian banks with statistical mean 3.61 out of 5 (relative weight with 72%).

6.2.3 Results related to testing the hypothesis

1. Results related to the first hypothesis of “there is a direct relationship (at $\alpha \leq 0.05$) between strategic planning and financial performance of Banks in Palestine”.

- The results show that there is a positive significant relationship (at $\alpha \leq 0.05$) between the level of strategic mission in Palestinian banks and financial performance, with a correlation coefficient of (0.402).

- The results show that there is positive significant relationship (at $\alpha \leq 0.05$) between the level of strategic goals in Palestinian banks and financial performance, with a correlation coefficient of (0.553).
- The results show that there is positive significant relationship (at $\alpha \leq 0.05$) between the level of strategic analysis in Palestinian banks and financial performance, with a correlation coefficient of (0.547).
- The results show that there is positive significant relationship (at $\alpha \leq 0.05$) between the level of strategic choice in Palestinian banks and financial performance, with a correlation coefficient of (0.557).
- The results show that there is positive significant relationship (at $\alpha \leq 0.05$) between the level of strategic planning in Palestinian banks and financial performance, with a correlation coefficient of (0.584).

2. Results related to the second hypothesis of “there is a direct relationship (at $\alpha \leq 0.05$) between strategic planning and customer service performance of Banks in Palestine”.

- The results show that there is positive significant relationship (at $\alpha \leq 0.05$) between the level of strategic mission in Palestinian banks and customer service performance, with a correlation coefficient of (0.226).
- The results show that there is positive significant relationship (at $\alpha \leq 0.05$) between the level of strategic goals in Palestinian banks and customer service performance, with a correlation coefficient of (0.436).

- The results show that there is positive significant relationship (at $\alpha \leq 0.05$) between the level of strategic analysis in Palestinian banks and customer service performance, with a correlation coefficient of (0.425).
- The results show that there is positive significant relationship (at $\alpha \leq 0.05$) between the level of strategic choice in Palestinian banks and customer service performance, with a correlation coefficient of (0.542).
- The results show that there is positive significant relationship (at $\alpha \leq 0.05$) between the level of strategic planning in Palestinian banks and customer service performance, with a correlation coefficient of (0.476).

3. Results related to the third hypothesis of “there is a direct relationship (at $\alpha \leq 0.05$) between strategic planning and internal business process performance of Banks in Palestine”.

- The results show that there is positive significant relationship (at $\alpha \leq 0.05$) between the level of strategic mission in Palestinian banks and internal business process performance, with a correlation coefficient of (0.451).
- The results show that there is positive significant relationship (at $\alpha \leq 0.05$) between the level of strategic goals in Palestinian banks and internal business process performance, with a correlation coefficient of (0.527).
- The results show that there is positive significant relationship (at $\alpha \leq 0.05$) between the level of strategic analysis in Palestinian banks and internal business process performance, with a correlation coefficient of (0.613).

- The results show that there is positive significant relationship (at $\alpha \leq 0.05$) between the level of strategic choice in Palestinian banks and internal business process performance, with a correlation coefficient of (0.638).
- The results show that there is positive significant relationship (at $\alpha \leq 0.05$) between the level of strategic planning in Palestinian banks and internal business process performance, with a correlation coefficient of (0.676).

4. Results related to the fourth hypothesis of “there is a direct relationship (at $\alpha \leq 0.05$) between strategic planning and learning and growth performance of Banks in Palestine”.

- The results show that there is positive significant relationship (at $\alpha \leq 0.05$) between the level of strategic mission in Palestinian banks and learning and growth performance, with a correlation coefficient of (0.227).
- The results show that there is positive significant relationship (at $\alpha \leq 0.05$) between the level of strategic goals in Palestinian banks and learning and growth performance, with a correlation coefficient of (0.592).
- The results show that there is positive significant relationship (at $\alpha \leq 0.05$) between the level of strategic analysis in Palestinian banks and learning and growth performance, with a correlation coefficient of (0.466).
- The results show that there is positive significant relationship (at $\alpha \leq 0.05$) between the level of strategic choice in Palestinian banks and learning and growth performance, with a correlation coefficient of (0.509).

- The results show that there is positive significant relationship (at $\alpha \leq 0.05$) between the level of strategic planning in Palestinian banks and learning and growth performance, with a correlation coefficient of (0.529).

5. Results related to the fifth hypothesis of “there is a direct relationship (at $\alpha \leq 0.05$) between strategic planning and overall performance of Banks in Palestine”.

- The results show that there is positive significant relationship (at $\alpha \leq 0.05$) between the level of strategic mission in Palestinian banks and overall performance, with a correlation coefficient of (0.371).
- The results show that there is positive significant relationship (at $\alpha \leq 0.05$) between the level of strategic goals in Palestinian banks and overall performance, with a correlation coefficient of (0.634).
- The results show that there is positive significant relationship (at $\alpha \leq 0.05$) between the level of strategic analysis in Palestinian banks and overall performance, with a correlation coefficient of (0.572).
- The results show that there is positive significant relationship (at $\alpha \leq 0.05$) between the level of strategic choice in Palestinian banks and overall performance, with a correlation coefficient of (0.651).
- The results show that there is positive significant relationship (at $\alpha \leq 0.05$) between the level of strategic planning in Palestinian banks and overall performance, with a correlation coefficient of (0.654).

6. Results related to the sixth hypothesis of “there is a statistical significant effect at 5% level of significance of the strategic planning dimensions on the total performance of Banks in Palestine”.

From the outcomes of the multiple regression model, we can conclude the following:

- There is significant positive effect for the strategic mission on the overall performance, holding the other three dimensions constant, and we can explain the coefficient by: as strategic goals level rise by one degree, the overall performance will rise by about 0.35 degree.
- There is significant positive effect for the strategic choice on the overall performance, holding the other three dimensions constant, and we can explain the coefficient by: as strategic choice level rise by one degree, the overall performance will rise by about 0.45 degree.

7. Results related to the seventh hypothesis of “There are significant statistical differences at 5% level of significance in the answers of respondents about the level of strategic planning in the banks related to gender, age, education level, and experience”.

- There are no significant differences (at $\alpha \leq 0.05$) in the answers of the respondents about the level of strategic mission, strategic goals, strategic analysis, and strategic choice due to gender.
- There are no significant differences (at $\alpha \leq 0.05$) in the answers of the respondents about the level of strategic mission, strategic goals, strategic analysis, and strategic choice due to age.

- There are significant differences (at $\alpha \leq 0.05$) in the answers of the respondents about the level of strategic mission due to education level, in the favor of respondents with bachelor's degree.
- There are no significant differences (at $\alpha \leq 0.05$) in the answers of the respondents about the level of strategic goals, strategic analysis, and strategic choice due to education level.
- There are no significant differences (at $\alpha \leq 0.05$) in the answers of the respondents about the level of strategic mission and strategic goals due to experience.
- There are significant differences (at $\alpha \leq 0.05$) in the answers of the respondents about the level of strategic analysis and strategic choice due to experience, in the favor of respondents with high and very low experience.

8. Results related to the eighth hypothesis of “There are significant statistical differences at 5% level of significance in the answers of respondents about the level of performance in the banks related to gender, age, education level, and experience”.

- there are no significant differences (at $\alpha \leq 0.05$) in the answers of the respondents about the level of overall performance due to gender.
- there are significant differences (at $\alpha \leq 0.05$) in the answers of the respondents about the level of overall performance due to age, in the favor of respondents with age from 40 to 49 years.
- there are no significant differences (at $\alpha \leq 0.05$) in the answers of the respondents about the level of overall performance due to education level.

- there are significant differences (at $\alpha \leq 0.05$) in the answers of the respondents about the level of overall performance due to experience, in the favor of respondents with high years of experience.

6.3 Recommendations

The study proposes the following recommendations:

It is recommended that Palestinian banks pay more attention to preparing long-term strategic plans and building multiple scenarios to choose the best ones according to the change, i.e. the external factors and the surrounding environment. In addition, it is recommended to involve employees in Palestinian banks in contributing to the preparation of strategic plans for banks, because they are the closest to bank customers, which helps in developing banking services and better meeting customers' needs. Moreover, Palestinian banks administrations are recommended to prepare strategic plans in a manner that ensures directing and unifying the efforts of all employees at their various levels of bank management.

On another note, it is recommended that Bank's management adopt fair and achievable strategic objectives that consider the market situation, the capabilities and qualifications of employees, the available capabilities, and possible changes. Therefore, Bank administrations should set and adopt clear policies for all employees to implement the strategic plan, in a way that ensures the participation of all employees without overlapping functional powers or not knowing the required tasks.

In terms of participatory approach to strategic planning, it is recommended that strategic plans of Palestinian banks include plans and mechanisms for how to develop human resources, in order to raise the level of skills and capabilities of employees, which leads to raising the level of performance of banks. On the same level, it is recommended that the management of Palestinian banks analyze the internal environment, to identify the strengths regularly and work to strengthen them, and identify the weaknesses in them, and work to address them. It is also recommended that the high management of

Palestinian banks pay attention to developing the elements of strategic planning in its various dimensions, because there is a positive impact of strategic planning on the performance of banks, as shown by the results of the study, as this will lead to achieving a distinguished performance for the Palestinian banks.

For the banks to ensure effective strategic planning, it is recommended that the management of banks, when preparing strategic plans, take into account historical data and information, and previous experiences of various variables. Moreover, the banks management should work on evaluating and reviewing the previous strategic plans before adopting any new strategic plan.

For cost efficiency, it is recommended that Palestinian banks work continuously to reduce operating expenses, by adopting stimulating strategic plans for the digital transition of banking services.

On customer service level, it is recommended that the management of Palestinian banks work on developing plans and mechanisms that work to continuously reduce the number of complaints from customers.

On learning and growth level, it is recommended that Bank management work to raise the level of learning and growth performance by adopting strategic plans that raise performance to a satisfactory level for employees, reduce employee turnover, take into account employee suggestions with a high degree of importance and work to implement and reward good suggestions.

Finally, this study recommends conducting a study dedicated to clarifying the impact of employees' participation in preparing strategic plans on the performance of Palestinian banks, and the achievement of their objectives.

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الجامعة العربية الأمريكية

ARAB AMERICAN UNIVERSITY

College of Postgraduate Studies Strategic Planning and Fundraising Master Program

استبيان لدراسة أثر التخطيط الاستراتيجي على الأداء في البنوك الفلسطينية

تقوم الباحثة ندين عماد الميمي الملتحقة في برنامج ماجستير التخطيط الاستراتيجي وتجنيد الاموال في كلية الدراسات العليا في الجامعة العربية الأمريكية وكجزء من رسالتها بإجراء مسح ميداني لدراسة أثر التخطيط الاستراتيجي على الأداء في البنوك الفلسطينية. وعليه نأمل من حضرتكم مساعدتها وذلك باستكمال الاستبيان ادناه. حيث سيتم استخدام كافة البيانات لأغراض البحث العلمي فقط. الوقت المقدر لإكمال هذا الاستبيان حوالي خمس دقائق

لمزيد من الاستفسارات والايضاحات يرجى التواصل مع الباحثة ندين الميمي كما يلي:

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القسم الأول: واقع التخطيط الاستراتيجي في البنوك

بناء على خبرتك في العمل المصرفي في البنك الحالي، نرجو من حضرتك أن تشير إلى درجة موافقتك على كل من العبارات التالية:

غير موافق جدا	غير موافق	محايد	موافق	موافق جدا	العبرة	
البعد الأول: الرسالة						
					1 تعتبر رسالة البنك واضحة لدى أفراد الإدارة العليا.	
					2 تعتبر رسالة البنك واضحة لدى الموظفين .	
					3 تتميز الرسالة بقدرتها على التكيف مع التغيرات المحيطة.	
					4 تعمل الرسالة على توجيه وتوحيد جهود جميع الموظفين في مختلف مستوياتهم الإدارية داخل البنك.	
البعد الثاني: الأهداف						
					5 تعمل إدارة البنك على تحديد الأهداف بشكل واضح ضمن رؤية واضحة لديها.	
					6 تقوم إدارة البنك بوضع أهداف عادلة وقابلة للتحقيق.	
					7 تشارك إدارة البنك الموظفين في وضع الخطة التنفيذية المساندة لتحقيق الاهداف الاستراتيجية.	
					8 تضع إدارة البنك سياسات واضحة لدى جميع الموظفين لتنفيذ الخطة الاستراتيجية.	
					9 تعمل إدارة البنك على تنمية الموارد البشرية بشكل مستمر.	

البعد الثالث: التحليل					
				10	تقوم إدارة البنك بتحليل البيئة الخارجية بشكل مستمر للتعرف على التهديدات، أو الفرص المتوفرة.
				11	تقوم إدارة البنك بتحليل البيئة الداخلية بشكل مستمر للتعرف على نقاط القوة والضعف لديها.
				12	تقوم إدارة البنك بتحليل المنافسين بشكل مستمر.
				13	تقوم إدارة البنك بتحليل العملاء بشكل مستمر.
				14	تعمل إدارة البنك على الاستعداد لمواجهة التهديدات أو المخاطر المحتملة.
				15	تعمل إدارة البنك على تحديد رؤية واضحة لتعزيز نقاط القوة، ومعالجة نقاط الضعف.
				16	تعمل إدارة البنك على استغلال الفرص المتاحة لتحقيق أهدافها الاستراتيجية.
				17	تأخذ إدارة البنك بعين الاعتبار البيانات والمعلومات التاريخية للمتغيرات المختلفة.
البعد الرابع: الخيار الاستراتيجي					
				18	تعمل إدارة البنك على وضع استراتيجيات وخطط بديلة مسبقاً.
				19	تقوم إدارة البنك بتطوير الاستراتيجيات للخدمات المختلفة بشكل مستمر وذلك لرفع مستوى جودة الخدمات المقدمة.
				20	تعمل إدارة البنك على تطوير استراتيجية التسويق والترويج بشكل مستمر.
				21	تلتزم إدارة البنك بجدول زمني محدد لتحقيق الأهداف الاستراتيجية.
				22	تعمل إدارة البنك على تقييم ومراجعة الخطط الاستراتيجية السابقة.
				23	تلتزم إدارة البنك بمؤشرات أداء واضحة لتقييم الخطة الاستراتيجية.
				24	تمتلك إدارة البنك مرونة كافية للتعامل مع المتغيرات الطارئة والتكيف معها.

القسم الثاني: أداء البنوك الفلسطينية

نرجو من حضرتك أن تشير إلى درجة موافقتك على توفر المميزات التالية في الخدمات المصرفية المقدمة.

العبرة					موافق جداً	موافق	محايد	غير موافق	غير موافق جداً		
البعد الأول: الأداء المالي											
										1	ترتفع الحصة السوقية للبنك بشكل سنوي
										2	ترتفع قاعدة المشتركين (العملاء) بشكل سنوي
										3	يرتفع العائد على رأس المال بشكل مستمر
										4	تتخفض تكاليف أداء العمليات التشغيلية بشكل مستمر
										5	تعتبر الإيرادات التي تم الحصول عليها من العملاء الجدد جزء مهم من إجمالي الإيرادات
البعد الثاني: أداء خدمة العملاء											
										6	تساهم سياسة الاتصال المباشر مع العملاء في زيادة ولاء العملاء بشكل كبير
										7	تسهم عملية الاهتمام بالعملاء الحاليين في كسب عملاء جدد بشكل ملحوظ

8	يوجد تناقص مستمر في عدد الشكاوى من قبل العملاء				
9	يوجد ارتفاع مستمر في عدد الملاحظات الايجابية من قبل العملاء				
البعد الثالث: أداء العمليات الداخلية					
10	تتسم العمليات الداخلية بالكفاءة والمرونة				
11	يتم تقديم خدمات إضافية للعملاء من وقت لآخر				
12	لا يوجد مشاكل متعلقة بالخدمات الالكترونية المقدمة				
13	يوجد انخفاض مستمر في وقت تقديم الخدمات والاستجابة للعملاء				
البعد الرابع: التعلم والنمو					
14	تعتبر نتائج البنك مرضية بشكل كبير بالنسبة للموظفين				
15	يوجد تناقص مستمر في معدل دوران الموظفين				
16	يأخذ البنك مقترحات الموظفين بدرجة عالية من الاهتمام				
17	يسعى البنك إلى تطبيق المقترحات الهامة ويكافأها				

القسم الثالث: المعلومات الشخصية

يرجى الاجابة عن الاسئلة التالية بوضع اشارة (X) في المكان المناسب

1. العمر

أقل من 30 سنة 30 – 39 سنة 40 – 49 سنة 50 سنة فأكثر

2. الجنس :

ذكر انثى

3. المستوى التعليمي:

أقل من ثانوية عامة ثانوية عامة دبلوم متوسط بكالوريوس
 ماجستير دكتوراة

4. الخبرة العملية

3 سنوات فأقل 4-5 سنوات 5-10 سنوات أكثر من 10 سنوات

5. المستوى الوظيفي

موظف رئيس وحدة رئيس قسم مدير دائرة
 مدير عام غير ذلك

مع فائق الشكر

الملخص

نظرا للمشاكل التي تواجه البنوك نتيجة للتطورات والتغيرات العالمية السريعة في البيئة التشغيلية، أصبحت المسؤولية أكبر على الإدارة للحفاظ على أداء البنك وتحسينه في جميع المجالات، وبما أن عملية التخطيط الاستراتيجي تشمل مراحل متعددة التي تمكن أي مؤسسة من تلبية جميع المتطلبات في أي ظرف من الظروف، من الضروري تطبيق التخطيط الاستراتيجي في جميع البنوك.

هدفت هذه الدراسة لبحث أثر التخطيط الاستراتيجي على الأداء في البنوك الفلسطينية. اعتمد الباحث على المنهج الوصفي التحليلي للوصول إلى تعميمات ذات قيمة مضافة للمعرفة والعلوم. كانت مصادر جمع المعلومات والبيانات اللازمة لهذه الدراسة هي البيانات الأولية والثانوية. ولتحقيق أهداف الدراسة تم توزيع استبيان على الموظفين في المناصب العليا (رئيس قسم وما فوق) في خمسة بنوك رئيسية عاملة في فلسطين وهي: بنك فلسطين، البنك العربي، البنك الوطني، بنك القدس، والبنك الإسلامي الفلسطيني.

واستنتجت الدراسة إلى وجود مستوى عال من التخطيط الاستراتيجي في البنوك المشاركة في الدراسة من وجهة نظر المديرين وكبار الموظفين، وثانياً وجدت مستوى جيداً في أداء البنوك، حيث كان الأداء عاليًا في الأبعاد المالية وخدمة العملاء والعمليات الداخلية، وكان متوسطاً في بعد التعلم والنمو. كما استنتجت الدراسة إلى وجود علاقة إيجابية بين التخطيط الاستراتيجي وأبعاد الأداء الأربعة.

وبناءً على نتائج هذه الدراسة، أوصى الباحث بضرورة إشراك العاملين في البنوك في إعداد الخطط الاستراتيجية، كما يجب على إدارة البنوك الفلسطينية أن تولي اهتماماً أكبر في تطوير عناصر التخطيط الاستراتيجي لأن هناك أثراً إيجابياً للتخطيط الاستراتيجي على الأداء في البنوك.