



**Arab American University
Faculty of Graduate Studies**

The Impact of Strategic Planning on the Operational Performance of Islamic Banks in Palestine

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**This Thesis is Submitted in Partial Fulfillment of the
Requirements of Master`s Degree in Strategic Planning
and Fundraising**

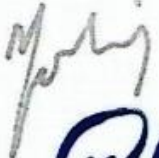


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Thesis approval

The Impact of Strategic Planning on the Operational Performance of Islamic Banks in Palestine

This thesis was defended successfully on 1/3/2021 and approved by:

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Declaration

I declare that this Master dissertation has been composed by me and is based on my own work, unless stated otherwise. I confirm that this Master's thesis is my own work and I have documented all sources and material used; no other person's work has been used without due acknowledgement.

All references and verbatim extracts have been quoted, and all sources of information, including graphs and data sets, have been specifically acknowledged. To my best knowledge, this Master dissertation has not been accepted in any other previous application for a degree, in whole or in part.

Name: Mahmoud Nazzal

Date: 1/3/2021

Signature:



Dedication

I dedicate this thesis to my parents, brothers, sisters, wife and children .

To all my family and my friends and to those who have always ensured the importance of education.

Special dedication to my supervisor **Dr. Mohammad Abu Sharbeh** who supervised my thesis and looked after it all the time. His efforts are highly appreciated.

Acknowledgement

I would like to express my gratitude to Almighty Allah for enabling me to complete this research. I thank everyone who supported my study. I am also thankful to the people who have made the essential information accessible to me. My appreciation especially goes to my supervisor, **Dr. Mohammad Abu Sharbeh**. And finally, I would like to deliver my sincere thanks to my university, colleagues and friends.

Abstract

The Impact of Strategic Planning on the Operational Performance of Islamic Banks in Palestine

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Strategic planning plays an important role in developing the operational performance, improving the efficiency and effectiveness of the organizations especially Islamic banks, by providing the ability to control resources, respond effectively to environmental changes, and enhancing the bank ability to develop strategies through which the Islamic banks realize operational performance. This study focuses on the impact of strategic planning on the operational performance of the Islamic banks in Palestine. The study utilized the descriptive-analytical approach to reach the results; a structured questionnaire was used as data collection tool to collect the main data from (100) directors, deputies and assistants in the Islamic banks in Palestine. The study results showed a high level of strategic planning and operational performance in the Islamic banks in Palestine, and that there is a positive impact of strategic planning on operational performance in these banks. The results also showed that there are significant statistical differences in understanding the strategic planning and its effect on operational performance in the Islamic Banks in Palestine due to gender, age. And that There are no significant statistical differences in understanding the strategic planning and its effect on operational performance in the Islamic Banks in Palestine due to educational level, years of experience and job title.

Consequently, the researcher recommended that it is necessary for the Islamic banks in Palestine to contribute more in enhancing operational performance through its internal and external environment, which must be explained more accurately. The researcher also recommended the necessity to give more attention to the development of efficiency for its importance as a component of operational performance.

KEYWORDS: Strategic Planning, operational performance, efficiency, effectiveness.

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Chapter One:

Introduction

1.1 Background

Due to increasing competition and dynamic market conditions, many organizations in the world are increasing their efforts to understand how they can improve their operational performance. To be competitive, some strategic planning scholars and policymakers have encouraged further strategic planning dimensions. There is an unsolved argument among scholars about the influence of strategic planning on business performance. Some studies were performed to find the relationship between strategic planning and operational performance but conflicting views about the influence of strategic planning on operational performance still exists. (Sandada, Poee & Dhurup, 2014)

Strategic planning activities include analysing the external environment to identify opportunities to exploit them, identifying threats to avoid and minimize their impact, as well as identifying the strengths to enhance and benefit from them, and identifying weaknesses to address and reduce them. In the light of the analysis of the environment, the Bank's vision and mission are defined and its objectives formulated. A set of strategies and initiatives are generated by meeting the strengths and weaknesses of the opportunities and threats, and then selecting the appropriate strategies for the Bank, ensuring that its vision, mission and objectives are achieved (Al-Sakarna, 2010).

Studies about strategic planning indicate that several performance benefits are attributed to strategic planning (Kraus, Harms, & Schwarz, 2006) . They suggest that strategic planning is a management instrument, which protects businesses from unstable or competitive markets. Schraeder (2002) suggests that strategic planning provides an operational framework that allows a business to enjoy competitive advantages and improved performance.

As far as the researcher is aware, there have not been many studies on strategic planning and its impact on performance in Palestinian banks, whether Islamic or traditional, but it did not address the operational performance of Islamic banks in terms of efficiency or effectiveness, and therefore the current study deals with a subject not previously studied in the Palestinian environment, and therefore will achieve a new addition at the theoretical and practical level, as it develops a set of criteria to measure both efficiency and effectiveness, and diagnose the reality of Palestinian Islamic banks in the light.

This study aims to identify the impact of strategic planning on operational performance in the Islamic Banks in Palestine.

Chapter one includes an introduction, chapter two includes theoretical frame and empirical studies, chapter three includes methodology, chapter four includes data analysis and discussion and chapter five includes conclusions and recommendations.

1.2 Statement of the Problem

Researches showed that strategic planning is one of the most important administrative approaches that help all institutions succeed and continue to overcome the risks facing the organization in their work environment. In light of the increasing international and local competition and the possibility of exploiting the opportunities, organizations must become leaders in their performance in the long run (Al-Sakarna, 2010).

The interest of business organizations in strategic planning has increased recently because of its significant impact on the success of these organizations, especially with the emergence of many environmental variables and global developments. The intense competition between organizations and the openness of the global market, the limited resources available, as well as economic, political, technological and legal variables makes it necessary for business organizations, including Islamic banks to pay more attention to strategic planning.

Recent studies by Ahmad (2017) and Mohammad & Al-Ghazzi (2017) have shown that the degree of strategic alignment in organizations has a direct impact on the performance of these organizations, and studies have shown that there are significant linkages between the organization's strategic planning approach and the business performance of organizations.

Many business organizations that do not adopt strategic planning in their management have failed under these circumstances and changes, and this requires the

Islamic banks to exercise strategic planning, so that they can survive and continue to gain more market share, or at least maintain their current share.

In view of the importance of Islamic Banks as a source of religious financial deals which may facilitate the life of Muslim population, this study seeks to identify the reality of strategic planning in the Islamic Banks operating in Palestine, in addition to knowing the effect of strategic planning on the performance of these banks.

1.3 Research Questions

The problem of this study can be identified in the following question:

Main Question: "What is the effect of strategic planning on the operational performance of the Islamic Banks in Palestine?"

Sub-questions:

1. What is the effect of strategic planning on the efficiency of the Islamic Banks operating in Palestine?
2. What is the effect of strategic planning on the effectiveness of the Islamic Banks operating in Palestine?
3. What is the level of strategic planning (vision, mission, goals, internal environment, and external environment) in the Islamic banks in Palestine?
4. The level of operational performance (effectiveness and efficiency) in the Islamic banks in Palestine?
5. Is there any differences in strategic planning in Islamic banks due to demographic variables of the study demographic variables (gender, age,

educational level, years of experience, and job title) on the perspectives of the sample individuals about the effect of strategic planning on performance in the Islamic Banks operating in Palestine?

1.4 Research Objectives

The study objectives include the following:

1. To investigate the effect of strategic planning on the operational performance of the Islamic Banks in Palestine.
2. To investigate the effect of strategic planning on performance (efficiency and effectiveness) of the Islamic Banks in Palestine.
3. To recognize the level of strategic planning (vision, mission, goals, internal environment, and external environment) in the Islamic banks in Palestine
4. To recognize the differences in strategic planning in Islamic banks due to demographic variables of the study demographic variables (gender, age, educational level, years of experience, and job title) on the perspectives of the sample individuals about the effect of strategic planning on performance in the Islamic Banks operating in Palestine.

1.5 Research Significance

The importance of the study is that the concept of strategic planning is one of the modern administrative concepts in developing countries and one of the advanced management methods in facing the administrative problems facing business organizations including Islamic banks.

1. This study also develops a set of criteria to measure both efficiency and effectiveness in banks. In addition, it deals with the impact of strategic planning on the performance of the Palestinian Islamic banks and this subject has not been addressed in the previous studies according to the researcher's knowledge, in addition, this study will be a reference for libraries and researchers in this subject, especially with the scarcity of such a study in the Palestinian Islamic banking environment.
2. The application of such a study to Palestinian Islamic banks will identify the reality of strategic planning in these banks, and its impact on their operational performance, with the identification of strengths and weaknesses, and then making recommendations that will benefit decision makers and policy makers, as well as employees in these banks.

1.6 Research Hypotheses

H01: There is no significant impact of strategic planning dimensions (vision, mission, goals, internal environment, and external environment) on operational performance (efficiency and effectiveness) in the Islamic banks.

H01-1: There is no significant impact of strategic planning dimensions (vision, mission, goals, internal environment, and external environment) on efficiency dimension in the Islamic banks in Palestine.

H01-2: There is no significant impact of strategic planning dimensions (vision, mission, goals, internal environment, and external environment) on effectiveness dimension in the Islamic banks in Palestine.

H02: There are no significant statistical differences in understanding the strategic planning and operational performance in the Islamic Banks in Palestine due to demographic characteristics.

H02-1: There are no significant statistical differences in understanding the strategic planning and its effect on operational performance in the Islamic Banks in Palestine due to gender.

H02-2: There are no significant statistical differences in understanding the strategic planning and its effect on operational performance in the Islamic Banks in Palestine due to age.

H02-3: There are no significant statistical differences in understanding the strategic planning and its effect on operational performance in the Islamic Banks in Palestine due to educational level.

H02-4: There are no significant statistical differences in understanding the strategic planning and its effect on operational performance in the Islamic Banks in Palestine due to years of experience.

H02-5: There are no significant statistical differences in understanding the strategic planning and its effect on operational performance in the Islamic Banks in Palestine due to job title.

1.7 Study Terminology

Strategic Planning:

An official roadmap that describes how the organization implements the chosen strategy. The plan shows where the organization will go next year or more and how it will get there. The Strategic Plan is a management instrument that obliges the aim of helping the organization to do a better job. It develops organizations because the plan concentrates on the energy, resources and time of each person in the organization in the same trend. Strategic planning should not be ambiguous, complex, or time-consuming, it should be fast, simple and easy to implement (Daum, 2013).

Bank performance:

Bank performance' can be defined as the reflection of the way in which the resources of a bank are used in a form which enables it to achieve its objectives (Naifar, 2010).

Furthermore, (Bikker, 2010) defined the term bank performance as "the adoption of a set of indicators which are indicative of the bank's current status and the extent of its ability to achieve the desired objectives".

Effectiveness & Efficiency:

Effectiveness is about accomplishing a task or producing a desired result, it focuses on achieving the objective. Effectiveness defined as the degree to which objectives are achieved and the extent to which targeted problems are solved (Wysocki, 2011).

Efficiency signifies a level of performance that describes using the least amount of input to achieve the highest amount of output. Efficiency requires reducing the number of unnecessary resources used to produce a given output including personal time and energy (Sundqvist, Backlund, Chron  er, 2014).

In contrast to efficiency, effectiveness is determined without reference to costs and, whereas efficiency means "doing the thing right," effectiveness means "doing the right thing" (Wysocki, 2011).

Islamic banking: a banking system in line with the spirit, spirit and values of Islam and governed by the principles set out in Islamic law. While Islamic banking has a broader scope and meaning, it is generally more likely to convert traditional lending system to Asset-backed financing transactions conducted by the Financial Institutions (Jamaldeen, 2012).

Chapter Two:

Theoretical Framework & Previous Studies

2.1 Preface

This chapter talks about the theoretical literature about strategic planning and competitive advantage in the Islamic Banks in Palestine, in addition to the empirical studies "previous studies" related to the study subject "Strategic Planning in the Islamic Banks in Palestine and its effect on Competitive advantage".

2.2 Strategic planning

Strategic planning is a type of planning that is based on the understanding of the internal environment of any organization and attempting to recognize the strengths and weaknesses in them to show the strong points and hide the weak points until they are addressed and converted into strengths, and to understand the external environment of the organization and try to identify opportunities and risks in order to seize opportunities and avoiding risks as much as possible (Al Derawi, 2017).

Strategic planning focuses on the long-term relationship between the organization and the environment in which it operates, and thus includes identifying the overall features of the tasks and goals that the organization seeks to achieve by analyzing The different environmental conditions of the organization and its use in formulating and developing these goals and then achieving them (Siam, 2010).

Strategic planning is the primary work in strategic management and refers to the process of drafting or preparing the strategic plan that includes reviewing the institution's mission and goals and then agreeing to them, and choosing the appropriate strategy to achieve them, and works to create a conceptual framework that introduces elements of the external environment characterized by risk, change and uncertainty in the process of taking Decisions within the organization, especially for the long term. That is, it is the decision-making process related to defining the mission and goals of the institution and deciding the basic path that it takes to achieve its goals and determines its style and personality and distinguishes it from other institutions (Siam, 2010).

Strategic planning seeks to define future directions without being restricted to thinking about the past, based on broad thinking about what it wants to reach, so it starts from inside towards the outside and searches for internal and external influences and deals with issues in a comprehensive manner (Mohammad & Al-Ghazzi, 2015).

Strategic planning can be described as a comprehensive process that is based on looking ahead and realizing the variables associated with the internal and external environment of the institution in order to determine the appropriate strategic choice, according to which the organization's leadership defines the vision, mission and goals of the institution, with the aim of moving from the current situation to the desired situation that encounters the requests of comprehensive quality (Husseini, 2014).

Furthermore, (Zuaibi, 2014) defines strategic planning as a method that moves the organization to a better position in the future, which it adopts to reach the achievement of its ultimate goals and objectives with the highest degree of efficiency and effectiveness.

2.2.1 Importance of strategic planning

The importance of strategic planning is seen in its focus on connecting the organization and its near environment in a way that guarantees its achievement in of its mission. To realize this accomplishment, the organization must study this environment and assess it with a view to knowing the occurring and potential change in its social, political, technical, and economic fields (Al Derawi, 2017). According to (Siam, 2010) the importance of strategic planning can also be seen in identifying and formulating the fundamental issues and strategic instructions of the organization to be the basis and the starting point in directing its processes and managerial tasks, and in enhancing consciousness of the change in its external environment, and seeks to improve a way of thinking that considers the organization's mission and its own capabilities and opportunities available to it, and stresses the importance Time and vertical integration between the various levels of the organization and horizontal integration between the various tasks it executes.

Husseini (2014) also clarified the importance of strategic planning as follows:

- Clarifying future vision and making strategic decisions.
- Long-term environmental interaction.
- Realizing economic and financial results.
- Strengthening the competitive position.
- Enhancing the ability to make a difference.
- Assigning resources and competences in an effective manner.

(Zuaibi, 2014) also stated the importance of strategic planning as the following:

- Strategic planning provides an opportunity for workers in organizations through their participation in the decision-making process, which makes them feel involved and achieve a kind of satisfaction with them.
- Achieving the ability to influence and lead, not that the decisions of the institution are a reaction to the current events and merely responding to them.
- Achieve the ability to coordinate between all the aspects of activity, and adhere to the strategic goals set by the administration.
- Reducing the undesirable effects of the contiguous situations, this increases efficiency and effectiveness.
- Anticipation of uncertainties in relation to external environmental factors, diagnosing their effects on the management movement, and identifying constraints imposed by them and available opportunities, in a way that contributes to achieving the effectiveness of the institution.
- Provide a framework to guide management in decision-making.

Strategic planning also contributes to the optimal utilization of organizations' resources, directing and integrating activities, in addition to helping organizations anticipate issues, urgent matters, and ongoing changes, and any fundamental changes, and to develop strategies to counter these changes (Al Derawi, 2017).

2.2.2 Goals of strategic planning

The goals of strategic planning are reflected in the following points (Zuaibi, 2014):

- It helps to facilitate communication and participation.
- Direct senior management on priority topics.
- Clearly defines vision and goals.
- Providing information to senior management to make better decisions.
- Defining and guiding the work path in the institution.
- Formulating and developing the foundation's mission and its various strategic goals.

2.2.3 Stages of strategic planning

Strategic planning goes through a number of stages as follows (Mohammad & Al-Ghazzi, 2017):

- **Environmental analysis:** It is the collection, analysis and evaluation of information about external environmental trends related to identifying opportunities that can be exploited and taken advantage of and threats that can be avoided or mitigated by the organization, and to identify and assess the elements of the internal environment to identify elements of strength and weakness in the organization's functions and issues related to it with a view to developing Elements of strength and repair of weaknesses. Environmental analysis includes analysis of the external environment and the internal environment.

- **Developing vision, mission and goals:** The vision is defined as the organization's aspirations and future hopes, which cannot be achieved in light of the organization's current resources. As for the mission, it is defined as the primary purpose that distinguishes it from other organizations operating in the same field, and defines the scope of its operations in the products and markets. After developing the vision and formulating the mission for the organization, the strategic goals are defined in the light of both the vision and the mission, with the aim of contributing to achieving them, and the goals are 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.
- **Developing alternative strategies:** The administration of the organization should seek to develop, generate, and propose a set of alternative strategies that are applicable and at this stage the organization's administration develops or generates viable alternative strategies according to the results of the environmental study reached in the environmental analysis phase, and this is done by interviewing opportunities Threats to strengths and weaknesses.
- **Choosing the most appropriate strategic alternative:** This stage represents the last stage of the strategic planning stages, where the organization selects one or several alternatives from the strategies that were generated in the previous stage in order to implement them.

2.2.4 Advantages of strategic planning

Strategic planning has many advantages, including (Al Zabin, 2020):

- Adopt integrated work teams as they define the framework and competition.
- Shows and clarifies future threats and opportunities.
- The plan and its processes are considered a guide for achieving success, by defining the overall vision and direction of the institution.
- Developing ways to solve problems and improving decision-making methods.
- Communication and exchange of goals' knowledge for the foundation's members.

2.2.5 Obstacles of strategic planning

There are many obstacles that hinder the use of strategic planning as an input to achieve the long-term goals of the institution; the most important of these are (Husseini, 2014):

- The lack of desire or hesitation of the managers of organizations to use strategic planning, and this may be due to several reasons, including: the lack of apathy on the part of some managers in using modern methods in the planning process, and the lack of familiarity of some managers with the skills required to use strategic planning.
- The bad impression that strategic planning problems leave among managers of organizations, for many reasons, including: the difficulty of developing a system of strategic planning, and the difficulty of collecting information and data and analyzing them to develop the strategic plan.
- Weakness of organization budget and resources.

- Fascination with success and the belief that this success is continuous, and will always be repeated, and thus everyone feels that there is no need for better work constantly.
- Poor dissemination of the plan and its failure to communicate it to all parts of the organization's work.
- Ignore the culture of the organization.
- Lack of accurate and correct estimation for competition.
- The lack of supportive organization and implementation of plans and aligning with the nature of the options outlined in them.

2.2.6 Components of strategic planning

Al Derawi (2017) discussed strategic planning components as follows:

- Developing a general framework for strategies.
- Studying the environmental factors surrounding the organization, whether external or internal, identifying the available opportunities and the imposed restrictions.
- Setting goals and targets.
- Development and comparison of alternative strategies.
- Choose the strategic alternative that maximizes the achievement of objectives within the surrounding environmental conditions.
- Establishing policies, procedures, rules, programs and budgets, whereby long-term goals and objectives are translated into medium-term and short-term goals and put them in the form of time programs.

In this study we are concentrating only on five of them (Vision, mission, goals, strategic option, internal and external environment)

1. **Vision:** vision is a perfect characterization of the required result that makes and helps create a mental picture of goal. Generating a vision statement is pronouncing thoughts and expectations for the institution. It is a uniting statement which reminds group striving to reach (Pollanen, Andrews & Elbanna, 2016).
2. **Mission:** Once the vision has been clarified, it must be built upon to explain the mission statement, which is a goal and function statement. The mission statement portrays the organization in a clear and simple language that motivates the obligation of all participants in the organization. It is a statement of what will be done to bring the task closer. The two must contact, by carrying out our mission, our vision will be realized (Genc, Beynon & Andrews, 2017).
3. **Goals:** After defining the mission, it should be translated into specific goals for each level of the organization. If the vision and mission show the general direction, the goal is to clarify the desired future that the institution hopes to realize (Siam, 2010). It clarifies the institution's attempts to accomplish its success. The goals may be described as strategic (providing general data on where the organization wishes to be at a future stage) or tactical (defining specific short-term outcomes for the institution) (Cothran, Wysocki, Farnsworth & Clark, 2015).
4. **Strategic Option:** strategic option is the reference in the successive and interconnected process, where strategic substitutes and best identification are presented accompanied with the principles set by the choice process itself,

which is generally based on the environmental analysis consequences described in the previous stages (Raji & Nazem, 2012), (Karmasheh, 2010),

5. **Internal & External Environment:** Assessing the internal and external environments are the first steps in the strategic evaluation process that include classifying the strengths and weaknesses of the organization in addition to chances and threats (the SWOT analysis). This is useful building a strong basis of knowledge to assure the development of a strategic plan that still appropriate, meets the requirements of the changing client population, and makes the best of the available resources (Adebisi & Babatunde, 2012).

2.2.7 The importance of strategic planning in Islamic banks

Strategic planning has many benefits that help banks to succeed and develop. Strategic planning affects the financial indicators of the bank, such as increasing service sales and profits, reducing costs, and others. Also, effective strategic planning provides banks with an objective view of administrative problems and how to solve them, and prioritize the application of strategies and implementation of substantive programs. In addition to defining the bank on the variables that happen in its surroundings, and the relative control over it, and giving the banks a strategic advantage over its competitors (Abu Aisheh, 2011).

Strategic planning also contributes to developing work methods and procedures, reducing resources that are wasted to correct the imbalance arising from the decisions taken, raising the morale of individuals involved in planning, and reducing instances of uncertainty and risk. In general, the bank's strategic planning aims to adapt the bank to the changes taking place in the surrounding environment to ensure that its objectives are

achieved efficiently and effectively, and thus achieve the success of that bank performance (Mohammad & Al-Ghazzi, 2017).

2.3 Operational Performance

Performance is an essential and important concept for business institutions as a whole, and it describes the shared denominator of interest of management scientists. It is also a pivotal element for all branches and fields of administrative knowledge, in addition to being the most important dimension of the different business bodies around which the organization's presence revolves around (Sabri, 2010).

Performance is defined as the process that involves following methods and ways in which activities are carried out to reach the goals of these activities, using specific resources and capabilities. It is also known as the outputs or goals that the system seeks to achieve (Husseini, 2014).

Performance is also defined as achieving organizational goals using resources and their effectiveness. The organization's performance requires focusing on the individual elements that distinguish the organization from other organizations, which are the focus of evaluation, and therefore include financial and non-financial indicators, measurement of tangible and intangible assets, and it also includes the ancient aspects of organization's performance based on strategies, operations, human resources and organization (Abdo, 2019).

The improvement of performance is the use of all available resources to improve the outputs and productivity of operations, and to achieve integration between the right technologies that employs capital in the optimal way (Husseini, 2014).

Among the basic principles for improving performance are (Husseini, 2014):

- Awareness of fulfilling internal and external customer's needs and expectations.
- Removing barriers and obstacles and encouraging employee participation.
- Focus on order and operations.
- Continuous measurement and performance monitoring.

2.3.1 Dimensions of performance

There are four dimensions of performance that represent the overall performance: the economic, organizational, social and environmental dimensions (Husseini, 2014):

1. **The economic dimension:** by which the institution satisfies the desires of shareholders, customers and suppliers and gains their trust. This performance is measured by using the financial statements.
2. **The organizational dimension:** Organizational performance means the ways and how the institution adopts in the organizational field in order to achieve its goals, and then the institution's managers have criteria on the basis of which the effectiveness of the approved regulatory measures and their impact on performance are measured, with the indication that this measurement is directly related to the organizational structure.
3. **The social dimension:** The social dimension indicates the extent to which satisfaction is achieved by members of the institution at different levels, because the level of employee satisfaction is an indication of the individuals' fulfillment of their organization, and the importance of this aspect is evident in the fact that the overall performance of the institution may be affected negatively in the long

run if the institution is limited to achieve the economic aspect, and neglected the social aspect of its human resources, as it is known in the management literature that the quality of management in the institution is related to the extent to which economic effectiveness coincides with social effectiveness, so it is advised to give significant importance to the prevailing social climate within the institution, that is, for all that related to the nature of social relations within the institution (conflicts, crises, etc.)

4. **The environmental dimension:** This focuses on the effective contribution of the institution in developing its environment.

2.3.2 Determinants of performance

The performance results from the meeting of several elements that may affect this performance, negatively or positively. These elements are called performance limitations and are represented in (Abdo, 2019):

- **Effort:** It is the effort that results from an individual getting motivation to the physical and mental energies that the individual exerts to perform his task.
- **Abilities:** They are the private features used to achieve the job and do not change. These abilities vary over a short period of time.
- **Role awareness:** refers to the way in which the individual believes that it is necessary to direct his energies in working through it, and the activities and behavior that the individual believes are important in the performance of his tasks define the role awareness, and to realize an acceptable level of performance, there must be a minimum level of expertise.

2.3.3 Motives for improving performance

Among the most known factors that lead institutions to improve their performance, are (Husseini, 2014):

1. **Motivations of nonstop improvement:** the important factors that motivate continuous improvement are: fast degrees of change, competition, preserving status and care of quality.

a. Rapid rates of change: It represents the group of external forces that influence and are affected by the activity and decisions of the institution. Whenever the environment is characterized by uncertainty because of the large number of environmental changes and uncertainty, then the organization works to improve its performance, to face the conditions of environmental vagueness through innovation.

b. Maintaining the site: It reflects the location, the competitive situation of the organization among the rest of the institutions operating in the same field, and it can achieve a competitive advantage when implementing the strategy that creates value for the consumer, which the prospective or current competitors cannot apply.

c. Care of quality: The fast changes surrounding the action of the institution make it imperative to find for itself a method that enables it to integrate its various information and possessions to realize a high level of performance, with an emphasis on total quality, and the need to observe the conditions of maintainable development.

d. Competition: It describes the conflict that exists between institutions, and each of them tries to obtain a front position in the market by implementing some strategies that allow them to realize high levels of performance. Therefore, the businesses must continuously update their strategies and track changes in the external environment.

2. Sustainable development and corporate social responsibility: Sustainable development responds to current needs without exhausting the wealth that supports future development. The concept of sustainable development is linked to three goals: economic effectiveness, social equality, and environmental conservation (Husseini, 2014).

As for social responsibility, it can be described as the voluntary merger of institutions, by paying attention to social and environmental problems in its commercial activities, and its relationship with related parties, so among its goals is to contribute to achieving sustainable development, health and social welfare. Among the benefits that the socially responsible institution gets and improves its performance is:

- a. Improving the image of the institution and maintain its reputation in the community.
- b. Knowing the customer's requirements in a permanent way, by providing products with environmental protection technology, which includes obtaining a competitive advantage.
- c. Money stimulation. This tracks the institution's sustainable development policies and steps.

- d. Controlling risks, as well as environmental and social costs, instead of causing some environmental problems and disasters.
- e. Responding to the requirements of interested parties and this is the institution's dealing with several factors outside the economic sphere, which allows ensuring the progress of the good relationship between it and all interested parties.

2.3.4 Indicators of performance

Performance indicators are defined as the materialistic values that are utilized to scale, compare and manage the whole organizational performance (Bhatti, Awan & Razaq, 2014).

The indicators of performance are as follows:

- **Quality:** It means the level of work performance. It is a basic business strategy that contributes to the assessment of goods and services that satisfy customers at home and abroad, by meeting their hidden and obvious prospects (Zuaibi, 2014).
- **Flexibility:** It is defined as the capability of the institutions to implement various jobs at specific resources' level like, labour, machine etc. (Bhatti & et al., 2014).
- **Time:** Time is a non-renewable and compensable resource, as it is capital and not income, which necessitates its correct utilization at every moment (Zuaibi, 2014).
- **Safety:** The consistency of complex work structures in accomplishing structural aims safely is based on arrangements of work in addition to technical

arrangements. The main measures of safety are the degree of risk and safety perceived, accident average, level of employees' collaboration, managers and employees' safety attitude, level of physical risk of employees on work place and the safety information level (Bhatti & et al., 2014).

- **Financial performance:** The firm's performance is best evaluated by financial measures, like the materialistic values of sales and gains or percentage return on equity and assets (Bhatti & et al., 2014).
- **Cost:** The institutions utilize accounting system of costs that consists of measures of efficacy and effectiveness; it represents an attempt to connect measures of internal performance to external ones. The measures of the cost performance are the industrialization cost, value added cost, price of selling, operation cost and cost of services (Bhatti & et al., 2014).
- **Employees' satisfaction:** The success for every organization is based on employees' satisfaction. When the employees are satisfied, the customers are also satisfied and the whole organizational performance will improve (Bhatti & et al., 2014).
- **Customer's satisfaction:** The customer satisfaction enhances financial performance through raising the present customers' loyalty, decreasing price fluctuate, reducing costs of marketing by positive word-of-mouth advertisement, decreasing transaction costs, and improving reputation of the institution (Bhatti & et al., 2014).
- **Learning and growth:** Learning and growth gives the institutions the competitive advantage over their competitors. It occurs because the learning

institutions continue training their employees with the new technological developments (Bhatti & et al., 2014).

- **Environment/social performance:** The institutions have a responsibility towards the society in which they work and the understanding of this liability is the firm social responsibility. The institutions that are socially responsible take procedures for the welfare of the society in which they work (Bhatti & et al., 2014).

In this study, we will concentrate on the effectiveness and efficiency as two indicators or components of Islamic bank performance.

The effectiveness of organizations' performance is a complex measure that combines effectiveness and efficiency, in this study we will concentrate on the effectiveness and efficiency as two indicators or components of Islamic bank performance:

2.3.4.1 Effectiveness

Effectiveness is the amount to which the institution can attain its goals, and to carry out work to be accomplished. In Islamic banks, it is the degree to which the Islamic bank can achieve its goals so that it can adapt to environmental changes, continuity, growth and development (Mohammad & Al-Ghazzi, 2017).

Therefore, the organizations that practice the strategic planning activity are more effective than those who are not interested in strategic planning, because the strategic planning activities are concerned with studying the surrounding environmental

variables, and outline the strategies that make the organization more able to adapt to environmental changes, and to continue its growth and stability.

To measure effectiveness, several criteria must be defined by which effectiveness is measured, namely (determining the type of goals and measuring their achievement (official goals and actual goals), and measuring the ability to adapt which includes (achieving the goals, the bank's ability to adapt to different environmental variables, and improving the bank's profits with the passage of time, in addition to the quality of the banking service, the time of providing the service ... etc (Bourakba, 2011).

2.3.4.2 Efficiency

Efficiency is the performance of business accurately and correctly, and in the Islamic Bank, efficiency is the ability of the Islamic bank to use the available resources the best possible use in order to obtain the maximum results. There are many criteria and indicators for measuring the efficiency of the organization's performance, including (Mohammad & Al-Ghazzi, 2017):

A) Direct criteria:

It includes measuring the institution's operations by matching outputs (goods and services) with inputs (resources used) over a specific period of time, including overall measures of efficiency, partial measures of efficiency, and qualitative measures of efficiency.

B) Indirect criteria:

Through it, performance efficiency is measured by measuring the desire to work, identifying the degrees of satisfaction of working individuals, morale, organizational loyalty, the ability to invest the bank's money, and the few mistakes that employees make.

2.4 Islamic Modes of Financing

The banking system in line with the values of Islam and governed by the principles set out in Islamic law is known as Islamic bank.(Jamaldeen, 2012)

There are (8) major modes of Islamic Banking finance classified in three categories as follows: (Ellahi, Bukhari & Naeem, 2010)

a- Trade based modes

1. Murabaha: A Sale- Purchase contract on mutually agreed profit in which the seller disclosed the cost and profit separately.
2. Salam: A Sale-Purchase contract where the seller agrees to supply goods to the buyer at a future date in exchange of an advance price fully paid at the time of contract.
3. Istisna: A Sale- Purchase contract for manufactured goods/ constructed assets, whereby payment is generally made in advance.

b- Lease based modes

- Ijarah: A Rental contract where assets, services / benefits are rented/ rendered over a period.
- Ijarah Muntahia Bittamleek: A form of Ijarah which includes a promise by the lessor to transfer the ownership of the leased asset to the lessee, either at the end of the lease term or in stages during the term of the contract.
- Diminishing Musharakah: It is a form of partnership in which one of the partner's promises to buy the equity share of the other partner gradually until the title to the equity is completely transferred to him. Till the time ownership is completely transferred the other partner pays rent for the usufructs of the asset in his/ her use.

c- Participatory modes

- Musharaka: A relationship established under a mutually agreed contract between the parties for sharing of profits and losses arising from a joint entrepreneurship or venture.
- Modaraba: A participatory mode of finance where one party provides the capital (Rabul-Maal) while the other provides human capital (i.e. entrepreneurship and efforts) needed for the economic activity to be undertaken. Profit earned is shared between the two parties on a pre-agreed ratio, while loss is borne only by the provider of the capital (Ellahi & et al., 2010).

2.4.1. Islamic Banks in Palestine

According to the Palestinian Monetary Authority (the Central Bank), in recent years, Islamic banks in Palestine have registered double growth compared to traditional banks. However, it still possesses a much lower percentage of its "logical share", based on the percentage of those wishing to deal with banking products in conformity with the standards of Islamic law among members of Palestinian society. Three Islamic banks operate in Palestine, one of which is newly established, and they account for 12% of the total banking sector. (Palestinian Monetary Authority, 2020)

The Islamic banks in Palestine are (the Arab Islamic Bank, the Palestinian Islamic Bank, and Al- Safa Bank) have 84 branches and sub- branches in the Palestinian governorates in the West Bank and Gaza Strip, accounting for 15% of the total bank branches. The share of Islamic banking in Palestine decreased significantly compared to the rate of the Arab Gulf countries, where it is 34% of the total banking sector, while the percentage appears close to some Islamic countries in East Asia, including Malaysia. It appears high compared to Turkey and North African countries, as it is 6%. (Rjoob, 2017)

The Palestinian Monetary Authority, explains that the total share of Islamic banks in Palestine from the total assets of the banking system is 12%, compared to 8% 5 years ago and that the total percentage of credit facilities in Islamic banks constitutes 75% of the total deposits, compared to 65% in commercial banks. (Palestinian Monetary Authority, 2020)

Most of the financing and investment operations in Islamic banks in Palestine are based on (4) types of contracts: Musharaka, Modaraba, Murabaha and Ijarah. In addition to other formulas such as agriculture, Salam and Istisna, which Islamic banks do not currently use effectively (Haroon, Ahmad, Abu- Hafeda & Hirzallah, 2018).

Islamic banks in Palestine focus their attention on short-term financing, and therefore in Murabaha contracts. The latter monopolizes 92% of all contracts in Islamic banks in Palestine, compared to only 7% for Modaraba and Musharaka contracts (Ellahi & et al., 2010).

2.4.2. Obstacles the face the Islamic banks in Palestine

There are many obstacles and problems facing the Islamic banks in Palestine (Haroon & et al., 2018); The problem of weak judiciary and complex legal procedures which is a common problem with all banks not only Islamic banks, the lack of Islamic banks and financial institutions in Palestine, the impact of turbulent political conditions on Islamic financial institutions, the lack of legislative structure with regard to regulating the work of Islamic banks in particular, the absence of appropriate investment opportunities due to unstable political, economic and military conditions, and finally the Palestinian public lacks a clear picture of the work of Islamic banks where most people are unaware of the nature of the Islamic Bank and the quality of its services (Haroon & et al., 2018).

Some empirical studies were found to talk about the relation between strategic planning and Islamic bank performance; they highlighted the effect of strategic planning components in enhancing Islamic Banks performance. Here are some of these studies:

2.5 Empirical studies

Al-Satrawi (2018) investigated the Effects of Using the Balanced Scorecard on Islamic Banks' Performance. The aim of his study was to determine the effect of strategic planning on the performance of Islamic banking, by investigating the impact of applying a balanced scorecard model on the Islamic banks' performance in Bahrain. The study dealt with the effect of clarifying the vision and mission of Islamic banks on their performance, as well as the impact of delivering the vision and mission to all stakeholders on the performance of banks. The study also evaluated the effect of putting strategic goals and targets and developing mechanisms for implementation and strategic feedback on the Islamic banks' performance. The study included a comprehensive review of the literature available on the tools of performance of strategic management, and concluded that the balanced scorecard is the most appropriate model for measuring the strategic performance of several industries and institutions, including the banking sector. The study used a descriptive research design. The semi-structured interview was the tool for data collection in the study. The study sample consisted of 21 senior bankers and professionals from 15 Islamic banks and two regulatory bodies in Bahrain. The results showed that the Islamic banks' performance targets in Bahrain can be divided into five dimensions (improving capital efficacy, decreasing costs, improving customer service, seizing new opportunities, and compliance with Sharia). The study concluded that there is a positive relationship between the application of strategic management tools and performance of Islamic banking in Bahrain.

The study of Mohammad & Al-Ghazzi (2017) which was conducted in Yemen, under the title "The impact of strategic planning on the success of Islamic banks in

Yemen", its aim was to identify the level of the strategic planning practice in Islamic banks in Yemen, as well as to examine the level of success of Islamic banks in Yemen, the study sample included (51) employees working in Yemeni banks represented by the general administrations and the main branches in the capital. The study instrument was a questionnaire; the data were analyzed using (SPSS). The results showed that the level of practicing of Yemeni Islamic banks for strategic planning was high, and that the level of success of these banks was also high, in addition there were a positive correlation between the Islamic Banks practice for all strategic planning activities and the level of success of these banks, there was a positive impact for the practice of strategic planning activities in increasing the success of Yemeni Islamic banks and improve their efficiency and effectiveness.

Rashid & Jabeen (2016) study about "analyzing performance determinants in Conventional versus Islamic Banks in Pakistan" aimed to experimentally test the financial, banking, and macroeconomic determinants of the Islamic and conventional banks' performance of in Pakistan. The study developed the Financial Performance Index (FPI) depending on CAMELS ratios (Capital suitability, Asset quality, Management, Earning and Liquidity and Sensitivity) and then operated the index calculated based on the mentioned parameters. The study also utilized lopsided annual board data for the period 2006-2012. The findings revealed that operational efficacy, reserves and expenses are important determinants of performance of traditional banks, while operational efficacy, credits and market focus are important in clarifying the Islamic banks' performance. The results indicated that progress in comprehensive management performs and new principles in working efficacy and management of financial threat are necessary to improve the banks' performance.

A study by Elsiefy & Eljohani (2016) entitled: "The effect of strategic management practices on Islamic banks performance: Evidence from Qatar". The study searched the process of strategic management that consisted of strategy analysis, strategy figuration, strategy application, and strategy control and assessment, so that to evaluate the level of Islamic banks adoption of this process through their operations. The decision makers in Islamic banks completed a questionnaire developed by the researchers. The study calculated 5 sets of financial findings over five years, from 2010 to 2014 the sets are: return on equity, return on assets, return on investment, the debt to equity ratio, and the total debt ratio, in order to measure the Qatari Islamic banks' performance. The results revealed that Islamic banks in Qatar practice strategic management. The results also revealed that the strategic management practice has an important impact on the performance of banks. The study concluded that strategic management is a significant instrument to consider and use in Islamic banks.

In (2011) Ansari & Rehman conducted a study in Pakistan about the "Financial Performance of Islamic and Conventional Banks in Pakistan". This study was conducted to. Financial ratios were estimated from the annual reports and financial statements, that is, the income statement and the balance sheet for the period from 2006 to 2009. (18) Financial ratios were estimated to measure these performances in terms of profitability, liquidity, risk, solvency, capital adequacy, publication, and operational efficiency. An independent sample test and ANOVA were used to determine the significance of mean differences of these ratios between and among banks. The study concluded that Islamic banks have proven to be more liquid, less risky and operationally efficient than conventional banks.

Suwaidan (2010) carried out a study in Yemen about the "Factors affecting the success of strategic planning in some operating banks". The study included members of senior management, middle management, and some workers in the executive management in (12) banks in Yemen, including Islamic banks, and the study aimed to identify the formulation of strategy in banks. The study findings showed that the bank management sets a clear mission, vision and sets strategic goals for the bank. The study made several recommendations most notably that banks should give more attention to the function of strategic planning and persuade senior management in banks of the importance of developing a strategic plan, also recommended the importance of reconsideration by some banks of their vision and mission, and to ensure their clarity with regard to workers.

A study conducted by (Tamimi, 2010) aimed to investigate some of the influencing differences in the Islamic and conventional national banks in the United Arab Emirates during the period 1996-2008. Emirati Islamic banks have a small market share, despite a growing demand for their services. This leads to an examination of the factors that affect the performance of these banks compared to conventional banks. The regression model was used where the return on equity and return on assets is used as an alternative to the dependent variables. A group of internal and external factors were considered independent variables, including per capita GDP, size, financial development indicator (FIR), liquidity, concentration, cost, and number of branches. The results indicated that liquidity and concentration were the most important determinants of the performance of conventional national banks. Furthermore, the cost and number of branches were among the most important factors determining the performance of Islamic banks.

Furthermore, (Alameri, 2006) prepared a study entitled "Strategic Management and its Impact on Performance Development in Islamic Banks". This study was conducted in Yemen and included members of senior management and managers of specialized departments in (4) Islamic banks in Yemen. The study aimed to assess the level of strategic management practice in Islamic banks in Yemen. The results indicated that Islamic banks in Yemen are interested in practicing strategic management to a large degree and that there are factors that limit the practice of strategic management in Islamic banks, including: the lack of specialized cadres in the field of strategic planning, and the absence of a department specialized in strategic planning in some Islamic banks, and the study recommended the need to qualify administrative leaders in the Islamic banks and training them in the practice of strategic management, and to the necessity of having a department specialized in strategic planning in Islamic banks and providing them with specialized cadres.

Hassan & Bashir (2003) prepared a study about "Determinants of Islamic banking profitability". The study analyzed how the characteristics of banks and the overall financial environment affect the performance of Islamic banks. Using data at the level of banks, the study examined the performance indicators of Islamic banks around the world during the period 1994-2001. A variety of internal and external banking features have been used to forecast profitability and efficiency. In general, our analysis of the determinants of the profitability of Islamic banks confirms the previous results. By controlling the macroeconomic environment, financial market structure, and taxes, the results indicated that higher capital and loan ratios to assets lead to higher profitability. All that remains equal, regression results show that implicit and explicit taxes affect the bank's performance measures negatively while favorable macroeconomic conditions

positively affect the performance measures. Surprisingly, the results indicated a strong positive correlation between profitability and overhead.

Moutinho & Phillips (2002) study about "The impact of strategic planning on the competitiveness, performance and effectiveness of bank branches: a neural network analysis" focused on the analysis of the perceptions of the effect of some planning practices on competitiveness, overall performance, strategic planning effectiveness and marketing effectiveness in bank branches. The sample of the study included 58 bank branch managers selected from 14 branches of two main Scottish banks. The study outcomes showed that efficiency of the bank branch is influenced by efficient management practices; the branch performance is strongly based on the long term thinking and renovation. Furthermore, there is high level of influence of long-term thinking on efficiency of strategic planning.

2.5.1 Relevance of Reviewed Related Studies

Although there are plenty of studies undertaken to investigate the strategic planning and the operational performances of some businesses and organizations, the findings are unsatisfying. These mixed findings regarding strategic planning and operational performance relationship are supported by range of issues. One possible reason is that how the strategic planning has been defined in those studies and which aspects had been considered (Mohammad & Al-Ghazzi, 2017), and (Elsiefy & Eljohani, 2016). Another aspect is that the measurements of performance of the businesses. Most of the studies have used only financial indicators to measure the overall performance (Alameri, 2006), (Tamimi, 2010), and (Ansari & Rehman, 2011)

. Some previous studies dealt with the subject of the current study, they discussed the strategic planning in the Islamic banks and other institutions and its impact on the performance in these institutions. The results showed that there was a positive effect of applying strategic planning on performance in the Islamic banks.

Furthermore, the previous studies findings showed that maintaining vision , mission, goals, internal, and external environment practices were crucial to possess a high degree of performance.

The previous studies were conducted in different countries in the Islamic world such as Yamen, Qatar, Bahrain, UAE, etc, they all supported the strategic planning in the Islamic banking sector and its impact on performance.

This study is implemented in Palestine, taking in consideration different variables that may affect the directors and employees viewpoint about the study subject.

Chapter Three

Methodology

This chapter contains the procedures that used to conduct this research. It also presents study design, population and sample, validity and reliability of the study tool, data collection procedures, and the statistical analysis used to extract the study results.

3.1 Research Design

The current study concentrates on the impact of strategic planning on operational performance in the Islamic Banks in Palestine. The researcher depends on the descriptive-analytical approach to reach the results. Using a structured questionnaire as a data collection tool to collect information from the managers, department heads, and assistants in the Islamic Banks in Palestine (Arabic Islamic Bank "AIB", Palestine Islamic Bank "PIB" and Safa Bank). The Secondary data were collected from published and unpublished articles.

3.2 Data Collection

This study concentrates on the effect of strategic planning on operational performance in the Islamic Banks in Palestine. The study depends on descriptive and analytical approach to extract the results; a structured questionnaire was distributed to directors and the, assistants, and deputies of the Islamic Banks in Palestine. The Secondary data was obtained from published and unpublished articles.

3.3 Research Instrument

A questionnaire was distributed to the directors, assistants, and deputies of the Islamic Banks in Palestine. The questionnaire includes the demographic data and the axes of study variables including strategic planning axes (vision, mission, goals, internal environment, and external environment) and operational performance axes (efficiency and effectiveness).

3.3.1 Questionnaire Design

The directors and assistants' questionnaire related to strategic planning (adopted from Karmasheh 2010, Mohammad & Al-Ghazzi 2017 and Nickols 2011), and the performance questionnaire (adapted from Siam, 2010) were used in this study to collect data after modification

Part one: the demographic information about the respondents consists of five variables including (gender, age, educational level, years of experience, and job title).

Part two: includes the research two main variables each of which has subparts:

(1) Strategic planning which consists of five dimensions: vision is structured into (6) items, mission is structured into (7) items, goals have (8) items, internal environment has (8) items, and external environment has (6) items.

(2) Operational Performance which consists of two dimensions: efficiency has (10) items, and effectiveness has (8) items.

In order to judge on the level of items on Likert scale the researcher considered that if the mean of the item (1-2.33) so the level is low, (2.34-3.66) moderate but for high level item its mean will be (3.67-5.00). (See table 1)

Table (1): Submitted Data Analysis Procedures for Likert Scale Data

Degree	Range
High	75.5%-100%
Moderate	46.5% - 74.49%
Low	0%-46.49%

3.3.2 Validity of Questionnaire

The questionnaire was designed, approved and edited to reach the final stage, then it was distributed to the respondents. It was sent to two arbitraries and the supervisor to evaluate each dimension and its consistency in order to validate the paragraphs in the questions.

The final draft of the questionnaire consisted of items; fifty- three items in the strategic planning variable, and eighteen items in the competitive advantage variable. The items structured per each dimension as shown in the table (2).

Table (2): Questionnaire Modification Process

	(No. of Items)
Vision	6
mission	7
goals	8
Internal environment	8
External environment	6
Strategic Planning	35
Efficiency	10
Effectiveness	8
Operational performance	18
Total	53

3.3.3 Questionnaire Reliability

The researcher gave clarifications to the respondents in the target places before answering the questionnaires. So, all participants were able to answer the questionnaire easily. This was done to realize the meaning of data reliability. The Alpha value that meets the statistical requirement for the instrument to be characterized as reliable should be equal to or above 0.70 according to Travakol (2011). The reliability of the instrument was tested by using Cronbach's Alpha coefficient and the results are shown in the following table:

Table (3): Reliability Tests

Dimensions	No. of Items	Reliability	Result
Vision	6	0.87	Pass
mission	7	0.85	Pass
goals	8	0.81	Pass
Internal environment	8	0.89	Pass
External environment	6	0.89	Pass
Strategic Planning	35	0.80	Pass
Efficiency	10	0.88	Pass
Effectiveness	8	0.87	Pass
Operational performance	18	0.83	Pass
		0.85	Pass

The result was found to be more than 0.7, the Cronbach's Alpha coefficient for The Total degree of the Scale was (0.85). This indicates that there is high internal consistency among the all questionnaire items.

3.4 Conceptual Model

The conceptual model was developed based on the review of the empirical studies and the theoretical literature. For the independent variables related to strategic planning and its components (vision, mission, goals, internal environment, and external

environment) they were identified based on a study of Nickols (2016) and Karmasheh (2010). The dependent variable: operational performance and its factors or components (efficiency and effectiveness) were identified based on a study of Mohammad & Al-Ghazzi (2017).

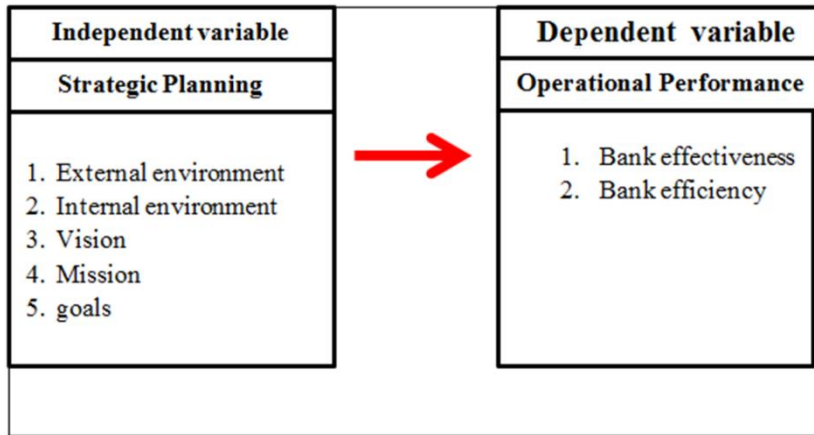


Figure (1): Research Model

Source: Researcher

3.5 Population and sample

The research population consisted of managers, department heads, and assistants in the Islamic Banks in Palestine (Arabic Islamic Bank "AIB", Palestine Islamic Bank "PIB" and Safa Bank).

Table (4) shows the distribution of the population members by city, and table (5) shows the sample from each city.

Table (4): The distribution of the population members by city

#	City	Total	Percentage (%)
1	Jenin	15	7
2	Tubas	4	2
3	Nablus	29	14
4	Ramallah	113	52
5	Tulkarm	10	5
6	Hebron	45	20
total		216	100%

Resource: information obtained by the researcher from the Islam banks statistics

3.5.1 Sample of study

The research applied on an accidental sample, the sample is obtained by dividing the research population into groups first, and this division is based on the important characteristics of the study. The sample size of this study is identified according to the following equation:

The sample size (n)

$$(n) = \frac{z^2 P(1-P)}{d^2}$$

Where:

n : Sample size required,

z : Z statistic for a level of confidence required,

P : Expected prevalence or proportion (If the expected prevalence is 20%, then $P= 0.2$), and

d : Precision (If the precision is 5%, then $d = 0.05$).

$$\text{The sample size} = \frac{0.95^2 * 0.5(1-0.5)}{0.05^2}$$

$$= 60\%$$

Collected sample size = 120

Number of distributed questionnaires = 120

Number of recovered questionnaires = 100

Distributed questionnaires	Recovered questionnaires	Sturdy sample
120	100	100

Table (5): The distribution of the sample individuals by city

#	City	Total	Percentage (%)	Calculation of the accidental sample= sample size * number of city employees/size of the community
1	Jenin	15	12.5%	$120 * 15 / 216 = 8$
2	Tubas	4	3.4%	2
3	Nablus	20	16.6%	16
4	Ramallah	41	34.2%	63
5	Tulkarm	7	5.8%	6
6	Hebron	33	27.5%	25
total		120	100%	120

3.6 Statistics Approaches

The Statistical Package for Social Sciences (SPSS) was used to analyze the primary data. Descriptive tests were used such as:

1. Frequency to describe the demographic variable,
2. Means and standard deviations to answer the study questions,
3. One sample T-test, independent T-test, and one-way ANOVA,
4. Simple regression test to examine the relationship between dependent and independent variables,
5. And multiple regressions to test the significant impact of strategic planning on operational performance.

Chapter Four

Data Analysis & Discussion

A cross-sectional study was utilized in order to achieve the main aim of the study. The sample size was (100) participants with nearly 83% respondent rate and they were selected using a stratified random sample. Data was treated by using Five- Likert scale.

4.1 Descriptive of demographic variables

Table (6) below contains the data of the participating sample in terms of gender, age, educational level, years of experience, and job title.

Table (6): Descriptive Statistics of Demographic Variable (N=100)

Demographic Variables	Valid	Frequency	Percentage
Gender	Male	79	79%
	Female	21	21%
	Total	100	100%
Age	25 to less than 30	15	15%
	30 to less than 40	72	72%
	50 and more	13	13%
	Total	100	100%
Educational level	BA	82	82%
	MA	18	18%
	Total	100	100%
Years of experience	<5 years	9	9%
	5- <10years	41	41%
	10-15 years	4	4%
	more than 15 years	46	46%
	Total	100	100%
Job title	Department Head	44	44%
	Monitor	27	27%
	Deputy/ Assistant manager	17	17%
	Branch/ Department Manager	10	10%
	Deputy/Assistant General Manager	2	2%
	Total	100	100%

As shown in the above table, out of total of (100) respondents:

The weight between males and females is (79%: 21%). This may be due to the nature of work at Islamic banks where males may be more suitable.

For age, the weight between 25 to less than 30, 30 to less than 40, and 50 and more is (15%, 72%, and 13%) respectively.

Regarding educational the weight between BA and MA is (82%, 18) respectively. This can be attributed to the banks' policy in recruiting employees who have bachelor in the first degree, then to include a portion of employees with master degree.

Participants were also inquired about their years of experience. The results showed that 9% of the participants have experience of <5 years, 41% of participants have 5-<10 years of experience, 4% have 10-15 years, while the remaining 46% have more than 15 years' experience. Thus, the percentage of respondents with more than 15 years experience is the highest. This can be due to the fact that the history of Islamic banks in Palestine is since more than 25 years of experience.

Participants were also asked about their job title, and 44% of them were department heads, while 27% of participants were monitors, 17% deputy/assistant manager, 10% branch/department manager, and the remaining 2% of respondents represents the deputy/assistant general managers. This can be attributed to the nature of Islamic banks distribution in Palestine and managers, deputies, and assistants numbers in each branch.

4.2 Research Questions

Based on the mean and the standard deviation, this section aims at answering the study questions, which shows the impact of Strategic Planning on the operational performance of the Islamic banks in Palestine.

In order to answer the **first question: The level of strategic planning in the Islamic banks in Palestine.**

The level of strategic planning five dimensions was investigated and the following tables show the results.

1- "The level of bank vision in the Islamic banks in Palestine"

Table (7): Means and standard deviations of the vision Dimension

#	Items	M	SD	Level	Importance percentage	Item Rank
4	The bank's vision is developed according to Islamic legislation principles.	4.93	.256	High	98.6%	1
2	Bank vision is written.	4.90	.301	High	98%	2
1	There is clarity in the strategic vision of the bank.	4.89	.314	High	97.8%	3
3	The bank continuously develops its strategic vision.	4.85	.358	High	97%	4
5	The bank is interested in formulating its vision of the internal community of the bank.	4.74	.440	High	94.8%	5
6	The bank seeks to improve its relationship with the external environment.	4.70	.460	High	94%	6
Vision		4.83	.262	High	96.6%	

Source: Researcher

As shown in the above table, all items of the vision in the Islamic banks in Palestine had a high level, that means that there is a high level of knowledge of vision in the Islamic banks in Palestine with (M=4.83, SD=0.262), whereas the mean for all of them ranges from (4.70 – 4.93). The respondents believed that item four “The bank's vision is developed according to Islamic legislation principles.” was the most important item in the dimension of vision in the Islamic banks due to its greater mean (4.93) with 98.6% importance percentage, while the second item “Bank vision is written.” comes in the second stage of importance since its mean was (4.90) with 98% importance percentage, but the lowest item of the vision dimension was the sixth item “The bank seeks to improve its relationship with the external environment.” as its mean was (4.70) with 94% importance percentage.

From table (7) it can be seen that there is a high level of knowledge for vision in the Islamic banks in Palestine and that may be due to the fact that the vision is published and available in the websites of the banks and this reflects the high knowledge of directors and employees in the Islamic banks about it.

2-: "The level of mission in the Islamic banks in Palestine"

Table (8): Means and Standard Deviations of the mission dimension

#	Items	M	SD	Level	Importance percentage	Item Rank
1	The Bank has a clear mission.	4.88	.383	High	97.6%	1
7	Bank mission is written.	4.77	.446	High	95.4%	2
5	The Bank's mission includes the values and beliefs it believes in.	4.73	.466	High	94.6%	3
4	The Bank communicates its mission to employees for the purpose of improving performance.	4.68	.489	High	93.6%	4
6	The bank's mission is known to all employees.	4.59	.533	High	91.8%	5

3	The Bank's mission is balanced with available resources.	4.58	.589	High	91.6%	6
2	The Bank's mission encourages creativity.	4.52	.577	High	90.4%	7
Mission		4.68	.387	High	93.6%	

As shown in the above table, all items of the mission in the Islamic banks in Palestine had a high level, that means that there is a high level of knowledge of mission in the Islamic banks in Palestine with (M=4.68, SD=0.387). Whereas, the mean value for all items ranges from (4.52–4.88). The respondents believed that item one “The Bank has a clear mission” was the most important item in the dimension of mission in the Islamic banks due to its greater mean (4.88) with 97.6% importance percentage, while the seventh item “Bank mission is written” comes in the second stage of importance since its mean was (4.77) with 95.4% importance percentage, but the lowest item of the mission dimension was the second item “The Bank's mission encourages creativity” as its mean was (4.52) with 90.4% importance percentage.

As we can see from table (8) that there is a high level of knowledge for mission in the Islamic banks in Palestine and that may be due to the fact that the mission is published and available in the websites of the banks and this reflects the high knowledge of directors, heads, and assistants in the Islamic banks about it.

3-: "The level of goals in the Islamic banks in Palestine"

Table (9): Means and Standard Deviations of goals dimension

#	Items	M	SD	Level	Importance percentage	Item Rank
3	The goals are to stimulate the abilities and skills of employees to develop and improve performance.	4.99	5.092	High	99.8%	1
1	The strategic goals of the bank are compliance with Islamic principles	4.85	.358	High	97%	2
8	The Bank's goals are written.	4.75	.435	High	95%	3
4	The Bank is working to achieve the goals to suit its potential.	4.60	.492	High	92%	4
6	The Bank's goals are clear.	4.56	.518	High	91.2%	5
2	The bank sets long-term strategic goals	4.50	.502	High	90%	6
5	All parties to the Bank participate in the formulation of its objectives.	4.39	.750	High	87.8%	7
7	The Bank's goals are flexible enough to adapt to emergency circumstances.	4.24	.534	High	84.8%	8
Goals		4.61	.754	High	92.2%	

As shown in the above table, all items of the Goals in the Islamic banks in Palestine had a high level, that means that there is a high level of knowledge of goals in the Islamic banks in Palestine with (M=4.61, SD=0.754). Whereas, the mean value for all items ranges from (4.24–4.99). The respondents believed that item three “The goals are to stimulate the abilities and skills of employees to develop and improve performance” was the most important item in the dimension of goals in the Islamic banks due to its greater mean (4.99) with 99.8% importance percentage, while the first item “The strategic goals of the bank are compliance with Islamic principles” comes in the second stage of importance since its mean was (4.85) with 97% importance percentage, but the lowest item of the goals dimension was the seventh item “The

Bank's goals are flexible enough to adapt to emergency circumstances” as its mean was (4.24) with 84.8% importance percentage.

As we can see from table (9) that there is a high level of knowledge for goals in the Islamic banks in Palestine and that may be due to the fact that the goals are published and available in the websites of the banks and they are well known to the managers and directors, and this reflects the high knowledge of directors and assistants in the Islamic banks about it.

4-: "The level of internal environment in the Islamic banks in Palestine"

Table (10): Means and Standard Deviations of Internal environment dimension

#	Items	M	SD	Level	Importance percentage	Item Rank
2	Work is under way to achieve integration and coherence between all functions and activities of the Bank.	4.38	.487	High	87.6%	1
5	There is an interest in managing the bank to increase the effectiveness of communications within the bank.	4.38	.487	High	87.6%	2
8	There is an interest in the presence of competencies and cadres that can provide different services.	4.38	.5081	High	87.6%	3
1	Strengths and weaknesses are identified, making it possible to strengthen the competitive position.	4.36	.577	High	87.2%	4
3	The main problems and issues that protect the Bank's interests and future are dealt with.	4.36	.482	High	87.2%	5
6	Internal control over the bank's resources are allocated and directed.	4.34	.476	High	86.8%	6
7	The quality and functions of the services are diversified.	4.34	.516	High	86.8%	7
4	Information is provided to make the best decisions.	4.33	.513	High	86.6%	8
Internal environment		4.35	.440	High	87%	

As shown in the above table, all items of the Internal environment in the Islamic banks in Palestine had a high level, that means that there is a high level of knowledge of internal environment in the Islamic banks in Palestine with (M=4.35, SD=0.440). Whereas, the mean value for all items ranges from (4.33–4.38). The respondents believed that item two “Work is under way to achieve integration and coherence between all functions and activities of the Bank” was the most important item in the dimension of internal environment in the Islamic banks due to its greater mean (4.38) with 87.6% importance percentage, and also the item five “There is an interest in managing the bank to increase the effectiveness of communications within the bank” due to its greater mean (4.38) with 87.6% importance percentage, add to the item eight “There is an interest in the presence of competencies and cadres that can provide different services” due to its greater mean (4.38) with 87.6% importance percentage. while the one item “Strengths and weaknesses are identified, making it possible to strengthen the competitive position” comes in the second stage of importance since its mean was (4.36) with 87.2% importance percentage, but the lowest item of the internal environment dimension was the fourth item “Information is provided to make the best decisions” as its mean was (4.33) with 86.6% importance percentage.

As we can see from table (10) that there is a high level of knowledge for internal environment in the Islamic banks in Palestine and that reflects the high knowledge of directors and department heads in the Islamic banks about it.

5-: "The level of External environment in the Islamic banks in Palestine?"

Table (11): Means and standard Deviations of External environment dimension

#	Items	M	SD	Level	Importance percentage	Item Rank
1	The Bank seeks to enhance its competitive position by sustaining adaptation to external environment changes.	4.41	.533	High	88.2%	1
6	There is an interest in taking into account new needs and desires that need to be better satisfied than currently available.	4.40	.568	High	88%	2
4	There is an interest in studying and analyzing competitors' reactions and readiness to confront them.	4.37	.580	High	87.4%	3
2	The Bank manages the business efficiently and effectively.	4.35	.519	High	87%	4
3	The bank is interested in studying the opportunities and threats	4.35	.592	High	87%	5
5	The main trends of environmental change and the resulting opportunities and threats are identified.	4.31	.563	High	86.2%	6
External environment		4.36	.492	High	87.2%	

As shown in the above table, all items of the External environment in the Islamic banks in Palestine had a high level, that means that there is a high level of knowledge of external environment in the Islamic banks in Palestine with (M=4.36, SD=0.492). Whereas, the mean value for all items ranges from (4.31–4.41). The respondents believed that item one “The Bank seeks to enhance its competitive position by sustaining adaptation to external environment changes” was the most important item in the dimension of external environment in the Islamic banks due to its greater mean (4.41) with 88.2% importance percentage, while the sixth item “There is an interest in taking into account new needs and desires that need to be better satisfied than currently available” comes in the second stage of importance since its mean was (4.40) with 88%

importance percentage, but the lowest item of the external environment dimension was the fifth item “The main trends of environmental change and the resulting opportunities and threats are identified” as its mean was (4.31) with 86.2% importance percentage.

As we can see from table (11) that there is a high level of knowledge for external environment in the Islamic banks in Palestine and this reflects the high knowledge of directors and department heads in the Islamic banks about it.

The level of Strategic planning in the Islamic banks in Palestine:

Table (12): Means and Standard Deviations of Strategic planning Dimension

Items	Mean	Standard Deviation	Level	Importance percentage	Rank
Vision	4.83	.262	High	96.6%	1
Mission	4.68	.387	High	93.6%	2
Goals	4.61	.754	High	92.2%	3
Internal environment	4.35	.440	High	87%	4
External environment	4.36	.492	High	87.2%	5
Strategic planning	4.56	.367	High	91.2%	

As shown in the above table, all items of the strategic planning in the Islamic banks in Palestine had a high level, that means that there is a high level of knowledge of strategic planning in the Islamic banks in Palestine with (M=4.56, SD=0.367), whereas the mean for all of them ranges from (4.36–4.83). The “vision” dimension was the most important in the dimensions of strategic planning of the Islamic banks due to its greater mean (4.83) with 96.6% importance percentage, while the “mission” dimension came in the second stage of importance since its mean was (4.68) with 93.6% importance percentage, the “goals” dimension came in the third stage of importance since its mean was (4.61) with 92.2% importance percentage, the “external environment” dimension came in the fourth stage of importance since its mean was (4.36) with 87.2%

importance percentage, and the lowest dimension of the strategic planning was “internal environment” as its mean was (4.35) with 87% importance percentage.

The second question: "The level of operational performance in the Islamic banks in Palestine?"

The level of operational performance two dimensions was investigated and the following tables show the results.

1-: "The level of efficiency in the Islamic banks in Palestine"

Table (13): Means and Standard Deviations of efficiency dimension

#	Items	M	SD	Level	Importance percentage	Item Rank
6	When you make decisions, you have the information at the appropriate time.	4.19	.464	High	83.8%	1
5	The process of using the Bank's available resources is constantly improving.	4.18	.457	High	83.6%	2
7	When you make decisions, you have the information with the required accuracy.	4.18	.435	High	83.6%	3
1	Management goals are achieved without exceeding the resources allocated to the bank.	4.16	.443	High	83.2%	4
9	There is self-motivation and initiative from the bank subordinates to do the work.	4.09	.514	High	81.8%	5
10	Organizational loyalty is high in the bank.	4.04	.530	High	80.8%	6
2	The staff accomplishes the tasks assigned to them with the required quality.	4.03	.459	High	80.6%	7
4	The percentage of errors that the bank employees make is low.	3.87	.613	High	77.4%	8

8	The job satisfaction rate is high in the bank.	3.87	.613	High	77.4%	9
3	The bank has a high ability to invest its money.	3.75	.672	Moderate	75%	10
Efficiency		4.03	.384	High	80.6%	

As shown in the above table, the items of the Efficiency in the Islamic banks in Palestine had a high level, but the third item had a moderate level, that means that there is a high and moderate level of knowledge of efficiency in the Islamic banks in Palestine with (M=4.03, SD=0.384). Whereas, the mean value for all items ranges from (3.75–4.19). The respondents believed that item six “When you make decisions, you have the information at the appropriate time” was the most important item in the dimension of efficiency in the Islamic banks due to its greater mean (4.19) with 83.8% importance percentage, while the fifth item “The process of using the Bank's available resources is constantly improving” comes in the second stage of importance since its mean was (4.18) with 83.6% importance percentage, but the lowest item of the efficiency dimension was the third item “The bank has a high ability to invest its money” as its mean was (3.75) with 75% importance percentage.

From table (13) it is obvious that there is a high level of knowledge for efficiency in the Islamic banks in Palestine.

2-: "The level of effectiveness in the Islamic banks in Palestine"

Table (14): Means and Standard Deviations of the effectiveness dimension

#	Items	M	SD	Level	Importance percentage	Item Rank
2	The bank's profit rate improves over time.	4.27	.509	High	85.4%	1
4	The volume of bad debts is growing less than a year to another.	4.15	.457	High	83%	2
1	The bank has a high ability to adapt to environmental variables.	4.12	.432	High	82.4%	3
8	The amount of uses of funds is proportional to the size of their sources.	4.12	.408	High	82.4%	4
7	The bank provides its banking services to customers at an appropriate time.	4.10	.389	High	82%	5
3	The target size of the deposit is achieved.	4.03	.459	High	80.6%	6
5	Target numbers are achieved from operating income.	3.95	.575	High	79%	7
6	The degree of quality of service provided by the bank to its customers is the best among competing banks.	3.80	.635	High	76%	8
Effectiveness		4.06	.345	High	81.2%	

As shown in the above table, the items of the Effectiveness in the Islamic banks in Palestine had a high level, that means that there is a high level of knowledge of effectiveness in the Islamic banks in Palestine with (M=4.06, SD=0.345). Whereas, the mean value for all items ranges from (3.80–4.27). The respondents believed that item two “The bank's profit rate improves over time” was the most important item in the dimension of effectiveness in the Islamic banks due to its greater mean (4.27) with 85.4% importance percentage, while the fourth item “The volume of bad debts is growing less than a year to another” comes in the second stage of importance since its mean was (4.15) with 83% importance percentage, but the lowest item of the effectiveness dimension was the sixth item “The degree of quality of service provided

by the bank to its customers is the best among competing banks” as its mean was (3.80) with 76% importance percentage.

As we can see from table (14) that there is a high level of knowledge for effectiveness in the Islamic banks in Palestine.

The level of Bank performance in the Islamic banks in Palestine:

Table (15): Means and Standard Deviations of Bank operational performance

Items	Mean	Standard Deviation	Level	Importance percentage	Rank
Efficiency	4.03	.384	High	80.6%	1
Effectiveness	4.06	.345	High	81.2%	2
Bank Performance	4.05	.333	High	81%	

As shown in the above table, all dimensions of the Bank Performance in the Islamic banks in Palestine had a high level, that means that there is a high level of knowledge of Bank Performance in the Islamic banks in Palestine with (M=4.05, SD=0.333), whereas the mean for all of them ranges from (4.03-4.06). The “Effectiveness” was the most important dimension of Bank Performance of the Islamic banks due to its greater mean (4.06) with 81.2% importance percentage, while the "Efficiency" was the second place in terms of importance, due to mean (4.03) with 80.6% importance percentage.

To answer the third sub question: Is there any differences in strategic planning in Islamic banks due to demographic variables of the study demographic variables (gender, age, educational level, years of experience, and job title) on the perspectives of the

sample individuals about the effect of strategic planning on performance in the Islamic Banks operating in Palestine?

In order to answer this sub question it was formulated into a main hypothesis as indicated in the following section:

4.3 Testing research hypotheses

In this part we will illustrate the results related to study hypotheses.

H02: There are no significant statistical differences in understanding the strategic planning and operational performance in the Islamic Banks in Palestine due to demographic characteristics.

In order to test this hypothesis it was divided into the following sub hypotheses:

H02-1: There are no significant statistical differences in understanding the strategic planning and its effect on operational performance in the Islamic Banks in Palestine due to gender.

Table (16): The Results of Independent T-test for the differences due to gender

	Gender	N	Mean	Std. Deviation	T- value	Sig
Vision	Male	79	4.8333	.26554	-.123	.903
	Female	21	4.8413	.25537		
Mission	Male	79	4.6926	.40477	.628	.531
	Female	21	4.6327	.31807		
Goals	Male	79	4.6582	.81224	1.243	.217
	Female	21	4.4286	.45168		
Internal environment	Male	79	4.3924	.45500	1.490	.139
	Female	21	4.2321	.36505		
External environment	Male	79	4.4262	.47423	2.472	.015
	Female	21	4.1349	.50172		

Strategic planning	Male	79	4.6005	.37664	1.641	.104
	Female	21	4.4539	.31016		
efficiency	Male	79	4.0722	.40190	1.846	.068
	Female	21	3.9000	.27749		
effectiveness	Male	79	4.0981	.35563	1.735	.086
	Female	21	3.9524	.28360		
Bank Performance	Male	79	4.0851	.34423	1.969	.052
	Female	21	3.9262	.25977		

Independent t-test was used to test the hypothesis “There are no significant statistical differences in understanding the strategic planning and operational performance in the Islamic Banks in Palestine due to gender” with a 95% level confidence.

The table above shows that the P-value is more than 0.05 on all the research scopes except for the external environment scope where the Sig. value was (0.01) less than (0.05). Therefore the researcher can accept the H01-1 hypothesis on all the research scopes and he rejects it on the external environment scope.

The differences on the external environment scope were for the benefit of males who got the higher mean which means that their knowledge about the external environment and its effect on operational performance was higher than females. But gender doesn't play an important role in strategic planning in the Islamic banks in Palestine and its effect on operational performance as a whole.

It is obvious that females need to know that external environment as a dimension of strategic planning is necessary to enhance operational performance.

H02-2: There are no significant statistical differences in understanding the strategic planning and its effect on operational performance in the Islamic Banks in Palestine due to age.

Table (17): The Results of One Way ANOVA test for the differences due to age

		ANOVA				
Age		Sum of Squares	df	Mean Square	F	Sig.
Vision	Between Groups	.147	2	.074	1.073	.346
	Within Groups	6.658	97	.069		
	Total	6.805	99			
Mission	Between Groups	.373	2	.186	1.247	.292
	Within Groups	14.489	97	.149		
	Total	14.862	99			
Goals	Between Groups	.783	2	.391	.682	.508
	Within Groups	55.632	97	.574		
	Total	56.415	99			
Internal environment	Between Groups	1.189	2	.594	3.194	.045
	Within Groups	18.051	97	.186		
	Total	19.239	99			
External environment	Between Groups	2.526	2	1.263	5.710	.005
	Within Groups	21.457	97	.221		
	Total	23.983	99			
Strategic planning	Between Groups	.456	2	.228	1.714	.185
	Within Groups	12.890	97	.133		
	Total	13.345	99			
efficiency	Between Groups	.401	2	.201	1.368	.260
	Within Groups	14.229	97	.147		
	Total	14.630	99			
effectiveness	Between Groups	.019	2	.009	.078	.925
	Within Groups	11.807	97	.122		
	Total	11.826	99			
Bank Performance	Between Groups	.092	2	.046	.407	.667
	Within Groups	10.920	97	.113		
	Total	11.011	99			
Total degree	Between Groups	.289	2	.144	1.373	.258
	Within Groups	10.200	97	.105		
	Total	10.488	99			

One Way Anova test was used to test the hypothesis “There are no significant statistical differences in understanding the strategic planning and its effect on operational performance in the Islamic Banks in Palestine due to age” with a 95% level confidence.

The table above shows that the P-value is more than 0.05 on all the research scopes except for the internal environment and the external environment scopes where the Sig. value was (0.045) and (0.005) both less than (0.05). Therefore the researcher can accept the H01-2 hypothesis on all the research scopes and he rejects it on these two scopes.

It is obvious that the differences on the internal scope were for the benefit of the older categories. It seems that the categories (3-less than 40) and (50 and more) have wider perspective about the effect of internal environment on operational performance due to their more experience in the field of Islamic banking. They were able to recognize more that the external environment as a dimension of strategic planning is necessary to enhance operational performance.

H02-3: There are no significant statistical differences in understanding the strategic planning and its effect on operational performance in the Islamic Banks in Palestine due to educational level.

Table (18): The Results of One Way ANOVA test for the differences due to educational level

		ANOVA				
		Sum of Squares	df	Mean Square	F	Sig.
Vision	Between Groups	.064	1	.064	.927	.338
	Within Groups	6.742	98	.069		
	Total	6.805	99			
Mission	Between Groups	.062	1	.062	.409	.524
	Within Groups	14.800	98	.151		
	Total	14.862	99			
Goals	Between Groups	.376	1	.376	.657	.420
	Within Groups	56.039	98	.572		
	Total	56.415	99			
Internal environment	Between Groups	.330	1	.330	1.711	.194
	Within Groups	18.909	98	.193		
	Total	19.239	99			

External environment	Between Groups	.507	1	.507	2.118	.149
	Within Groups	23.476	98	.240		
	Total	23.983	99			
Strategic planning	Between Groups	.144	1	.144	1.067	.304
	Within Groups	13.202	98	.135		
	Total	13.345	99			
efficiency	Between Groups	.440	1	.440	3.038	.084
	Within Groups	14.191	98	.145		
	Total	14.630	99			
effectiveness	Between Groups	.015	1	.015	.122	.728
	Within Groups	11.811	98	.121		
	Total	11.826	99			
Bank Performance	Between Groups	.154	1	.154	1.388	.242
	Within Groups	10.857	98	.111		
	Total	11.011	99			

One Way Anova test was used to test the hypothesis “There are no significant statistical differences in understanding the strategic planning and its effect on operational performance in the Islamic Banks in Palestine due to educational level” with a 95% level confidence.

The table above shows that the P-value is more than 0.05 on all the research scopes. Therefore the researcher can accept the H01-3 hypothesis on all the research scopes.

The result of examining the third hypothesis shows that the scientific qualification or educational level was not an influential factor in terms of the knowledge of managers and workers in Islamic banks in Palestine about the effect of strategic planning in its various dimensions on the operational performance of the Islamic bank, and in the researcher's opinion, this may be due to the fact that about (82%) of managers and workers included in the research sample enjoy intermediate educational qualifications, and they are close in their academic degrees according to what the characteristics of the researched sample showed, and therefore there were no statistically significant differences between them.

H02-4: There are no significant statistical differences in understanding the strategic planning and its effect on operational performance in the Islamic Banks in Palestine due to years of experience.

Table (19): The Results of One Way ANOVA test for the differences due to years of experience

		ANOVA				
		Sum of Squares	df	Mean Square	F	Sig.
Vision	Between Groups	.228	3	.076	1.111	.349
	Within Groups	6.577	96	.069		
	Total	6.805	99			
Mission	Between Groups	.609	3	.203	1.368	.257
	Within Groups	14.253	96	.148		
	Total	14.862	99			
Goals	Between Groups	2.445	3	.815	1.450	.233
	Within Groups	53.970	96	.562		
	Total	56.415	99			
Internal environment	Between Groups	.732	3	.244	1.265	.291
	Within Groups	18.508	96	.193		
	Total	19.239	99			
External environment	Between Groups	3.240	3	1.080	4.999	.063
	Within Groups	20.743	96	.216		
	Total	23.983	99			
Strategic planning	Between Groups	.986	3	.329	2.552	.060
	Within Groups	12.360	96	.129		
	Total	13.345	99			
efficiency	Between Groups	.087	3	.029	.192	.902
	Within Groups	14.543	96	.151		
	Total	14.630	99			
effectiveness	Between Groups	.224	3	.075	.618	.605
	Within Groups	11.602	96	.121		
	Total	11.826	99			
Bank Performance	Between Groups	.118	3	.039	.348	.791
	Within Groups	10.893	96	.113		
	Total	11.011	99			

One Way Anova test was used to test the hypothesis “There are no significant statistical differences in understanding the strategic planning and its effect on operational performance in the Islamic Banks in Palestine due to years of experience” with a 95% level confidence.

The table above shows that the P-value is more than 0.05 on all the research scopes. Therefore the researcher can accept the H01-4 hypothesis on all the research scopes.

The result of examining the fourth hypothesis shows that experience was not an influential factor in terms of the knowledge of managers and workers in Islamic banks in Palestine about the effect of strategic planning in its various dimensions on the operational performance of the Islamic bank, and in the researcher's opinion, this may be due to the fact that (46%) of managers and workers included in the research sample have more than 15 years of experience and a portion of (41%) of the sample individuals have (5-10) years of experience, and they are close in their experience. Therefore there were no statistically significant differences between them.

H02-5: There are no significant statistical differences in understanding the strategic planning and its effect on operational performance in the Islamic Banks in Palestine due to job title.

Table (20): The Results of One Way ANOVA test for the differences due to job title

		Sum of Squares	df	Mean Square	F	Sig.
Vision	Between Groups	.246	4	.062	.891	.473
	Within Groups	6.559	95	.069		
	Total	6.805	99			
Mission	Between Groups	.160	4	.040	.258	.904
	Within Groups	14.702	95	.155		
	Total	14.862	99			
Goals	Between Groups	1.671	4	.418	.725	.577
	Within Groups	54.744	95	.576		
	Total	56.415	99			
Internal environment	Between Groups	.502	4	.125	.636	.638
	Within Groups	18.737	95	.197		
	Total	19.239	99			

External environment	Between Groups	1.083	4	.271	1.123	.350
	Within Groups	22.900	95	.241		
	Total	23.983	99			
Strategic planning	Between Groups	.325	4	.081	.593	.668
	Within Groups	13.020	95	.137		
	Total	13.345	99			
efficiency	Between Groups	.543	4	.136	.915	.459
	Within Groups	14.088	95	.148		
	Total	14.630	99			
effectiveness	Between Groups	.346	4	.087	.717	.583
	Within Groups	11.479	95	.121		
	Total	11.826	99			
Bank Performance	Between Groups	.310	4	.078	.688	.602
	Within Groups	10.701	95	.113		
	Total	11.011	99			

One Way Anova test was used to test the hypothesis “There are no significant statistical differences in understanding the strategic planning and its effect on operational performance in the Islamic Banks in Palestine due to job” with a 95% level confidence.

The table above shows that the P-value is more than 0.05 on all the research scopes. Therefore, the researcher can accept the H01-5 hypothesis on all the research scopes.

The result of testing the fifth hypothesis shows that job was not an influential factor in terms of the knowledge of managers in Islamic banks in Palestine about the effect of strategic planning in its various dimensions on the operational performance of the Islamic bank, and in the researcher's opinion, this may be due to the fact that nearly (71%) of the research sample were department heads and monitors and the other portion was divided on the other three categories of job title(deputy assistant manager (17%), branch department manager (10%), and deputy assistant general manager (2%). Therefore there were no statistically significant differences between them.

The main question "What is the impact of strategic planning on operational performance in the Islamic banks in Palestine?"

To answer the main question of the study it was formulated into the following hypothesis:

H01: There is no significant impact of strategic planning dimensions (vision, mission, goals, internal environment, and external environment) on operational performance (efficiency and effectiveness) in the Islamic banks.

Table (21): R-square and ANOVA for Econometrics Model

Model	Sum of Squares	Df	Mean Square	F	Sig.	R	R Square	Adjusted R Square
Regression	4.216	1	4.216	60.795	.000	.619a	.383	.377
Residual	6.796	98	.069					
Total	11.011	99						

a. Dependent Variable: operational performance

The scholar obtained the results presented in the table above using the ANOVA; the results show a significant F-value of 60.795 with DF (1,98). The F-test can be taken as a measure of overall significance of the estimated regression, it indicates that the p-value (sig.) = (0.00) is less than (0.05), which implies that a significant impact exists between strategic planning and operational performance in the Islamic banks in Palestine. Additionally, as $R^2 = .385$ which means that strategic planning can explain 38.5% of the variation in operational performance in the Islamic banks in Palestine.

Table (22): The OLS Summary Statistics of the Null Hypothesis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.483	.330		4.489	.000
Strategic planning	.562	.072	.619	7.797	.000

The multiple linear regression analysis was used to examine if strategic planning has an impact on the operational performance in the Islamic banks in Palestine. The results of the multiple linear regression indicated that strategic planning predicts operational performance in the Islamic banks in Palestine ($\beta=0.562$, $p=0.00$).

The econometric model equation:

$$\text{Operational performance} = 1.483 + 0.562 \text{ Strategic Planning}$$

H01-1: There is no significant impact of strategic planning dimensions (vision, mission, goals, internal environment, and external environment) on efficiency dimension in the Islamic banks in Palestine.

Table (23): R-square and ANOVA for the impact of strategic planning dimensions on efficiency

Model	Sum of Squares	Df	Mean Square	F	Sig.	R	R Square	Adjusted R Square
Regression	5.321	1	5.321	56.013	.000a	.603a	.364	.357
Residual	9.309	98	.095					
Total	14.630	99						

a. Dependent Variable: efficiency

The results obtained by the researcher using the ANOVA, as shown in the table above. The results show a significant F-value of (56.013) with DF (1 and 98). The F-test can be considered a measure of the overall significance of the estimated regression, and it indicates that the p-value (0.00) is less than (0.05), which implies that a significant impact exists between strategic planning dimensions and efficiency dimension in this model. In other words, indicates that “the combination of these variables significantly predicts the dependent variable”, and as $R^2 = .364$ which means that strategic planning dimensions can explain 36.4% of the variation in efficiency.

Table (24): Multiple regression test for the impact of each dimension of strategic planning on efficiency as a dimension of operational performance

Model		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	Constant (efficiency)	2.397	.537		4.465	.000
	vision	-.394	.143	.269	-2.756	.007
	mission	.190	.107	.192	1.778	.079
	goals	.077	.045	.151	1.703	.092
	Internal environment	.333	.104	.382	3.208	.002
	External environment	.195	.099	.249	1.963	.053

Table (24) shows the standardized coefficients for each strategic planning dimension, for the variables (vision, and internal environment) the β coefficients were statistically significant and relatively high due to their significant level of which is less than (0.05)

The strongest impact of the two effective dimensions of strategic planning on efficiency was for the internal environment dimension with a β value of (0.382) and significance level of (0.002), followed by vision dimension with a β value of (0.269) and significance level of (0.007).

The table also shows that mission, goals and external environment have no significant impact on efficiency due to their significance level of (0.079), (0.092) and (0.053) respectively. And these values are more than (0.05).

H01-2: There is no significant impact of strategic planning dimensions (vision, mission, goals, internal environment, and external environment) on effectiveness dimension in the Islamic banks in Palestine.

Table (25): R-square and ANOVA for the impact of strategic planning dimensions on effectiveness

Model	Sum of Squares	Df	Mean Square	F	Sig.	R	R Square	Adjusted R Square
Regression	3.239	1	3.239	36.966	.000 ^a	.523 ^a	.274	.266
Residual	8.587	98	.088					
Total	11.826	99						

a. Dependent Variable: effectiveness

The results obtained by the researcher using the ANOVA, as shown in the table above. The results show a significant F-value of (36.966) with DF (1 and 98). The F-test can be considered a measure of the overall significance of the estimated regression, and it indicates that the p-value (0.00) is less than (0.05), which implies that a significant impact exists between strategic planning dimensions and effectiveness dimension in this model. In other words, indicates that “the combination of these variables significantly predicts the dependent variable (effectiveness)”, and as $R^2 = .274$ which means that strategic planning dimensions can explain 27.4% of the variation in effectiveness.

Table (26): Multiple regression test for the impact of each dimension of strategic planning on effectiveness as a dimension of operational performance

Model		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	Constant (effectiveness)	1.933	.541		3.572	.001
	Vision	.036	.144	.027	.250	.803
	Mission	.005	.108	.005	.044	.965
	Goals	.096	.046	.209	2.102	.038
	Internal environment	.424	.105	.540	4.044	.000
	External environment	-.080	.100	-.114	-.802	.424

a. Dependent Variable: effectiveness

Table (26) shows the standardized coefficients for each strategic planning dimension, for the variables (goals, and internal environment) the β coefficients were statistically significant and relatively high due to their significant level of which is less than (0.05)

Highlighting the strongest impact of the two effective dimensions of strategic planning on effectiveness, it is clear that the internal environment dimension has the strongest impact with a β value of (0.540) and significance level of (0.000), and goals dimension with a β value of (0.209) and significance level of (0.038).

The table also shows that vision, mission, and external environment have no significant impact on effectiveness due to their significance level of (0.80), (0.96) and (0.42) respectively. And these values are more than (0.05).

Table (27): Results of Multiple Regression Analysis for testing the impact of each strategic planning dimension

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	Constant(operational performance)	2.165	.470		4.604	.000
	Vision	-.179	.125	-.141	-1.430	.156
	Mission	.097	.094	.113	1.041	.301
	Goals	.086	.040	.195	2.182	.032
	Internal environment	.379	.091	.500	4.158	.000
	External environment	.057	.087	.084	.659	.512

a. Dependent Variable: Bank Performance

The table of multiple regression analysis is about testing the impact of each predictor included in the model on the dependent variable. Standardized beta coefficients β and α significance levels were used to test the impact of strategic planning (vision, mission, goals, internal environment, and external environment) on operational performance. In other words, the value of standardized beta coefficient can identify the most and least dimension of strategic planning that affects the operational performance.

Table (27) shows the standardized coefficients for each strategic planning dimension. On the one hand, for the variables (goals and internal environment) the β coefficients were statistically significant and relatively high due to their significant level of which is less than (0.05)

Highlighting the strongest impact of the two effective dimensions of strategic planning on operational performance, it is clear that the internal environment dimension has the strongest impact with a β value of (0.500) and significance level of

(0.000), followed by goals dimension with a β value of (0.195) and significance level of (0.032) .

The table also shows that vision, mission, and external environment have no significant impact on operational performance as a whole due to their significance level of (0.15), (0.30), and (0.51) respectively. And these values are more than (0.05).

The econometric model equation:

Operational performance = 2.165+ 0.379 internal environment+ 0.086 goals.

The interpretations of the significant independent variables:

1. There is a significant impact of internal environment on operational performance, and increasing internal environment by (10) units may increase operational performance by (3.8) units.
2. There is a significant impact of goals on operational environment, and increasing goals by (10) units may increase operational performance by (.9) units.

According to the hypothesis testing rule that was discussed above, the testing results of sub-hypotheses of the third main hypothesis are illustrated in table (28).

Table (28): Results of testing the sub-hypotheses of the third main hypothesis

Null Sub-hypothesis	Result
There is no statistically significant impact of vision on operational performance	Accepted
There is no statistically significant impact of mission on operational performance	Accepted
There is no statistically significant impact of goals on operational performance	rejected
There is no statistically significant impact of internal environment on operational performance	Rejected
There is no statistically significant impact of external environment on operational performance.	Accepted

4.4 Discussion

Here is a discussion of the main results mentioned in the previous section (Data Analysis) in order to answer the questions of the research problem regarding the effect of Strategic Planning on operational performance in the Islamic banks in Palestine.

The study discussed the level of strategic planning and its effect on operational performance in the Islamic banks in Palestine.

The findings of this study are organized and discussed below according to the study questions and hypotheses.

- **Regarding the first sub question: "What is the level of strategic planning in the Islamic banks in Palestine?"**

The overall mean of the level of strategic planning is (4.56) which means that there is a high level of strategic planning.

The level of vision is high (M= 4.83): directors and department managers and assistants confirmed that the bank's vision is developed according to Islamic legislation principles, bank vision is written, there is clarity in the strategic vision of the bank, the bank continuously develops its strategic vision, the bank is interested in formulating its vision of the internal community of the bank, and the bank seeks to improve its relationship with the external environment. It is clearly defined that the Islamic banks in Palestine are applying the strategic planning practices regarding the vision.

The level of mission is high (M= 4.68): directors and department managers and assistants confirmed that the bank has a clear mission, bank mission is written, the bank's mission includes the values and beliefs it believes in, the bank communicates its mission to employees for the purpose of improving performance, the bank's mission is known to all employees, the bank's mission is balanced with available resources, and the bank's mission encourages creativity. It is clearly defined that the Islamic banks in Palestine are applying the strategic planning practices regarding the mission.

The level of goals is high (M= 4.61): directors and department managers and assistants confirmed that the goals are to stimulate the abilities and skills of employees to develop and improve performance, the strategic goals of the bank are compliance with Islamic principles, the bank's goals are written, the bank is working to achieve the

goals to suit its potential, the bank's goals are clear, the bank sets long-term strategic goals, all parties to the Bank participate in the formulation of its objectives, and the bank's goals are flexible enough to adapt to emergency circumstances. This result indicates that the Islamic banks in Palestine are applying the strategic planning practices regarding the goals.

The level of internal environment is high (M= 4.35): directors and department managers and assistants confirmed that the work is under way to achieve integration and coherence between all functions and activities of the bank, there is an interest in managing the bank to increase the effectiveness of communications within the bank, there is an interest in the presence of competencies and cadres that can provide different services, strengths and weaknesses are identified, making it possible to strengthen the competitive position, the main problems and issues that protect the Bank's interests and future are dealt with, internal control over the bank's resources are allocated and directed, the quality and functions of the services are diversified, and information is provided to make the best decisions. Depending on this result, it is clearly defined that the Islamic banks in Palestine are applying the strategic planning practices regarding the internal environment.

The level of external environment is high (M= 4.36): directors and department managers and assistants confirmed that the bank seeks to enhance its competitive position by sustaining adaptation to external environment changes, there is an interest in taking into account new needs and desires that need to be better satisfied than currently available, there is an interest in studying and analyzing competitors' reactions and readiness to confront them, the bank manages the business efficiently and effectively,

the bank is interested in studying the opportunities and threats, and the main trends of environmental change and the resulting opportunities and threats are identified. Depending on this result, it is clearly defined that the Islamic banks in Palestine are applying the strategic planning practices regarding the external environment.

This result is consistent with the results of Mohammad & Al-Ghazzi (2017) which showed that the level of practicing of Yemeni Islamic banks for strategic planning was high. The result is also consistent with Elsiefy & Eljohani (2016) which revealed that Islamic banks in Qatar practice strategic management. This result also supported the results of (Alameri, 2006) which indicated that Islamic banks in Yemen are interested in practicing strategic management to a large degree

- **Regarding the second sub question: "What is the level of operational performance in the Islamic banks in Palestine?"**

The overall mean of the level of operational performance is (4.05) which means that there is a high level of operational performance.

The level of efficiency is (M= 4.03): The respondents agreed that when they make decisions, they have the information at the appropriate time, the process of using the Bank's available resources is constantly improving, when they make decisions, they have the information with the required accuracy, management goals are achieved without exceeding the resources allocated to the bank, there is self-motivation and initiative from the bank subordinates to do the work, organizational loyalty is high in the bank, the staff accomplishes the tasks assigned to them with the required quality, the percentage of errors that the bank employees make is low, the job satisfaction rate is

high in the bank, and the bank has a high ability to invest its money. Depending on this result, it is clearly defined that efficiency level in the Islamic banks in Palestine is high.

The level of effectiveness is high (M= 4.06): The study sample agreed that the bank's profit rate improves over time, the volume of bad debts is growing less than a year to another, the bank has a high ability to adapt to environmental variables, the amount of uses of funds is proportional to the size of their sources, the bank provides its banking services to customers at an appropriate time, the target size of the deposit is achieved, target numbers are achieved from operating income, the degree of quality of service provided by the bank to its customers is the best among competing banks.

This result indicates that the level of effectiveness in the Islamic banks in Palestine is high.

This result is supported by the study of Ansari & Rehman (2011) which concluded that Islamic banks have proven to be more liquid, less risky and operationally efficient than conventional banks. This result is also consistent with the study of Moutinho & Phillips, (2002) which showed a high level of Islamic bank performance.

Regarding the main question "What is the impact of strategic planning on operational performance in the Islamic banks in Palestine?"

The results showed that a significant impact exists between strategic planning and operational performance in the Islamic banks in Palestine.

This finding is consistent with previous related studies such as Moutinho & Phillips (2002) which showed that strategic planning had an impact on the bank performance

and revealed that efficiency of bank branch is influenced by efficient management practices; the branch performance is strongly based on the long term thinking and renovation, and (Elsiefy & Eljohani, 2016) which found statistically significant impact of the strategic planning in improving the Islamic Banks performance concluded that strategic management is a significant instrument to consider and use in Islamic banks.

Chapter Five

Conclusions and Recommendations

5.1 Introduction

The study investigated the level of Strategic Planning in the Islamic Banks in Palestine and its impact on operational performance.

Strategic planning dimensions are seen as a way to know the potential and the different competences that can be available to the banks through different plans, programs and projects, so that the bank can maintain high operational performance that corresponding with the importance and nature of the work of the bank.

The results of the level of practicing strategic planning variable were high which indicates that that the participating respondents have a positive view towards practicing the dimensions of strategic planning. The level of operational performance variable was also high which indicates that the respondents showed a high degree of operational performance in the Islamic banks in Palestine.

5.2 Conclusions

Strategic planning is to link between the organization's goals, resources and environmental conditions of an organization using specific methods and activities. It is a management tool that fulfils the aim of helping the bank to do a better job and develop banks because it concentrates on the energy, the resources and the time of each person in the organization in the same tendency.

This study has developed a theoretical framework to investigate the level of strategic planning and its impact on operational performance in the Islamic banks in Palestine, and to discuss the effect of some variables on the impact of Strategic Planning on operational performance.

The Banks have a high level of strategic planning in the context of Islamic Bank, and also a high operational performance.

The findings provided empirical support for the debate that operational performance is positively and significantly impacted by strategic planning dimensions particularly, vision, mission, goals, internal environment, and external environment. These strategic planning dimensions were found to be applied and practiced in the Islamic banks in Palestine in a high degree.

In order to maintain a culture of strategic planning and to develop the Islamic bank system, there should be emphases on the efficiency and effectiveness of the Islamic bank. The bank should highly focus on implementing strategic planning to enhance operational performance and to direct the managers, assistants, and employees' to implement the bank's vision, mission, goals, internal environment, and external environment.

5.3 Study Limitations

One of the difficulties encountered the researcher in the study was the small size of the sample and the inability to reach all the regions in Palestine. In addition, the researcher distributed 120 questionnaires and received only 100 filled questionnaires.

5.4 Recommendations

Based on the data analysis and the discussion illustrated above, the following recommendations are suggested:

5.4.1 Recommendations related to level of strategic planning:

- It is necessary for the Islamic banks in Palestine to contribute more in enhancing operational performance through its internal and external environment, which must be explained more accurately.
- It is necessary for the bank goals to contribute more to improving the operational performance and they must be understandable and more flexible.
- There must be reliance on internal and external experiences as a basis for achieving goals of the Islamic bank.

5.4.2 Recommendations related to operational performance:

- The necessity to give more attention to the development of efficiency for its importance as a component of operational performance.
- There should be more attention to develop effectiveness to establish more audience interest in the Islamic bank services.

5.4.3 For Future Research

1. Studying other strategic planning dimensions that are not considered in this study such as strategic option and monitoring and evaluation in order to reach a

full idea about the impact of all dimensions of strategic planning on operational performance.

2. Studying other factors that may affect the impact of strategic planning on operational performance such as training courses in order to reach a more comprehensive understanding of the factors that may have an effect in this regard.
3. Conducting a similar study on other Islamic institutions which will provide an opportunity to compare different results and implications.

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Appendices

Appendix (1): The Evaluators

Name	Academic Rank	Specialization	University
Dr. Amer Jaber	Assistant Professor	Islamic Banks	Birzeit University
Dr. Oroba Albargouthi	Assistant Professor	Financial management	Al-Quds University- Abu Dis
Dr. Emad Wild Ali	Assistant Professor	HR Management	AAUP
Dr. Attiah Mosleh	Associate Professor	Business Administration	Al-Quds Open University
Dr. Jafar Abusaa	Assistant Professor	Arts and Educational Sciences	Palestine Technical University- Kadoorei
Dr. Shaher Obaid	Associate Professor	Business Administration	Al- Quds Open University
Dr. Hisham Jaber	Associate Professor	Finance	An- Najah National University

Appendix (2): Questionnaire



Dear Directors ... Dear Employees:

The researcher conducts a field study on "**The Effect of Strategic Planning on the performance of Islamic Banks Operating in Palestine**". Please, read all the questions carefully and check the correct option as you see fit. Note that your answer will be confidential and will only be used for scientific research purposes.

Thanks for your cooperation

Researcher: Mahmoud Nazzal

Section 1: Personal Information

Gender: Male Female

Age: 25 to less than 30 30 to less than 40 40 to less than 50 50 and more.

Education level: BA MA PhD

Years of experience: 5 years and less 6-10 years 11-15 years more than 15 years

Job title: Employee Head of Department Manager

Section 2: Please read the following statements carefully and tick the appropriate box in front of each paragraph:

A. Strategic planning

No.	Paragraphs	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1. Vision						
1.	There is clarity in the strategic vision of the bank.					
2.	Bank vision is written.					
3.	Bank vision is specific					
4.	The bank continuously develops its strategic vision					
5.	The bank's vision is developed according to Islamic legislation principles.					
6.	The bank is interested in formulating its vision of the internal community of the bank.					
7.	In formulating its vision, the bank takes into account the requirements of the community.					
8.	The bank seeks to improve its relationship with the external environment.					
9.	The bank contributes to the consolidation of Islamic finance.					
2. Mission						
1.	The Bank has a clear mission.					
2.	The Bank's mission outlines new opportunities for the development of the Islamic banking sector.					
3.	The Bank's mission encourages creativity.					
4.	The Bank's mission is balanced with available resources.					
5.	The Bank communicates its mission to employees for the purpose of improving performance.					
6.	The Bank's mission includes the values and beliefs it believes in.					
7.	The Bank's mission includes what the Bank is doing.					

8.	The bank's mission is known to all employees.					
9.	Bank mission is written					
3. Goals						
1.	The strategic goals of the bank are compliance with Islamic principles					
2.	The Bank has long term goals to pursue.					
3.	The Bank clearly sets out its policies to help implement its strategic goals.					
4.	The goals are to stimulate the abilities and skills of employees to develop and improve performance.					
5.	The Bank is working to achieve the goals to suit its potential.					
6.	All parties to the Bank participate in the formulation of its objectives.					
7.	The Bank's goals are clear, specific and understandable to all employees.					
8.	The Bank's goals are flexible enough to adapt to emergency circumstances.					
9.	The Bank's goals are clear.					
10.	The Bank's goals are written.					
	Several alternative strategies are being developed to achieve the Bank's goals.					
4. Internal environment						
1.	Strengths and weaknesses are identified, making it possible to strengthen the competitive position.					
2.	Work is under way to achieve integration and coherence between all functions and activities of the Bank.					
3.	The main problems and issues that protect the Bank's interests and future are dealt with.					
4.	Information is provided to make the best decisions.					
5.	There is an interest in managing the bank to increase the effectiveness of communications within the bank.					
6.	Internal control over the bank's resources are allocated and directed.					
7.	The quality and functions of the services are diversified.					
8.	There is an interest in the presence of competencies and cadres that can					

	provide different services.					
5. External environment						
1.	The Bank seeks to enhance its competitive position by sustaining adaptation to external environment changes.					
2.	The Bank manages the business efficiently and effectively.					
3.	The bank is interested in studying the opportunities and threats					
4.	There is an interest in studying and analyzing competitors' reactions and readiness to confront them.					
5.	There is an interest in adaptation to environmental conditions and their changing variables.					
6.	There is a great deal of data and information from the external environment.					
7.	The main trends of environmental change and the resulting opportunities and threats are identified.					
8.	There is an interest in taking into account new needs and desires that need to be better satisfied than currently available.					

Bank Performance

No.	Paragraphs	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1. efficiency						
1.	Management goals are achieved without exceeding the resources allocated to the bank.					
2.	The staff accomplishes the tasks assigned to them with the required quality.					
3.	The bank has a high ability to invest its money.					
4.	The percentage of errors that the bank employees make is low.					
5.	The process of using the Bank's available resources is constantly improving.					
6.	When you make decisions, you have					

	the information at the appropriate time.					
7.	When you make decisions, you have the information with the required accuracy.					
8.	The job satisfaction rate is high in the bank.					
9.	There is self-motivation and initiative from the bank subordinates to do the work.					
10.	Organizational loyalty is high in the bank.					
2. effectiveness						
1.	The bank has a high ability to adapt to environmental variables.					
2.	The bank's profit rate improves over time.					
3.	The target size of the deposit is achieved.					
4.	The volume of bad debts is growing less than a year to another.					
5.	Target numbers are achieved from operating income.					
6.	The degree of quality of service provided by the bank to its customers is the best among competing banks.					
7.	The bank provides its banking services to customers at an appropriate time.					
8.	The amount of uses of funds is proportional to the size of their sources.					

الاستبانة



كلية الدراسات العليا

التخطيط الاستراتيجي وتجنييد الأموال

السادة المدراء، السادة الموظفين / المحترمين،

يقوم الباحث بإجراء دراسة ميدانية حول "أثر التخطيط الاستراتيجي على الأداء في البنوك الإسلامية العاملة في فلسطين". من فضلك، اقرأ جميع الأسئلة بعناية وتحقق من الخيار الصحيح كما تراه مناسبًا. مع العلم أن إجابتك ستكون سرية ولن يتم استخدامها إلا لأغراض البحث العلمي.

شكرا لتعاونك..

الباحث: محمود نزال

القسم الأول: المعلومات الشخصية

الجنس: ذكر أنثى

العمر: من 25 إلى أقل من 30 من 30 إلى أقل من 40 من 40 إلى أقل من 50

أكثر من 50 سنة

مستوى التعليم: بكالوريوس ماجستير دكتوراه

سنوات الخبرة: أقل من 5 سنوات من 5 إلى أقل من 10 سنوات من 10-15 سنة

أكثر من 15 سنة

الوظيفة: رئيس القسم مراقب نائب مساعد مدير مدير فرع / دائرة

نائب مساعد مدير العام مدير عام .

القسم 2: يرجى قراءة العبارات التالية بعناية وتحديد المربع المناسب أمام كل فقرة:

(1) التخطيط الاستراتيجي

معارض بشدة	معارض	محايد	موافق	موافق بشدة	الفرقات	الرقم
(1) الرؤيا						
					يوجد للبنك رؤية واضحة.	1.
					رؤية البنك مكتوبة.	2.
					يقوم البنك بتطوير رؤيته الاستراتيجية باستمرار.	3.
					تتضمن رؤية البنك الامتثال لمبادئ الشريعة الإسلامية	4.
					يهتم البنك بصياغة رؤيته للمجتمع الداخلي للبنك.	5.
					يسعى البنك إلى تحسين علاقته بالبيئة الخارجية.	6.
(2) الرسالة						
					البنك لديه رسالة واضحة.	1.
					رسالة البنك تشجع على الإبداع.	2.
					تتوازن رسالة البنك مع الموارد المتاحة.	3.
					ينقل البنك رسالته للموظفين بغرض تحسين الأداء.	4.
					تتضمن رسالة البنك القيم والمعتقدات التي يؤمن بها.	5.
					رسالة البنك معروفة لجميع الموظفين.	6.
					رسالة البنك مكتوبة.	7.
(3) الأهداف						
					الأهداف الاستراتيجية للبنك متوافقة مع المبادئ الإسلامية.	1.
					يضع البنك أهداف استراتيجية طويلة الأمد	2.
					الأهداف تشمل تحفيز قدرات ومهارات الموظفين لتطوير وتحسين الأداء.	3.
					يعمل البنك على تحقيق الأهداف التي تناسب إمكاناته.	4.
					تشارك جميع أطراف البنك في صياغة أهدافه.	5.
					لدى البنك أهداف واضحة ومحددة	6.
					أهداف البنك مرنة بما يكفي للتكيف مع الظروف	7.

					الطارئة.
					8. أهداف البنك مكتوبة.
(4) البيئة الداخلية					
					1. يقوم البنك بتحليل الضعف والقوة من اجل تعزيز وضعه التنافسي
					2. يعمل البنك على تحقيق التكامل والتماسك بين جميع وظائفه وأنشطته.
					3. لدى البنك قدرة على التعامل مع المشاكل التي تواجهه من اجل حماية مصالحه ومستقبله.
					4. يتوفر لدى البنك قاعدة بيانات كافية لاتخاذ القرارات المناسبة بخصوص منح التمويل او الاستثمار.
					5. تهتم إدارة البنك بزيادة فعالية الاتصالات داخل البنك.
					6. يتم تخصيص وتوجيه الرقابة الداخلية على موارد البنك.
					7. هناك تنوع في جودة ووظائف الخدمات.
					8. لدى البنك اهتمام بالكفاءات والكوادر التي يمكن أن تقدم خدمات مختلفة.
(5) البيئة الخارجية					
					1. يقوم البنك بتحليل الفرص والتحديات التي تواجهه من اجل تعزيز وضعه التنافسي
					2. يدير البنك الأعمال بكفاءة وفعالية.
					3. هناك اهتمام بدراسة وتحليل ردود فعل المنافسين واستعدادهم لمواجهتها.
					4. يتوفر لدى البنك البيانات الكافية عن البيئة الخارجية والمنافسين
					5. تم تحديد الاتجاهات الرئيسية للتغير البيئي والفرص والتهديدات الناتجة عن ذلك.
					6. هناك اهتمام بمراعاة الاحتياجات والرغبات الجديدة التي يجب إرضاؤها بشكل أفضل مما هو متاح حالياً.

الأداء التشغيلي للبنك

معارض بشدة	معارض	محايد	موافق	موافق بشدة	الفقرات	الرقم
الكفاءة						
					1. تتناسب الأهداف الاستراتيجية للبنك مع موارده المتاحة	
					2. يؤدي الموظفون المطلوب منهم بالسرعة والوقت اللازمين	
					3. يتمتع البنك بقدرة عالية على استثمار أمواله.	
					4. النسبة المئوية للأخطاء التي يرتكبها موظفو البنك منخفضة.	
					5. إن عملية استخدام الموارد المتاحة للبنك في تحسن مستمر.	
					6. عندما يتم اتخاذ قرارات يتم توفير المعلومات في الوقت المناسب.	
					7. عندما يتم اتخاذ قرارات، تتوفر المعلومات بالدقة المطلوبة.	
					8. معدل الرضا الوظيفي مرتفع في البنك.	
					9. هناك دافع ذاتي ومبادرة من مرؤوسي البنك للقيام بالعمل.	
					10. الولاء التنظيمي مرتفع في البنك.	
الفعالية						
					11. يتمتع البنك بقدرة عالية على التكيف مع المتغيرات البيئية.	
					12. يتحسن معدل ربح البنك بمرور الوقت.	
					13. يتم تحقيق الحجم المستهدف للإيداع.	
					14. حجم الديون المعدومة ينمو أقل من عام لآخر.	
					15. يتم تحقيق الأرقام المستهدفة من دخل التشغيل.	
					16. درجة جودة الخدمة التي يقدمها البنك لعملائه هي الأفضل بين البنوك المتنافسة.	
					17. يقدم البنك خدماته المصرفية للعملاء في الوقت المناسب.	
					18. يتناسب حجم استخدامات الأموال مع حجم مصادرها.	

الملخص باللغة العربية

أثر التخطيط الاستراتيجي على أداء البنوك الإسلامية العاملة في فلسطين

الإعداد: محمود نزال

بإشراف: د. محمد أبو شربه

يلعب التخطيط الاستراتيجي دوراً مهماً في تطوير الأداء التشغيلي، وتحسين كفاءة وفاعلية المنظمات وخاصة البنوك الإسلامية، من خلال توفير القدرة على التحكم في الموارد، والاستجابة بشكل فعال للتغيرات البيئية، وتعزيز قدرة البنك على تطوير الاستراتيجيات التي من خلالها تدرك البنوك الإسلامية الأداء التشغيلي. تركز هذه الدراسة على أثر التخطيط الاستراتيجي على الأداء التشغيلي للبنوك الإسلامية في فلسطين. استخدمت الدراسة المنهج الوصفي التحليلي للوصول إلى النتائج. تم استخدام الاستبانة كأداة لجمع البيانات الأساسية من (100) مدير ونائب ومساعد في البنوك الإسلامية في فلسطين. وأظهرت نتائج الدراسة مستوى عالٍ من التخطيط الاستراتيجي والأداء التشغيلي في البنوك الإسلامية في فلسطين، وأن هناك أثراً إيجابياً للتخطيط الاستراتيجي على الأداء التشغيلي في هذه البنوك. كما أظهرت النتائج وجود فروق ذات دلالة إحصائية في فهم التخطيط الاستراتيجي وأثره على الأداء التشغيلي في البنوك الإسلامية في فلسطين تعزى إلى متغيري الجنس والعمر. وعدم وجود فروق ذات دلالة إحصائية في فهم التخطيط الاستراتيجي وأثره على الأداء التشغيلي في البنوك الإسلامية في فلسطين تعزى لمتغيرات (المستوى التعليمي وسنوات الخبرة والمسمى الوظيفي).

وعليه، أوصى الباحث بضرورة قيام البنوك الإسلامية في فلسطين بالمساهمة بشكل أكبر في تعزيز الأداء التشغيلي من خلال بينتها الداخلية والخارجية، الأمر الذي يجب شرحه بشكل أكثر دقة. كما أوصت الباحثة بضرورة إيلاء المزيد من الاهتمام لتطوير الكفاءة لأهميتها كعنصر من عناصر الأداء التشغيلي.

الكلمات الرئيسية: التخطيط الاستراتيجي، الأداء التشغيلي، الكفاءة، الفعالية.