



**Arab American University**

**Faculty of Graduate studies**

**The impact of strategic planning on small and medium-sized enterprises (SMEs) performance in Palestine**

By

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**This Thesis was submitted in partial fulfillment of the requirements for Master's degree in Strategic planning and fund-raising program**

**July /2023**

**AAUP- Campus 202٣.**

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## Thesis Approval

**The impact of strategic planning on small and medium-sized enterprises (SMEs) performance in Palestine.**

**By**

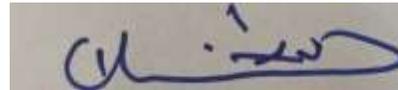
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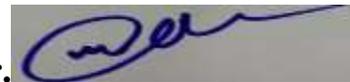
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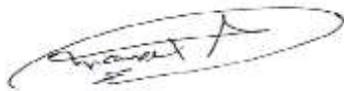


**Declaration**

“I, (Manal Khaleel Khalaileh), declare that this thesis was submitted in partial fulfillment of the graduation requirements for master degree in conflict resolution/ graduate studies-department of social sciences/ Arab American University, Ramallah campus/Palestine. This thesis contains no material that has been submitted previously, in whole or in part, for the award of any other academic degree or diploma. Except where otherwise indicated, this thesis is a conclusion of my own work”

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A handwritten signature in black ink, appearing to read 'Manal A', enclosed within a hand-drawn oval.

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### III

#### **Dedication**

To my dear, loving father, who had the primary credit for my attaining higher education, to the one who inspired me and still does, to the one who trusted my achievement against my will.

And to my wonderful, loving mother, who carried me in my weakness, guided me through life, strengthened me, and cared for me till I grew up.

Thank you from the bottom of my heart to everyone who helped make my success a reality.

### **Abstract**

The study aimed to identify the impact of strategic planning on the performance of small and medium enterprises in Palestine, and strategic planning was measured through its following dimensions: vision and mission, environmental analysis, objectives and policies, implementation and follow-up, and evaluation.

While the performance of SMEs was measured through the dimensions of: efficiency, effectiveness, appropriateness, sustainability, the study used the descriptive analytical approach to achieve the objectives of the study, and the study tool was a questionnaire, and the study population consisted of SMEs companies in Palestine, which numbered approximately (12,000) companies, and a random sample of (373) research items was selected from the owners and employees of these companies, and (292) questionnaires were retrieved with a retrieval rate of (83.9%).

The study came out with several results, the most important of which are: The performance of small and medium enterprises in their dimensions is associated with a strong positive relationship with strategic planning in all its dimensions, that is, the more attention to strategic planning and its dimensions in SMEs, there is an impact of strategic planning on the performance of SMEs, and whenever there is an improvement in the performance of SMEs, the reasons for this improvement are due to strategic planning by at least (33.2%). Several recommendations have been proposed, the most important of which are: Allocating a specialized department responsible for strategic planning

separately from the owners in SMEs, there is an urgent need for the management of SMEs to adopt methods and procedures to evaluate and follow up the implementation of strategic plans, programs and activities emanating from them.

**Keywords: SMEs, Efficiency and Effectiveness, Strategic Planning, Relevance, Sustainability.**

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## **1 Chapter one: General frame of study**

### **1.1 Review**

Given the rapid radical changes and challenges imposed by the twenty-first century's characteristics and features, such as globalization, which is characterized by rapid change, knowledge explosion, intense competition, and comprehensive development, Free trade has compelled institutions to seek a home in order to ensure their survival, growth, and continuity of operations, as well as expansion and entry into new markets.

Due to the intense competitiveness and the increasing environmental changes, it is looking into the field of strategic planning, which has seen a high demand for it, so there is a need to adopt new methods of managing institutions and using strategies through strategic planning.

Strategic planning has three basic dimensions that affect the firms: the structural dimension, which is related to the organizational structure, the human dimension, which is related to workers, and the technical dimension, which is related to the technology used in the work. It is founded on novel approaches to changing reality by employing multi-directional strategic thinking, taking into account the past, present, and future, and utilizing all practical methods in understanding independent variables and understanding the relationships of things with one another. Obtaining a better position

### **1.2 Study Objectives**

The main objective of the study is to find out the impact of strategic planning on the performance of small and medium-sized enterprises (SMEs) in Palestine, in addition, the study aims to:

- Knowing the level of strategic planning implementation in SMEs in terms of (vision and mission, environmental analysis, goals and policies, execution and monitoring, and evaluation).
- Knowing the level of performance of SMEs in terms of (effectiveness, efficiency, suitability, and sustainability)
- It revealed a statistically significant relationship at the level of significance ( $\alpha \leq 0.05$ ) between the level of strategic planning and its dimensions (vision and mission, environmental analysis, goals and policies, implementation and follow-up, evaluation) and the performance level of small and medium enterprises in terms of effectiveness, efficiency, relevance and sustainability.
- Identify the differences in the average responses of the study sample in relation to the level of strategic planning in its dimensions (vision and mission, environmental analysis, goals and policies, implementation, follow-up and evaluation) attributed to the general data of the sample, including: gender, age group, educational qualification, nature of work, and years' Experience.
- To identify the differences in the averages of the study sample responses in relation to the performance of small and medium enterprises with their dimensions (effectiveness, efficiency, suitability, sustainability) attributed to the general data of small and medium enterprises. The sample included: gender, age group, academic qualification, nature of work, years of experience.

### 1.3 Study Problem and Questions

In light of increased global and local competition, small and medium-sized enterprises (SMEs) in Palestine have a realistic difficulty to achieve its desired profitability goals and to overcome the risks they face in their work environment due to the absence of strategic planning hence, This study will address the research's major question, which is the extent of the impact of strategic planning on the performance of small and medium-sized enterprises (SMEs) in Palestine. From here, the sub-questions below emerge from the study:

1. **RQ1:** What is the level of strategic planning implementation in SMEs in terms of (vision and mission, environmental analysis, goals and policies, execution and monitoring, and evaluation)?
2. **RQ2:** What is the level of performance of SMEs in terms of (effectiveness, efficiency, suitability, and sustainability)?
3. **RQ3:** Is there a statistically significant relationship at the level of significance ( $\alpha \leq 0.05$ ) between the level of strategic planning and its dimensions (vision and mission, environmental analysis, objectives and policies, implementation and follow-up, evaluation) and the level of performance of SMEs in terms of effectiveness, efficiency, relevance, and sustainability?

### 1.4 Study Hypotheses

The research stems from the following basic hypotheses:

- **H<sub>1</sub>1:** There is a statistically significant relationship at a significance level ( $\alpha \leq 0.05$ ) between the level of strategic planning with its dimensions (vision and mission, environmental analysis, goals and policies, implementation and monitoring, evaluation)

and the level of performance of SMEs in terms of effectiveness, efficiency, suitability, and sustainability.

- **H<sub>12</sub>:** There are statistically significant differences at a significance level ( $\alpha \leq 0.05$ ) in the means of the study sample's responses regarding the level of strategic planning with its dimensions (vision and mission, environmental analysis, goals and policies, implementation and monitoring, evaluation) attributed to the general data of the sample, including: gender, age group, educational qualification, nature of work, and years of experience.
- **H<sub>13</sub>:** There are statistically significant differences at the significance level ( $\alpha \leq 0.05$ ) in the averages of the study sample responses regarding the performance of SMEs with their dimensions of (effectiveness, efficiency, suitability, sustainability), attributed to the general data of the sample, including: gender, age group Academic qualification, nature of work, years of experience.

## 1.4 Study Significance and Justifications

The Study stems from the following significance

- **Scientific significance:** The topic's scientific significance stems from the fact that it is another study to add to the university studies on strategic planning and its impact on the performance of small and medium-sized enterprises (SMEs) in Palestine, as well as to encourage interested people, both researchers and entrepreneurs, to take an interest in applying strategic planning in all institutions.
- **Practical significance:** The topic's Practical significance stems from the fact that Strategic planning is a critical component of any SMEs performance and achievement of its overall vision, and its significance stems from the fact that it is one of the most significant

administrative activities in the workplace. Results, because it helps to the plan's progress toward the overall vision.

## **1.5 Literature Review**

A number of previous studies related to the dependent and changing variables of the study were reviewed, and the following are these studies arranged in chronological order from the newest to the oldest:

### **1. Study of Al-Qahtani ,2020:**

Al-Qahtani's research addressed the issues and obstacles that strategic leaders encounter when executing strategic planning in the Kingdom of Saudi Arabia 2030 vision.

The study's sample consisted of a group of specialists, consultants, and workers working in offices linked with a variety of government departments in Riyadh to realize the Kingdom's Vision 2030, and a questionnaire was utilized to collect information and data to answer the study's questions. The implementation of strategic planning in the Kingdom's 2030 vision, the most significant of which is a lack of clarity in workers' responsibilities and tasks related to strategic planning, rapid technological development, particularly in the transfer of data and information, and continued reliance on routine paper-based procedures to complete work.

### **2. Study of Gasaymh 2020:**

Gasaymh conducted a study aimed to determine the influence of strategic planning on the survival and growth of Jordanian small and medium-sized firms. It also aimed to show the effect of competition and environmental unpredictability on the link between strategic planning and the survival and growth of small and medium-sized businesses.

The descriptive strategy was employed in the study, and the questionnaire was used as its tool. It was delivered to a sample of (132) small and medium businesses, and the data was processed statistically to provide findings (SPSS). Strategic planning is widely used in Jordan's small and medium-sized businesses. The study's findings also revealed a statistically significant association **between** the practice of strategic planning by small and medium-sized businesses and their survival and growth. The study also found that competition and environmental uncertainty have no effect on the relationship between strategic planning and the growth and survival of small and medium-sized businesses. And others in terms of strategic planning implementation and practice and its impact on the survival and growth of small and medium-sized businesses.

### **3. The study of Khalifa & et al., 2019:**

The study sample consisted of (160) administrators in the Amouri complex in Biskra, and a questionnaire was used to collect field data for the study, and it was one of the most significant results that reached The study discovered that the level of strategic planning in the facility under study was medium, and that strategic planning had a statistically significant effect on the performance of the Amouri complex for the independent variables represented in (preparation and preparation, strategic planning development, and strategy implementation).

### **4. Study of Chaimankong & et al., 2019:**

The study's goal was to identify the barriers to strategy execution, and the study sample included (111) chief executives from enterprises in Thailand's chemical sector. The study concluded that the most significant barriers were a lack of training and instructions provided to employees at lower levels, a lack of time to implement strategy activities, a failure to identify and address major problems that arise during implementation, and uncontrollable external factor.

### **5. Study of Bellamy & et al., 2019:**

The study aimed to determine the most often utilized strategic planning tools and processes in small and medium-sized businesses. A total of 39 interviews were performed with managers from nine different firms. One of the most important findings of the study was that strategic planning tools that focus on the financial aspect and the analysis of the following external environment factors (political, economic, cultural, and technological), the five forces analysis model, and SWOT analysis were among the most important tools and methods used by managers in the companies under study.

### **6. Study of Al-Hussein & et al., 2019**

Al-Hussein and others Published paper titled the technique of strategic planning based on quality standards and its significance in higher education institution performance in Sudan. The study's goal was to offer a model that combines strategic planning in higher education institutions, with an emphasis on strategic objectives and quality standards, and to demonstrate the role that this model may play in institutional success. It recommended the necessity of working with the strategic planning methodology and linking it with quality standards as a modern administrative model that plays an important role in the performance of higher education institutions when defining strategic goals and not relying on quality standards when evaluating and evaluating institutional performance.

### **7. Study of Latrash, 2018:**

The research of Latrash, sought to understand the role of strategic planning in the development of small and medium-sized firms in the Algerian state of Ain Defla. The study had an analytical descriptive method, and the questionnaire was employed to collect data. It was sent to a sample

of (28) institutions, where the questionnaires were answered by (9 directors of institutions, 10 heads of departments and departments, and 9 administrators), and the data was analyzed using (SPSS). (To obtain results. The study found that strategic planning is a key process that institutions of all sizes must follow, and that the strategic diagnostic process is one of the most critical stages of strategic planning. Internal and external to the company in order to identify strengths and weaknesses, as well as opportunities and threats. The survey also discovered that small businesses usually lack their own message, which explains why they exist and the scope of their activity. The research ended with a number of suggestions, the most essential of which is that small businesses should focus on strategic planning to assist them preserve competitiveness and remain in economic activity for as long as feasible.

#### **8. Study of Hanani, 2018:**

This study attempted to determine the influence of strategic planning on the performance and sustainability of small and medium-sized firms in Palestine, and it relied on the technique. Descriptive, the study also employed a questionnaire as a data collecting instrument, which was issued to a sample of (71) directors and owners of small and medium-sized businesses in Palestine, and the data was analyzed using (SPSS) to arrive at the results. The study produced a number of findings, the most notable of which was the existence of a significant positive relationship between strategic planning and the performance of small and medium-sized businesses in Palestine, as well as the existence of a significant positive relationship between strategic planning and the survival and continuation of small and medium-sized businesses in Palestine. The findings also revealed that gender and project type influence strategic planning. The research focuses on strategic planning and strengthening the ability of small and medium-

sized businesses to plan strategically, as well as the necessity of building marketing and liquidity plans, and sustaining continuity by offering new financing sources and working to mitigate risks.

**9. Study of Jafar, 2017:**

Jafar Presented research titled The Influence of Strategic Planning in Crisis Management, which sought to determine the impact of strategic planning on mitigating crises encountered by employees in public organizations. The whole study population consists of public sector employees in the Jerusalem suburbs, with a total of (850) people. The study indicated that strategic planning in public organizations helps to reduce possible issues and has an influence on crisis management.

**10. Study of Bouklaila, 2017:**

The importance of small and medium-sized businesses in global economies is reflected in the attention paid to them. As a result, many countries, particularly emerging ones, are relying on it to grow their economies. In light of recent developments in the institution's internal and external environment, Algeria is interested in this type of institution and devotes its efforts to its development and development, giving it a key role in economic activity. As a result, these institutions must have a strategic will and a future vision that allows them to adopt the strategic planning pattern. It has become critical for the institution to rely on management and strategic planning to solve problems 1 that it may encounter in its relationship with its surroundings by linking the objectives and the means used by following well-thought-out and specific policies and a good anticipation of what will be the situation in the future with a good readiness to confront threats that may arise and exploit opportunities that become available to them.

**11. Study of Al Qubaisi, 2017**

The research sought to identify the most often utilized strategic planning tools and processes in public institutions in the United Arab Emirates, as well as the most significant problems that

these institutions encounter while implementing their strategic plans. The study sample comprised of (219) public institutions in the UAE. The use of a questionnaire instrument to collect data for the study, one of the most important findings of the study was that the SWOT analysis and the performance comparison method are the most commonly used strategic planning tools and methods in the institutions under study. In terms of challenges, the findings indicated that the emphasis is on competition and other activities, a lack of initiative, human resource knowledge and skills, and a lack of control. On the basis of external environment variables and the inappropriateness of the strategic plan's organizational structure, the most significant issues confronting the institutions under study were the execution of their strategic plans.

#### **12. Study of Clay & et al., 2016:**

The purpose of this study was to determine the relationship between the formal strategic planning process, strategic planning flexibility, and the ability to innovate. The recovery rate was 100% after designing a questionnaire and distributing it to (488) multi-industrial companies and the researcher used the electronic survey method due to its advantages in terms of cost, time, and data confidentiality. Social Statistics in General (SPSS).

The study concluded with many findings, the most important of which were: formal strategic planning processes and strategic planning flexibility are both positively associated with company performance, and each has a positive relationship with innovation and competitive advantage.

The relationship between corporate performance and the formal strategic planning process, as well as planning flexibility, is entirely mediated. The study presented a set of recommendations, the most important of which were: the need to adopt the principle of strategic planning flexibility and to prepare alternative plans because of their benefits, on top of which is increasing the ability to innovate, being able to obtain a strong competitive position, exploiting investment

opportunities, obtaining customer satisfaction, and steadfastness in the face of economic changes. And the rapid technological developments and change in government systems, while relying on developing a future vision derived from the strategic plan.

### **13. Study of Yasir & et al., 2015:**

The study sought to improve understanding of the role of mediation and the relationship between strategic planning breadth and organizational performance. The descriptive analytical method was used by the researcher, who distributed (250) questionnaires. The researcher recovered (102) questionnaires with a 41% recovery rate. They were distributed to public and private hospitals in the United Arab Emirates, and the male response rate was 69%, while the female response rate was 31%.

In studying and analyzing the data, the researcher used the descriptive analytical method. The statistical package for social sciences (SPSS) was used to analyze the data, and variance analysis was used to test the hypotheses (ANOVA). Strategic planning improves organizational performance. The study presented a set of recommendations, the most important of which are: focusing on developing workforce performance because it accounts for more than half of total health expenditures and studying the two internal environments.

Externally, due to the rapid environmental changes in the United Arab Emirates, particularly the population increase caused by expatriate labor.

### **14. Study of Hammed, 2015:**

The study focused on strategic planning and its influence on the performance promotion of civil society organizations. The topic of the study was the inadequacy or degeneration of civil society institutions to identify whether this failure and shortcoming originates from the lack of

implementation of the strategic planning mechanism or lack of knowledge of the necessity of strategic planning. In both circumstances, the problem is the result of the enterprise's inadequate long-term planning.

This is what the research is attempting to address and re-establish in the thoughts of individuals in control of civil society institutions, as well as the importance of their crucial role if they are to recover and strive to deliver high-quality services. Within its framework, it emphasizes the necessity of strategic planning and improving institutional performance.

### **1.5.1 Commenting on Literature review**

Interest in the performance of small and medium-sized enterprises has grown, as they play a significant part in the development and success of a country's economy. To attain the best degree of performance, these enterprises must have strategic management and a future vision that enables them to adopt a long-term strategic planning pattern.

Commenting on prior studies that were conducted in the same regard and using different data, where numerous researchers evaluated the influence of adopting strategic planning from many aspects on the organizational and institutional performance of small and medium-sized businesses. Increasing performance levels correspond to a greater use of strategic planning. From here, small and medium-sized enterprises must implement the greatest level of strategic planning in their many factors in a manner that is relevant to their economic and spatial conditions in order to accomplish the performance intended to be achieved in accordance with their aspiration and future vision.

In the current study, numerous axes were selected in terms of strategic planning as depicted in terms of (vision and mission, environmental analysis, goals and policies, execution and

monitoring, and evaluation) and their impact on performance in small and medium-sized enterprises was measured against the following terms (effectiveness, efficiency, suitability, and sustainability) Herein lies the distinction between the current study and earlier research.

## 1.6 Study Model:

The following figure shows the independent and dependent variables and their relationship to each other, based on previous studies:

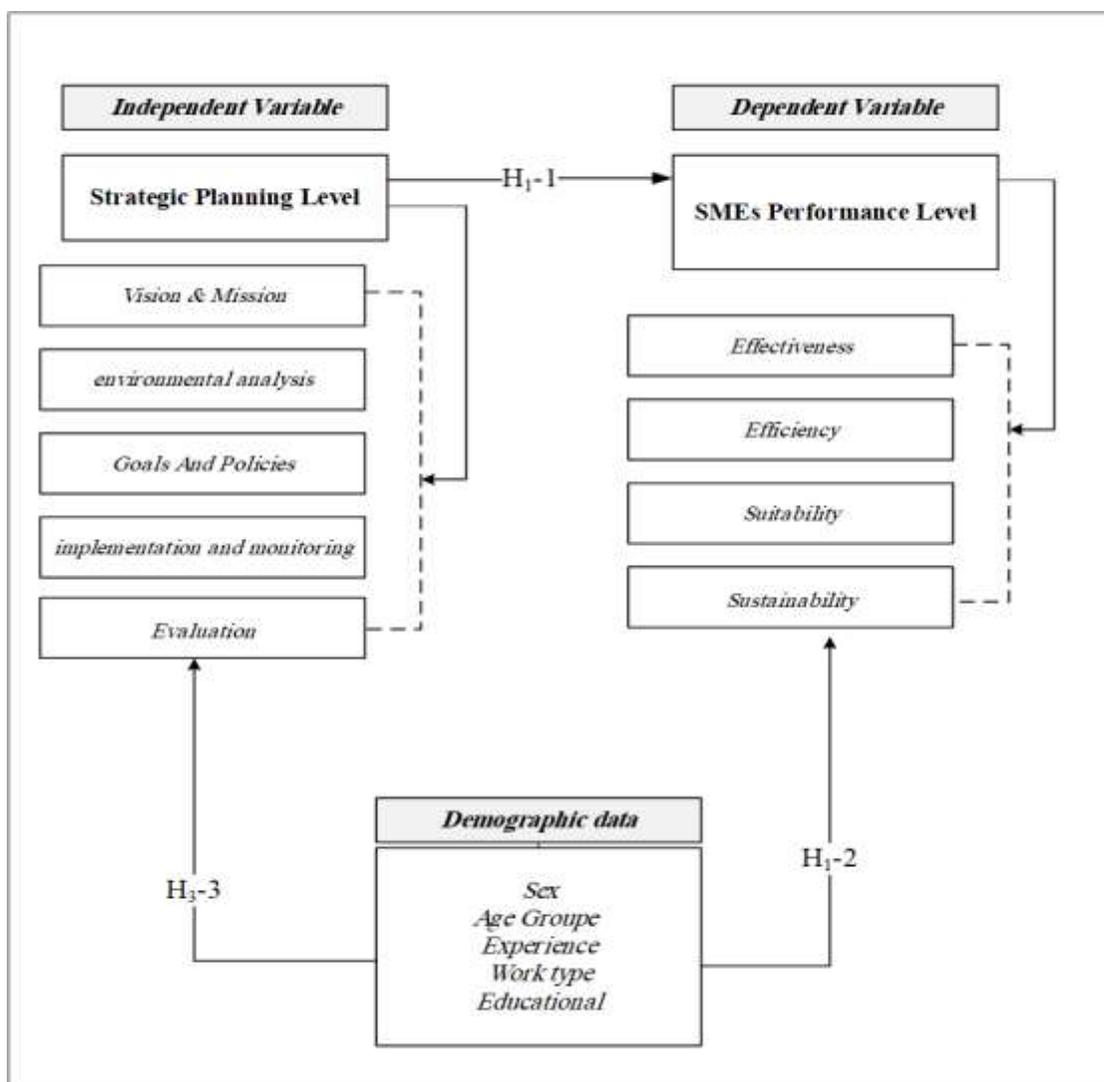


Figure 1.1: Study Model

## **2 Chapter tow: Theoretical framework of Study**

### **2.1 Review**

Strategic planning is a modern and advanced administrative concept that has piqued the interest of researchers, particularly with the advent of globalization and modern innovations, which have created a need to study the future of organizations and find appropriate solutions to keep up with future developments and changes.

### **2.2 Strategic planning Concept**

The notion of strategic planning dates back to the mid-1950s, when big corporations in industrialized nations began to build long-term planning processes. Its methods and techniques are evolving, leading to its acceptance by a wide range of organizations and governments throughout the world. There are fewer organizations that employ it. According to some study, firms that use strategic planning are more successful and effective than those who do not.

Strategy is a major idea in the strategic management profession; it derives from the Greek word strategies, which means military leadership: it concerns the planning and deployment of resources to achieve specific goals (Kotler, 2015).

At the time of Pericles, strategy was already seen as an organizational talent, referring to management skills (administration, leadership, public speaking, and power) (Freedman, 2015).

In the realm of management, the idea of strategy has been used indiscriminately, referring to anything from a precisely stated course of action, a placement in a certain environment, to the entire personality, soul, and existential rationale behind a company's existence. It is a concept

that is frequently advanced in the academic and commercial realms, with tremendous diversity and breadth that is complementary in some ways and divergent in others (Ferreira et al., 2014).

A strategy is a set of actions designed to fulfill a certain condition, solve a specific problem, or achieve a specific goal. The activities vary depending on the situation (Johnson et al, 2011). The strategy is built around the organization's resources and capabilities, and it makes full use of those resources and capabilities in order to achieve the best possible harmony between the organization and its environment on the one hand, and the organization and its mission on the other (Kim et al., 2005).

Mbeki (2016) describes strategic planning as the process of developing and maintaining coherence between the organization's goals and assets and its changing prospects. In general, the strategic planning process consists of corporate objectives, a vision, and a clear design to execute the idea and fulfill the objectives. (Adriana,2015) Explains that the aggregate indicator for strategic planning consists of seven indicators, each representing a component of the strategic planning process: mission, objectives, internal and external analysis, strategic alternative selection, implementation, control, and evaluation.

According to Al-Barky (2016, p.104), it is "a systematic scientific process based on a future vision of what the institution, organization, or entity should achieve in a given period of time based on requirements and defining priorities to achieve development, progress, and quality".

According to Jaghlaf (2016, p.5), a management concept that encompasses the examination and research of all internal factors in the company represented by strengths and weaknesses, as well as the surrounding external variables represented by opportunities and threats. Best exploitation of all available resources.

As Muhammad (2016, p. 7) defines long-term planning as "taking into account internal and external variables and identifying the targeted sectors." It is an infinitely renewable process.

According to (Awwad et\_al, 2018), it is a set of concepts, methods, and instruments meant to help leaders, managers, and planners analyze, decide, and execute strategically.

It is also defined (Alenezi, 2019) as the process by which the organization sought to develop and maintain strategic alignment between its goals and capabilities and changing marketing opportunities, relying on the development of a clear institutional message, consistent support for goals and objectives, and the development of sound plans, with an interest in appropriate implementation. Strategic planning is focused with identifying goals, the necessary actions to attain the goals, methods of implementation, assessing the operational process, and designing prospective alterations, with a higher emphasis on developing a contingency plan.

Also, according to (Salameh, 2019), strategic planning is an analytical and methodical process that serves as a beginning point for senior management in developing and implementing its plans, policies, and actions.

According to (Al-Ghouthi, 2017), strategic planning raises managers' knowledge and sensitivity to the winds of change, dangers, and accessible possibilities.

According to (Mostafa, 2017), strategic planning is one of the current management ideas that has expanded widely in many businesses, whether large or little, in order to successfully achieve their goals and objectives.

According to (Al-Aklabi 2017), strategic planning is a set of decisions made by management within the framework of the organization's plan to make the best use of all resources in seizing

available opportunities in the workplace and increasing the organization's ability to face challenges in the workplace.

According to (Aoun et al, 2018), strategic planning is the process that precedes the implementation of an organization's goals and serves as the beginning point for goal formulation. The amount of time necessary to reach these goals, as well as to design strategies and procedures to accomplish these goals.

Furthermore, strategic planning is a systematic, specified, and ordered process centered on determining the necessary knowledge and how to profit from it in light of the anticipated future outcomes (Elbanna et al., 2016).

Finally, Strategic planning is the general and integrated intellectual framework in which all administrative levels participate by analyzing the current and future environment, assessing self-capabilities, formulating the organization's mission, general objectives, the results of analysis and evaluation, selecting the general strategy, sub-strategies, and developing capable policies, programs, and plans. To meet the organization's goals and mission under particular planning assumptions (Al Shobaki, et al., 2016).

### **2.3 Strategic planning Importance**

The significance of strategic planning arose in reaction to the continual changes and needs in all businesses' external work environments, which pose a danger to them. Strategic planning is to organize its strategic ideas and policies into comprehensive plans, programs, and budgets that can be easily implemented (Ireeri, et\_al, 2019).

One reason for the interest in strategic planning is that it is an organized process based on the integration and consensus of all employees' opinions about the organization's priorities, vision,

and mission, as well as how to use the organization's financial, human, and material resources to achieve its goals (Al-Naseer, 2017).

Strategic planning is regarded as one of the most important trends that have emerged in various organizations in recent years, owing to its connection to the organization's future (Al-Anati, et al., 2018), and its internal and external environment (Zaki, et\_al, 2019), as well as its connection to the levels and standards of performance required to effectively achieve the organization's goals (Teixeira, et al., 2019).

Strategic planning is one of the strategies that companies use to transition from regular planning to sustainable planning, which contributes to enhancing organizations' competitive skills and their capacity to deal with problems and quick changes in the work environment (Hammoud, 2019).

Strategic planning also helps to explain the company's vision and goal, as well as what the organization aspires to, because strategic planning places the organization at the start of the route that it wishes to travel (Mostafa, 2017). It also improves the process of making sound judgments about how to allocate financial, human, and material resources and establish priorities (Karakaya et al., 2016).

## **2.4 Strategic planning characteristics**

Given the globe's increasing circumstances and changes, especially globalization and the revolution in communication and information, the world is confronting more issues that need more reaction and adaptation to these changes. This motivated professionals and specialists in businesses to embrace strategic planning as a need, because it has the following characteristics that separate it from other forms of planning (Al-Mubarak, 2017, p.560:562):

- **Futurism in decision-making:** Where strategic planning is concerned with identifying long-term goals and the means utilized to attain them and projecting it from the present.
- **The Process:** The strategic planning process begins with setting objectives, then strategies, then policies, and finally designing future plans to assure goal execution. This procedure comprises planning activities that must be considered. What exactly are they? When will we put it into action? How will we put it into action? Who will carry it out?
- **Philosophy:** Strategic planning is a process of thinking and reflecting on the future, and as senior management and workers in the organization, and at all organizational levels, must be convinced of the benefits and importance of strategic planning, and practice it in all organizational activities, which can only be done by adopting strategic planning as a philosophy and life method.
- **Comprehensiveness:** Strategic planning is an activity that involves the whole organization and is a purposeful integrated system. Improving these organizations' future, this fosters a sense of responsibility for attaining the goals of the companies in which they work.
- **Uncertainty:** Strategic planning is based on uncertainty because future variables are shrouded in ambiguity and danger due to a lack of sufficient information about them, with the difficulty of future prediction, necessitating cooperation and participation from all administrative levels to analyze organizational strengths and weaknesses as well as environmental opportunities and threats. This can only be accomplished by strategic preparation in the face of uncertainties.

- **Flexibility:** Is an organization's capacity to shift from one strategy to another as external conditions change, and this includes strategic flexibility to establish and grow numerous resources, as well as business education.
- **Structural:** As previously said, strategic planning is an organized process that aims to define fundamental goals, strategies, and policies, as well as generate specific plans for implementing those strategies in order to fulfill the organization's goals and key objectives.

As a result, strategic planning connects three types of plans: strategic plans, medium-term plans, and programs. Strategic planning, plans, and short-term programs do not arrive all at once, but rather in stages until they achieve their ultimate shape. As a result, all of these plans must be integrated inside a specified framework until the final form of an integrated strategic plan is reached.

## **2.5 Stages of developing integrated strategic plan**

Despite discrepancies amongst academics and others interested in this issue, the most notable studies have categorized strategic planning into the following basic dimensions:

### **2.5.1 Environmental scanning:**

The first process and it begins with it before the organization begins formulating its strategy. According to (Catherine, 2015), Environmental scanning used to diagnose a Change in the external environment, identification of opportunities and threats, and characterization of features or Competitiveness in the organization for controlling its internal environment in a way that helps management achieve the relationship between strategic environmental analysis, defining

the goals of the organization, and defining the required strategy. Environmental scanning divided into two parts: - Analysis of the external environment, and analysis of the internal environment:

- **Analysis of the external environment:** An external environment analysis is the process of investigating (economic, technological, political, social, and cultural) factors in order to identify opportunities and threats that exist in the organization's external environment, as well as knowing the sources and components of these opportunities and threats by dividing them into components or sub-parts and understanding the relationships of influence among them.
- **Analysis of internal environment:** This is a procedure that tries to research and identify elements of strength and weakness, that is, in the process of environmental analysis, the organization will define (strengths, weaknesses, opportunities, and threats).
- **Analysis of Organizational Environment:** This entails conducting a SWOT analysis, which entails analyzing the company's strengths and weaknesses as well as monitoring competitors' behavior to assess opportunities and threats.

### **2.5.2 Strategy formulation:**

(Gregory, 2016) Defined Strategy formulation is a notion that requires creating precise activities that will allow a business to achieve its objectives. Strategy development comprises taking the information from the analyses, prioritizing it, and making judgments on how to address the organization's important concerns. Furthermore, through strategy development, a firm strives to maximize revenue while keeping a competitive advantage.

- **Establishing Organizational Vision:** The roads that the organization will take in the future, as well as the goal that the organization wishes to attain and the position that it

wishes to hold. And the objectives you hope to reach, as well as the skills and abilities you intend to acquire (Hilal, 2008).

And the vision should not contradict the mission statement or the organization's goals, as it focuses on the institution's image and what it aims to achieve, as well as how the institution will seem when it achieves its goals (Gutterman, 2021).

- **Establishing Organizational Mission:** The key components of the message are taken from the founding goals, as well as the environment in which the institution functions and the society to which it belongs.
- It is defined as "the framework that distinguishes the institution from other institutions in terms of its activities, products, customers, and markets, and aims to explain the fundamental reason for the institution's existence." its nature, procedures, and practices (Abdel-Al, 2008)
- **Establishing Organizational Objectives:** This entails creating an organization's long-term goals; strategic decisions can be made once the organizational objectives are decided (Gregory, 2016).
- **Performance Analysis:** This is done to estimate the degree of difference between an organization's actual and expected performance (Gregory, 2016).
- **Selection of Strategy:** This is the final stage of strategy development. It entails evaluating alternatives and selecting the best plan from among them to be the organization's strategy (Gregory, 2016).

### **2.5.3 Strategy Implementation:**

(Gundars, 2017) It is claimed that strategy implementation is the process of putting the actual plan into action in order to achieve corporate goals. The aim behind this concept is to gather all

of the available and essential resources to bring the strategic plan to life. Organizations put plans into action by developing budgets, programs, and policies to achieve financial, management, human resource, and operational objectives. Cooperation between management and other personnel is required for the successful implementation of a strategic plan.

#### **2.5.4 Strategy evaluation and control:**

(Wicks, 2017) Because internal and external elements are always changing, all methods are subject to future revision at this stage, according to the explanation. Managers determine if the chosen strategy is meeting the organization's objectives during the strategy review and control phase. The basic strategy evaluation and control activities are as follows: examining internal and external elements that serve as the foundation for existing strategies, measuring performance, and adopting remedial actions.

As stated in (Novianti,2019), the implementation and control initiatives undertaken are significant aspects of effective strategic management practices for corporations. It is crucial to the well-being of any business, especially if timely, as it can warn management to potential problems before they become critical (Yanney, 2016). Furthermore, stated that none of strategy formulation or implementation is a once-and-for-all task because even the best formulated and implemented strategies can become obsolete as circumstances within a firm's external and internal environments can necessitate corrective adjustments on strategies already planned.

### **2.6 Review of Performance**

The notion of performance is regarded as one of the most prevalent and widely utilized terms in institutional management, having piqued the interest of academics and intellectuals, particularly in economics.

If the term performance is mentioned at the institutional level, there is no agreement among researchers regarding the definition of the term performance, or this difference is due to the divergence of views of thinkers and those interested in this field, and the difference in their goals envisaged in formulating a specific definition of this term, some of them started from the quantitative concept (Numbers and ratios), i.e. the preference for technological tools of performance measurement.

There are several meanings of the phrase organizational performance, as it encompasses an examination of the company's performance in relation to its goals and the reason for which it was established. This study contains actual outputs or outcomes that are compared to the expected outputs. Strategic planners are concerned with organizational performance.

## **2.7 Performance definition**

The phrase organizational performance is broken into two words: performance, which is a process or method for doing a specific job or task, and performance, which is a process or procedure for completing a specific job or task. Organizational is an adjective that refers to an organized group of people working together to achieve a common goal. The definition of organizational performance is comparable to that of organizational effectiveness.

Hasina (2015, p.36) defines performance as "the outcome of the individual's behavior in light of the procedures and techniques that direct the work towards achieving the desired goals, and it is considered a reflection and a measure of the individual's success or failure in achieving these work-related goals."

And Abu Ghali (2016, p.28). Described it as "the result of the effort done by the personnel in the company in order to attain a given objective."

According to (Al-Dosari, 2016, p. 42) the concept of institutional performance is related to each individual in the organization, and the extent to which he performs his role, in order to obtain final results. A good factor in the organization is its high-performance results, and it also contributes to reducing problems in the organization.

## 2.8 Performance Indicators

The following are the most essential organizational performance indicators (Al-Mubarak, 2017, p.566):

- **The institution's effectiveness** When an institution achieves the reason for its being, as expressed in its bylaws, mission, and general and strategic goals, it has accomplished success.
- **The institution's efficiency** the optimal use of financial and human resources to achieve the objectives is represented by the optimal use of financial and human resources, and the question here is whether the institution carries out its activities at costs commensurate with the outputs, and whether the outputs of the activities and programs are commensurate with the size of the employees in the institution, in addition to whether the activities and programs are implemented in a timely manner.
- **Relevancy/appropriateness** refers to how satisfied beneficiaries and stakeholders are with the services offered in terms of quantity and quality; that is, does the organization choose its programs and activities according on the needs of the target groups, and how satisfied are they with them.
- **Sustainability** reflects the institution's ability to recruit the necessary funds to implement the various programs and activities, and whether it has the financial and human resources to continue its work, and whether it has the ability to provide its services to its

beneficiaries with the same efficiency and effectiveness, and sustainability inquires whether the institution's programs and activities are consistent with the social and cultural situation (Macpherson & et al., 2004).

## **2.9 Review of Small and medium-sized enterprises (SMEs) in Palestine**

In light of global economic changes and transformations, small and medium-sized enterprises (SMEs) in Palestine have piqued the interest of all countries around the world, international and regional organizations and bodies, and researchers, owing to their critical role in production, operation, income generation, innovation, and technological progress, as well as their role in achieving economic development and social welfare. Because these projects account for more than 90% of projects in the majority of the world's economies, they also contribute directly and primarily to job creation, accounting for more than 85% of GDP in many countries.

The Palestinian economy is heavily reliant on Small and medium-sized enterprises (SMEs); and it gives the impression that Palestinian society is young and enterprising, as there are over 3,000 small businesses operating freely in Palestine, the majority of which are commercial businesses, "that is, their aim is trade and profit.

Small and medium-sized enterprises (SMEs) in Palestine account for 99% of all firms in Palestine, with 45% of all small and medium-sized firms in Palestine being informal, employing 28% of the private sector labor force. 80% of Small and medium-sized firms in Palestine rely on their own savings for start-up or operational expenditures.

Small and medium-sized enterprises (SMEs) in Palestine have encountered several challenges, including high startup and production costs, regulatory and trade environments, restricted market

access, a lack of export credit programs, a lack of a legal framework for operations, and, most crucially, insufficient finance resources.

According to Palestinian authorities, the Small and medium-sized enterprises (SMEs) sector can be strengthened by adopting a unified definition of Small and medium-sized enterprises (SMEs), supporting the institutional framework, dialogue and partnerships among stakeholders, business legislation, and ongoing efforts to improve the capabilities of Small and medium-sized firms in order to improve their competitiveness in local, regional, and global markets, as well as motivating women to participate in the decentralized economy.

### 2.9.1 SMEs in Palestine definition:

Small and medium-sized enterprises (SMEs) are firms with revenues, assets, or a particular number of employees that fall below a certain threshold. Each country has its own definition of small and medium-sized businesses. Certain size criteria must be met, and the industry in which the company works is occasionally considered.

At the local level, due to the Ministry of National Economy in Palestine, the "criteria for definition and national classification of micro, small and medium economic establishments" are as follows:

**Table 2.1: criteria for definition and national classification of micro, small and medium economic establishments**

| <i>Classification</i> | <i>Number of employees</i> | <i>Annual turnover</i>                          |
|-----------------------|----------------------------|---|
| Micro                 | 1-4                        | Provided that turnover does not exceed 100000\$ |
| Very Small            | 5-9                        | Provided that turnover does not exceed 200000\$ |
| Small                 | 10-19                      | Provided that turnover does not exceed 500000\$ |

|        |       |  |
|--------|-------|--|
| Medium | 20-49 | Provided that turnover does not exceed 2000000\$ |
| Large  | +50   | More then 2000000\$                              |

### **2.9.2 SMEs in Palestine importance:**

Small and medium-sized enterprises (SMEs) in Palestine account for 95% of the size of the Palestinian GDP, and their contribution to the Palestinian economy varied due to the passage of the Palestinian territories through many stages, including the Al-Aqsa Intifada in 2000 AD, This greatly contributed to the reduction of enterprises by a large percentage, before their strong return in recent years. ; Due to the high unemployment rate of university graduates about 23% (Al-Namrouti & et al., 2012).

The Palestinian Central Bureau of Statistics bases its classification of firm size on the number of employees. Small businesses have 1-4 employees, medium businesses have 5-20 employees, and large businesses have more than 20 employees. The workforce is approximately 20 people. (Palestinian Central Bureau of Statistics, 2012).

According to the results of the general census of establishments in 2012, the operating establishments in the Palestinian private sector amounted to approximately 131618 establishments, constituting 90.8% of the total number of economic establishments in Palestine, and 4.7% are operating establishments owned by the central government, whose number is approximately 6794 facility and 2.6% represent institutions working in the private sector, while 0.9% are linked with local authorities, 0.5% are affiliated with UNRWA and international organizations, The remaining 0.2% of running establishments are national and international government corporations and the government, and 0.3% do not specify ownership of the establishment (Palestinian Central Bureau of Statistics, 2012).

### 2.9.3 SMEs in Palestine significance:

- Small and medium-sized enterprises (SMEs) are a key contributor to the national economy, particularly in terms of their contribution to the gross domestic product.
- Small and medium-sized enterprises (SMEs) absorb Palestinian labor, particularly university graduates.
- The initiatives provide a chance for the poor and low-income people to benefit from a new source of income.
- Covering a substantial portion of the local market's requirements.
- Small and medium-sized enterprises (SMEs) are one of the economic and social development instruments, as well as one of the most significant components of the strategy in the development and economic development processes.

### 2.9.4 SMEs in Palestine Relative significance:

Small and medium-sized enterprises (SMEs) play an important role in the economic development process in general, and the importance of small and medium-sized enterprises (SMEs) in the economic and social life of Palestine in particular stands out, as they account for approximately 99% of all economic enterprises in Palestine. The following summarizes the role of these firms in several economic sectors (Palestinian Central Bureau of Statistics, 2012):

- **First, the industry sector:** According to the Palestinian Central Bureau of Statistics, there are around 17,858 Palestinian industrial firms employing approximately 74,667 people, 56,213 workers in the West Bank, and 18,454 workers in the Gaza Strip. In 2012, the number of enterprises employing four or less people were around 13373, while the number of establishments employing five to nineteen workers in Palestine was

approximately 3635, spread between the West Bank by 71.4% and the Gaza Strip by 28.5%, and the total becomes There are around 17,008 enterprises that employ fewer than 20 people, at a percentage of 97.6%.

- **Second, the services sector:** The services sector is vital to the economy of both developed and emerging countries. At the Palestinian level, this sector is playing a vital part in the Palestinian economy.

According to data from the Central Bureau of Statistics, the percentage of establishments working in this sector was approximately 12.5% of the total economic establishments operating in the Palestinian Territory, and the percentage of workers in it was approximately 9.8% of the total number of employees in Palestine.

- **Third, the internal trade sector:** is considered the largest Palestinian economic sector, with around 73,823 establishments functioning in the sector in 2012, with 49,446 firms in the West Bank and 24,377 enterprises in the Gaza Strip. The fraction of service firms that employ four or less individuals is around 94% of total service sector establishments.

## **2.10 Relationship between strategic planning and performance in SEMs**

Strategic planning has a substantial impact on performance because of its flexibility and continuous plan renewal. And the ability to adapt to this shift, as well as build a strategy that is compatible with any change or development that may generate risks in the external environment, makes individuals more effective in accomplishing their jobs in companies.

On the other hand, (Noji, (2018, p. 120) asserts that organizations that adopt strategic planning outperform their competitors, and that strong strategic planning and efficient management will provide a competitive edge in improving performance.

As a result, the relationship between strategic planning and performance in small and medium-sized firms can be seen as follows:

- It allows all employees to collaborate in order to boost their effectiveness.
- Clarifies one shared goal for staff, leading to increased performance efficiency.
- It offers officials with the overall style and qualities of future thought.
- It assists employees in comprehending and appreciating the significance of strategic planning in defining job priorities.
- Based on the knowledge available at the time, it constitutes clear evidence for action.
- Improves organizational teamwork.
- Assists employees in improving their performance.
- It describes all the external and internal factors that may have an impact on the company.

### 3 Chapter Three

#### 3.1 Review

In this chapter, the focus will be on the scientific methods used in the study, including study design, methodology, procedures, and tools. Additionally, it will cover the presentation of study variables, study population, and sample, as well as the data analysis techniques and statistical methods employed by the researcher to answer the study questions and test its hypotheses.

#### 3.2 Study Methodology

To achieve the objectives of the study, a descriptive methodology was employed. This methodology aims to gather facts and data about a specific phenomenon or situation, with an attempt to provide a sufficient interpretation of these facts. It was chosen due to its suitability for the nature of the study, which required data collection from the study population, their classification, analysis, and interpretation to extract meaningful insights and reach conclusions. Moreover, it facilitated the identification of the existence, degree, and direction of relationships within the study (Al-Dulaimi & Saleh, 2014).

Through this methodology, the researcher will seek to explore the impact of strategic planning on the performance of SMEs in Palestine.

#### 3.3 Study instrument

The researcher utilized a questionnaire as a primary instrument for gathering data in this study. The process of constructing the questionnaire encompassed the conversion of study topics into variables, subsequently transformed into indicators, and ultimately formulated into specific questions. This meticulous process aimed to ensure that each question served a distinct purpose, directly aligned with a specific aspect of the study.

The questionnaire is considered one of the most important tools used for data collection, and it is employed in educational, social, and administrative research. The design of the questionnaire is based on the research objectives and the desired data that the researcher aims to obtain (Issa & Abdel-Raouf, 2017).

Besides the utilization of the questionnaire, the researcher incorporated various sources including books, relevant references, prior studies within the field, and peer-reviewed scientific journals.

Regarding the questionnaire's design, it was formulated by aligning it with the research problem and study objectives, thereby transforming them into distinct dimensions and domains. This detailed delineation is exemplified in Appendix (1) which encompasses the definitive iteration of the employed questionnaire, segregated into the subsequent domains:

1. **General Information:** This section contains demographic data of the participants, including gender, age group, educational qualification, nature of work, and years of experience.
2. **First Domain:** This domain measures the independent variable, which is the level of strategic planning implementation. It consists of several dimensions, namely:
  - 1) **First Dimension:** Vision and Mission.
  - 2) **Second Dimension:** Internal and External Environmental Analysis.
  - 3) **Third Dimension:** Goals and Policies.
  - 4) **Fourth Dimension:** Execution and Monitoring.
  - 5) **Fifth Dimension:** Evaluation.
3. **Second Domain:** This domain measures the dependent variable, which is the level of performance of SMEs. It is divided into several dimensions, namely (Al-Mubarak, 2017)
  - 1) **First Dimension:** Effectiveness.
  - 2) **Second Dimension:** Efficiency.
  - 3) **Third Dimension:** Suitability.
  - 4) **Fourth Dimension:** Sustainability.

The questionnaire consists of (52) items, including general information about the participants. The items are distributed across the domains and dimensions of the study, as illustrated in the following Table (3.1):

**Table 3.1: Distribution of questionnaire items according to the study's domains and dimensions.**

| <i>No.</i> | <i>Items</i>                                 |
|------------|--|
| <b>1.</b>  | <b>General data</b>                          |
|            | <b>5</b>                                     |
| <b>2.</b>  | <b>Strategic Planning Implementation</b>     |
|            | <b>27</b>                                    |
|            | Vision and Mission                           |
|            | 5  |
|            | Internal and External Environmental Analysis |
|            | 5  |
|            | Goals and Policies                           |
|            | 6  |
|            | Execution and Monitoring                     |
|            | 6  |
|            | Evaluation                                   |
|            | 5  |
| <b>3.</b>  | <b>Performance of SMEs</b>                   |
|            | <b>20</b>                                    |
|            | Effectiveness                                |
|            | 0  |
|            | Efficiency                                   |
|            | 5  |
|            | Suitability                                  |
|            | 5  |
|            | Sustainability                               |
|            | 5  |
|            | <b>TOTAL</b>                                 |
|            | <b>52</b>                                    |

### 3.4 Questionnaire Validity

Logical validity of the tool was ensured by presenting the questionnaire to ( ) expert reviewers whose names are listed in Appendix (2). This step aimed to verify the suitability of the questionnaire for its intended purpose, the clarity of item wording, and their relevance to the respective domains. Several modifications recommended by the reviewers were incorporated.

Furthermore, the performance validity was statistically tested by selecting a sample of (30) research participants from the study population, who were later excluded from the final sample.

The items of the questionnaire underwent factor analysis, as shown in Table (3.2):

Table 3.2: Results of the factor analysis test for the items of the study instrument.

| Item No. | Extraction |
|----------|------------|----------|------------|----------|------------|----------|------------|
| 1        | .741       | 13       | .767       | 25       | .878       | 37       | .811       |
| 2        | .800       | 14       | .746       | 26       | .885       | 38       | .694       |
| 3        | .821       | 15       | .883       | 27       | .725       | 39       | .657       |
| 4        | .792       | 16       | .871       | 28       | .605       | 40       | .698       |
| 5        | .660       | 17       | .755       | 29       | .793       | 41       | .767       |
| 6        | .751       | 18       | .913       | 30       | .763       | 42       | .829       |
| 7        | .874       | 19       | .895       | 31       | .885       | 43       | .866       |
| 8        | .810       | 20       | .800       | 32       | .915       | 44       | .885       |
| 9        | .801       | 21       | .848       | 33       | .741       | 45       | .926       |
| 10       | .728       | 22       | .905       | 34       | .862       | 46       | .730       |
| 11       | .816       | 23       | .836       | 35       | .656       | 47       | .886       |
| 12       | .702       | 24       | .660       | 36       | .660       |          |            |

Based on the previous results in the aforementioned Table (3.2), it is evident that all questionnaire items exhibited a satisfactory level of Extraction and achieved statistical validity. All items scored higher than (60.0%), indicating that they collectively measure the intended dimensions and domains effectively.

### 3.5 Questionnaire reliability

Questionnaire reliability refers to the consistency or accuracy of the study, indicating that the instrument provides consistent results when applied to individuals themselves in similar situations and circumstances over a specific period of time. The level of questionnaire reliability is measured by calculating the coefficient of reliability, which is a correlation coefficient

between the values obtained by the researcher from the first application of the study instrument and the values obtained from the second application (Abu Samra & Atayti, 2020).

To assess the reliability of the study instrument, the researcher employed the Cronbach's alpha coefficient, which measures the internal consistency and the extent of agreement among items in the study instrument. The reliability coefficient was calculated for each domain of the study instrument. The results are presented in the following Table (3.3):

**Table 3.3: Reliability coefficient of the study instrument using the Cronbach Alpha method**

| <i>Statement</i>   | <i>No. Items</i> | <i>Alpha</i> |
|--|------------------|--------------|
| Strategic Planning Implementation                            | 27               | .693         |
| Performance of SMEs  | 20               | .731         |
| <b><i>Overall reliability of the study questionnaire</i></b> | <b>47</b>        | <b>.839</b>  |
| <b>** Tested Sample size=30.</b>                             |                  |              |

The results in Table (3.3) indicate that the study questionnaire exhibits a high level of reliability. The overall value of the Cronbach's Alpha coefficient for all study dimensions and questionnaire items was (0.839). Furthermore, the Cronbach's Alpha coefficient for the dimension of strategic planning implementation stability was (0.693), and for the dimension of SMEs' performance stability, it was 0.731. These values indicate high reliability, and it can be trusted that the questionnaire results are reliable with an approximate confidence level of (83.9%).

### **3.6 The study population and sample.**

The study population consists of SMEs in the West Bank, with a total of (12,000) according to the data from the Chamber of Commerce, Industry, and the Ministry of Economy. A simple random sample was selected from these companies, with a sample size of (339) SMEs. The

sample size was determined based on the Stevens Thompson sampling method (Thompson, 2012, pp. 59-60).

The questionnaire was distributed to the selected sample, and (292) valid questionnaires were retrieved for analysis and study. The response rate for the research instrument was (86.1%).

Using the SPSS V.28 software, the researcher conducted several tests provided by this program, which were used in the study. These tests include:

- Cronbach's Alpha test: It is a measure of the internal consistency or reliability of items or variables within a composite index or scale. It is generally used to assess the reliability of multiple-item scales, where the items in the scale are internally related. Alpha measures the internal consistency of the scale (Bahy & Al-Azhari, 2010).
- Factor Analysis: This test is used to measure the relationship between a set of factors. It is calculated by applying a series of tests to a group of participants, and the validity of the instrument is determined by the correlation coefficient between the tests. A high correlation coefficient indicates the presence of common characteristics between the tests (Douridi, 2000).
- One-Way Analysis of Variance (ANOVA): It is based on calculating the variation between samples and the variation within each combined sample. It is used to determine differences among more than two groups, provided that statistical parametric assumptions are met. The significance of the differences in this measure is measured by the value of F (Al-Damman, 2006).
- Standardized Regression Test: This test relies on a mathematical approach to estimate the relationship between two or more variables, based on the measurement units of the variables involved (dependent variables) in the relationship. These relationships are called regression models.
- Independent Sample T-test: This is a statistical inference technique used to examine whether there is a statistically significant difference between the means of two groups from random samples.

As for the distribution of the study sample, it was as follows:

Table 3.4: distribution of the study sample

| Factor               | N          | %             |
|----------------------|------------|---------------|
| <i>Sex</i>           |            |               |
| Male                 | 157        | 53.8%         |
| Female               | 135        | 46.2%         |
| <b>Total</b>         | <b>292</b> | <b>100.0%</b> |
| <i>Age</i>           |            |               |
| Under 25 years old   | 13         | 4.5%          |
| From 26-35 years     | 93         | 31.8%         |
| From 36-45 years old | 135        | 46.2%         |
| 46 years and over    | 51         | 17.5%         |
| <b>Total</b>         | <b>292</b> | <b>100.0%</b> |
| <i>Education</i>     |            |               |
| High School          | 19         | 6.5%          |
| Intermediate diploma | 55         | 18.8%         |
| Bachelor's           | 147        | 50.3%         |
| Postgraduate         | 71         | 24.3%         |
| <b>Total</b>         | <b>292</b> | <b>100.0%</b> |
| <i>Wok Type</i>      |            |               |
| Owner                | 177        | 60.6%         |
| Employee             | 115        | 39.4%         |
| <b>Total</b>         | <b>292</b> | <b>100.0%</b> |
| <i>Experience</i>    |            |               |
|                      | <b>N</b>   | <b>%</b>      |
| less than 1 year     | 11         | 3.8%          |
| From 2-5 years       | 137        | 46.9%         |
| More than 5 years    | 144        | 49.3%         |
| <b>Total</b>         | <b>292</b> | <b>100.0%</b> |

After analyzing the study sample, it was found that the highest proportion of participants was males according to gender, reaching 53.8%. As for the age group, the highest proportion was observed among individuals aged between 36 and 45 years, accounting for 46.2%. This can be interpreted as this age group being capable of assuming responsibility and managing a SMEs based on an idea or dream.

In terms of educational qualifications, the highest percentage in the study sample was for people with a bachelor's degree, reaching (50.3%). Moreover, the percentage of persons as (owner) was higher than those as (employee), as their percentage reached (60.6%), and the researcher believes

that education in Palestine has a great importance, and Palestine is one of the countries that have achieved high rates in education and therefore these results are logical according to the Palestinian societal structure, and the presence of a higher percentage of owners than employees can be explained in the fact that many small and medium enterprises are based on a pioneering idea adopted by the owner of the idea and implemented as the owner, Many of these institutions are managed by the owners themselves.

Finally, the highest representation in the study sample was observed among people with more than 5 years of experience, reaching (49.3%) of the sample, which can be explained by the importance of having practical experience in this field to ensure the success of institutions through their management by people with experience in their field of work.

## 4 Chapter Four

### 4.1 Review

In this chapter, the researcher utilizes statistical methods relying on the Statistical Package for the Social Sciences (SPSS) software to analyze and rely on the collected data in order to address the study's research questions and draw conclusions. Various descriptive statistical tests will be employed, including calculating means, standard deviations, as well as determining the relative weight of items and overall scores for dimensions.

### 4.2 The key to interpreting the results

In order to interpret the results of the data analysis, the researcher relied on the relative rating model, by interpreting the respondents' answers based on the arithmetic means of their choices related to the five-point Likert scale. These means are presented in Table (3.9) as follows (Pimentel, 2010):

**Table 4.1: Weighted Mean**

| <i>Range Value</i> | <i>Likert Scale</i>            | <i>Verbal Interpretation</i> | <i>Shortcut Degree</i> |
|--------------------|--------------------------------|------------------------------|------------------------|
| 1.00-1.80          | Strongly Disagree لا أتفق بشدة | Very low                     | V. L                   |
| 1.81-2.60          | Disagree لا أتفق               | low                          | L                      |
| 2.61-3.40          | Neutral بدرجة متوسطة           | Moderate                     | M                      |
| 3.41-4.20          | Agree أتفق                     | High                         | H                      |
| 4.21-5.00          | Strongly Agree أتفق بشدة       | Very high                    | V. H                   |

### 4.3 Answering the Study Questions

By utilizing statistical methods and tests, the researcher addressed the study questions, which were as follows:

**RQ1:** What is the level of strategic planning implementation in SMEs in terms of (vision and mission, environmental analysis, goals and policies, execution and monitoring, and evaluation)?

To answer the first question, it was divided into several sub-questions as follows:

**RQ1-1:** What is the level of implementation of vision and mission as one of the dimensions of strategic planning in SMEs?

To answer the previous question, descriptive data was extracted from the study sample's responses regarding the items measuring this dimension. The following table illustrates these results:

**Table 4.2: Descriptive data of the study sample regarding the level of strategic planning implementation according to the vision and mission in SMEs.**

| #  | Statement   | Mean        | Std. Deviation | Percentage   | Degree   |
|--|---|-------------|----------------|--------------|----------|
| 1.   | The company's management prepares its vision according to the capabilities and resources available to it.                       | 3.96        | 0.651          | 79.2%        | H        |
| 2.   | The company's mission is characterized as clearly reflecting its aspirations towards achieving a distinct level of performance. | 3.99        | 0.866          | 79.8%        | H        |
| 3.   | The company's vision is compatible with the aspirations of the employees and represents them.                                   | 3.90        | 0.833          | 78.0%        | H        |
| 4.   | The company's management, through its mission, clearly defines its customers.   | 3.76        | 0.910          | 75.2%        | H        |
| 5.   | The mission includes the company's clear values.  | 3.74        | 0.889          | 74.8%        | H        |
| <b>Total Degree of implementation of vision and mission.</b> |   | <b>3.87</b> | <b>0.556</b>   | <b>77.4%</b> | <b>H</b> |

Based on the previous results, we note that the overall level of implementation of vision and mission came with a high level of agreement. The relative weight of this degree was (77.4%).

The arithmetic mean of the study sample's responses regarding this degree was high, reaching (3.87), with a standard deviation of (0.556). This indicates that the implementation of vision and mission in SMEs was high according to the study sample.

From the previous results, we observe that the highest-rated items in terms of response and agreement from the study sample were item number (2). It indicated that the company's mission reflects its aspirations to achieve a clear level of outstanding performance, which received significant agreement from the study sample, with a relative weight of (79.8%). On the other hand, the item with the lowest response was item number (5), which still had a high rating with a weight of (74.8%). This item reflected the respondents' agreement regarding the inclusion of clear values in the company's mission.

**RQ1-2:** What is the level of implementation of environmental analysis as one of the dimensions of strategic planning in SMEs?

To answer the previous question, descriptive data was extracted from the study sample's responses regarding the items measuring this dimension. The following table illustrates these results:

**Table 4.3: Descriptive data of the study sample regarding the level of strategic planning implementation according to the analysis of internal and external environment in SMEs.**

| #  | Statement   | Mean | Std. Deviation | Percentage | Degree |
|----|---|------|----------------|------------|--------|
| 6. | The company's management adopts the methods and tools of strategic planning in its activities.  | 3.98 | 0.81           | 79.6%      | H      |
| 7. | The company's management analyses the internal and external environment as one of the strategic planning requirements to achieve the required organizational performance. | 3.83 | 0.852          | 76.6%      | H      |

| #   | Statement   | Mean        | Std. Deviation | Percentage   | Degree   |
|---|---|-------------|----------------|--------------|----------|
| 8.  | The company's management uses a lot of analytical tools necessary for strategic planning, such as analyzing strengths and weaknesses and analyzing the internal and external environment. | 3.86        | 0.939          | 77.2%        | H        |
| 9.  | Company management makes use of available internal and external information when developing strategic plans.  | 3.91        | 0.743          | 78.2%        | H        |
| 10.   | The company identifies a team that is responsible for its strategic planning.   | 3.91        | 0.879          | 78.2%        | H        |
| <b>Total Degree of implementation of environmental analysis</b> |   | <b>3.90</b> | <b>0.495</b>   | <b>78.0%</b> | <b>H</b> |

Regarding the results related to the implementation of environmental analysis in SMEs, it is evident that the overall level of conducting internal and external environmental analysis as one of the dimensions of strategic planning in SMEs came with a high degree. This is evident from the relative weight of this degree, which reached (78.0%), as well as the arithmetic mean of the study sample's responses regarding this degree, which was (3.90), with a standard deviation of (0.495). This indicates that these companies are performing the function of internal and external environmental analysis and relying significantly on this function during strategic planning.

As for the highest-rated items in this dimension, item number (6) received a high response rate of (79.6%). This item reflected the company's management adopting strategic planning methods and tools in its activities. The item with the lowest response rate was item number (7), which still had a high rating of (76.6%). This item demonstrated the respondents' agreement regarding the company's management conducting internal and external environmental analysis as a requirement of strategic planning to achieve the desired organizational performance.

**RQ1-3:** What is the level of implementation of goals and policies as one of the dimensions of strategic planning in SMEs?

To answer the previous question, descriptive data was extracted from the study sample's responses regarding the items measuring this dimension. The following table illustrates these results:

**Table 4.4: Descriptive data of the study sample regarding the level of strategic planning implementation according to the goals and policies in SMEs.**

| #   | Statement  | Mean        | Std. Deviation | Percentage   | Degree   |
|---|--|-------------|----------------|--------------|----------|
| 11.   | The company's management sets its measurable and verifiable objectives through strategic planning outputs.         | 3.60        | 0.718          | 72.0%        | H        |
| 12.   | The company's management is concerned with the participation of all levels in formulating the company's goals.     | 3.63        | 0.813          | 72.6%        | H        |
| 13.   | The goals set by the company are flexible.   | 3.83        | 0.788          | 76.6%        | H        |
| 14.   | The company's management has the ability to adapt to changes and uncertainties in order to achieve its objectives. | 3.59        | 0.822          | 71.8%        | H        |
| 15.   | The company's management measures the level of achieving its objectives periodically.                              | 3.69        | 0.715          | 73.8%        | H        |
| 16.   | The company's management applies regulatory policies capable of making the strategic planning process a success.   | 3.64        | 0.692          | 72.8%        | H        |
| <b>Total Degree of implementation of goals and policies</b> |  | <b>3.66</b> | <b>0.437</b>   | <b>73.3%</b> | <b>H</b> |

Regarding the overall level of implementing goals and policies as one of the dimensions of strategic planning in SMEs, the results indicate a high degree. The arithmetic mean for this degree was (3.66) with a standard deviation of (0.437). The relative weight of agreement from the study sample on these results was (73.3%).

It is noteworthy that the highest-rated items in terms of the sample's response in this dimension were item number (13), which had a high response rate of (76.6%). This item demonstrated agreement regarding the flexibility of goals set by the company's management. The item with the lowest response rate was item number (14), which still had a high rating with a relative weight of (71.8%). This item reflected agreement regarding the company's management's ability to adapt to changes and uncertainty in order to achieve its goals.

**RQ1-4:** What is the level of implementation of execution and monitoring as one of the dimensions of strategic planning in SMEs?

To answer the previous question, descriptive data was extracted from the study sample's responses regarding the items measuring this dimension. The following table illustrates these results:

**Table 4.5: Descriptive data of the study sample regarding the level of strategic planning implementation according to execution and monitoring in SMEs.**

| #   | Statement   | Mean        | Std. Deviation | Percentage   | Degree   |
|---|---|-------------|----------------|--------------|----------|
| 17.   | The company's management develops implementation plans that are in line with the strategic plan that achieves the desired vision. | 3.63        | 0.708          | 72.6%        | H        |
| 18.   | The company's employees are continuously trained to contribute to their ability to implement the strategic plan.                  | 3.98        | 0.904          | 79.6%        | H        |
| 19.   | Workers cooperate with each other in their different jobs in implementing the plans.  | 3.96        | 0.874          | 79.2%        | H        |
| 20.   | A set of strategic alternatives is developed that the company can resort to and adopt.  | 3.45        | 0.966          | 69.0%        | H        |
| 21.   | The company's management is committed to the programs and activities approved in its strategic plan.                              | 3.44        | 0.897          | 68.8%        | H        |
| 22.   | The company's management provides facilities for employees to achieve the implementation of the strategic plan.                   | 3.72        | 0.966          | 74.4%        | H        |
| <b>Total Degree of implementation of execution and monitoring</b> |   | <b>3.70</b> | <b>0.404</b>   | <b>73.9%</b> | <b>H</b> |

Based on the results of the study sample's responses regarding the overall level of implementation and monitoring as one of the dimensions of strategic planning in SMEs, it is found that the arithmetic mean of the sample's responses for this degree was high, reaching

(3.70), with a standard deviation of (0.404). The relative weight for this degree was (73.9%), indicating the importance of SMEs' focus on the strategic implementation and monitoring process.

The highest-rated item in terms of response was item number (18), which had a response rate of (79.6%). This item demonstrated significant agreement among the study sample regarding the continuous qualification of employees in the company, contributing to their ability to implement the strategic plan.

The paragraph that recorded the lowest response rate was paragraph No. (21), where the response rate of the study sample was (68.8%), which is at the lowest levels of the high degree, which showed the approval of the high sample towards the company's commitment to the programs and activities approved in its strategic plan, as well as paragraph No. (20), which also came with a high degree with a relative weight of (69.0%), which indicates that there is a high agreement among the study sample that a set of strategic alternatives can be developed and adopted by the company.

**RQ1-5:** What is the level of implementation of evaluation as one of the dimensions of strategic planning in SMEs?

To answer the previous question, descriptive data was extracted from the study sample's responses regarding the items measuring this dimension. The following table illustrates these results:

**Table 4.6: Descriptive data of the study sample regarding the level of strategic planning implementation according to evaluation in SMEs.**

| # | Statement | Mean | Std. Deviation | Percentage | Degree |
|---|-----------|------|----------------|------------|--------|
|---|-----------|------|----------------|------------|--------|

| #   | Statement  | Mean        | Std. Deviation | Percentage   | Degree   |
|---|--|-------------|----------------|--------------|----------|
| 23.   | The company's management evaluates operational plans on an ongoing basis.  | 3.59        | 0.756          | 71.8%        | H        |
| 24.   | The company's management adopts specific mechanisms to monitor the implementation of the strategic plan.   | 3.42        | 0.767          | 68.4%        | H        |
| 25.   | The company's management periodically evaluates the level of translating the set goals into reality during the implementation of the strategic plan. | 3.83        | 0.899          | 76.6%        | H        |
| 26.   | The company's management adopts clear indicators to assess the extent of commitment to implementing the strategic plan.                              | 3.94        | 0.988          | 78.8%        | H        |
| 27.   | The company's management benefits from the evaluation results in developing and amending its strategic plan.   | 3.87        | 0.933          | 77.4%        | H        |
| <b>Total Degree of implementation of evaluation</b> |  | <b>3.73</b> | <b>0.442</b>   | <b>74.6%</b> | <b>H</b> |

Regarding the overall level of evaluation as one of the dimensions of strategic planning, according to the responses of the study sample, it was found to be high. The average score of the study sample's responses was 3.73, with a standard deviation of 0.442. The relative weight of these responses was 74.6%, indicating a significant focus on the evaluation process in SMEs.

In terms of this dimension, the highest-rated item was item number 26, which had a high response rate with a relative weight of 78.8%. This item reflected agreement on the adoption of clear indicators by the company management to evaluate the extent of commitment to implementing the strategic plan.

On the other hand, the lowest response paragraph among the study sample was paragraph No. (24), to which the response rate was (68.4%), which is at the lowest levels of the high score,

which indicates the approval of the sample on the company's adoption of specific mechanisms to monitor the implementation of the strategic plan.

After answering the sub-questions related to the first main question of the study, the answer to the first main question of the study becomes clear, as shown in the following table:

**Table 4.7: Descriptive data regarding the level of strategic planning implementation and its dimensions in SMEs.**

| Order   | Dimensions   | Mean        | Std. Deviation | Percentage   | Degree   |
|---|--|-------------|----------------|--------------|----------|
| 2   | Total Degree of implementation of vision and mission.      | 3.87        | 0.556          | 77.4%        | H        |
| 1   | Total Degree of implementation of environmental analysis   | 3.90        | 0.495          | 78.0%        | H        |
| 5   | Total Degree of implementation of goals and policies       | 3.66        | 0.437          | 73.3%        | H        |
| 4   | Total Degree of implementation of execution and monitoring | 3.70        | 0.404          | 73.9%        | H        |
| 3   | Total Degree of implementation of evaluation               | 3.73        | 0.442          | 74.6%        | H        |
| <b>The level of strategic planning implementation in SMEs</b> |  | <b>3.77</b> | <b>0.297</b>   | <b>75.4%</b> | <b>H</b> |

Based on the previous results, we find that the level of strategic planning implementation in SMEs was high, with a relative weight of 75.4%. The average score was 3.77, with a standard deviation of 0.297. This indicates a significant emphasis by the management of SMEs on strategic planning in all its dimensions.

The dimension that was most applied in these companies was the analysis of the internal and external environment, which ranked first with a response rate of 78.0%. On the other hand, the dimension of goal setting and policies was the least applied, with a response rate of 73.3%, which is still a relatively high percentage.

**RQ2:** What is the level of performance of SMEs in terms of (effectiveness, efficiency, suitability, and sustainability)?

To answer the first question, it was divided into several sub-questions as follows:

**RQ2-1:** What is the level of effectiveness in performance for SMEs?

To answer the previous question, descriptive data was extracted from the study sample's responses regarding the items measuring this dimension. The following table illustrates these results:

**Table 4.8: Descriptive data regarding the level of effectiveness in the performance of SMEs.**

| #   | Statement  | Mean        | Std. Deviation | Percentage   | Degree   |
|---|--|-------------|----------------|--------------|----------|
| 28.   | The company's management seeks to introduce new products (services) in the future  | 3.92        | 0.938          | 78.4%        | H        |
| 29.   | It is noted that there is a clear annual increase in the number of (products / services) provided by the company annually. | 3.71        | 0.866          | 74.2%        | H        |
| 30.   | The company's management makes permanent use of modern technology in (production / provision of services).                 | 3.82        | 0.972          | 76.4%        | H        |
| 31.   | The company's management attracts highly skilled workers to work for it.   | 3.83        | 0.889          | 76.6%        | H        |
| 32.   | The company's management provides a suitable work environment for its employees.   | 4.00        | 0.879          | 80.0%        | H        |
| <b>Total Degree of effectiveness in performance</b> |  | <b>3.85</b> | <b>0.480</b>   | <b>77.1%</b> | <b>H</b> |

The previous table demonstrates that the overall degree of effectiveness in performance for SMEs was high. The average score for this degree was 3.85, with a standard deviation of 0.480. The relative weight for this high degree was 77.1%.

Examining the results of this dimension, it is evident that the highest responding item among the study sample was item number 32, with a high response rate of 80.0%. This item indicated a significant agreement regarding the company's management providing a suitable work environment for its employees.

On the other hand, the least responding item was item number 29, with a high response rate of 74.2%. This item showed a significant agreement regarding a clear annual increase in the number of products and services offered by the company.

**RQ2-2: What is the level of efficiency in performance for SMEs?**

To answer the previous question, descriptive data was extracted from the study sample's responses regarding the items measuring this dimension. The following table illustrates these results:

**Table 4.9: Descriptive data regarding the level of efficiency in the performance of SMEs**

| #  | Statement   | Mean        | Std. Deviation | Percentage   | Degree   |
|--|---|-------------|----------------|--------------|----------|
| 33.  | The company's management seeks to reduce production costs while maintaining the quality of what it offers to society. | 3.80        | 0.788          | 76.0%        | H        |
| 34.  | There are clear criteria for the company's management in evaluating its financial performance.                        | 3.58        | 0.789          | 71.6%        | H        |
| 35.  | The company's financial statements are analyzed to benefit from its results in future strategic planning operations.  | 3.74        | 0.751          | 74.8%        | H        |
| 36.  | Customer complaints are dealt with seriously.   | 3.75        | 0.733          | 75.0%        | H        |
| 37.  | The company's management regularly measures customer satisfaction with its services/products.                         | 3.63        | 0.708          | 72.6%        | H        |
| <b>Total Degree of efficiency in performance</b> |   | <b>3.70</b> | <b>0.375</b>   | <b>74.0%</b> | <b>H</b> |

The results indicated that the overall degree of efficiency in SMEs was high. The average score for this degree was 3.70, with a standard deviation of 0.375 and a response rate of 74.0%.

The highest response among the items measuring this performance dimension was item number (33), with a high response rate of 76.0%. This reflected the management's efforts to reduce production costs while maintaining the quality of its products or services provided to the community.

The item with the lowest response rate was item number (34), with a high response rate of 71.6%. This indicated agreement regarding the presence of clear criteria in the company's management for evaluating its financial performance.

**RQ2-3: What is the level of suitability in performance for SMEs?**

To answer the previous question, descriptive data was extracted from the study sample's responses regarding the items measuring this dimension. The following table illustrates these results:

**Table 4.10: Descriptive data regarding the level of suitability in the performance of SMEs.**

| #   | Statement  | Mean        | Std. Deviation | Percentage   | Degree   |
|---|--|-------------|----------------|--------------|----------|
| 38.   | The establishment has an obligation to renew its products and services to meet the changing needs of customers         | 3.52        | 0.639          | 70.4%        | H        |
| 39.   | There is an increase in the demand for the company's products/services, which reflects the community's need for it.    | 3.96        | 0.874          | 79.2%        | H        |
| 40.   | The company's management develops and updates its products/services in accordance with customer expectations.          | 3.62        | 0.830          | 72.4%        | H        |
| 41.   | The company's management provides quick and easy communication and communication mechanisms with customers.            | 3.75        | 0.950          | 75.0%        | H        |
| 42.   | The company's management provides an added value to its products/services that encourages the customer to purchase it. | 3.78        | 0.916          | 75.6%        | H        |
| <b>Total Degree of suitability in performance</b> |  | <b>3.73</b> | <b>0.475</b>   | <b>74.5%</b> | <b>H</b> |

The results from the previous table indicate that the overall level of suitability as one of the dimensions of performance in SMEs was high. The average score measuring this dimension was 3.73, with a standard deviation of 0.475, and a high response rate of 74.5%.

From the results, we can observe that the highest response among the items measuring this dimension in the study sample was item number (39), with a response rate of 79.2%, which is a high percentage. This reflected an increase in demand for the company's products or services that align with the needs of the community.

On the other hand, the item with the lowest response rate was item number (38), with a high response rate of 70.4%. This indicated the company's commitment to innovating its products and services to meet the changing needs of customers.

**RQ2-4: What is the level of sustainability in performance for SMEs?**

To answer the previous question, descriptive data was extracted from the study sample's responses regarding the items measuring this dimension. The following table illustrates these results:

**Table 4.11: Descriptive data regarding the level of sustainability in the performance of SMEs.**

| #   | Statement  | Mean | Std. Deviation | Percentage | Degree |
|-----|--|------|----------------|------------|--------|
| 43. | The company's management is concerned with the quality of its products or services at the appropriate price for the Palestinian community                        | 3.58 | 0.726          | 71.6%      | H      |
| 44. | The company's management has an effective communication network that allows the flow of information between the administrative levels and the employees clearly. | 3.82 | 0.890          | 76.4%      | H      |
| 45. | The company's management takes measures to rationalize operational and development expenses.   | 3.60 | 0.949          | 72.0%      | H      |
| 46. | The company's management is interested in continuous monitoring of all the company's business.   | 3.91 | 0.781          | 78.2%      | H      |
| 47. | The company's management encourages the capabilities and knowledge of its employees by   | 3.85 | 0.851          | 77.0%      | H      |

| #                        | Statement                          | Mean        | Std. Deviation | Percentage   | Degree   |
|--------------------------|------------------------------------|-------------|----------------|--------------|----------|
|                          | enhancing its sustainability.      |             |                |              |          |
| <b>Total performance</b> | <b>Degree of sustainability in</b> | <b>3.75</b> | <b>0.413</b>   | <b>75.1%</b> | <b>H</b> |

The previous table indicates that the overall degree of sustainability as one of the dimensions of performance in SMEs was high. The average score for this dimension was 3.75, with a standard deviation of 0.413, and a response rate of 75.1% regarding sustainability in SMEs.

The table shows that the highest response among the items measuring this dimension in the study sample was item number (46), with a relative weight of response of 78.2%. This reflected a significant agreement among the sample regarding the company's management's focus on continuous monitoring of all company operations.

On the other hand, the item with the lowest response rate was item number (43), with a response rate of 71.6%, indicating a high agreement regarding the management's concern for the quality of products or services offered at an appropriate price for the community.

After answering the sub-questions related to the second main question of the study, the answer to the main question can be summarized as shown in the following table:

**Table 4.12: Descriptive data of the study sample's responses regarding the level of performance of SMEs.**

| Order    | Dimensions                                    | Mean | Std. Deviation | Percentage | Degree |
|----------|---|------|----------------|------------|--------|
| <b>1</b> | Total Degree of effectiveness in performance  | 3.85 | 0.480          | 77.1%      | H      |
| <b>4</b> | Total Degree of efficiency in performance     | 3.70 | 0.375          | 74.0%      | H      |
| <b>3</b> | Total Degree of suitability in performance    | 3.73 | 0.475          | 74.5%      | H      |
| <b>2</b> | Total Degree of sustainability in performance | 3.75 | 0.413          | 75.1%      | H      |

|   |             |              |              |          |
|---|-------------|--------------|--------------|----------|
| <b>the level of performance of SMEs</b> | <b>3.75</b> | <b>0.309</b> | <b>75.0%</b> | <b>H</b> |
|---|-------------|--------------|--------------|----------|

Based on the results in the previous table, we find that the overall performance level of SMEs, across all dimensions, was high. The average score measuring this performance level was 3.75, with a standard deviation of 0.309. The relative weight assigned to this high-performance level was 75.0%.

In terms of the dimensions, all of them were high. The dimension with the highest score was effectiveness, which had the highest response rate at 77.1%. The dimension with the lowest score was efficiency, with a high response rate of 74.0%.

#### 4.4 Study hypotheses test

**H<sub>1-1</sub>:** There is a statistically significant relationship at a significance level ( $\alpha \leq 0.05$ ) between the level of strategic planning with its dimensions (vision and mission, environmental analysis, goals and policies, implementation and monitoring, evaluation) and the level of performance of SMEs in terms of effectiveness, efficiency, suitability, and sustainability.

To validate this hypothesis, the Pearson correlation coefficient was used, indicating the correlation between the variable of strategic planning level with its dimensions and the variable of SMEs performance level with its dimensions. This is evident from the matrix presented in the following Table (4.13):

**Table 4.13: The results of Pearson correlation coefficient test for the relationship between the study variables.**

|   | The total Degree of the strategic planning level. | The total Degree of SMEs performance level. |
|---|---|---|
| The total Degree of the strategic planning level. | <b>1</b>  | <b>.576**</b>                               |

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The total Degree of  
SMEs performance  
level.

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1

From the results of the correlation matrix for the overall relationship between the study variables, we find that there is a positive relationship between the overall level of strategic planning in all its dimensions and the performance of SMEs in all their dimensions. The correlation coefficient between the variables has a value of (57.6%), indicating a high level of correlation.

This means that there is a positive relationship between the variables in all their dimensions.

To determine the correlation between the dimensions, the researcher conducted Pearson correlation as shown in the following table:

**Table 4.14: The results of Pearson correlation coefficient test for the relationship between the study variables.**

|                               | Vision & Mission | environmental analysis | goals and policies | implementation and monitoring | evaluation | effectiveness | efficiency | suitability | sustainability |
|-------------------------------|------------------|------------------------|--------------------|-------------------------------|------------|---------------|------------|-------------|----------------|
| Vision & Mission              | 1                | .528**                 | .311**             | .110                          | .003       | .192**        | .340**     | .045        | .190**         |
| environmental analysis        |                  | 1                      | .540**             | .135*                         | .088       | .155**        | .353**     | .094        | .270**         |
| goals and policies            |                  |                        | 1                  | .197**                        | .190**     | .161**        | .535**     | .185**      | .363**         |
| implementation and monitoring |                  |                        |                    | 1                             | .411**     | .446**        | .135*      | .718**      | .365**         |
| evaluation                    |                  |                        |                    |                               | 1          | .155**        | .121*      | .317**      | .287**         |
| effectiveness                 |                  |                        |                    |                               |            | 1             | .134*      | .496**      | .618**         |
| efficiency                    |                  |                        |                    |                               |            |               | 1          | .054        | .305**         |
| suitability                   |                  |                        |                    |                               |            |               |            | 1           | .332**         |
| sustainability                |                  |                        |                    |                               |            |               |            |             | 1              |

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\*. Correlation is significant at the 0.05 level (2-tailed).

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Based on the results in the previous matrix, we find that the dimensions of strategic planning are related to all dimensions of performance for SMEs, except for vision and mission. The

correlation between vision and mission and evaluation is non-existent and statistically insignificant, with a correlation coefficient of (0.003). Similarly, there is no correlation between vision and mission and suitability, with a correlation coefficient of (0.045), which is also statistically insignificant.

Furthermore, there is no correlation between internal and external environmental analysis and suitability, with a correlation coefficient of (0.094), which is statistically insignificant. Similarly, there is no correlation between internal and external environmental analysis and evaluation, with a correlation coefficient of (0.088), which is also statistically insignificant.

However, apart from that, there is a correlation between all dimensions of strategic planning and dimensions of organizational performance for SMEs.

To examine the impact of the strategic planning level with its dimensions on the performance level of SMEs, the researcher conducted a Standardized Regression analysis. This analysis aims to interpret the relationships, identify the influence, and make predictions between the research variables. The following Table (4.15) illustrates the regression model utilized by the researcher in this analysis:

**Table 4.15: Results of the linear standard regression model for the independent variable on the dependent variable.**

| Independent                                       | Dependent                                   | R    | P Value |
|---|---|------|---------|
| The total Degree of the strategic planning level. | The total Degree of SMEs performance level. | .576 | .001    |
| <b><i>R- Square value = 0.332</i></b>             |   |      |         |

Based on the results in the previous Table (4.15), we find that strategic planning in all its dimensions, including vision and mission, internal and external environmental analysis, goals

and policies, implementation and monitoring, and evaluation, has a significant positive impact on the performance of SMEs in all dimensions, including effectiveness, efficiency, suitability, and sustainability.

The linear regression model between the variables shows a positive relationship between the variables in all dimensions, with a strength of (57.6%) represented by the correlation coefficient R. The R-Square value for the regression model is (0.332), indicating that approximately 33.2% of the variation in the performance of SMEs in all dimensions can be explained by the level and reality of strategic planning in the studied dimensions.

Overall, the main hypothesis of the study has been confirmed, indicating a relationship and influence between strategic planning in its dimensions and the performance of SMEs in their dimensions combined.

The researcher did not stop at this answer but attempted to identify the most influential dimensions of strategic planning on the performance of SMEs when implemented individually. This was done by using multiple linear regression between the dimensions of strategic planning and the performance of SMEs. The results are shown in the following Table (4.16):

**Table 4.16: Results of the standard linear regression model for the dimensions of the independent variable on the dependent variable**

| Independent            | Dependent                                   | R    | F      | Sig. F | Beta | t      | P Value |
|------------------------|---|------|--------|--------|------|--------|---------|
| Vision & Mission       | The total Degree of SMEs performance level. |      |        |        | .108 | 2.129  | .034    |
| environmental analysis |   | .692 | 52.483 | .001   | .022 | .383   | .702    |
| goals and policies     |   |      |        |        | .259 | 5.007  | .001    |
| implementation and     |   |      |        |        | .526 | 11.097 | .001    |

| Independent | Dependent | R | F | Sig. F | Beta | t    | P Value |
|-------------|-----------|---|---|--------|------|------|---------|
| monitoring  |           |   |   |        |      |      |         |
| evaluation  |           |   |   |        | .047 | .985 | .326    |

Through the results of the multiple standard regression model of strategic planning dimensions on the overall performance of SMEs, it is clear that there is a strong positive relationship and impact between these dimensions and performance. For SMEs. This is reflected in the value of the F statistic, which was (52.483), exceeding the critical value by (1) degree of freedom for sample size (292) is (3.841), with a significance level of 0.001, which is below the acceptable significance level of (0.05).

When examining these dimensions, it was found that their individual presence in SMEs has an impact on their performance, with the exception of the dimensions of internal and external environmental analysis and assessment, which do not have a significant impact on the performance of SMEs. The calculated t-value for the dimensions of the internal and external environmental analysis was 0.383, less than the tabular value of 1.96 at the significance level of 0.05. Similarly, the calculated t-value of the evaluation dimension was also lower than the scheduled value.

On the other hand, other dimensions have a positive impact on the performance of SMEs, as can be seen from the previous table (4.14). The dimension with the highest and most important impact is the dimension of implementation and monitoring. Any improvement in this dimension alone by one unit leads to an improvement in the performance of SMEs represented by the beta value of 52.6%. This is supported by a calculated t-value of 11.097, with an importance level of 0.001, below the acceptable significance level of 0.05. Next comes the next goals and policies that affect the performance of SMEs and their dimensions with a beta value of 25.9%. The

calculated t-value for this dimension alone was 5.007, with an importance level of 0.001, below the accepted level.

The dimension with the least individual impact is the vision and mission dimension, which has a 10.8% impact on the performance of SMEs, as indicated by the beta value. The calculated t-value for this dimension was 0.034, indicating a weak importance. This means that the impact of vision and mission, when viewed separately, has little impact on improving SME performance levels.

Based on these results, SME management can predict performance improvement levels based on strategic planning data and dimensions, using the following regression formula:

**[Expected Performance = Standardized Constant (1.190) + (0.108 × Vision and Mission) + (0.259 × Goals and Strategies) + (0.526 × Execution and Monitoring) + Prediction Error.]**

**H<sub>12</sub>:** There are statistically significant differences at a significance level ( $\alpha \leq 0.05$ ) in the means of the study sample's responses regarding the level of strategic planning with its dimensions (vision and mission, environmental analysis, goals and policies, implementation and monitoring, evaluation) attributed to the general data of the sample, including: gender, age group, educational qualification, nature of work, and years of experience.

To verify the validity of this hypothesis, it was divided into several sub-hypotheses as follows:

**H<sub>12.1</sub>:** There are statistically significant differences at a significance level ( $\alpha \leq 0.05$ ) in the means of the study sample's responses regarding the level of strategic planning with its dimensions (vision and mission, environmental analysis, goals and policies, implementation and monitoring, evaluation) attributed to gender.

To validate the previous hypothesis, an independent sample T-test was performed to examine differences in the means of participants' responses regarding the level of strategic planning in its dimensions in SMEs attributed to a gender variable. The results are presented in Table (4.17) as follows:

**Table 4.17: T test results for independent samples of level of strategic planning in its dimensions attributed to the gender variable.**

| Dimensions  | Values | Count | Mean | Std. Deviation | Df  | t      | P Value |
|---|--------|-------|------|----------------|-----|--------|---------|
| Vision & mission                                  | Male   | 157   | 3.83 | .535           | ٢٩٠ | ١.٣٤٣  | .٠٩٠    |
|   | Female | 135   | 3.91 | .576           |     |        |         |
| Environmental analysis                            | Male   | 157   | 3.86 | .506           | ٢٩٠ | ١.٤٨٢  | .070    |
|   | Female | 135   | 3.94 | .478           |     |        |         |
| Goals and policies                                | Male   | 157   | 3.64 | .479           | ٢٩٠ | .974   | .165    |
|   | Female | 135   | 3.69 | .382           |     |        |         |
| Implementation and monitoring                     | Male   | 157   | 3.59 | .438           | ٢٩٠ | -4.627 | .001    |
|   | Female | 135   | 3.80 | .326           |     |        |         |
| Evaluation  | Male   | 157   | 3.67 | .471           | ٢٩٠ | -2.417 | .008    |
|   | Female | 135   | 3.79 | .396           |     |        |         |
| The total Degree of the strategic planning level. | Male   | 157   | 3.72 | .326           | ٢٩٠ | -3.234 | .001    |
|   | Female | 135   | 3.83 | .247           |     |        |         |

Based on the results of the previous test, we found that the first sub-hypothesis was verified, where statistically significant differences were found at the level of significance ( $\alpha \leq 0.05$ ) in the overall score of strategic planning in SMEs attributed to the gender of the researchers. The calculated t-value (-3.234) was higher than the tabular value (1.96), and had strong statistical significance (0.001). These differences were in favor of females over males, and this can be explained by the higher educational levels achieved by women in Palestinian society. Thus, women have more knowledge in the field of management and strategic planning in SMEs.

Regarding the dimensions of strategic planning, most of them included statistically significant differences in the responses of the study sample on the basis of gender, with the exception of the dimensions of mission and vision, as well as internal and external environmental analysis,

objectives and policies. The t-values of these dimensions were lower than the accepted standard value, and their significance was higher than the significance level (0.05).

Based on the previous results, the above hypothesis was verified and accepted.

**H<sub>12.2</sub>:** There are statistically significant differences at a significance level ( $\alpha \leq 0.05$ ) in the means of the study sample's responses regarding the level of strategic planning with its dimensions (vision and mission, environmental analysis, goals and policies, implementation and monitoring, evaluation) attributed to age group.

To verify the validity of the previous sub-hypothesis, a One-Way ANOVA analysis was used, and the results are shown in the following table:

**Table 4.18: The results of the One-Way ANOVA test for the answers of the study sample on the level of strategic planning in its dimensions are attributed to the age group.**

| Dimensions                    | Variance Source | Sum of Squares | df         | Mean Square | F     | Sig. |
|-------------------------------|-----------------|----------------|------------|-------------|-------|------|
| Vision & mission              | Between Groups  | 1.201          | 3          | .400        | 1.301 | .274 |
|                               | Within Groups   | 88.597         | 288        | .308        |       |      |
|                               | <b>Total</b>    | <b>89.798</b>  | <b>291</b> |             |       |      |
| Environmental analysis        | Between Groups  | .577           | 3          | .192        | .784  | .504 |
|                               | Within Groups   | 70.663         | 288        | .245        |       |      |
|                               | <b>Total</b>    | <b>71.240</b>  | <b>291</b> |             |       |      |
| Goals and policies            | Between Groups  | .880           | 3          | .293        | 1.544 | .203 |
|                               | Within Groups   | 54.727         | 288        | .190        |       |      |
|                               | <b>Total</b>    | <b>55.608</b>  | <b>291</b> |             |       |      |
| Implementation and monitoring | Between Groups  | 1.683          | 3          | .561        | 3.535 | .015 |
|                               | Within Groups   | 45.708         | 288        | .159        |       |      |
|                               | <b>Total</b>    | <b>47.391</b>  | <b>291</b> |             |       |      |
| Evaluation                    | Between Groups  | .578           | 3          | .193        | .986  | .400 |
|                               | Within Groups   | 56.316         | 288        | .196        |       |      |
|                               | <b>Total</b>    | <b>56.895</b>  | <b>291</b> |             |       |      |

| Dimensions  | Variance Source | Sum of Squares | df         | Mean Square | F     | Sig. |
|---|-----------------|----------------|------------|-------------|-------|------|
| The total Degree of the strategic planning level. | Between Groups  | .474           | 3          | .158        | 1.801 | .147 |
|   | Within Groups   | 25.262         | 288        | .088        |       |      |
|   | <b>Total</b>    | <b>25.736</b>  | <b>291</b> |             |       |      |

From the results of the previous table, it is evident that there are no statistically significant differences at the significance level of 0.05 in the overall degree of strategic planning in SMEs attributed to the age group of the study sample. This means that the sub-hypothesis is rejected, and the null hypothesis is accepted. This conclusion is supported by the F-value, which is 1.801, lower than the critical value at the degree of freedom (3), which is 2.605. Additionally, the p-value is 0.147, higher than the accepted significance level.

Therefore, the sub-hypothesis is rejected, indicating that there are no statistically significant differences in the level of strategic planning across its dimensions attributed to the age group.

**H<sub>12.3</sub>:** There are statistically significant differences at a significance level ( $\alpha \leq 0.05$ ) in the means of the study sample's responses regarding the level of strategic planning with its dimensions (vision and mission, environmental analysis, goals and policies, implementation and monitoring, evaluation) attributed to educational qualification.

To verify the validity of the previous sub-hypothesis, a One-Way ANOVA analysis was used, and the results are shown in the following table:

**Table 4.19: The results of the One-Way ANOVA test for the answers of the study sample on the level of strategic planning in its dimensions are attributed to the academic qualification.**

| Dimensions       | Variance Source | Sum of Squares | df | Mean Square | F     | Sig.  |
|------------------|-----------------|----------------|----|-------------|-------|-------|
| Vision & mission | Between Groups  | 7.119          | 3  | 2.373       | 8.265 | <.001 |

| Dimensions  | Variance Source | Sum of Squares | df         | Mean Square | F      | Sig.  |
|---|-----------------|----------------|------------|-------------|--------|-------|
|   | Within Groups   | 82.680         | 288        | .287        |        |       |
|   | <b>Total</b>    | <b>89.798</b>  | <b>291</b> |             |        |       |
| Environmental analysis                            | Between Groups  | 4.548          | 3          | 1.516       | 6.546  | <.001 |
|   | Within Groups   | 66.692         | 288        | .232        |        |       |
|   | <b>Total</b>    | <b>71.240</b>  | <b>291</b> |             |        |       |
| Goals and policies                                | Between Groups  | 3.135          | 3          | 1.045       | 5.735  | <.001 |
|   | Within Groups   | 52.473         | 288        | .182        |        |       |
|   | <b>Total</b>    | <b>55.608</b>  | <b>291</b> |             |        |       |
| Implementation and monitoring                     | Between Groups  | 3.453          | 3          | 1.151       | 7.545  | <.001 |
|   | Within Groups   | 43.938         | 288        | .153        |        |       |
|   | <b>Total</b>    | <b>47.391</b>  | <b>291</b> |             |        |       |
| Evaluation  | Between Groups  | 1.081          | 3          | .360        | 1.859  | .137  |
|   | Within Groups   | 55.814         | 288        | .194        |        |       |
|   | <b>Total</b>    | <b>56.895</b>  | <b>291</b> |             |        |       |
| The total Degree of the strategic planning level. | Between Groups  | 2.744          | 3          | .915        | 11.456 | <.001 |
|   | Within Groups   | 22.993         | 288        | .080        |        |       |
|   | <b>Total</b>    | <b>25.736</b>  | <b>291</b> |             |        |       |

According to the results in the previous table, there are statistically significant differences at the significance level of 0.05 in the level of strategic planning across its dimensions attributed to the educational qualification. This is evident from the F-value, which is 11.456, higher than the critical value at the degree of freedom (3), which is 2.605. Additionally, the p-value is 0.001, indicating a strong significance.

To identify the source of these differences, the Scheffe test was used for pre and post hoc analysis. The results are as follows:

**Table 4.20: The results of the Scheffe test for pre- and post-comparisons of differences attributed to the educational factor.**

| Dimensions              | Educational (I)      | Educational (J) | Mean Difference (I-J) | P Value |
|-------------------------|----------------------|-----------------|-----------------------|---------|
| The total Degree of the | Intermediate diploma | High school     | .35960*               | .001    |

| Dimensions                | Educational (I) | Educational (J) | Mean Difference (I-J) | P Value |
|---------------------------|-----------------|-----------------|-----------------------|---------|
| strategic planning level. | Bachelor's      | High school     | .39972*               | .001    |
|                           | Postgraduate    | High school     | .38712*               | .001    |

From the previous table, we can observe that the differences were in favor of all educational qualification categories over those with a general high school qualification. These differences were significant, as all the p-values were equal to 0.001, which is lower than the accepted significance level of 0.05. These findings can be interpreted as individuals with a general high school qualification having less awareness and knowledge of strategic planning concepts, requirements, and dimensions compared to those with intermediate and university qualifications.

Therefore, the previous sub-hypothesis has been verified and accepted.

**H<sub>12.4</sub>:** There are statistically significant differences at a significance level ( $\alpha \leq 0.05$ ) in the means of the study sample's responses regarding the level of strategic planning with its dimensions (vision and mission, environmental analysis, goals and policies, implementation and monitoring, evaluation) attributed to work.

To validate the previous hypothesis, an Independent Sample T-test was conducted to examine the differences in the means of participants' responses regarding the level of strategic planning with its dimensions in SMEs, attributed to the variable of work. The results are presented in Table (2.21) as follows:

**Table 4.21: T test results for independent samples on the level of the strategic planning in SMEs in their dimensions attributed to the work variable.**

| Dimensions       | Values | Count | Mean | Std. Deviation | Df  | T     | P Value |
|------------------|--------|-------|------|----------------|-----|-------|---------|
| Vision & mission | owner  | 177   | 3.83 | .263           | ۲۹. | 4.490 | .001    |

| Dimensions   | Values   | Count | Mean | Std. Deviation | Df  | T      | P Value |
|--|----------|-------|------|----------------|-----|--------|---------|
| Environmental analysis                                   | employee | 115   | 3.67 | .321           | ۲۹۰ | 3.447  | .001    |
|  | owner    | 177   | 3.98 | .457           |     |        |         |
|  | employee | 115   | 3.77 | .525           |     |        |         |
| Goals and policies                                       | owner    | 177   | 3.71 | .394           | ۲۹۰ | 2.545  | .006    |
|  | employee | 115   | 3.57 | .485           |     |        |         |
| Implementation and monitoring                            | owner    | 177   | 3.71 | .394           | ۲۹۰ | 1.143  | .127    |
|  | employee | 115   | 3.66 | .416           |     |        |         |
| Evaluation   | owner    | 177   | 3.70 | .435           | ۲۹۰ | -1.202 | .115    |
|  | employee | 115   | 3.76 | .451           |     |        |         |
| <b>The total Degree of the strategic planning level.</b> | owner    | 177   | 3.79 | .276           | ۲۹۰ | 2.749  | .003    |
|  | employee | 115   | 3.69 | .311           |     |        |         |

According to the results in the previous table, there are statistically significant differences at the significance level of 0.05 in the level of strategic planning across its dimensions attributed to the nature of work. The total t-value for the overall level of strategic planning was 2.749, with a statistical significance of 0.003, which is higher than the accepted critical t-value. Most of the dimensions individually exhibited these differences based on the nature of work, except for the execution and monitoring dimensions, as well as the evaluation dimension. These differences were in favor of the owners of the companies over the employees. This can be explained by the owners' greater interest in developing and improving the work for their own benefits and profits.

Based on the previous results, the sub-hypothesis has been verified and accepted.

**H<sub>12.5</sub>:** There are statistically significant differences at a significance level ( $\alpha \leq 0.05$ ) in the means of the study sample's responses regarding the level of strategic planning with its dimensions (vision and mission, environmental analysis, goals and policies, implementation and monitoring, evaluation) attributed to years of experience.

To verify the validity of the previous sub-hypothesis, a One-Way ANOVA analysis was used, and the results are shown in the following table:

**Table 4.22: The results of the One-Way ANOVA test for the answer of the study sample on the level of strategic planning in its dimensions, which are attributed to years of Experience factor.**

| Dimensions  | Variance Source | Sum of Squares | df         | Mean Square | F     | Sig.  |
|---|-----------------|----------------|------------|-------------|-------|-------|
| Vision & mission                                  | Between Groups  | 4.798          | 2          | 2.399       | 8.156 | <.001 |
|   | Within Groups   | 85.001         | 289        | .294        |       |       |
|   | <b>Total</b>    | <b>89.798</b>  | <b>291</b> |             |       |       |
| Environmental analysis                            | Between Groups  | 4.018          | 2          | 2.009       | 8.637 | <.001 |
|   | Within Groups   | 67.222         | 289        | .233        |       |       |
|   | <b>Total</b>    | <b>71.240</b>  | <b>291</b> |             |       |       |
| Goals and policies                                | Between Groups  | 1.349          | 2          | .674        | 3.592 | .029  |
|   | Within Groups   | 54.259         | 289        | .188        |       |       |
|   | <b>Total</b>    | <b>55.608</b>  | <b>291</b> |             |       |       |
| Implementation and monitoring                     | Between Groups  | .063           | 2          | .032        | .194  | .824  |
|   | Within Groups   | 47.328         | 289        | .164        |       |       |
|   | <b>Total</b>    | <b>47.391</b>  | <b>291</b> |             |       |       |
| Evaluation  | Between Groups  | .165           | 2          | .083        | .421  | .657  |
|   | Within Groups   | 56.730         | 289        | .196        |       |       |
|   | <b>Total</b>    | <b>56.895</b>  | <b>291</b> |             |       |       |
| The total Degree of the strategic planning level. | Between Groups  | 1.079          | 2          | .539        | 6.322 | .002  |
|   | Within Groups   | 24.658         | 289        | .085        |       |       |
|   | <b>Total</b>    | <b>25.736</b>  | <b>291</b> |             |       |       |

From the results in the previous table, we observe statistically significant differences at the significance level of 0.05 in the level of strategic planning across its dimensions in SMEs attributed to years of experience. These differences are evident from the value of F, which was 6.322, exceeding the critical value at the degree of freedom (2), which is 2.996. Additionally, the statistical significance was 0.002, which is lower than the accepted significance level of 0.05.

Individually, we observe these differences in the dimensions of vision and mission, internal and external environmental analysis, and goals and policies. However, these differences are not present in the other dimensions.

To determine the source of these differences, the Scheffe test was used, and its results are shown in the following table:

**Table 4.23: The results of the Scheffe test for pre- and post-comparisons of differences attributed to the experience factor.**

| <b>Dimensions</b>  | <b>Experience (I)</b> | <b>Experience (J)</b>    | <b>Mean Difference (I-J)</b> | <b>P Value</b> |
|--|-----------------------|--------------------------|------------------------------|----------------|
| <b>The total Degree of the strategic planning level.</b> | <b>From 2-5 years</b> | <b>More than 5 years</b> | <b>.11423*</b>               | <b>.005</b>    |

From the previous table, it is evident that the source of differences lies in favor of individuals with 2-5 years of experience compared to those with more than 5 years of experience. These differences were statistically significant with a strong significance level of 0.005. This can be interpreted as individuals with less experience having a higher motivation towards work development and a strong inclination towards strategic development and the use of strategic planning to achieve a better position at work.

Therefore, the previous sub-hypothesis has been accepted and verified.

After verifying all the sub-hypotheses related to the second main hypothesis in this study, a decision can be reached regarding this hypothesis as in the following table:

**Table 4.24: The results of testing the second main hypothesis of the study**

| <i>The main hypothesis</i> | <i>sub hypothesis</i> | <i>The result of the sub-hypothesis test</i> | <i>Rate</i> |
|----------------------------|-----------------------|--|-------------|
| The Second main hypothesis | H <sub>1</sub> -2.1   | The hypothesis is accepted                   | 20.0%       |
| H <sub>1</sub> -2          | H <sub>1</sub> -2.2   | The hypothesis is rejected                   | 0.00%       |

|                     |                            |       |
|---------------------|----------------------------|-------|
| H <sub>1</sub> -2.3 | The hypothesis is accepted | 20.0% |
| H <sub>1</sub> -2.4 | The hypothesis is accepted | 20.0% |
| H <sub>1</sub> -2.5 | The hypothesis is accepted | 20.0% |

From the previous table, we find that the second main hypothesis of the study was validated by (80.0%), and its error was (20.0%), and therefore the decision is to accept the second main hypothesis.

**H<sub>13</sub>:** There are statistically significant differences at the significance level ( $\alpha \leq 0.05$ ) in the averages of the study sample responses regarding the performance of SMEs with their dimensions of (effectiveness, efficiency, suitability, sustainability), attributed to the general data of the sample, including: gender, age group Academic qualification, nature of work, years of experience.

To validate this hypothesis, it was divided into several sub-hypotheses as follows:

**H<sub>13-1</sub>:** There are statistically significant differences at the significance level ( $\alpha \leq 0.05$ ) in the averages of the study sample responses regarding the performance of SMEs in their dimensions (effectiveness, efficiency, relevance, sustainability) due to gender.

To validate the previous sub-hypothesis, the t-test was used for independent samples, and the results are as shown in the following table:

**Table 4.25: The results of the T test for independent samples on the average answers of the study sample on the level of performance of SMEs attributed to gender.**

| Dimensions | Values | Count | Mean | Std. Deviation | Df | t | P Value |
|------------|--------|-------|------|----------------|----|---|---------|
|------------|--------|-------|------|----------------|----|---|---------|

| <b>Dimensions</b>                        | <b>Values</b> | <b>Count</b> | <b>Mean</b> | <b>Std. Deviation</b> | <b>Df</b> | <b>t</b> | <b>P Value</b> |
|--|---------------|--------------|-------------|-----------------------|-----------|----------|----------------|
| Effectiveness                            | Male          | 157          | 3.76        | .514                  | ۲۹۰       | -3.412   | .001           |
|  | Female        | 135          | 3.95        | .416                  |           |          |                |
| Efficiency                               | Male          | 157          | 3.73        | .424                  | ۲۹۰       | 1.730    | .085           |
|  | Female        | 135          | 3.66        | .304                  |           |          |                |
| Suitability                              | Male          | 157          | 3.60        | .513                  | ۲۹۰       | -4.730   | .001           |
|  | Female        | 135          | 3.86        | .385                  |           |          |                |
| Sustainability                           | Male          | 157          | 3.69        | .458                  | ۲۹۰       | -2.697   | .004           |
|  | Female        | 135          | 3.82        | .340                  |           |          |                |
| The total Degree of performance of SMEs. | Male          | 157          | 3.70        | .359                  | ۲۹۰       | -3.478   | .001           |
|  | Female        | 135          | 3.82        | .221                  |           |          |                |

From the previous table, it is clear that there are statistically significant differences at the level of significance (0.05), where the t-value with regard to the total score for the level of performance of SMEs with its dimensions was (3.478), which is higher than its tabular value, which is (1.96) at the level of significance (0.05), and this value was negative, which means that the differences were in favor of females, and these differences were of high significance, reaching a significance of (0.001), and these differences can be explained by the fact that females are more familiar with office and planning work and accounting work In SMEs.

With regard to the dimensions of performance in these companies individually, all dimensions had statistically significant differences in favor of females at the expense of males, with the exception of the efficiency dimension, which did not notice any significant differences in the respondents' answers about it due to gender, which means equal opinions Males and females around this dimension.

Through these results, the first sub-hypothesis has been validated and accepted

**H<sub>13-2</sub>:** There are statistically significant differences at the significance level ( $\alpha \leq 0.05$ ) in the averages of the study sample responses regarding the performance of SMEs in their dimensions (effectiveness, efficiency, relevance, sustainability) due to age group.

To validate the previous sub-hypothesis, the One-Way ANOVA test was used, and the results were as in the following table:

**Table 4.26: The results of the One-Way ANOVA test for the answers of the study sample about the level of performance of SMEs attributed to the age group.**

| Dimensions                               | Variance Source | Sum of Squares | df         | Mean Square | F     | Sig. |
|--|-----------------|----------------|------------|-------------|-------|------|
| effectiveness                            | Between Groups  | 3.470          | 3          | 1.157       | 5.242 | .002 |
|  | Within Groups   | 63.555         | 288        | .221        |       |      |
|  | <b>Total</b>    | <b>67.025</b>  | <b>291</b> |             |       |      |
| efficiency                               | Between Groups  | .051           | 3          | .017        | .119  | .949 |
|  | Within Groups   | 40.868         | 288        | .142        |       |      |
|  | <b>Total</b>    | <b>40.919</b>  | <b>291</b> |             |       |      |
| suitability                              | Between Groups  | 2.148          | 3          | .716        | 3.244 | .022 |
|  | Within Groups   | 63.545         | 288        | .221        |       |      |
|  | <b>Total</b>    | <b>65.692</b>  | <b>291</b> |             |       |      |
| sustainability                           | Between Groups  | 2.011          | 3          | .670        | 4.060 | .008 |
|  | Within Groups   | 47.537         | 288        | .165        |       |      |
|  | <b>Total</b>    | <b>49.548</b>  | <b>291</b> |             |       |      |
| The total Degree of performance of SMEs. | Between Groups  | 1.114          | 3          | .371        | 4.004 | .008 |
|  | Within Groups   | 26.714         | 288        | .093        |       |      |
|  | <b>Total</b>    | <b>27.829</b>  | <b>291</b> |             |       |      |

Through the previous results in the table, it is found that there are statistically significant differences at the level of significance (0.05) in the averages of the answers of the study sample about the total degree of performance of SMEs, attributed to the age group factor, and the value of F for these differences was (4.004) and this value was higher than its tabular value at the

degree of freedom (3) which is (2.605) and statistically significant (0.008), which means the validity and acceptance of the sub-hypothesis.

To identify the source of these differences, the Scheffe test was used and the results were as follows:

**Table 4.27: The results of the Scheffe test for differences in the mean answers of the study sample attributed to the age group.**

| Dimensions                               | Age (I)              | Age (J)          | Mean Difference (I-J) | P Value          |
|--|----------------------|------------------|-----------------------|------------------|
| The total Degree of performance of SMEs. | From 36-45 years old | From 26-35 years | .14031*               | .00 <sup>a</sup> |

Based on the results of the Scheffe test, we find that the differences were in favor of those in the age group of 36 to 45 years, at the expense of those in the age group of 26-35 years, which can be explained by the fact that people with high ages have higher years of experience than others and therefore have a greater perception of performance than those with lower ages.

**H<sub>13-3</sub>**: There are statistically significant differences at the significance level ( $\alpha \leq 0.05$ ) in the averages of the study sample responses regarding the performance of SMEs in their dimensions (effectiveness, efficiency, relevance, sustainability) due to Academic qualification.

To validate the previous sub-hypothesis, the One-Way ANOVA test was used, and the results were as in the following table:

**Table 4.28: The results of the One-Way ANOVA test for the answers of the study sample on the level of performance of SMEs attributed to the academic qualification**

| Dimensions                               | Variance Source | Sum of Squares | df         | Mean Square | F     | Sig.  |
|--|-----------------|----------------|------------|-------------|-------|-------|
| effectiveness                            | Between Groups  | 4.575          | 3          | 1.525       | 7.033 | <.001 |
|  | Within Groups   | 62.450         | 288        | .217        |       |       |
|  | <b>Total</b>    | <b>67.025</b>  | <b>291</b> |             |       |       |
| efficiency                               | Between Groups  | 1.389          | 3          | .463        | 3.372 | .019  |
|  | Within Groups   | 39.530         | 288        | .137        |       |       |
|  | <b>Total</b>    | <b>40.919</b>  | <b>291</b> |             |       |       |
| suitability                              | Between Groups  | 2.673          | 3          | .891        | 4.073 | .007  |
|  | Within Groups   | 63.019         | 288        | .219        |       |       |
|  | <b>Total</b>    | <b>65.692</b>  | <b>291</b> |             |       |       |
| sustainability                           | Between Groups  | 2.868          | 3          | .956        | 5.898 | <.001 |
|  | Within Groups   | 46.680         | 288        | .162        |       |       |
|  | <b>Total</b>    | <b>49.548</b>  | <b>291</b> |             |       |       |
| The total Degree of performance of SMEs. | Between Groups  | 2.354          | 3          | .785        | 8.870 | <.001 |
|  | Within Groups   | 25.475         | 288        | .088        |       |       |
|  | <b>Total</b>    | <b>27.829</b>  | <b>291</b> |             |       |       |

Based on the results of the previous table, the sub-hypothesis is correct, where it was found that there were statistically significant differences at the level of significance (0.05) in the total degree of the level of performance of SMEs attributed to the academic qualification, where the value of F calculated for these differences was (8.870), which is higher than its tabular value at the degree of freedom (3), and the significance of these differences was high significance of (0.001), and the differences were in the total score, as well as in all dimensions that measure performance in these companies.

To identify the source of these differences, the results of the Scheffe test were extracted, which were as follows:

**Table 4.29: The results of the Scheffe test for differences in the mean answers of the study sample attributed to educational.**

| Dimensions                               | Education (I)        | Education (J) | Mean Difference (I-J) | P Value |
|--|----------------------|---------------|-----------------------|---------|
| The total Degree of performance of SMEs. | Bachelor's           | High School   | .34903*               | <.001   |
|  | Intermediate diploma | High School   | .30751*               | .002    |
|  | Postgraduate         | High School   | .38391*               | <.001   |

Based on the previous results, we find that the differences were in favor of all scientific qualifications at the expense of those who hold the academic qualification (high school), and these differences were strong between those who hold bachelor's and postgraduate studies at the expense of those who hold high school more than between those who hold intermediate diploma and high school, and these differences can be explained in that the higher the scientific qualification of the sample members, the greater their awareness and understanding of performance, its dimensions and concepts.

**H<sub>13-4</sub>:** There are statistically significant differences at the significance level ( $\alpha \leq 0.05$ ) in the averages of the study sample responses regarding the performance of SMEs in their dimensions (effectiveness, efficiency, relevance, sustainability) due to nature of work.

To validate the previous sub-hypothesis, the t-test was used for independent samples, and the results are as shown in the following table:

**Table 4.30: T test results for independent samples on the level of performance in SMEs in their dimensions attributed to the work.**

| Dimensions    | Values   | Count | Mean | Std. Deviation | Df  | t    | P Value |
|---------------|----------|-------|------|----------------|-----|------|---------|
| effectiveness | Owner    | 177   | 3.86 | .479           | 290 | .554 | .290    |
|               | employee | 115   | 3.83 | .481           |     |      |         |

| Dimensions                               | Values   | Count | Mean | Std. Deviation | Df  | t     | P Value |
|--|----------|-------|------|----------------|-----|-------|---------|
| efficiency                               | Owner    | 177   | 3.75 | .342           | 29. | .198  | .32.    |
|  | employee | 115   | 3.71 | .406           |     |       |         |
| suitability                              | Owner    | 177   | 3.72 | .493           | 29. | -.202 | .420    |
|  | employee | 115   | 3.73 | .447           |     |       |         |
| sustainability                           | Owner    | 177   | 3.73 | .399           | 29. | -.694 | .244    |
|  | employee | 115   | 3.77 | .432           |     |       |         |
| The total Degree of performance of SMEs. | Owner    | 177   | 3.77 | .292           | 29. | .841  | .201    |
|  | employee | 115   | 3.73 | .333           |     |       |         |

Based on the results of the previous table, we note that there were no statistically significant differences at the level of significance (0.05) in the averages of the responses of the study sample on the level of performance of SMEs due to the variable of the nature of work, where the calculated t-value of these differences was (0.841), which is less than the tabular value (1.96) at the significance level (0.05), and we also note that the differences are non-existent in all dimensions that measure this performance, which means that the previous sub-hypothesis is wrong, and it is not accepted and the zero hypothesis is taken Hers.

**H<sub>13-5</sub>:** There are statistically significant differences at the significance level ( $\alpha \leq 0.05$ ) in the averages of the study sample responses regarding the performance of SMEs in their dimensions (effectiveness, efficiency, relevance, sustainability) due to years of experience.

To validate the previous sub-hypothesis, the One-Way ANOVA test was used, and the results were as in the following table:

**Table 4.31: The results of the One-Way ANOVA test for the answers of the study sample on the level of performance of SMEs attributed to the years of experience.**

| Dimensions    | Variance Source | Sum of Squares | df | Mean Square | F     | Sig. |
|---------------|-----------------|----------------|----|-------------|-------|------|
| effectiveness | Between Groups  | 1.120          | 2  | .560        | 2.456 | .088 |

| Dimensions                                      | Variance Source | Sum of Squares | df  | Mean Square | F     | Sig. |
|---|-----------------|----------------|-----|-------------|-------|------|
|   | Within Groups   | 65.905         | 289 | .228        |       |      |
|   | <b>Total</b>    | 67.025         | 291 |             |       |      |
|   | Between Groups  | .905           | 2   | .453        | ∇.270 | .0∇9 |
| efficiency                                      | Within Groups   | 40.013         | 289 | .138        |       |      |
|   | <b>Total</b>    | 40.919         | 291 |             |       |      |
|   | Between Groups  | .018           | 2   | .009        | .039  | .962 |
| suitability                                     | Within Groups   | 65.675         | 289 | .227        |       |      |
|   | <b>Total</b>    | 65.692         | 291 |             |       |      |
|   | Between Groups  | .345           | 2   | .172        | 1.012 | .365 |
| sustainability                                  | Within Groups   | 49.203         | 289 | .170        |       |      |
|   | <b>Total</b>    | 49.548         | 291 |             |       |      |
|   | Between Groups  | .354           | 2   | .177        | 1.864 | .157 |
| <b>The total Degree of performance of SMEs.</b> | Within Groups   | 27.474         | 289 | .095        |       |      |
|   | <b>Total</b>    | 27.829         | 291 |             |       |      |

Based on the results of the previous table, it is clear that there were no statistically significant differences at the level of significance (0.05) in the level of performance of SMEs due to the factor of years of experience, where the value of F calculated for the total score was (1.864), which is less than its tabular value at the degree of freedom (2), which is (2.966), and its significance, which amounted to (0.157), which was higher than the acceptable significance (0.05), and therefore the sub-hypothesis has been verified as wrong and accepted as null hypothesis.

After completing the sub-hypothesis test of the third main hypothesis of the study, the main hypothesis can be decided as in the following table:

**Table 4.32: The results of testing the third main hypothesis of the study**

| <i>The main hypothesis</i> | <i>sub hypothesis</i> | <i>The result of the sub-hypothesis test</i> | <i>Rate</i> |
|----------------------------|-----------------------|--|-------------|
|                            |                       |  |             |

|  |                     |                            |       |
|--|---------------------|----------------------------|-------|
| <b>The Third Main<br/>hypothesis<br/>H<sub>1</sub>-3</b> | H <sub>1</sub> -3.1 | The hypothesis is accepted | 20.0% |
|  | H <sub>1</sub> -3.2 | The hypothesis is accepted | 20.0% |
|  | H <sub>1</sub> -3.3 | The hypothesis is accepted | 20.0% |
|  | H <sub>1</sub> -3.4 | The hypothesis is rejected | 0.00% |
|  | H <sub>1</sub> -3.5 | The hypothesis is rejected | 0.00% |

Based on the results, we note that the third main hypothesis of the study was verified by (60%) while it was false by (40%), which means that it is taken as correct.

Therefore, the decision is 60.0% correct of the hypothesis.

## 5 Chapter Five

### 5.1 Review

In this chapter of the study, the researcher will conduct a summary of the most prominent results she reached by answering her questions, with an emphasis on the need for the results to achieve the goals of the study that the researcher set in the first chapter.

### 5.2 Results of answering study questions

Through the answer to the questions of the study, using statistical methods and methods, the following results were reached:

#### 5.2.1 Results for answering question RQ1:

By answering the first question of the study, the results were as follows:

1. The results showed that the level of strategic planning in SMEs in Palestine was high, as the results showed that the approval of the study sample about this level was with an arithmetic average of (3.77) and a relative weight of (75.4%), which means that SMEs management is interested in strategic planning as a process.
2. The results showed that the highest dimension applied in SMEs is the analysis of the internal and external environment, which ranked first in the approval of the study sample with a response rate of (78.0%), which means that the management of these companies is interested in analyzing the environmental changes surrounding their business, and taking into account these changes before they occur.

This result showed similar results that were previously reported in the previous study of

Yaser & et al., (2015) also study of Bellamy & et al., (2019).

3. The least dimension in terms of the response of the study sample was the dimension of setting goals and policies, and although it was a high response rate (73.3%), it was the least dimension, which means that SMEs management is interested in other dimensions at the expense of goals and policies in companies.

This result showed similar results that were previously reported in the previous study of Bouklaila (2017).

4. The results showed that the overall level of vision and mission implementation was high, and the relative weight that determines this degree was (77.4%), which means that SMEs have great interest in clearly defining the vision and determining the appropriate mission for their actions.
5. There is a need to improve the level of inclusion of obvious values in the SMEs, which can be said to have been seen by approximately 25% of the study sample
6. The results showed that after the internal and external environmental analysis, (76.6%) of the study sample sees great approval towards the company's management conducting an internal and external environmental analysis as a condition for strategic planning to achieve the required organizational performance, but this percentage needs to be increased and supported.
7. The results showed that the general level of implementation of goals and policies as one of the dimensions of strategic planning in SMEs was high, as the arithmetic average of this degree was (3.66) and the relative weight of agreement from the study sample on these results was (73.3%). This result showed similar results that were previously reported in the previous study of Al-Qahtany (2020).
8. The response of the study sample was high about the ability of the company's management to adapt to changes and uncertainty in order to achieve its goals, and this response was (71.8%), but it was the least response in the paragraphs that measure the dimension of environmental analysis.

9. The results showed that the general level of implementation and follow-up as one of the dimensions of strategic planning in SMEs was high with a response score of (73.9%).
10. The results showed that the commitment of SMEs to the programs and activities approved in its strategic plan was average, as the response of the study sample about it was (68.8%).
11. The results also showed that the response rate on the possibility of strategic development and adoption of alternatives by SMEs was average with a response score of (69.0%), which is an average score.
12. The results showed that the level of evaluation as one of the dimensions of strategic planning in SMEs was with a high degree of response (74.6%), which means that there is a great focus among the management of these companies on the process of evaluating the planning process.
13. The results showed that the response of the study sample on the adoption of SMEs management to specific mechanisms to monitor the implementation of the strategic plan is medium, as the relative weight of this response reached (68.4%). This result showed similar results that were previously reported in the previous study of Hammed (2015).

### **5.2.2 Results for answering question RQ2:**

By answering the second question of the study, the results were as follows:

1. The results showed that the Total Degree of performance level of SMEs was high, with an arithmetic average of (3.75) and a high response rate of (75.0%), which means that these companies enjoy high performance.
2. The results showed that the performance dimensions of SMEs were high, the highest was the effectiveness with a response score of (77.1%), and the lowest efficiency with a high response score of (74.0%).

3. The results showed that the total degree of effectiveness in SMEs was high, as the relative weight of this study reached (77.1%), and the results showed that the management of these companies constantly seeks to provide a suitable work environment for their employees in order to achieve high efficiency at work, which expressed their approval of it (80.0%) of the study sample.

This result showed similar results that were previously reported in the previous study of Jafar (2017).

4. The results showed that there is agreement about a clear annual increase in the number of products and services it provides, and the response of the study sample was about this percentage (74.2%).
5. The results indicated that the total degree of efficiency of SMEs was high. The average score of this score was (3.70) and a response rate (74.0%).
6. The results showed that the existence of clear criteria in the company's management to evaluate its financial performance was high, but it needs a lot of support and work, as the response of the study sample around it reached (71.6%), which means that there are at least (28%) of the study sample who oppose this.
7. The results showed that the overall level of suitability as a performance dimension in SMEs was high. The average score measuring this dimension was 3.73, and the response rate was high (74.5%).
8. The results showed that the company's commitment to innovating products and services to meet the changing needs of customers was the lowest level, reaching a high score of (70.4%).
9. The results showed that the overall degree of sustainability as a performance dimension in SMEs was high. The average score of this dimension was (3.75) and the response rate (75.1%).

10. The results showed that the management's interest in the quality of products or services provided at an affordable price for the community was high (71.6%), but this percentage means that at least (28%) of the study sample find that this interest needs to be increased and greater effort to achieve higher levels.

### **5.3 Results of the study hypothesis test**

1. The results showed the validity of the first hypothesis of the study, where it was found that there is a statistically significant relationship between the general level of strategic planning in SMEs and the performance of these companies, and the relationship was positive and positive and strongly (57.6%), which is the value of the correlation between the two variables.
2. The dimensions of strategic planning are related to the performance of SMEs except for the vision, mission, and evaluation dimensions, which are not related to the performance of SMEs individually, as the correlation coefficient between them was not statistically significant.
3. We also find that the vision and mission do not have a relationship between them and suitability as one of the dimensions of performance, as the correlation coefficient between them was not statistically significant by (4.5%).
4. The results also showed that the dimension of environmental analysis is not individually associated with the dimension of suitability, as the correlation between them (9.4%) was not statistically significant.
5. The results showed that there is an impact of strategic planning in its dimensions on the performance of SMEs, which is shown by the regression relationship between the two variables through the value of R, which was (57.6%), which shows a strong and positive correlation.
6. By the value of R-Square, 33.2% of the reasons for the variation in the performance of SMEs in their combined dimensions can be explained by the level of strategic planning in all its dimensions studied.

7. The results showed individually that all dimensions of strategic planning affect the performance of SMEs in their dimensions, except after environment analysis and evaluation, for which the calculated t-value was less than the accepted tabular value (0.383).
8. The other dimensions were individually influential on the performance of SMEs, and the most important dimension that single-handedly affected was the implementation and follow-up dimension, and improving this dimension by one unit leads to an improvement in the performance of SMEs by (52.6%).
9. Improving goals and policies alone affects the performance of SMEs, the better the level of implementation of goals and policies by one unit, the better it leads to improved SMEs performance by (25.9%).
10. The vision and mission dimension had the least individual impact on SMEs performance, as improving the visibility and mission level by one unit leads to improved performance by (10.8%)
11. The results showed the validity of the second hypothesis of the study by (80.0%), as it was found that it was accepted in all demographic factors except for differences related to the age group about the level of strategic planning in its dimensions, which means that all age groups agree on their answers about the level of strategic planning.
12. The results showed that the third hypothesis of the study was verified by (60%), while it was proven wrong by (40%), as the results did not reveal any statistically significant differences in the averages of the responses of the study sample about the level of performance of SMEs in their dimensions due to the factors of years of experience and the nature of work, as the results show the compatibility of employees regardless of their years of work, as well as owners and employees on the level of performance of SMEs.

## 5.4 Conclusions

1. The performance of SMEs in its dimensions of effectiveness, efficiency, relevance, and sustainability is associated with a strong positive relationship with strategic planning in its dimensions: vision and mission, environmental analysis, goals and policies, implementation and follow-up, and evaluation, which means that the greater the interest in strategic planning and its dimensions in SMEs, the better there is in their performance in the dimensions studied.
2. There is an impact of strategic planning on the performance of SMEs, whenever there is an improvement in the performance of SMEs, the reasons for this improvement are due to strategic planning by at least (33.2%), which is a good percentage.
3. Not all dimensions of strategic planning individually enter into an impact relationship with performance, after analyzing the environment and after evaluation, they do not individually enter into an impact relationship on the performance of SMEs.
4. The implementation and follow-up of strategic planning is the most influential thing on the performance of SMEs individually, while improving the vision and mission alone was the least impactful.
5. The level of strategic planning in SMEs in Palestine is large and high, which means that these companies are interested in working according to well-studied and prepared strategic plans, and SMEs are very interested in analyzing the internal and external environment during strategic planning, which are the changes that are related to the work of these companies.
6. In general, the application of the strategic planning dimensions studied in SMEs was high, with a high degree of more than 70% for all these dimensions, which means that these companies are interested in the strategic planning process in all its dimensions in the context of work.
7. The least responsive strategic dimension in these companies was the dimension of setting goals and policies, although it came with a high degree of responsiveness, which means

that these companies need to increase their efforts in strategic planning processes to set clear and achievable goals and work according to regulatory policies.

8. Although the analysis of the internal and external environment in SMEs was at a high level, there is a need to pay more attention to this dimension of strategic planning because of its importance in the course of work of these companies.
9. Despite the high interest in goal and policy setting in the strategic planning process in SMEs, companies need to increase their attention to defining and formulating achievable goals through regulatory and binding business policies.
10. SMEs take care of strategic planning, but their commitment to implementing the programs and activities emanating from these strategic plans has been average.
11. The level of SMEs' adoption of strategic alternatives has been average, which means that the strategic development processes in these companies are a bit slow.
12. Despite SMEs' interest in strategic planning, there is an average level of reliance on specific and clear mechanisms to follow up on the implementation of their strategies.
13. SMEs have a high level of performance, in all dimensions, namely efficiency, effectiveness, relevance and sustainability, as the opinions of the study sample recorded high degrees of approval on the level of performance in these companies.
14. SMEs have a keen interest in the effectiveness of work and their people, and they always strive to work efficiently to reduce the waste of their resources.
15. There is a significant annual increase at SMEs in the number and size of their products or services that they provide to the community, which means that these companies have evolved to suit the needs of society and consumers.
16. SMEs require a greater commitment to innovating products or services that are able to meet the changing needs of society at the right price and value-added convenience.

17. SMEs require greater attention from their departments to the quality of their services and products to the community at reasonable prices and suitable for groups and segments of society.

## 5.5 Recommendations

Based on the conclusions reached by the researcher in her study, she proposes a number of recommendations:

- Establishing and adopting an evaluation and monitoring system that provides regular outputs regarding the progress of the company's strategic plan execution, as well as the progress levels of projects and activities related to achieving this plan.
- Working on establishing a specialized department (at least one dedicated employee) responsible for strategic planning separately from the business owners, due to the importance of strategic planning and its connection to the success and excellence in performance of SMEs.
- Innovating and developing products and services that meet customer needs, taking into consideration the evolution of these needs, at a price that is affordable for everyone, while also considering the challenging economic situation in Palestine, with a focus on the quality of these products.
- Developing plans and scenarios to address potential changes and threats that the SMEs may face, while identifying possible and available mechanisms to confront them.
- Developing products or services at appropriate prices that take into account the economic situation of the community, as well as taking into account all societal groups in Palestine and their financial capacity.
- Develop strategic development systems that seek to develop strategic alternatives that can be resorted to in the event of uncertainty or crises that may threaten SMEs.
- Allocating financial and material resources for emergencies, to face any negative fluctuations in the market or in the Palestinian economic and social conditions, which enables the company to overcome them and withstand and continue.

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## Appendix 1: Study Tools



الجامعة العربية الأمريكية  
ARAB AMERICAN UNIVERSITY

كلية الدراسات العليا  
برنامج التخطيط الإستراتيجي وتجنييد  
الأموال

بسم الله الرحمن الرحيم

عزيزي الموظف، عزيزتي الموظفة

تحية طيبة وبعد:

تقوم الباحثة بإجراء دراسة بعنوان "أثر التخطيط الإستراتيجي على أداء الشركات الصغيرة والمتوسطة الحجم في فلسطين" وذلك استكمالاً لمتطلبات الحصول على درجة الماجستير في برنامج التخطيط الإستراتيجي وتجنييد الأموال من كلية الدراسات العليا - الجامعة العربية الأمريكية.

يرجى من حضرتك الإجابة عن أسئلة الاستبانة بما يتناسب مع وجهة نظرك، علماً بأن هذه الرسالة مخصصة لأغراض البحث العلمي فقط، وسيتم التعامل معها بسرية تامة، دون الحاجة للإفصاح عن معلوماتك الشخصية مطلقاً

شكراً لتعاونكم

الباحثة: منال خلايلة

بإشراف الدكتور: خالد عطية

الجزء الأول البيانات الديموغرافية:

- الجنس:  ذكر  أنثى
- الفئة العمرية:  أقل من ٢٥ عام  من ٢٦-٣٥  من ٣٦-٤٥  ٤٦ عام فأعلى.
- المؤهل العلمي:  ثانوية عامة  دبلوم متوسط  بكالوريوس  دراسات عليا.
- طبيعة العمل:  مالك  موظف
- سنوات الخبرة:  أقل من ١ عام  من ٢-٥ سنوات  أكثر من ٥ سنوات

## الجزء الثاني: محاور الدراسة

مستوى تطبيق التخطيط الاستراتيجي لدى المؤسسات الصغيرة والمتوسطة

| الرقم                                  | الفقرة  | موافق بشدة | موافق | محايد | غير موافق | غير موافق بشدة |
|--|---|------------|-------|-------|-----------|----------------|
| <b>الرؤية والرسالة</b>                 |   |            |       |       |           |                |
| ١.                                     | تقوم إدارة الشركة بإعداد رؤيتها وفق الإمكانيات والموارد المتوفرة لديها.   |            |       |       |           |                |
| ٢.                                     | تتصف رسالة الشركة بأنها تعكس تطلعاتها تجاه تحقيق مستوى أداء متميز بشكل واضح.  |            |       |       |           |                |
| ٣.                                     | تتميز الرؤية الخاصة بالشركة بأنها تتوافق مع تطلعات العاملين وتمثلهم.  |            |       |       |           |                |
| ٤.                                     | تقوم إدارة الشركة من خلال رسالتها بتحديد زبائنها بشكل واضح.   |            |       |       |           |                |
| ٥.                                     | تتضمن الرسالة القيم الواضحة للشركة.   |            |       |       |           |                |
| <b>تحليل البيئة الداخلية والخارجية</b> |   |            |       |       |           |                |
| ٦.                                     | تتبنى إدارة الشركة اساليب وادوات التخطيط الاستراتيجي في نشاطاتها.   |            |       |       |           |                |
| ٧.                                     | تقوم إدارة الشركة بتحليل البيئة الداخلية والخارجية كإحدى متطلبات التخطيط الاستراتيجي لتحقيق الأداء التنظيمي المطلوبة.                         |            |       |       |           |                |
| ٨.                                     | تقوم إدارة الشركة باستخدام الكثير من الأدوات التحليلية اللازمة للتخطيط الاستراتيجي كتحليل نقاط القوة والضعف وتحليل البيئة الداخلية والخارجية. |            |       |       |           |                |
| ٩.                                     | تستفيد إدارة الشركة من المعلومات الداخلية والخارجية المتاحة عند وضع الخطط الاستراتيجية.   |            |       |       |           |                |
| ١٠.                                    | تحدد الشركة فريقاً يقوم بمسؤولية التخطيط الاستراتيجي فيها.  |            |       |       |           |                |
| <b>الأهداف والسياسات</b>               |   |            |       |       |           |                |
| ١١.                                    | تقوم إدارة الشركة بوضع أهدافها القابلة للقياس والتحقق من خلال مخرجات التخطيط الاستراتيجي.   |            |       |       |           |                |

| الرقم                    | الفقرة  | موافق بشدة | موافق | محايد | غير موافق | غير موافق بشدة |
|--------------------------|---|------------|-------|-------|-----------|----------------|
| ١٢                       | تهتم إدارة الشركة بمشاركة جميع المستويات فيها بصياغة أهداف الشركة.  |            |       |       |           |                |
| ١٣                       | تتسم الأهداف التي تضعها الشركة بالمرونة.  |            |       |       |           |                |
| ١٤                       | لدى إدارة الشركة القدرة على التكيف مع التغييرات وحالات عدم التيقن في سبيل تحقيق أهدافها.                  |            |       |       |           |                |
| ١٥                       | تقوم إدارة الشركة بقياس مستوى تحقق أهدافها بشكل دوري.   |            |       |       |           |                |
| ١٦                       | تطبق إدارة الشركة سياسات ناظمة قادرة على إنجاح عملية التخطيط الاستراتيجي.                                 |            |       |       |           |                |
| <b>التنفيذ والمتابعة</b> |   |            |       |       |           |                |
| ١٧                       | تقوم إدارة الشركة بوضع خطط تنفيذية تتوافق مع الخطة الاستراتيجية التي تحقق الرؤية المراد الوصول إليها.     |            |       |       |           |                |
| ١٨                       | يتم تأهيل العاملين في الشركة بشكل مستمر بما يسهم في قدرتهم على تنفيذ الخطة الاستراتيجية.                  |            |       |       |           |                |
| ١٩                       | يتعاون العاملون فيما بينهم باختلاف وظائفهم في تنفيذ الخطط.  |            |       |       |           |                |
| ٢٠                       | يتم وضع مجموعة من البدائل الاستراتيجية التي يمكن للشركة اللجوء إليها واعتمادها.                           |            |       |       |           |                |
| ٢١                       | تلتزم إدارة الشركة بالبرامج والأنشطة المقررة في خطتها الاستراتيجية.                                       |            |       |       |           |                |
| ٢٢                       | تقوم إدارة الشركة بتوفير التسهيلات للعاملين بما يحقق تنفيذ الخطة الاستراتيجية.                            |            |       |       |           |                |
| <b>التقييم</b>           |   |            |       |       |           |                |
| ٢٣                       | تقوم إدارة الشركة بتقييم الخطط التنفيذية بشكل مستمر.  |            |       |       |           |                |
| ٢٤                       | تتبنى إدارة الشركة آليات محددة للرقابة على تنفيذ الخطة الاستراتيجية.                                      |            |       |       |           |                |
| ٢٥                       | تقوم إدارة الشركة وبشكل دوري بتقييم مستوى ترجمة الأهداف الموضوعية إلى واقع خلال تنفيذ الخطة الاستراتيجية. |            |       |       |           |                |
| ٢٦                       | تعتمد إدارة الشركة مؤشرات واضحة لتقييم مدى الالتزام بتنفيذ الخطة الاستراتيجية.                            |            |       |       |           |                |

| الرقم | الفقرة   | موافق<br>بشدة | موافق | محايد | غير<br>موافق | غير<br>موافق<br>بشدة |
|-------|--|---------------|-------|-------|--------------|----------------------|
| ٢٧    | تستفيد إدارة الشركة من نتائج التقييم في تطوير خطتها الاستراتيجية والتعديل عليها. |               |       |       |              |                      |

### الجزء الثالث:

### مستوى أداء الشركات الصغيرة والمتوسطة

| الرقم           | الفقرة   | موافق<br>بشدة | موافق | محايد | غير<br>موافق | غير<br>موافق<br>بشدة |
|-----------------|--|---------------|-------|-------|--------------|----------------------|
| <b>الفعالية</b> |  |               |       |       |              |                      |
| ١               | تسعى إدارة الشركة لإدخال منتجات (خدمات) جديدة مستقبلاً.  |               |       |       |              |                      |
| ٢               | يلاحظ وجود زيادة سنوية واضحة في عدد (المنتجات/الخدمات) التي تقدمها الشركة سنوياً.                        |               |       |       |              |                      |
| ٣               | تقوم إدارة الشركة باستخدام دائم للتكنولوجيا الحديثة في (الإنتاج/ تقديم الخدمات).                         |               |       |       |              |                      |
| ٤               | تقوم إدارة الشركة باستقطاب عاملين ذوي مهارات عالية للعمل لديها.  |               |       |       |              |                      |
| ٥               | توفر إدارة الشركة بيئة العمل المناسبة للعاملين لديها.  |               |       |       |              |                      |
| <b>الكفاءة</b>  |  |               |       |       |              |                      |
| ٦               | تسعى إدارة الشركة إلى خفض تكاليف الإنتاج مع الحفاظ على جودة ما تقدمه للمجتمع.                            |               |       |       |              |                      |
| ٧               | هناك معايير واضحة لدى إدارة الشركة في تقييم الأداء المالي الخاص بها.                                     |               |       |       |              |                      |
| ٨               | يتم تحليل البيانات المالية الخاصة بالشركة للاستفادة من نتائجها في عمليات التخطيط الاستراتيجي المستقبلية. |               |       |       |              |                      |
| ٩               | يتم التعامل مع شكاوى العملاء بشكل جدي.   |               |       |       |              |                      |
| ١٠              | تقوم إدارة الشركة بقياس رضا العملاء عما تقدمه من خدمات/ منتجات بشكل دوري.                                |               |       |       |              |                      |

| غير موافق بشدة   | غير موافق | محايد | موافق | موافق بشدة | الفقرة   | الرقم |
|------------------|-----------|-------|-------|------------|--|-------|
| <b>الملائمة</b>  |           |       |       |            |  |       |
|                  |           |       |       |            | يوجد التزام لدى المنشأة بالتجديد على منتجاتها وخدماتها لتلبية احتياجات الزبائن المتغيرة.           | ١١    |
|                  |           |       |       |            | يوجد زيادة في الطلب على منتجات/ خدمات الشركة ما يعكس حاجة المجتمع إليها.                           | ١٢    |
|                  |           |       |       |            | تقوم إدارة الشركة بتطوير وتحديث منتجاتها/ خدماتها وفقاً لقياس توقعات العميل.                       | ١٣    |
|                  |           |       |       |            | توفر إدارة الشركة آليات اتصال وتواصل سريعة وسهلة مع العملاء.                                       | ١٤    |
|                  |           |       |       |            | توفر إدارة الشركة قيمة مضافة على منتجاتها/خدماتها تشجع العميل على شرائها.                          | ١٥    |
| <b>الاستدامة</b> |           |       |       |            |  |       |
|                  |           |       |       |            | تهتم إدارة الشركة بجودة ما تقدمه من منتجات أو خدمات بالسعر المناسب للمجتمع الفلسطيني               | ١٦    |
|                  |           |       |       |            | تمتلك إدارة الشركة شبكة اتصالات فعالة تسمح بتدفق المعلومات بين المستويات الإدارية والعاملين بوضوح. | ١٧    |
|                  |           |       |       |            | تتخذ إدارة الشركة إجراءات لترشيد النفقات التشغيلية والتطويرية.                                     | ١٨    |
|                  |           |       |       |            | تهتم إدارة الشركة بالرقابة المستمرة على كافة أعمال الشركة.   | ١٩    |
|                  |           |       |       |            | تشجع إدارة الشركة قدرات ومعارف العاملين لديها بتعزيز استدامتها.                                    | ٢٠    |

## Appendix 2: Questionnaire reviewers

| الرقم | الاسم                | الجهة                            |
|-------|----------------------|----------------------------------|
| .١    | د. خالد عطية         | الجامعة العربية الأمريكية - جنين |
| .٢    | د. سعدي الكرنز       | جامعة القدس                      |
| .٣    | د. يوسف أبو فارة     | جامعة القدس المفتوحة             |
| .٤    | د. عروبة البرغوثي    | جامعة القدس سابقاً               |
| .٥    | د. عبد الوهاب الصباغ |                                  |

## الملخص

هدفت الدراسة إلى التعرف على أثر التخطيط الاستراتيجي على أداء المؤسسات الصغيرة والمتوسطة في فلسطين، وتم قياس التخطيط الاستراتيجي من خلال أبعاده التالية: الرؤية والرسالة، التحليل البيئي، الأهداف والسياسات، التنفيذ والمتابعة، والتقييم.

بينما تم قياس أداء المنشآت الصغيرة والمتوسطة من خلال أبعاد: الكفاءة، الفعالية، الملاءمة، الاستدامة، استخدمت الدراسة المنهج الوصفي التحليلي لتحقيق أهداف الدراسة، وكانت أداة الدراسة الاستبيان، وتألف مجتمع الدراسة من المنشآت الصغيرة والمتوسطة. الشركات في فلسطين والتي بلغ عددها حوالي (١٢٠٠٠) شركة، وتم اختيار عينة عشوائية مكونة من (٣٧٣) فقرة بحث من أصحاب وموظفي هذه الشركات، وتم استرجاع (٢٩٢) استبانة بنسبة استرجاع (٨٣.٩%).

وخرجت الدراسة بعدة نتائج أهمها: يرتبط أداء المؤسسات الصغيرة والمتوسطة بأبعادها بعلاقة إيجابية قوية مع التخطيط الاستراتيجي بكافة أبعاده، أي أنه كلما زاد الاهتمام بالتخطيط الاستراتيجي و أبعاده في المنشآت الصغيرة والمتوسطة، هناك تأثير للتخطيط الاستراتيجي على أداء المنشآت الصغيرة والمتوسطة، وكلما حدث تحسن في أداء المنشآت الصغيرة والمتوسطة فإن أسباب هذا التحسن ترجع إلى التخطيط الاستراتيجي بنسبة لا تقل عن (٣٣.٢%). وقد تم اقتراح عدة توصيات أهمها: تخصيص إدارة متخصصة مسؤولة عن التخطيط الاستراتيجي بشكل منفصل عن الملاك في الشركات الصغيرة والمتوسطة، هناك حاجة ملحة إلى قيام إدارة الشركات الصغيرة والمتوسطة باعتماد أساليب وإجراءات لتقييم ومتابعة التنفيذ الخطط والبرامج والأنشطة الاستراتيجية المنبثقة عنها.

الكلمات المفتاحية: الشركات الصغيرة والمتوسطة، الكفاءة والفعالية، التخطيط الاستراتيجي، الملاءمة، الاستدامة.