

## University of Southampton Research Repository ePrints Soton

Copyright © and Moral Rights for this thesis are retained by the author and/or other copyright owners. A copy can be downloaded for personal non-commercial research or study, without prior permission or charge. This thesis cannot be reproduced or quoted extensively from without first obtaining permission in writing from the copyright holder/s. The content must not be changed in any way or sold commercially in any format or medium without the formal permission of the copyright holders.

When referring to this work, full bibliographic details including the author, title, awarding institution and date of the thesis must be given e.g.

AUTHOR (year of submission) "Full thesis title", University of Southampton, name of the University School or Department, PhD Thesis, pagination

**UNIVERSITY OF SOUTHAMPTON**

*Faculty of Business and Law*

*School of Management*

***Strategic Planning: A Practice Perspective on Strategic  
Initiatives***

***An applied study on Saudi Telecommunication Companies***

By

***Hana Jeza Alotaibi***

Thesis for the degree of Doctor of Philosophy

June, 2013

UNIVERSITY OF SOUTHAMPTON

FACULTY OF BUSINESS AND LAW

School of Management

Doctor of Philosophy

STRATEGIC PLANNING: A PRACTICE PERSPECTIVE ON STRATEGIC INITIATIVES

AN APPLIED STUDY ON SAUDI TELECOMMUNICATION COMPANIES

by Hana Jeza Alotaibi

## **Abstract**

This research focuses on the link between strategic planning activities, and the development and implementation of strategic initiatives. It explores the activities and practitioners involved in the development and implementation of strategic initiatives during strategic planning. The theoretical lens applied in this research is activity theory (Blackler, 1993; Engestrom, 1987; Jarzabkowski, 2003), which is proposed to help explore the strategic planning process over time (Vygotsky, 1978; Jarzabkowski, 2003, Jarzabkowski & Balogun, 2009), in addition to the exploration of the internal dynamics of organisational continuity and change (Jarzabkowski, 2003).

In order to achieve the research aim, a qualitative positivist paradigm (Burrell & Morgan, 1979; Easterby-Smith et al., 1991, Nutt, 1989, 2004) and multiple case study methods (Eisenhardt, 1989; Yin, 2003) were employed to guide the entire research process. Multiple data collection methods were employed, namely observations, interviews, and document analysis in three Saudi telecommunications companies over a period of more than 2 years. Eisenhardt (1989), Miles & Huberman, (1994), and Yin's (2003) methods were employed for analysing the qualitative data.

The outcomes highlighted the activities of the strategic planning process in general, and then on those specific activities that influence the development and implementation of strategic initiatives in the three cases. Subsequently, within and cross-case analysis explored further, the three stages of the development and implementation of strategic initiatives, i.e. of initiation, development, and implementation. The outcomes also explained how these specific activities influence the development and implementation of strategic initiatives, in terms of the sequences of activities, and the contradictions that have been found between their components. The study also provided solid evidence on the practitioners involved in the strategic planning process and on their role during the three stages, and on the tools used during these stages of strategic initiatives.

This study makes several potential contributions including analysing strategic planning activities through the use of the activity theory model, understanding the influence of the strategic planning activities on developing and implementing strategic initiatives, and extending understanding in relation to the strategic planning process in the context of the Saudi telecommunications industry. This understanding is significant in the business environment due to the limited amount of existing research of the strategic planning process from a practice perspective and in the Saudi environment in particular.

# Contents

Abstract.....	II
List of Tables and Figures.....	VIII
Declaration of Authorship.....	XII
Acknowledgements.....	XIII
List of Abbreviations.....	XIV
<b>Chapter 1.....</b>	<b>1</b>
<b>Introduction.....</b>	<b>1</b>
1.1 Introduction.....	2
1.2 Significance of the Research.....	2
1.3 Research Questions and Research Methodology.....	4
1.4 Structure of the Dissertation.....	5
<b>Chapter 2.....</b>	<b>7</b>
<b>Review of the Literature.....</b>	<b>7</b>
2.1 Introduction.....	8
2.2 Strategic Planning.....	12
2.2.1 Deriving and Defining Strategy.....	12
2.2.1.1 Defining Strategic Planning.....	15
2.2.2 Strategy Development.....	19
2.2.3 Strategy as Practice.....	23
2.2.4 The Strategic Planning Process.....	30
2.2.5 External Influences on Strategic Planning.....	33
2.2.6 Internal Influences of Strategic Planning.....	34
2.2.7 Strategic Planning Models and Techniques.....	36
2.2.8 Actors in the Strategic Planning Process.....	38
2.2.9 Review of Strategic Planning.....	40
2.3 Strategic Initiatives.....	41
2.3.1 Definition of Strategic Initiatives.....	41
2.3.2 Importance of Strategic Initiatives.....	42
2.3.3 The Development of Strategic Initiatives.....	43
2.3.3.1 Initiating.....	44
2.3.3.2 Developing.....	45
2.3.3.3 Implementing.....	48
2.3.4 Strategic Planning and Strategic Initiatives.....	49
2.3.5 How Strategic Planning Activities Influence Strategic Initiatives.....	51
2.3.6 Review of Strategic Initiatives.....	54
2.4 Theoretical Lens.....	56
2.4.1 Activity Theory.....	56
2.4.2 Principles of Activity Theory.....	59
(a) Unity of Consciousness and Activity.....	60
(b) Intentionality.....	60
(c) Contradictions.....	60
(d) Mediated Action.....	61
(e) Historicity.....	61
2.4.3 Activity Theory as Applied in Strategic Planning Studies.....	61
2.5 Summary.....	65

<b>Chapter 3.....</b>	<b>71</b>
<b>Research Methodology.....</b>	<b>71</b>
3.1 Introduction.....	72
3.2 Research Aim.....	72
3.3 Research Philosophy.....	73
3.4 Case Study Research Method.....	75
3.4.1 The Characteristics of the Case Study Method.....	76
3.4.2 The Clarification of Main Concerns of Case Study .....	77
3.4.2.1 Case Study and Theoretical Conclusion.....	77
3.4.2.2 Case Study and Generalisation.....	78
3.5 Research Design.....	78
3.5.1 Multiple Case Studies.....	79
3.5.2 Selection of Country and Cases.....	79
3.6 Data Collection.....	80
3.6.1 Gaining Access.....	81
3.6.2 Data Collection Methods.....	81
3.6.2.1 Primary Data.....	82
(a) Interviews.....	82
(b) Observations.....	85
(c) Secondary Data.....	88
3.7 Data Analysis .....	89
3.7.1 The Interactive Model of Qualitative Data Analysis.....	90
3.7.2 Research Instruments Used for Field Data Analysis.....	91
3.7.2.1 Contact Summary Sheet.....	91
3.7.2.2 Documentary Summary Form.....	92
3.7.2.3 Memo.....	92
3.7.2.4 Coding.....	92
3.7.3 Data Analysis after Data Collection.....	94
3.7.3.1 Re-examination of the Data.....	94
3.7.3.2 Coding.....	95
3.7.3.3 Cross-Case Data Analysis.....	99
3.7.3.4 Data Display.....	100
3.7.4 The Use of NVivo8 Software .....	101
3.8 Reliability and Validity in Qualitative Research.....	102
3.8.1 Reliability and Validity in this Research.....	103
3.9 Summary.....	105
<b>Chapter 4.....</b>	<b>107</b>
<b>Saudi Arabia's Telecommunications Industry.....</b>	<b>107</b>
4.1 Introduction.....	108
4.2 The Saudi Arabian Telecommunications Market.....	108
4.2.1 History.....	108
4.2.2 Current Market.....	109
4.2.3 Future Market.....	110
4.2.4 Sector Evolution.....	110
4.2.4.1 Mobile Telecommunications Market.....	110
4.2.4.2 Telecom Services Sector Revenues.....	111
4.2.5 Current Operators in the Saudi Telecommunications Market.....	112
4.2.5.1 The Saudi Telecom Company (STC).....	113
4.2.5.2 The Etihad Etisalat Company (Mobily).....	119
4.2.5.3 Zain Company.....	122
4.3 Summary.....	125

<b>Chapter 5.....</b>	<b>126</b>
<b>Case Studies.....</b>	<b>126</b>
5.1 Introduction.....	127
5.2 The Implementation of Data Analysis Strategies.....	127
5.3 The Implementation of the Coding Process.....	129
5.4 Observation Access within the Saudi Environment.....	130
5.5 Data Analysis in Activity Theory.....	132
5.6 First Case Study: STC.....	134
5.6.1 Outline of Data Sources.....	135
5.6.2 Analysis of the Data.....	137
5.6.3 The First Phase: The Strategic Planning Process at STC.....	137
5.6.3.1 Business Analysis Activity.....	137
5.6.3.2 Corporate Strategy Development.....	143
5.6.3.3 Corporate Strategy Cascading.....	150
5.6.3.4 Business Plan Development.....	154
5.6.3.5 Budgetary and Manpower Requirements Development.....	159
5.6.4 The Second Phase: Execution and Performance Management Phase .....	162
5.6.4.1 Program Management Activity.....	163
5.6.4.2 Performance Management Activity.....	166
5.7 Second Case study: Mobily.....	169
5.7.1 Outline of Data Sources.....	169
5.7.2 Analysis of the Data.....	172
5.7.3 The First Phase: Strategic Planning Process in Mobily.....	172
5.7.3.1 Business Analysis Activity.....	172
5.7.3.2 Generating Strategies/Action Steps Activity.....	177
5.7.3.3 Developing the Action Plan Activity.....	182
5.7.3.4 Conducting Related Cost-Benefit Analysis, and Approval.....	186
5.7.4 The Second Phase: Execution Management.....	190
5.7.4.1 Monitoring Management.....	190
5.7.4.2 Evaluation Management Activity.....	194
5.8 Third Case Study: Zain .....	197
5.8.1 Outline of Data Sources.....	197
5.8.2 Analysis of the Data.....	201
5.8.3 The First Phase of the Strategic Planning Process at Zain.....	201
5.8.3.1 Environmental Scanning Activity.....	201
5.8.3.2 Developing Business Strategies Activity.....	205
5.8.3.3 Strategy Execution Plan.....	209
5.8.3.4 Establish Resource Allocation Activity.....	212
.....	215
5.8.4 The Second Phase: Execution and Performance Activity.....	215
5.9 Summary.....	219
<b>Chapter 6.....</b>	<b>221</b>
<b>Analysis.....</b>	<b>221</b>
6.1 Introduction.....	222
6.2 Activities of the Strategic Planning Process.....	223
6.3 The Influences of Strategic Planning Activities on the Development and Implementation of Strategic Initiatives.....	224
6.3.1 Direct and Indirect Influences.....	224
6.3.2 Indirect Influences.....	226
6.3.3 Direct Influences.....	229
6.3.3.1 Initiation Stage.....	231
6.3.3.2 Development Stage.....	232

6.3.3.3 Implementation Stage.....	232
<b>6.4 The Practice Perspective and Activity Theory.....</b>	<b>234</b>
6.4.1 Introduction.....	234
6.4.2 How the Different Elements Connect with Each Other?.....	235
6.4.2.1 Sequence of Activities at STC.....	236
6.4.2.2 Sequence of Activities at Mobily.....	237
6.4.2.3 Sequence of Activities at Zain.....	238
6.4.2.4 General Summary of the Sequences of Activities During the Direct Stage.....	238
6.4.3 Contradictions.....	238
6.4.3.1 Initiation Stage.....	243
6.4.3.2 Development Stage.....	246
6.4.3.3 Implementation Stage.....	250
6.4.4 Mediated Actions.....	254
6.4.4.1 Tools Used During the Three Stages of Strategic Initiatives.....	254
6.4.4.2 Practitioners and their Role in the Three Stages of Strategic Initiatives.....	258
6.5 Summary.....	266
<b>Chapter 7.....</b>	<b>267</b>
<b>Discussion.....</b>	<b>267</b>
7.1 Introduction.....	268
7.2 Strategic Planning and Initiatives.....	268
7.2.1 Activities of the Strategic Planning Process.....	268
7.2.2 Activities that Directly Influence the Development and Implementation of Strategic Initiatives.....	271
7.3 Sequences and Contradictions in Activities.....	273
7.3.1 The Sequence of Activities.....	273
7.3.2 The Contradictions between the Activity Systems.....	274
7.4 Mediated Action.....	276
7.4.1 Tools Used during the Three Stages of Strategic Initiatives.....	276
7.4.2 Practitioners and their Role in the Three Stages of Strategic Initiatives.....	278
7.5 Cultural Aspects.....	280
7.5.1 Introduction.....	280
7.5.2 Definition of Culture.....	281
7.5.3 Characteristics of Saudi Culture.....	281
7.5.3.1 Saudi Arabia's High Context Culture and Communication Style.....	281
7.5.3.2 Saudi Arabia's High Uncertainty Avoidance.....	283
7.5.3.3 Saudi Arabia's Highly Religious Society.....	283
7.5.4 Other Underlying Influences of Saudi Culture on Saudi Business Processes.....	284
7.5.4.1 Social Interactions.....	284
7.5.4.2 Information Sources.....	285
7.6 Summary.....	287
<b>Chapter 8.....</b>	<b>292</b>
<b>Conclusion.....</b>	<b>292</b>
8.1 Introduction.....	293
8.2 Restatement of the Research Aim and Key Outcomes.....	293
8.3 Summary of Theoretical, Methodological, and Practical Contributions.....	296
8.3.1 Theoretical Contributions.....	297
8.3.2 Methodological Contribution.....	298
8.3.3 Practical Contribution.....	300
8.4 Research Implications .....	303
8.5 Research Limitations.....	304

8.6 Directions for Future Research.....	306
<b>References.....</b>	<b>307</b>
Texts.....	308
Websites.....	321
Government Departments/Commissions/Ministries.....	322
Telecommunication Companies.....	322
Other.....	322
<b>Appendices.....</b>	<b>323</b>
Appendix A: Research Questions and Guide.....	324
A1: Research questions for the interviews.....	324
Introduction.....	324
For strategic Planning Process.....	324
For strategic Initiatives.....	325
A2: Research questions for the observations.....	327
A3: Research Guide for Carrying Out the Observations.....	328
Appendix B: Background Information about Saudi Arabia.....	329
B1: Maps of the Kingdom of Saudi Arabia.....	329
B2: Location and Historical Overview.....	330
B3: Political Profile of Saudi Arabia.....	330
B4: Population of Saudi Arabia.....	331
B5: Significance of Saudi Arabia.....	331
Religious Significance.....	332
Economic Significance.....	332
Appendix C: Confirmation Emails Regarding the Illustration of the Companies' Strategic Planning.....	333
C1: Confirmation Email from Mobily.....	333
C2: Confirmation Email from Zain.....	336
Appendix D: Examples of Research Instruments.....	338
D1: Example of an Observation Diary.....	338
D2: Example of a Contact Summary Sheet.....	339
D3: Example of a Documentary Summary Form.....	340

## List of Tables and Figures

### List of Tables

Table 1: Three axiomatic questions of strategic planning & change management.....	19
Table 2: Research on strategy as practice perspective - the practice aspect.....	26
Table 3: Research on strategy as practice perspective - the practices aspect.....	27
Table 4: Research on strategy as practice perspective - the practitioners' aspect.....	27
Table 5: Impact of internal environment on strategic planning.....	36
Table 6: Relevant situations for different research strategies.....	76
Table 7: Summary of data sources for the three Saudi telecommunications companies.....	82
Table 8: List of interviews conducted at the three Saudi telecommunications companies.....	85
Table 9: Observation periods for the three cases.....	87
Table 10: List of observations for Mobily Company.....	87
Table 11: List of documents obtained from STC Company.....	89
Table 12: STC memo.....	92
Table 13: The initial list of codes.....	94
Table 14: The final list of codes.....	95
Table 15: Six dimensions critical for STC.....	115
Table 16: The eight-step model.....	134
Table 17: Data sources for STC.....	135
Table 18: Activities of the strategic planning process in STC.....	135
Table 19: Key activities of the event state network at STC.....	136
Table 20: Sub-activities of the business analysis activity.....	139
Table 21: Tools of business analysis activity.....	139
Table 22: The responsible subjects for business analysis activity.....	142
Table 23: The responsible subjects for the corporate strategy development activity.....	148
Table 24: The responsible subjects for corporate strategy cascading activity.....	153
Table 25: Data sources for Mobily.....	170
Table 26: Key activities of the event state network at Mobily.....	171
Table 27: The responsible subjects for business analysis activity.....	175
Table 28: Sub-activities of generating strategies/action steps activity.....	178
Table 29: The responsible subjects for developing the action plan activity.....	183
Table 30: The responsible subjects for conducting related cost-benefit analysis and approval activity.....	187
Table 31: The responsible subjects for monitoring management activity.....	191
Table 32: The responsible subjects for evaluation management activity.....	195
Table 33: Data sources for Zain.....	198
Table 34: Key activities of the event state network at Zain.....	199
Table 35: The responsible subjects for environmental scanning activity.....	202
Table 36: The responsible subjects for developing business strategy activity.....	206
Table 37: The responsible subjects for strategy execution plan activity.....	210
Table 38: The responsible subjects for established resource allocation activity.....	213
Table 39: The responsible subjects for the execution and performance activity.....	216
Table 40: Summary of the data presented in relation to this chapter's sections.....	223
Table 41: Summary of activities related to strategic planning processes in the three companies investigated.....	224
Table 42: Activities indirectly involved in development/implementation of strategic initiatives.....	227
Table 43: Details of each activity involved indirectly in the development and implementation of strategic initiatives I.....	228
Table 44: Details of each activity involved indirectly in the development and implementation of strategic initiatives II.....	229
Table 45: Activities directly involved in development/implementation of strategic initiatives.....	230
Table 46: Details of activities directly involved in the development/implementation of strategic initiatives during the initiation stage.....	231
Table 47: Details of activities directly involved in the development/implementation of strategic initiatives during the development stage.....	232
Table 48: Details of activities directly involved in the development/implementation of strategic initiatives during the implementation stage.....	233

Table 49: The suitable principles of activity theory applicable for analysis.....	235
Table 50: Evidence of contradictions identified from interviews during the initiation stage.....	240
Table 51: Evidence of contradictions identified from interviews during the development stage .....	241
Table 52: Evidence of contradictions identified from interviews during the implementation stage .....	242
Table 53: Contradictions during the initiation stage.....	243
Table 54: Contradictions during the development stage.....	246
Table 55: Contradictions during the implementation stage.....	250
Table 56: Tools used to implement the activities at the initiation stage.....	255
Table 57: Tools used to implement the activities at the development stage.....	256
Table 58: Tools used to implement the activities at the implementation stage.....	257
Table 59: The practitioners involved during the initiation stage.....	259
Table 60: The practitioners involved during the development stage.....	261
Table 61: The practitioners involved during the implementation stage.....	262
Table 62: A comparison between Grant's (2003) generic cycle system with the three cases...	271
Table 63: Ten selected high and low context cultures.....	282
Table 64: Comments by interviewees that mentioned religion.....	284
Table 65: Guide to carrying out observations.....	328
Table 66: Example of an observation diary.....	338
Table 67: Contact summary sheet.....	339
Table 68: Documentary summary form.....	340

## List of Figures

Figure 1: Conceptual Framework.....	11
Figure 2: Four trends of strategy development.....	19
Figure 3: Strategy development.....	22
Figure 4: The generic strategic planning cycle.....	32
Figure 5: The five elements of guided evolution.....	47
Figure 6: Closed-loop management system linking strategy and operations.....	52
Figure 7: Hierarchy of strategic initiatives.....	53
Figure 8: Vygotsky's activity theory model.....	57
Figure 9: Engestrom's activity system model.....	59
Figure 10: The potential contribution areas of the research.....	70
Figure 11: Interactive model of data analysis.....	91
Figure 12: An example of the coding process.....	98
Figure 13: Mobile Service Market Growth—Total Subscriptions (2001–2010).....	111
Figure 14: Telecom Sector Revenues (2001–2010).....	112
Figure 15: Evolution of the planning process at STC.....	114
Figure 16: STC's organisational structure.....	117
Figure 17: STC's corporate strategy structure.....	118
Figure 18: Mobily's organisational structure.....	121
Figure 19: Zain's organisational structure.....	124
Figure 20: Engestrom's Activity Systems' Model.....	133
Figure 21: The event state network for the strategic planning process at STC.....	136
Figure 22: Business analysis activity.....	138
Figure 23: Examples of tools for business analysis activity.....	140
Figure 24: An activity model for business analysis activity.....	143
Figure 25: Corporate strategy development activity (part 1).....	144
Figure 26: Corporate strategy development activity (part 2).....	145
Figure 27: An example of corporate scorecard development activity.....	146
Figure 28: Examples of tools for corporate strategy development activity.....	147
Figure 29: Strategy review workshop content.....	148
Figure 30: Outcomes of corporate strategy development activity.....	149
Figure 31: An activity model for corporate strategy development activity.....	150
Figure 32: Corporate strategy cascading activity.....	151
Figure 33: An example of a cascading corporate strategy activity.....	152
Figure 34: Corporate strategy cascading activity.....	154
Figure 35: Business plans development activity.....	155
Figure 36: Outcome of business plans development activity.....	158
Figure 37: An activity model for business plan development activity.....	159
Figure 38: Budgetary and Manpower Requirements Development.....	160
Figure 39: An example of rules and regulations for budgetary and manpower requirements development activity.....	161
Figure 40: An activity model for budgetary and manpower requirements development activity.....	162
Figure 41: The responsible subjects for program management activity.....	164
Figure 42: An example of tools for program management activity.....	165
Figure 43: An activity model for program management activity.....	166
Figure 44: Performance management activity.....	167
Figure 45: An example of a template used for a performance management activity.....	168
Figure 46: An activity model for performance management activity.....	169
Figure 47: The event-state network for the strategic planning process at Mobily.....	171
Figure 48: An activity model for business analysis activity.....	177
Figure 49: An activity model for generating strategies/action steps activity.....	182
Figure 50: An activity model for developing the action plan activity.....	185
Figure 51: Examples of templates used for developing the action plan activity.....	188
Figure 52: An activity model for conducting related cost-benefit analysis and approval activity.....	190
Figure 53: An example of a template used for conducting related cost-benefit analysis and	

approval activity.....	192
Figure 54: An activity model for monitoring management activity.....	194
Figure 55: An activity model for evaluation management activity.....	197
Figure 56: The event-state network for the strategic planning process at Zain.....	199
Figure 57: An example of a template used for an execution and performance review activity.....	203
Figure 58: An activity model for environmental scanning activity.....	205
Figure 59: An activity model for developing a business strategy activity.....	209
Figure 60: An activity model for a strategy execution plan activity.....	212
Figure 61: An activity model for an established resource allocation activity.....	215
Figure 62: An example of a template used for an execution and performance activity.....	217
Figure 63: An activity model for an execution and performance activity.....	219
Figure 64: Direct and indirect influences in the strategic planning process at STC.....	225
Figure 65: Direct and indirect influences in the strategic planning process at Mobily.....	226
Figure 66: Direct and indirect influences in the strategic planning process at Zain.....	226
Figure 67: Connections between activities responsible for direct influence at STC.....	236
Figure 68: Connections between activities responsible for direct influence at Mobily.....	237
Figure 69: Connections between activities responsible for direct influence at Zain.....	238
Figure 70: Illustration of the contradictions in STC during the initiation stage.....	244
Figure 71: Illustration of the contradictions in Zain during the initiation stage.....	245
Figure 72: Illustration of the contradictions in STC during the development stage.....	247
Figure 73: Illustration of the contradiction in Mobily during the development stage.....	248
Figure 74: Illustration of the contradiction in Zain during the development stage.....	249
Figure 75: Illustration of the contradictions in STC during the implementation stage.....	251
Figure 76: Illustrations of the contradictions in Mobily during the implementation stage.....	252
Figure 77: Illustration of the contradictions in Zain during the implementation stage.....	253

# Declaration of Authorship

I, Hana

declare that the thesis entitled

*Strategic Planning: A Practice Perspective on Strategic Initiatives*  
*An applied study on Saudi Telecommunication Companies*

and the work presented in the thesis are both my own, and have been generated by me as the result of my own original research. I confirm that:

- this work was done wholly or mainly while in candidature for a research degree at this University;
- where any part of this thesis has previously been submitted for a degree or any other qualification at this University or any other institution, this has been clearly stated;
- where I have consulted the published work of others, this is always clearly attributed;
- where I have quoted from the work of others, the source is always given. With the exception of such quotations, this thesis is entirely my own work;
- I have acknowledged all main sources of help;
- where the thesis is based on work done by myself jointly with others, I have made clear exactly what was done by others and what I have contributed myself;
- parts of this work have been published as:
  - Alotaibi, Hana; & Warren, Lorraine, June 2011, 'Strategic Planning: a Practice Perspective on Strategic Initiatives, Paper presented to the 5th Saudi International Conference- SIC2011, The University of Warwick, Coventry, UK, pp.13, 23- 26 June.
  - Alotaibi, Hana; & Warren, Lorraine, September 2011, 'Strategic Planning Activities: a Practice Perspective on Strategic Initiatives', Proceedings of 25th Anniversary Conference -BAM 2011, Aston Business School, Birmingham, UK, pp. 21
  - Alotaibi, Hana; & Warren, Lorraine, November 2011, 'Strategic Planning: a Practice Perspective on Strategic Initiatives, Paper presented to the 1st International Conference: Entrepreneurship, Innovation and SMEs, Ecole de Management de Normandie, Caen, France, 3-4 November.

Signed: .....

Date:.....

## Acknowledgements

All praise is to Allah, the Most Merciful for his help, blessings and guidance, which have given me the patience and strength to accomplish this task.

In particular, I would also like to express my sincere recognition, regard, and thanks to:

- Dr. Lorraine Warren, my main supervisor who provided me with quality support and efficient supervision to bring this work to completion.
- Dr. John Marti, my secondary supervisor who provided me with academic supervision during the course of my study.
- My Dad and Mum who are so many miles away yet have always been supportive and encouraging throughout my lifetime to help me reach this point in my studies.
- My other family members who have assisted me through their sincere moral support and by also encouraging me during this wonderful educational journey.

I am extremely thankful and sincerely grateful to you all.

## List of Abbreviations

ACFSP	Analytical Cultural Framework for Strategy and Policy
AT	Activity Theory
CSR	Corporate Social Responsibility
EIA	Environment Investment Agency (KSA)
GM	General Manager
GOSI	General Organisation of Social Insurance (KSA)
HR	Human Resources
HRM	Human Resource Management
ICT	Information and Communication Technology
IDB	Islamic Development Bank
KPI	Key Performance Indicator
MIS	Management Information System
MoPTT	Ministry of Post, Telegraphs and Telephones (KSA)
PPA	Public Pension Agency (KSA)
OIC	Organisation of the Islamic Conference
OPEC	Organisation of the Petroleum Exporting Countries
SME	Small and Medium Enterprise
SPM	Strategic Performance Management
SRI	Stanford Research Institute
STC	Saudi Telecom Company
SWOT	Strengths, Weaknesses, Opportunities and Threats
TQM	Total Quality Management
VP	Vice-President
WTO	World Trade Organisation

Other abbreviations such as KSA and UAE are names of countries.

# ***Chapter 1***

## ***Introduction***

## **1.1 Introduction**

This thesis focuses on the link between strategic planning activities, and the development and implementation of strategic initiatives. It explores the activities and practitioners involved in the strategic planning process relating to the development and implementation process of strategic initiatives. Even in western literature, only limited exploration has been undertaken of activities related to the strategic planning process. Research on the strategic planning process in Saudi Arabia is even more limited. This research makes contributions by filling this gap through adopting the strategy as practice approach, taking into consideration the influence of such activities and the practitioners who are involved in this process of the development and implementation of strategic initiatives. Further studies combining these two areas are still required in order to develop a more complete picture of this link. Importantly, whilst it is recognised that culture bears a significant influence on the strategic planning process, it is not brought into central focus until the discussion, following the data collection and analysis, in section 7.5. This chapter first outlines the significance of the research. It then provides a brief review of research questions and methodology, and finally it details the structure of the dissertation.

## **1.2 Significance of the Research**

Typically, the strategic planning process takes into account consumer needs, and the activities of competitors, and a scan of environmental and market trends. It also considers the strengths, weaknesses, goals and objectives of the organisation. All these are defined and analysed to aid choosing and noting the strategies (Armstrong, 1982; Reid, 1989; Grant 2003). Taking this into consideration, research on planning processes considered different aspects, such as the relationship between environmental characteristics and planning systems (Kukalis, 1991; Lindsay & Rue, 1980), the effectiveness of planning (Nutt, 1977), the reality of strategic planning (Reid, 1989), the behavioural problems of managers in strategic planning systems (Lyles & Lenz, 1982), the characteristics of strategic planning systems (Grant, 2003), the relations of planning practices and performance (Boyd, 1991, Brews & Hunt, 1999), the contribution of formal strategic planning to decisions (Armstrong, 1982; Sinha, 1990), and the influence of the strategic planning process on strategic change (Dutton & Duncan, 1987).

However, more recently, the practice approach has entered the strategy literature, which focuses

on strategists engaged in the real work of strategising (Hendry, 2000; Whittington, 1996, 2002a, 2003). Strategy as practice is concerned with organisational life, and it provides insights reaching beyond the practices that constitute the 'internal life of process' (Brown & Duguid, 2000; Chia & MacKay, 2007; Feldman & Pentland, 2003; Tsoukas & Chia, 2002). From this point, the strategy as practice perspective considers that social and political interactions over strategy making are the main element of strategy as a practice perspective (Jarzabkowski & Spee, 2009), which concentrates on how strategy is socially constructed (Jarzabkowski et al., 2007). Actors play an important role in this concept because they have different views and interpretations on the activities and strategy (Jarzabkowski & Balogun, 2009). This research, from the strategy as a practice perspective, focuses on the actions of the actors (Jarzabkowski & Balogun, 2009), strategising (Jarzabkowski & Seidl, 2008), and the tools involved to create the activities (Jarzabkowski & Seidl, 2008) that lead to the development and implementation of strategic initiatives in the strategic planning process in Saudi telecommunications companies.

Notably, Saudi Arabia's culture has its own peculiarities, which distinguishes it from many other cultures. These impact on the way communications and interactions take place in Saudi society. In particular, Saudi Arabia has a high context culture, places an emphasis on social relationships but restricts mixed gender interactions, and the schedule of daily life is dictated by religious practices. This cultural dimension adds another layer of complexity on the subject matter under focus. Although its impact is recognised, it is not the central focus of this study, but it is highlighted briefly in places where cultural issues do have a specific impact until the more detailed discussion in 7.5. The cultural dimension has not therefore been ignored in this study. The view of culture being socially constructed, in which the peculiarities of Saudi cultural aspects are noted therein in terms of their potential impact on strategic planning activities and thereby on strategic initiatives. The study therefore also provides copious information for other researchers who may wish to either investigate this dimension specifically, or the Saudi telecommunications industry itself from a more complete perspective. As far as this study is concerned however, it focuses mainly on the relationship between strategic planning activities and strategic initiatives in general as it allowed the study to provide insight into the strategy-as-a-practice perspective, with the Saudi context used merely to provide an example of a typical highly competitive environment in which strategic thinking plays an important role.

In the same way, activities that take place during the strategic planning process are not widely

mentioned in the literature; only Grant (2003) describes these activities of strategic planning systems in an unpredictable environment. However, the main objective of this research links strategic planning with strategic initiatives by describing how strategic planning activities influence the development and implementation of strategic initiatives.

The initiatives are essential in the process of the development of the strategy, which evolves into the emergent routines (Floyd & Wooldridge, 2000; Keupp & Gassmann, 2009). Overall, strategy from a practice prospective is an important field of strategic planning, as it is concerned with revealing the activities engaged in during the strategic planning process that may ultimately play a central role in strategy making (Regnér, 2003). Therefore, the purpose of this study is to shed light on the gap that links strategic planning activities and their influence on the development and implementation of strategic initiatives, and how these activities could make a significant difference in the development process of strategic initiatives.

Despite all of the above, there is an obvious scarcity of research on strategic planning and strategic initiatives in the Arabian Gulf region, and in Saudi Arabia in particular (AlGamdi, 2005). For this reason, three Saudi telecommunication companies were selected for implementing the research due to the aforementioned reason, and also owing to the fact that telecommunication companies represent a perfect example for the competitive environment, and thus rapid changes of the practice of strategic planning activities. This research could be a pioneering and important study in the business environment due to the limited number of studies of strategic planning from a practice perspective. An attempt is made to contribute to the strategic planning and strategic initiative literature by identifying the activities of the strategic planning process, and how these influence strategic initiatives. Most Saudi empirical research is concerned with the tools and techniques of strategic planning. Therefore, this research will focus on a new area of strategy as a practice, particularly on the influence of strategic planning upon the process of the development and the implementation of strategic initiatives. Exploring strategic planning activities is important and helpful in these times due to the current competitive and unpredictable global business environment. There is a need for organisations to adopt effective techniques of strategic planning to remain competitive at such a level.

### **1.3 Research Questions and Research Methodology**

Research methodology is mainly determined by the research aim and research questions. The

focus of this research is on strategic planning through exploring the activities and participants involved in strategic planning in Saudi telecommunications companies, and during the process of development and implementation of strategic initiatives. Accordingly, the following main research question was developed:

*How do strategic planning activities influence the development and implementation of strategic initiatives in Saudi telecommunications companies?*

Two secondary questions were then developed to further pursue the answer to this general question:

1. What are the activities of the strategic planning process; what do they involve, and how do they influence the development and implementation of strategic initiatives?
2. Who are the main practitioners and what are their roles in this process?

In order to obtain a better understanding of the influence of strategic planning activities on the development and implementation of strategic initiatives, an positivist paradigm (Burrell & Morgan, 1979; Easterby-Smith et al., 1991, Nutt, 1989, 2004, 2008) and a case study method (Stake, 2000; Yin, 2003) were employed because they were deemed suitable for studying the precise manner in which to model details within the strategy process. A multiple case design (Eisenhardt, 1989) was adopted simply because there was a need to collect more detailed data concerning how things are operated and dealt with in organisations that explain the influence of strategic planning activities on the development and implementation of strategic initiatives in the Saudi telecommunication companies. In addition, multiple data collection methods were employed namely observations, interviews, and document analysis. Finally, Eisenhardt (1989), Miles & Huberman, (1994), and Yin's (2003) methods were employed for the data analysis.

## **1.4 Structure of the Dissertation**

There are nine chapters in this dissertation. The next chapter covers the literature review pertaining to the research topic, which comprises of three main sections. The first section mainly concentrates on strategy, strategy as a practice, the strategy development process, and the definition of strategic planning. It also covers its modules and techniques, external and internal influences on strategic planning, and the actors involved in the strategic planning process. The second section concentrates on strategic initiatives. It begins with providing its definition,

highlights its importance, and delves on the development and implementation of strategic initiatives, and on the link between strategic planning and strategic initiatives. The third section discusses the theoretical lens that was applied in this study. It provides an introduction to activity theory, and it also discusses the theory as applied in strategic planning studies. The Third chapter deals with the procedures followed during the research methodology. It details the research philosophy and research design followed in this study and it also covers the data collections methods applied in this study, namely observations, interviews, and document analysis.

In order to achieve a deeper understanding of the three cases in context, some brief background information of Saudi Arabia and the three companies is provided in chapter four. The fifth chapter then presents the main data for the three cases. The data, which is organised under major themes, is presented in chapter six. The seventh chapter presents the main findings of the research, which is discussed further in relation to the current literature. Finally, the dissertation concludes with chapter eight by summarising the findings, clarifying the contributions and making suggestions for further research. Besides these eight chapters, an abstract, a content table and appendices are attached to facilitate a deeper understanding of the research.

***Chapter 2***  
***Review of the Literature***

## **2.1 Introduction**

This chapter reviews the relevant literature to explore and explain strategic planning activities and their influence on the development and implementation of strategic initiatives from a practice perspective. It aims to help develop theoretical lenses in guiding the collection of the field data and in further analysing it. In addition, the literature review also improves the sensitivity to field data and provides the knowledge base in order to integrate the outcomes of the research with the current literature.

Firstly, Stonehouse & Pemberton (2002, p. 854) defined strategic planning as “the devising and formulation of organisational level plans which set the broad and flexible objectives, strategies and policies of a business, driving the organization towards its vision of the future” (cited in Aldehayyat & Anchor, 2008, p. 3). The strategic planning process is a way of involving factors and techniques systematically in order to achieve certain tasks, and thus includes defining clear objectives and the processes necessary for achieving them (O'Regan & Ghobadian, 2002; Armstrong, 1982). As such, strategic planning can be regarded as an essential management tool for organisations because it provides a direction and ensures that suitable resources are made available where required and at specific points in time in the pursuit of certain objectives. Strategic decision making is thus viewed as a logical process wherein strategy is formulated by undertaking a rational analysis of the firm, its performance and external environment. Once devised, the strategy is then communicated throughout the organisation and implemented at each level (Grant, 2009). Strategic planning has the potential to enhance coordination and control through performance review and progress towards the objectives; helps to identify and exploit future marketing opportunities; enhances internal communications between personnel, and predisposes personnel to exhibit a favourable attitude towards change (Koufopolous & Morgan, 1994). In addition, overall, it could improve corporate performance through combining strategies pertaining to each business unit into an overall corporate strategy.

Thus, the strategic planning process refers to series of activities put into actions in an organisation in order to achieve its future goals. This provides a significant means of strategic planning, putting in place an action plan to attain set objectives. Strategic planning is thus the way in which an organisation adapts itself to reach its planned objectives. This study is concerned with strategic planning activities and how strategic planning influences the

development and implementation of strategic initiatives. It is concerned with the meso level of strategic planning process analysis with respect to the aggregation of activities, classes of practitioners, and the processes/praxis examined. The meso level pertains to studies that explain the strategy praxis at the organisational or sub-organisational level, such as those that deal with strategy processes or patterns of strategic actions, as in Balogun & Johnson (2005). However, micro-level planning is largely concerned with aspects that are internal to the organisation; the 'grass roots' or community level institutions and policies, and is more related to practitioners as compared to the macro-level, which concerns the wider society, and the mega-level, which involves global concerns (Sztompka, 1991, Whittington, 2001; Jarzabkowski, 2004) Broadly, activities are the day to day stuff of management. They are what managers do and what they achieve, and what organisational actors engage in generally (Johnson et al., 2003).

Secondly, a significant strand of strategy research supports the argument for the relevance of practices. Strategy as practice is concerned with organisational life, and it provides insights that reach beyond the practices that constitute the 'internal life of process' (Brown & Duguid, 2000; Chia & MacKay, 2007; Feldman & Pentland, 2003; Tsoukas & Chia, 2002). This does not concern itself with what an organisation has, but with what actors do (Johnson et al., 2003; Whittington, 2006; Jarzabkowski & Seidl, 2008). From this point, actors play an important role in this concept because they have different views and interpretations of the activities and strategy (Jarzabkowski & Balogun, 2009). This research, from strategy as practice perspective, focuses on the actions of the actors (Jarzabkowski & Balogun, 2009); on strategising, and on the tools used to create the activities (Jarzabkowski & Seidl, 2008) that leads to the development and implementation of strategic initiatives during the strategic planning process.

Thirdly, most research studies strategic initiatives taken during the two stages of development and implementation (Lovas & Ghoshal, 2000; Burgelman, 1991, 1994). This is because initiatives are essentially in the process of the development and implementation of the strategy which evolves into the emergent routines (Floyd and Wooldridge, 2000; Keupp & Gassmann, 2009). An initiative in general is any activity that helps organisations enter into new markets, and which sparks the development of new capabilities (Burgelman, 1983a; Floyd & Lane, 2000; Floyd & Wooldridge, 2000). Initiatives are a way to develop new competitive advantages through the pursuit of adding new products, markets and technologies to the current repertoire (McGrath et al., 1995). Since this research takes into consideration the development and

implementation of the strategic planning process, these two areas are also investigated together in order to explore the influence of strategic planning activities upon the two areas of strategic initiatives.

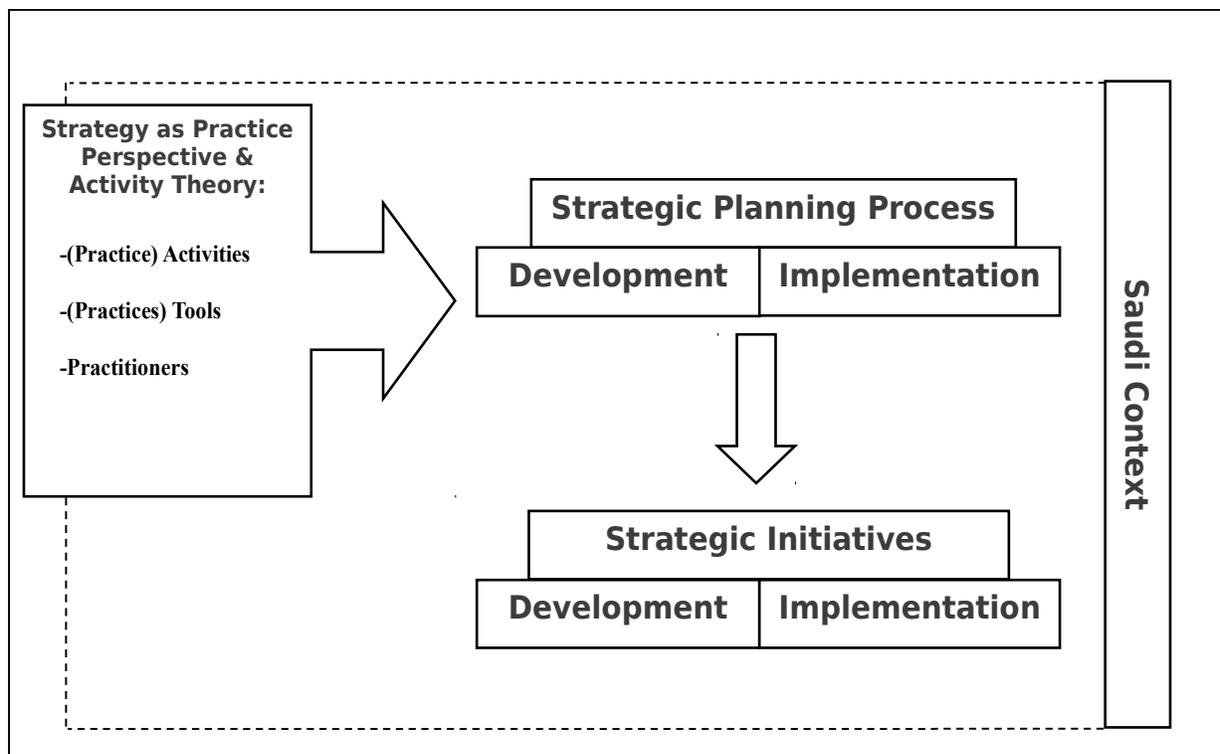
After exploring the relevant literature, a conceptual framework (Figure 1) was developed as the theoretical starting point of the research. This theoretical exploration commences from the strategy as practice perspective. It takes this perspective to investigate the strategic planning process activities. The literature review on strategy as practice perspective comprises of three areas: practice, practices and practitioners (Whittington, 2002a; Jarzabkowski, 2005). Investigating practice entails going beyond studying the relation between such concepts to addressing them as being mutually constitutive. Practices are described as ‘those traditions, norms, rules and routines through which the work of strategy is constructed’ (Jarzabkowski, 2004). They also include “those tools and artefacts that people use in doing strategy work (Jarzabkowski, 2004; Whittington, 2002a; 2003). As for practitioners, strategy as a practice develops from the interactions that take place between people, regardless of whether they are formally designated as strategists, as their actions and interactions are still seen as contributing to the overall organisational strategy (Mantere, 2005). For the purpose of this research, investigating the activities of the strategic planning process will involve the first domain of practice, namely the practice perspective with respect to how the activities are constitutive relative to each other. And, the tools and practitioners are treated as representing the other two main areas of strategy as a practice perspective, which is discussed further under the strategic planning process. At the same time, these are also comprised of the selected principles of activity theory (the theoretical lens), which are employed in this study.

Activity theory provides a useful framework for the analysis of strategic planning that could help to understand how different factors and actors underpinning social environments (i.e. the organisations) with whom managers interact contribute (Hasan, 2002). It also allows researchers to take a more focused perspective towards strategic planning given that the emphasis is placed on those interactions that influence activities, which in turn impact upon the process of decision-making (Canary, 2010).

The strategic planning process typically comprises of the development and implementation stages. In order to successfully connect the strategic planning process with strategic initiatives,

studies on strategic initiatives and the link with the strategic planning process are also discussed taking into consideration the two stages of strategic initiatives, namely the development and implementation. Notably, the theoretical lens (activity theory and its principles) that are employed in this study is also discussed in general and in strategic planning studies in particular. Finally, as this study is applied in the Saudi context, the features of the Saudi environment and its telecommunication companies are discussed in order to achieve a deeper understanding of the research context.

Figure 1: Conceptual Framework



The literature review is comprised of three main sections. The first section mainly concentrates on strategic planning, strategy development, strategy as a practice, the strategic planning process, and external and internal influences on strategic planning. It also covers its modules and techniques, and the actors involved in the strategic planning process. The second section concentrates on strategic initiatives. It begins with providing its definition, highlights its importance, and delves on the development and implementation of strategic initiatives, and on

the link between strategic planning and strategic initiatives. The third section discusses the theoretical lens which was applied in this study. It provides an introduction to activity theory along with its principles, and it also discusses the theory as applied in strategic planning studies.

## **2.2 Strategic Planning**

The purpose of the following section is to explore the theoretical underpinning around strategic planning, development and implementation from relevant literature. The literature review begins with a brief introduction to strategy, the strategic planning process, and to strategy development. Strategy as a practice deserves special mention in this scenario since managers as actors simultaneously develop and implement strategy. It also discusses the internal and external organisational factors related to developing and implementing strategy.

### **2.2.1 Deriving and Defining Strategy**

At the most basic level, Henry (2007) notes that strategy simply outlines how a business strives to achieve its business goals. Yet, as Henry notes, this simplicity can only function effectively at the relatively undifferentiated outset of a business venture, when strategy is understood explicitly or implicitly by the very limited number of employees. As organisational size and complexity grow, the likelihood of such an expressible, coherent statement of strategy diminishes. Once the structure of an organisation is non-trivial, its strategy goals and how that strategy can be framed will become more complex, and the challenge then is to define a strategy in a compact and communicable fashion – in a “few key concepts and thrusts” (Quinn, 1980) - as if to re-fashion an original unitary purpose. Quinn (1980) pointed to this enduring integrative capacity and rationale for strategy as: “strategy is the pattern or plan that integrates an organisation’s major goals, policies, and action sequences into a *cohesive* whole” (italics in original). This challenge is the challenge of all strategy development in many ways, to return unitary drive, thinking and action to complex organisational structures in shifting environmental circumstances.

Having noted this, strategy definitions are most fundamentally distinguished by whether the need for planning is necessary or not, and whether external or environmental conditions should be most influential in the production of strategy (Rasche, 2008). Four schools of thought are identified herein, namely the 'planning school', the 'design school', the 'position school' and the 'environmental school'. The most deliberately planned strategies fall under the 'planning school'

rubric (Ansoff, 1965), and the rationale here is how strategy needs to be defined and determined so as to adapt to the organisation if it is to be successful in bringing about change within the organisation. The organisation, and the plan for the organisation, is the bedrock of strategy. The various process and emergent schools of strategy argue that in fact there is a much lower need for planning, and that determined planning is often counterproductive to outcomes (Mintzberg, 1985, 1990, 2009).

Proponents of the 'design' school (Chandler, 1962; Learned et al., 1965) argue that strategy should take precedence over the organisation as it stands, and be able to modify or generate the structure of an organisation (for example, into functional or divisional business units). Chandler's (1962) definition was, "Strategy is the determinator of the basic long-term goals of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals". The design school's milieu is structuring and restructuring an organisation, justified by how complex organisations are created and were in turn required by multi-product or multi-service delivery. The 'position' school balances internal and external factors with planned 'positions' in the market based on internal strategic capabilities, and seeks to create a strategic 'fit' between the two (Porter, 1980; Williamson, 1991). The latter two construct relatively determined strategies with structural qualities to their logic, such as classifying market segmentation, and making economic calculations between operations in each market segment (Hill & Deeds, 1996).

Less deterministic strategies attuned to external conditions come from the 'environmental school' of strategic thinking. The strategy in this case is a response to the challenges owing to the external environment. In other words, the environmental school views the environment as an actor whereas other schools would see the environment not as an actor but as a factor. Mintzberg (1979) defined strategy in this way as "a mediating force between the organization and its environment" characterised by "consistent patterns in streams of organizational decisions to deal with the environment". Mintzberg and Quinn (1991) specified two essential characteristics of strategic planning: (1) it is made in advance of the actions to which it applies, and (2) it is developed consciously and purposefully. Mintzberg (1992) then also expanded strategy as a broader concept including the concepts of 'Ploy' (by which organisations acted defensively with directed brand competition and raising entry barriers), and 'Perspective' (built around particular competencies in technology or marketing capabilities, although this may breed a certain market

myopia and inertia).

In general, the need for some form of planning is acknowledged even among critics of strategic planning. For example, Quinn's (1996) definition of strategy did include planning as a part of strategy formulation, but Quinn, like Mintzberg, would question the ultimate capability of planning to deliver its own strategic ideals and objectives, at least in a consistent manner.

Other commentators argue that strategy should depend on internal strengths, so that multiple but integrated internal tasks involving the control, rationalisation and utilisation of its strategically important resources, can be carried out to achieve predefined productivity targets and attain competitive advantage (Henry, 2007). Johnson et al. (2008) argued that strategy is the "direction and scope of an organisation over the long term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations". The same authors also draw attention to change, uncertainty, integration, plus relationships and networks not only between organisations, but also among other interested parties such as third-party stakeholders, all in the growing, inimical interests of establishing a good strategy. This trend was partly influenced by strengthening ethical norms imposing themselves, through reputational risk, on the strategy of firms (Donaldson & Preston, 1995). Strategy has been determined not only by the external strategic operational and competitive environment, but also by internal factors such as international Human Resource Management (HRM) practices, value chain management, supply chain management, corporate social responsibility (CSR), and so on (Wooldridge & Floyd, 1990). In other words, the definitions and indeed the burdens of strategy have only become greater and greater as the corporate environment has become more dynamic, unstable, competitive, customer-focused, relationship-based, and globalised.

The case for the rhetorical nature of strategy definitions has also been made (Alvesson & Willmott, 1995). Lyles (1990) argued that the term 'strategy' and strategic 'often were meant to denote highly significant actions by managers, and they became buzzwords in effect, where nomenclature dominated content. The importance of strategy has however been continually noted, so much that Mintzberg et al. (1998) chose to define strategy by this sole quality – strategy is whatever that is important in terms of actions and the commitment of resources, especially when a novel approach is being taken. Mintzberg et al. (1998) began to question the

‘normative’ approach implied in strategic planning, that decision-making can be volunteered and constructed in advance, and that these planned decisions have a great effect in subsequent firm activity. The problem revolves around trying to meet the non-routine needs and qualities of strategic decision-making (the management-by-exception principle), with normative and routine planning techniques (Brews & Hunt, 1999). Mintzberg et al. thus began to question the very basis of ‘structured’ and planned strategy, and drew more attention to the unstructured qualities of what actually and empirically contributed to how strategy developed and was implemented.

These are all part of the definitional debates and problems at stake in strategic planning. For the purposes of this research, strategic planning will entail strategy derived from the design, planning and positioning schools of strategy, the triumvirate of classical strategy development and formulation. The reason for this is that these schools develop strategy from top-down and at the macro-level of organisation taking into account market and economic considerations, and the implementation of strategy devolves in a prescriptive manner to the micro-level as well as the meso level with which this research is directly concerned.. The next section expands in more detail how strategic planning concepts have evolved, changed and been devolved downwards.

### **2.2.1.1 Defining Strategic Planning**

As indicated previously, the problems of multiplicity of different strategy definitions also affects strategic planning. The classical planning approach certainly validates analysis, calculation, and then rational decision-making finally decided upon by upper ‘strategic management’. The origin of this planning activity derives from viewing strategy as ‘serial decision-making’ (Ansoff, 1965). In fact, the ‘planning school’ of Ansoff idealised strategy as being similar to the applied theories of the natural sciences, in that a strategic plan with generic concepts could be translated into a pragmatic means of problem-solving (Ansoff, 1979). These pragmatic means are then carried by implementation initiatives. This was not to say that complexity was ignored or glanced over. Ansoff was careful to emphasise that strategic management was an ‘exercise in the comprehension of complexity’ (1979). The ideal is to parse and deal with complexity by pragmatic initiatives through a series of strategic decisions strongly guided by the strategic plan.

Strategic planning was very popular and widespread between mid-1960s to mid-1970s. In the 1960s, it was considered as ‘the one best way’ to devise and implement strategies that could subsequently enhance the competitiveness of a business unit (Mintzberg, 1994). The

rationalisation of activity by this ‘scientific’ one best way harked back to Taylorist principles of scientific management, only with a new specialism of strategic planning dedicated to future activity as well as making efficiencies in present production and service delivery. However, the basis of the strategy problem in dealing with complexity is of course a reason for a multiplicity of definitions, since complexity together with uncertainty brings ambiguity (Schreyögg & Steinmann, 1987). As markets have become more fragmented and decentralised, and continue to do so, the problem of ambiguity becomes ineradicable (Hamel & Prahalad, 1994). This is why the number of definitions of strategic planning can and will persist (O’Regan & Ghobadian, 2007).

Andrews (1971) argued that strategic planning is a pattern of decisions taken by the company to produce the plans and policies to achieve its goals. This highlights one of the epistemological and pragmatic problems of planning – how to plan and learn the plan (Brews & Hunt, 1999; De Geus, 1988). Andrews also sought to distinguish between corporate strategy, marking the business in which a firm competes, and the business strategy, or the basis on which a firm competes in that business sector. This trend to subdivide planning continues with all forms of strategic planning now regularly split into three different scopes which must overlap, but which can be active separately: corporate, business-unit and operational strategies (Johnson et al. 2008). Corporate planning must ‘cascade’ down into business planning, which must in turn cascade down further into operational planning. This reflects Ansoff’s original construction of corporate planning as a ‘root method’ for strategy implementation, where the implementation of strategy cascades out of the original premises of the strategic plan (Ansoff, 1965).

Hofer & Schendel (1978) defined strategic planning as the pattern of present and planned resource deployment. This was an early invocation of combined planning and resource-based strategy, and resource planning must be a part of strategic planning for the fundamental reason of having sufficient resources for executing the plan. The strategic plan must be appropriate to the limits of both internal resources and how those resources can be optimised with the external business environment (Kumar, 2010). Strategic planning does indicate the preferred direction in decision-making on allocating resources. It usually begins with a desired end or target business configuration and works backward to the current, baseline status. In contrast to tactical planning focussed on narrowly defined interim objectives, the horizon of strategic planning is future-oriented, wider and more adaptable in its scope and implementation. Hence, a formal

strategic plan should consist of written plans covering more than a year of activity (O'Regan & Ghobadian, 2007).

However, strategic planning started to fall from favour in the early 1980s with the rise of other process-oriented strategy development concepts,<sup>1</sup> and because it came under heavy attack from scholars striving to eliminate its influences (Grant, 2003). Such critique is reflected in a steady decrease in publications on strategic planning, especially since 1994 (Whittington & Cailluet, 2008). The reason for this was that the way strategic planning was practised till then did not accord sufficient attention to the 'doing' and implementation of strategy. The Taylorist division between thinking (planning) and doing (implementing) had inhibited the success of strategic planning in the real world. The formality of the planning regime did not succeed or even survive in the face of complexity of the working regime (Mintzberg, 1994). Mintzberg (1994) claimed that strategic planning had failed wherever it had been implemented. The idealised and rational links between strategic planning, strategic thinking, and implementing strategy proved just that, i.e. that it was merely ideal and not representative. In fact, the profound problem was how the information contained in strategic plans was insufficient to capture the increasingly complex and intangible elements of the post-Taylor knowledge economy. Strategic planning did not sufficiently appreciate the importance of the much more flat hierarchy of knowledge in the new knowledge economy. 'Cascading' plans were not sufficiently flexible or responsive – in effect, planning like this 'could not learn' and without that quotient of learning, strategic planning became strategically burdensome to the actual working practices of the knowledge economy (Mintzberg, 1994).

---

1

Mintzberg (2009) first associated the design, planning and positioning schools of strategy with conception, formal, and analytical processes. For Porter (1980), business focus and differentiation processes also counted, but cost leadership and its headline strategy, 'downsizing', principally helped define the effective positioning strategy for many large corporations. The other 'process' schools from the 1980s onwards had their own characteristic processes: the entrepreneurial school had a visionary process imagining the future; the cognitive school examined mental processes in the strategist; learning schools found strategy emergent in details, and the power schools signalled a detailed and sometimes aggressive negotiation process as pre-eminent; cultural schools held social processes and beliefs as strategic information, while the environmental school was reactive to market contingencies; and finally the configuration school was devoted to transformation processes as an organisation moved from one state to another, such as from planning to an entrepreneurial state of activity (Mintzberg, 2009). The implementation of these processes in their social, historical and political contexts saw the role of leadership rise (versus the specialist role of planners), since structural and human resource planning remained governed by leaders, and leaders could also become conduits for cultural and ideological transmission (Leavy & Wilson 1994).

This realisation was most famously addressed by De Geus (1988), one of the most dedicated advocates of strategic planning as information gathering. For De Geus (1988), companies now rely on senior managers (and not just planners) to constantly absorb what is going on ostensibly 'below' them in the daily activities of the business, and to use this information to generate strategic knowledge, or knowledge that can be used to inform long-term development of the company. This absorption process is dependent on managers appreciating the actual plan based model but at the same time on learning new models of the company as the plan is implemented. Hence De Geus's famous articulation of planning as learning (1988). This learning acquires an institutional basis when business planning as learning is extended upwards into the executive office where corporate planning becomes institutional learning (De Geus, 1988). This is planning with osmosis, and the integration of new insights on a firm-wide basis. The planning phase is fundamentally an open artefact of knowledge, and not entirely prescriptive as in the classic models of planning. The plan may represent the future, but what is also important, besides emergent parallel plans that can also be generated from the original plan, is that the learning acquired during the planning, and this learning, and learning to plan, is in fact a great strategic resource for the company which should not be underestimated.

The idea of a 'learning' trajectory continued with how Bryson (1995) defined strategic planning as 'a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it'. This requires gathering and developing effective information, and exploring a broad range of strategic alternatives, but with the classic planning emphasis on future implications of present decisions. Balogun & Hailey (1999) similarly identified three fundamental questions of strategic planning and change management, with 'why' answered by the organisational context (political, economic, social and technological environment), 'what' answered by the organisational content (customers, market segmentation and products) and 'how' answered by the organisational processes that must be adapted or created to implement the strategic plan and its goals. This is summarised in Table 1 below. Lorange (1993) states that an effective strategic planning system must address four fundamental questions: "where are we going? (mission), how do we get there? (strategy), What is our blueprint for action? (action), and How do we know if we are on track? (control). This system aims to coordinate all strategies across functions in an organisation in order to build an overall strategy for the organisation (Mintzberg et al., 1998).

Table 1: Three axiomatic questions of strategic planning & change management

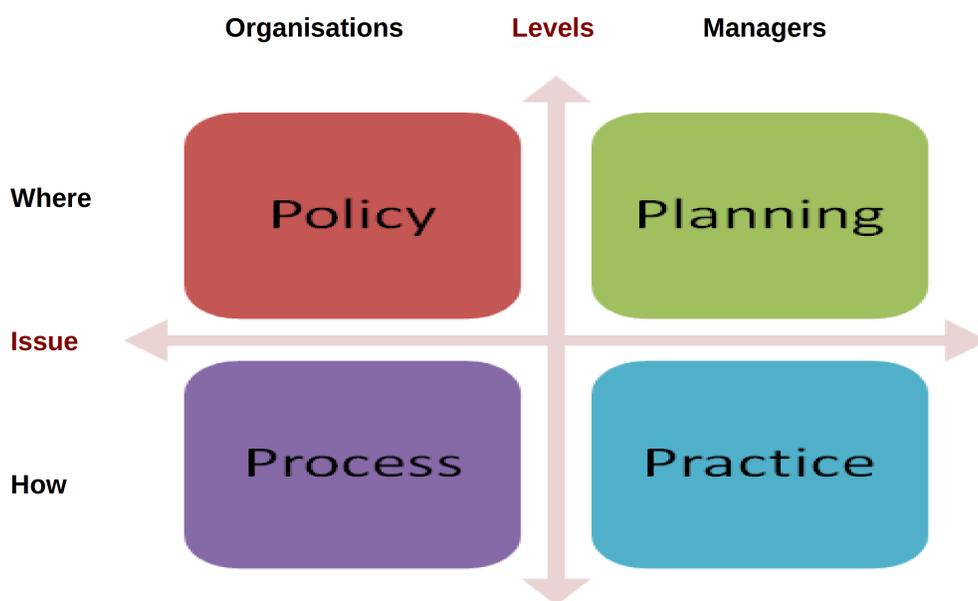
Axiomatic question	Answered by
Why	Organisational context
What	Organisational content
How	Organisational processes

Source: Balogun & Hailey (1999)

### 2.2.2 Strategy Development

The development of strategic thinking reveals four basic perspectives on strategy (Whittington, 1996). Whittington categorised how four trends have characterised the more explicit forms of strategy development. 'Where' relates to the location of the plan and its document type. 'How' is the means, and indicates the intentionality at stake. That is, planning is more determined along with practice, usually by the activity of managers, than policy-making and process-orientations which are addressed to and affect the generality of the organisation.

Figure 2: Four trends of strategy development



(Source: Whittington, 1996)

In the 1960s, the 'planning' approach focused on planning techniques for enabling and guiding strategic decision-making. The essential characteristic of planning strategy development is how

the organisation and its environment can be stylised and typed into categories (or positions in Porter's analysis). Overall, strategy is constructed consciously and deliberately before its implementation (Ansoff, 1965; Mintzberg, 1992; Porter, 1996). The acme of rationalist planning development was perhaps contained in the natural science rhetoric of Ansoff's (1979) treatment of strategy, with definitions, associated hypotheses, pattern finding, and scattered equations. As for the design school, they had already anticipated the difficult realm of implementation, since adjusting the organisation's internal structures to strategic designs and external expectations already implied an endeavour for implementation (Selznik, 1957).

In the 1970s a 'policy' approach involved measuring different benefits for different strategic directions (Markides, 1995; Rumelt, 1974). The 'policy' characterisation of strategy development did not simply ignore 1960s strategic planning ideas, since as Rumelt (1982) noted, policy was often built upon core competencies. The policy approach also took instruction from some of the ideas of Selznik's policy considerations, as policy affected the organisation's social norms and structures (Selznik, 1957). The 'policy' form of strategy development was however more informed by economies of business scope as well as economies of business scale (Rumelt, 1982). This form of strategy development could entail more risks, particularly where a company's strategic ambitions meant diversifying into new markets or products where its core competencies had not been proven.

In the 1980s, the 'process' perspective focused on discovering how organisations can intuit and then recognise a need for strategic change (Pettigrew, 1992; Johnson, 1987). Pettigrew's background as a sociologist informed his influential ideas of how organisational strategy is always moderated in a general form by specific social, historical and political contexts; by changing in time. This made strategy development equally complex, dynamic, and responsive to local needs. The fourth 'practice' based approach to strategy, is discovered and evidenced in the specific and general activity of managers, especially through working among other managers and consultants (Whittington, 1996).

Strategy development facilitates the setting up of a framework for establishing the direction, and it facilitates determining the criteria for day-to-day decisions. It helps to answer the questions: "Where are we going?" and "How are we going to get there?". Where there are clear answers to these two questions, the path taken can be specific and purposeful (Porter, 1980). The strategy

development therefore involves both corporate goals and related micro level strategies, linked to general and critical success factor related outcomes in which these corporate goals and micro level strategies need to be aligned with the company strategy.

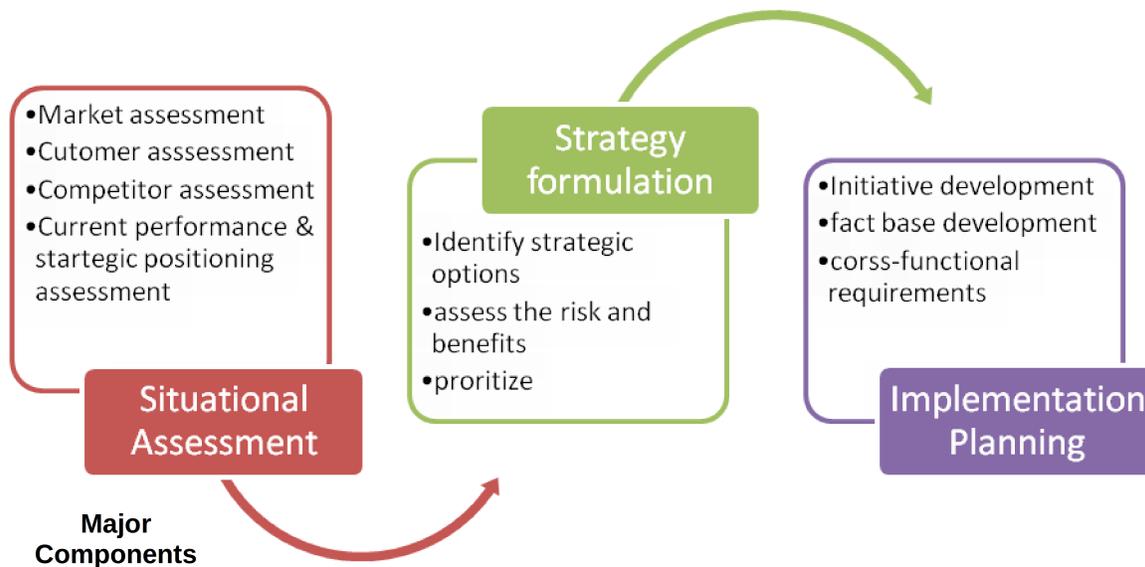
Corporate goals related to micro-strategies are subject to the same level of dimensional shift away from the organisational orientation as is the related change in organisational planning. As for the critical success factor related outcomes, micro-level strategies are determined by the desire of management to avoid sub-optimal outcomes arising from the macro-level perspective. This argument has been supported by a number of scholars. For example, Bailey et al. (2000) have argued for a multi-dimensional system of metrics based on variance, covariance convergence, and divergence models. The metrics would affect the micro-management of corporate activities. The strategic importance of this kind of approach in the micro-strategy development process at the organisational level is characteristically influenced by the type of organisational culture and the management structure.

To understand and appreciate the role and impact of culture on strategy is now recognised as a critical strategic thinking skill (Kim, 2009). It allows for considering the historical, value based, ideological, political, religious and other dimensions on strategy and policy and their potential effect. In particular, according to the Analytical Cultural Framework for Strategy and Policy (ACFSP), the most significant cultural dimensions for strategy and policy formulation are identity, and its link with interests, the structure of power and decision-making, and the capacity to either resist, succumb, or to adapt to external influences. The importance of identity stems from its role in determining the interests, values and purpose underlying the strategy and policy that seek to preserve them. Different cultures though tend to interpret and respond to the same strategic issue differently (Schneider & Meyer, 1989).

Dennis Barnhart & Associates (2006) suggested the major components of strategy development were situational assessment, strategy formulation, and implementation planning. Strategy formulation concerns how to generate decisions, whereas strategy implementation focuses on how the decisions are then put into action. However, these various distinctions have “radically different implications for how to go about ‘doing strategy’” (Whittington, 2001). The key activities of this multi-stage developmental process included market assessments, cost-benefit-risk assessments, and the development of initiatives based on market evidence and

functional requirements. This took strategic planning into greater and greater dependent details on moving from external structural assessments of the market place, to more detailed internal structures of the organisation and its functional capabilities.

Figure 3: Strategy development



(Source: Dennis Barnhart & Associates, 2006)

Strategic development is based on four phases, including preparation, planning, resource development and implementation (Bailey et al., 2000). Preparation means making a commitment to planning, enlisting suitable people, accumulating data, getting the needed commitments, allocating appropriate calendar time, and determining the process to be utilised. Planning is when strategy is devised in meetings that influence employees to internalise the information and make decisions concerning strategic objectives, goals, and action plans. Resource Development identifies the resources needed for implementation, among both existing resources and new resources to be secured and allocated, including:

- The allocation of members to programs, activities or events planned
- The development of a budget that resources the objectives, goals and action plans
- The development of a calendar which consists of the objectives, goals and action plans

Implementation is taking action to make the strategic vision happen. Past studies have shown the

most common point of breakdown of strategy development is the implementation phase – this is where the pragmatic gap is found, which tends to result in incomplete or failed strategies. Mintzberg (1994) attributed failure to a complete disconnection of its assumptions from how people and organisations learn, and the way they make decisions such as not being connected close enough to operational and market realities so as to be able to see both opportunities and issues. That is, operational level employees are unable to accommodate the strategy as planned.

### **2.2.3 Strategy as Practice**

Strategy as a practice is a fairly recent development in the field of strategy research (Whittington, 1996, 2002; Hendry, 2000; Jarzabkowski & Wilson, 2002; Whittington et al., 2003; Jarzabkowski, 2003). It is a part of a broader practice turn in contemporary social theory and the management sciences over the past 20 years (Reckwitz, 2002; Schatzki et al., 2001; Turner, 1994). It takes a micro view of strategy, which emphasises the role of the individual and the social context, focusing on strategists engaged in the real work of strategising (Hendry, 2000; Whittington, 1996, 2002a, 2003).

This practice approach could be defined as ‘a situated, socially accomplished activity, while strategising comprises of those actions, interactions and negotiations of multiple actors and the situated practices that they draw upon in accomplishing that activity’ (Jarzabkowski et al., 2007). Therefore, strategy as practice is adopted in order to achieve a larger purpose when a corporate goal becomes a practice in the organisational context. In fact, strategy as a practice concerns itself with organisational life, and it provides insights reaching beyond the practices that constitute the ‘internal life of process’ (Brown & Duguid, 2000; Chia & MacKay, 2007; Feldman & Pentland, 2003; Tsoukas & Chia, 2002). From this perspective, strategy as a practice considers that social and political interactions are the most profound elements of strategy (Jarzabkowski & Spee, 2009). This perspective does not concern itself mainly with what an organisation has (resources), but with what actors do (Johnson et al., 2003; Whittington, 2006).

The strategy as practice perspective also explores and confirms important links between macro and micro levels of analyses (Whittington, 2006). The strategy as practice literature distinguished between three levels of analysis, namely micro, meso, and macro. A micro level of analysis was undertaken in those studies that explored and attempted to explain the strategy praxis at the individual or group experience level with respect to a certain event, such as a decision being

made, or a meeting or workshop being held. In other words, these studies sought to explain certain phenomena in relation to the actors involved, wherein their role could be regarded as constituting their micro interactions (e.g. Samra-Fredericks 2003).

Analysis at the meso level has been undertaken in studies that have explored and attempted to explain the strategy praxis at the organisational or sub-organisational level. These have examined, for example, strategy processes, change programmes, or strategic action patterns. An example of such a study is that of Balogun & Johnson (2005). The macro level of analysis refers to those studies that have explored and attempted to explain the strategy praxis at the level of an institution. As such, they usually deal with explaining patterns of actions within a particular industry, as in Lounsbury & Crumley (2007).

The emerging strategic practices at the micro level have led to a dichotomy arising in policy. For instance, according to Whittington (2002b), micro-strategy is becoming increasingly practically oriented in otherwise intensely indeterministic organisational environments, where the existing practices are becoming relatively obsolete. According to the author, the dual dimension of practice and pure strategy are no longer interrelated at the factory floor level. Car manufacturing plants in Japan for example, adopted similar micro level strategies in the early 1980's while North American and European managers waited till the late 1990's to adopt serious micro strategy level practices, and this can account for the success of the former. In analysing a micro practice of strategy, Jarzabkowski (2003) researched three UK universities using an activity theory framework. Strategic practices were in fact found to be idiosyncratic to the interpretative context in which they are used, and this is associated with different patterns of strategy as practice in each institution. These contextual dependencies are not unexpected in strategy as practice studies and implementations.

Strategy as a practice involves three domains, namely (1) practice, (2) practices, and (3) practitioners (Whittington, 2002a; Jarzabkowski, 2005). Investigating practice means to go beyond studying the relation between such concepts to addressing them as mutually constitutive. For example, how: such as process and content, emergence and intent, thinking and acting elide in the ongoing shape of the practice. In addition, such practices are 'those traditions, norms, rules and routines through which the work of strategy is constructed' (Jarzabkowski, 2004). The practices also include "those tools and artefacts that people use in doing strategy work"

(Jarzabkowski, 2004; Whittington, 2002a; 2003). Foucault (1982, 1990a) defined practices as interpretations of the self and environment, including habituated bodily behaviour as well as trans-subjective knowledge perspectives (cited in Rasche & Chia, 2009). These intensely social and lived mediums, involving contextual, ethnographic as well as textual messages of strategy communication, existing at all levels of an organisation from macro to micro-affiliations, become the basis of strategy as practice (Rasche & Chia, 2009). Much research now argues for the relevance of practice. Prior studies focused on the relevance of practices or routines (Becker, 2004), for processing of strategic issues (Dutton & Duncan, 1987), promoting organisational values (Martinsuo, 1999), reliability and speed of organisational performance (Cohen & Bacdayan, 1994), for understanding (Feldman & Rafaeli, 2002), potential learning outcomes (Morrison & Terziovski, 2001), learning and innovation (Brown & Duguid, 1991, 2001), and for continuous change (Feldman, 2000, Feldman & Pentland, 2003).

For practitioners, strategy as a practice arises from the interactions between people of all kinds, such as top managers, middle managers, employees, consultants, accountants, investors, regulators, and consumers. While all these people might not be designated formally as 'strategists', their actions and interactions contribute to the strategy of an organisation (Mantere, 2005). Actors thus play an important role in the concept of strategic planning because they have different skills, views and interpretations of the organisational activities and on doing strategy (Whittington, 2003; Jarzabkowski & Balogun, 2009). A simple summary of studies on strategy as practice perspective from the three aforementioned aspects is provided in the tables below. A further discussion is follows this summary.

Table 2: Research on strategy as practice perspective - the practice aspect

Contribution	Main Theoretical Base	Main Methods	Key Findings
Balogun, Jarzabkowski & Vaara, 2011	Critical discourse theory	Interviews in one case organisations	Unwelcome strategic plan evokes a legitimating sequence of selling, resistance and reconciliation discourses
Giraudeau, 2008	Latour: Actor Network Theory	Interviews and archives in one organisation	Strategic planning process can promote experimentation and openness rather than inflexibility
Iszatt-White, 2010	Suchman: situated action theory	Observation and interviews in a single case organisation	Strategic plans are resources for situated action, reassuring stakeholders in the face of continuous improvisation
Jarzabkowski & Balogun, 2009	Vygotsky: activity theory	Interviews in a single case organisation	Strategic planning processes can undermine strong business units and empower weaker ones.
Macintosh & Beech, 2011	Social constructionism	Action research and participant observation in two case organisations	Strategy work involves the creation of fantasies, whose emotional force can be both positive and negative
Paroutis & Pettigrew, 2007	General practice theory	Interviews in two divisions of a single organisation	Strategy work is carried out in distributed teams at different organizational levels, requiring careful coordination
Spee & Jarzabkowski, 2011	Ricoeur: communication theory	Observation and interviews in a single organisation	The production process of a strategic plan involves growing authority of the text, declining agency of talk.
Whittington, Molloy, Mayer & Smith, 2006	General practice theory	Interviews and some observation in eight organisations	Strategy work involves practical skills such as the crafting of symbolic objects and the lay-out of workshop space.

Table 3: Research on strategy as practice perspective - the practices aspect

Contribution	Main Theoretical Base	Main Methods	Key Findings
Gunn & Williams, 2007	General practice theory	Cross-organisational questionnaire survey	Managers prefer simple strategy analysis tools, such as SWOT, because of their need for clear cognitive maps
Heracleous & Jacobs, 2008	Johnson: embodied cognition theory	Action research strategy workshop in a single organisation	Strategists work through 'embodied metaphors', i.e. physical artefacts
Jarratt & Stiles, 2010	Vygotsky: activity theory	Cross-organisational interviews with senior managers	Analysis tools such as SWOT are commonly adapted or used out-of-sequence to prevent routinised strategy
Jarzabkowski, 2003	Vygotsky: activity theory	Observation, shadowing and interviews in three organisations	Strategic practices need to mediate between rather than minimise contradictions to promote change.
Hoon, 2007	General practice theory	Observation and interviews in a single case organization	Senior and middle managers use formal and informal meetings differently, with informal meetings key for new issues
Johnson et al., 2010	Anthropological ritual theory	Observation and interviews focused on strategy workshops in five organisations	Strategy workshops require 'liturgical' design but are easily detached from organizational action
Macintosh et al., 2010	General practice theory	Action research on strategy workshops in ten organisations	Strategy workshops are more effective if organised in inter-linked series rather than stand-alone

Table 4: Research on strategy as practice perspective - the practitioners' aspect

Contribution	Main Theoretical Base	Main Methods	Key Findings
Balogun, 2006	Weickian tradition of sense-making	Tracking of managers' diaries, interviews, focus groups and feedback meetings in a single case	Middle managers are the 'editors' of top managers' strategic change initiatives
Balogun & Johnson, 2005	Weickian tradition of sensemaking	Tracking of managers' diaries, interviews, focus groups and feedback meetings in a single case	Lateral interactions amongst middle managers are crucial in the implementation of strategic change
Stensaker & Falkenberg, 2007	Weick: sense-making	Observation and interviews in three units within a single organization	Individuals' interpretations of corporate change shape both units' responses and organisation-level
Bjerregaard, 2011	Bourdieu: social praxeology	Observation and interviews in a single case organization	Skilled senior managers integrate contradictory institutional logics in order to pursue their own agendas
Angwin, Paroutis & Mitson, 2009	General practice theory	Cross-organisational interviews	Strategy directors are still important, in strategy implementation as well as formulation
Eppler & Platts,	Visual cognition	Action research in five	Managers rely heavily on visual

2009	theory	case organisations	representations for understanding and generating strategy
Faure & Rouleau, 2011	General practice theory	Observation and interviews in a single case organization	Strategy implementation requires the artful reinterpretation of financial numbers by middle managers
Nordquist, 2011	Simmel and Giddens	Observation and interviews in three case organisations	Strategy consultants play role of 'Simmelian strangers', neither too close nor too far to top internal
Nordqvist & Melin, 2008	General practice theory	Observation and interviews in two case organisations	Strategy consultants are not only analysts but social craftspersons and skilful interpreters in the strategy process.

In order to understand how managers create and develop strategy in practice, Regnér (2003) adopted a dual longitudinal case methodology. The study shows a twofold character of strategy creation, including fundamentally different strategy activities in the periphery and centre reflecting their diverse location and social 'embeddedness'. This study is a specification of the relationship between strategy process and content, and it provides a situational revelation of how managers develop strategy in terms of two fundamentally different strategy dynamics, the first being learning dynamics and the second related to the dynamics of knowledge assimilation.

To provide deep insights of the behaviours of managers within strategy formulation, Jarzabkowski (2008) applied structuration theory as an interpretative framework for explaining managerial strategising behaviour by eliciting patterns of top manager strategising behaviour and analysing how such patterns are implicated in shaping strategy within complex social settings over time. The study revealed a pattern of strategy development similar to that of De Geus (1988), with sequential and finally simultaneous patterns of strategy shaping performed in employee actions and then in the institutional realm. The stronger the institutionalised or planned pattern, the more the simultaneous pattern was prevalent (Jarzabkowski, 2008). These dynamic and dependent relationships revealed top managers and actors' working patterns and planned strategy, sequentially and simultaneously shaping strategy over time.

The involvement of actors at board level in strategy development is now seen as increasingly important, if studies on how boards fulfil this role remain limited. Hendry et al. (2009) conducted a study taking a micro-perspective on board with strategising and on how boards 'do' strategies. The study was within the strategy as practice framework. However, the development of strategy at board level has particular problems for 'practice' considerations when the board may have very little interaction with daily organisational practices, and when the board instead conducts a

procedural practice around strategy (such as governance, oversight and auditing functions). However, raising the profile and importance of this activity, particularly in regard of risk management, tends to have a greater strategic importance nowadays, particularly in light of corporate governance scandals such as Enron. Hendry et al. (2009) point to the new demands on board for such oversight functions and controls to have strategic importance.

Jarzabkowski (2004) draws upon social theory to address two themes implied by practice, recursiveness and adaptation, to examine how strategic practitioners use strategic practices to reconcile the conflicting needs for change and stability. Recursion must allow creative as well as imitative adaptations of strategy. The implication was that new strategy messages can benefit from new strategy mediums. The strength of a strategy may, as noted before, be difficult to deliver in one single cohesive statement that motivates all levels of a hierarchical organisation. However, the practices of employees, both spoken and unspoken, are also potential mediums for observing and planning stratagems as they exist and might exist, or as they should exist more widely.

Mantere & Vaara (2008) showed that strategy as practice involves alternative and even competing discourses that have fundamentally different kinds of implications for participation in strategy work – “self-actualisation,” “dialogisation,” and “concretisation.” However, these three discourses are in turn obscured by “mystification,” “disciplining,” and “technologisation” discourse which threaten strategy success by alienating employees. Practice advocates also argue that the new strategy ‘turn’ is incomplete if researchers concentrate either on strategy activity at the intra-organisational level or on the aggregate effects of this activity at the extra-organisational level. Whittington’s (2002b; 2006) studies developed the implications of this blurring of organisational boundaries particularly with regard to the impact of strategy practices on strategy praxis, the creation and transfer of strategy practices, and the making of strategy practitioners. In this way, strategy as practice has a profound link with those organisational skills required for ‘planning the plan’ so to speak, especially today as strategic plans re-envisage the scope and direction of an organisation.

The entire strategy as a practice approach is a fairly new one in strategy research though it has been part of a broader practice in contemporary social theory and management sciences since the past two decades (Reckwitz, 2002; Schatzki et al., 2001; Turner, 1994). Strategy as a practice

impinges upon three domains: (1) practice, (2) practices, and (3) practitioners (Whittington, 2002a; Jarzabkowski, 2005). An overview of a number of studies on this strategy as a practice perspective from the point of view of the three aforementioned aspects was provided herein. Existing studies on strategy as practice are quite varied but narrow in scope. They have investigated the perspective from the three aspects of practice, practices, and practitioners (Whittington, 2002a; Jarzabkowski, 2005), but not together. Previous literature of strategy as practice has not examined the strategic planning process as this research did, which studied a range of strategic planning activities in detail by taking all the three aspects into consideration together.

The purpose was to study the practice aspect by studying the activities of the strategic planning process and going beyond studying the relation between such concepts to addressing them as being mutually constitutive. In studying the aspect of practices, this research also identified the tools used during the strategic planning process; during the development and implementation of strategic initiatives, as one aspect of practices. As for practitioners, this research resolved to ascertain who the practitioners involved in this process are, and their roles in the process. As such, this research aimed to fill a gap in studying the strategic planning process from a practice perspective through taking into consideration all of the three aspects, including investigating the activities of the strategic planning process, the tools used, and the practitioners involved in the development and implementation of strategic initiatives. At the same time, it is pertinent to note that the activities, tools, and practitioners (practice, practices and practitioners aspects of strategy as practice perspective) also constitute the selected principles of activity theory (i.e. the theoretical lens), which was adopted in this study.

#### ***2.2.4 The Strategic Planning Process***

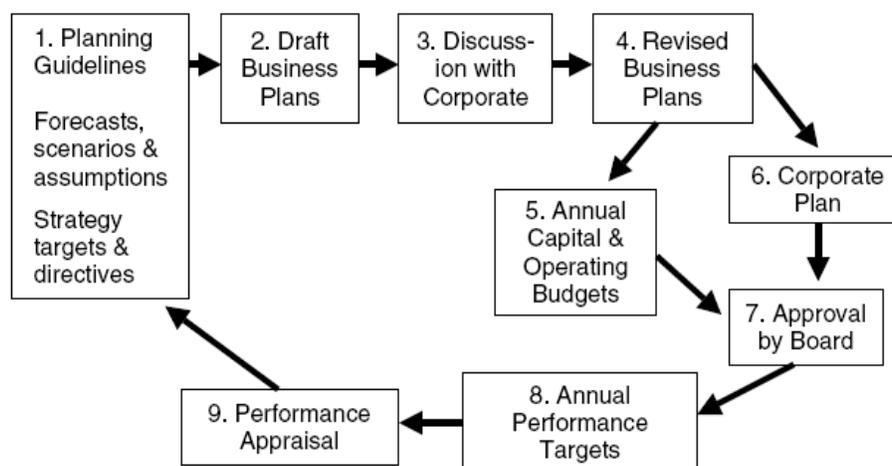
One of the most important aspects of strategic planning is the sophistication applied to the planning process (Bracker et al., 1988). To practice strategic planning efficiently requires clarifying the process of strategic planning (planning the plan), and this leads better to understanding the entirety of strategic planning process.

Typically, strategic planning processes includes aspects of assessing consumer needs, and competitors' activities, plus environmental and market trends. The strengths, weaknesses, goals and objectives of the organisation must also be included. All these are defined and analysed in

order to choose and make the derived strategy into a plan (Armstrong, 1982; Reid, 1989; Grant 2003). Research on planning processes studies the effectiveness of planning (Nutt, 1977); the reality of strategic planning (Reid, 1989); the relationship between environmental characteristics and planning systems (Kukalis, 1991; Lindsay & Rue, 1980); the behavioural problems of managers in strategic planning systems (Lyles & Lenz, 1982); the relations of planning practices and performance (Boyd, 1991, Brews & Hunt, 1999), the contribution of formal strategic planning to decisions (Armstrong, 1982; Sinha, 1990); and the influence of the strategic planning process on strategic change (Dutton & Duncan, 1987). Notably, activities that take place during the strategic planning process are not widely mentioned in the literature. In general, activity constitutes the day to day stuff of management. It contains specific tasks pertaining to what managers do and what they manage, and what organisational actors engage in generally (Johnson et al., 2003).

Grant (2003) describes these activities of strategic planning systems in an unpredictable environment. He conducted in-depth case studies of the planning systems of eight of the world's largest oil companies. The purpose of the study was to identify and describe the characteristics of the multinationals with multi-business companies that face volatile, unpredictable business environments within planning systems. A belief existed that wholesale changes in the business environment had deterred managers from entering into formal strategic planning, and this led to more minimal strategic processes such as multiple scenario planning, strategic intent, and strategic innovation gaining ground. Studies have however provided ample empirical evidence that most large companies maintain some form of strategic planning. Although all eight companies have different systems of their planning processes, the similarities were sufficient for Grant to identify a 'generic' strategic planning cycle (see Figure 4).

Figure 4: The generic strategic planning cycle



(Source: Grant, 2003)

The strategic planning process involves undertaking several practices simultaneously that enable the organisation to deliver a systemic and integrated approach to otherwise complex and disorganised tasks (Jarzabkowski & Balogun, 2009). As such, Quinn’s integrative rationale for strategy provides an enduring mainstay for justifying the risks of strategic planning, especially in complex organisations where integration is most desired but most difficult to achieve. The planning process hinges on the ability of the planner to vertically and horizontally integrate a variety of tasks into the planning process so that both corporate goals and organisational outcomes are achieved with some effort during a given time frame. It is convincingly argued that the strategic planning process is replete with structural constraints that might be present throughout the implementation phase. This finding maintains the essentially prescriptive link between development and implementation phases of strategic planning.

Blackler et al. (2000) point out that organisations need to prescribe specific goals and objectives which have to be done at the micro activity level, by conducting audits at this level and developing control systems over budgeting. Secondly, as for environmental issues, the company would have to assess in detail its strategic functional processes and systems through SWOT and PESTEL analyses, which may produce a long list of important and non-important issues that

accordingly require a greater need to weigh their influence correctly. Thirdly, it needs to generate alternate goals and plans and select the best plan which supports those goals with adequate resources (parallel planning). Finally, it needs to review actual performance against the predefined goals and plans through auditing and budgeting. Haines (2004) also emphasised the review and feedback mechanisms of strategic planning. Planning teams need to be educated in planning and communicating plans, so that annual evaluations actually encourage future work activity that are then overhauled every three to five years in line with most strategic planning.

### ***2.2.5 External Influences on Strategic Planning***

Grant (2003) noted that the literature on the impact of unpredictable environments upon strategic planning systems is limited. Grant's study of the impact of environmental turbulence upon strategic planning systems for eight of the world's largest oil companies revealed that all eight companies had changed the content of strategic plans, the strategic planning process, and the role of planning in the past 15 years. The oil companies in fact had to give up forecasting, as the strategic horizon could not be easily fixed, since even the most sophisticated models could not predict oil prices. The study concluded that while strategic planning continues to play a central role, the process has become more decentralised, more informal, its duration has reduced, and strategies are less specific as far as resource allocation is concerned. As the environment has shifted, these companies adopted a more flexible planning cycle and developed new strategic plans. In general, in response to increasing environmental turbulence, strategic planning systems have changed markedly from the highly formalised processes of the 1960s and 1970s towards the more reactive 'environmental' school of strategy development (Mintzberg, 2009).

Business settings do essentially generate active and proactive strategic responses irrespective of the strategic environmental constraints. Thus, organisations have a tendency to respond to their strategic environment, both operational and competitive, with a heightened awareness of associated implications. There is no gainsaying the fact that under such circumstances the best strategy would be determined by not only the quality and quantity of information but also the ability/inability to assess outcomes in advance. Thus, the whole exercise is determined by a set of approximate principles that require managers and decision makers within the organisation to develop a conceptual framework and a contingency model for response to its strategic environmental pressures. Koufopoulos & Chrysochoidis (2000) revealed that an uncertain

business environment has not positively impacted the use of sophisticated techniques in strategic planning. Instead, they tend to use basic financial techniques.

Strategic planning of a firm cannot be taken independent of the industry or sector environment within which it operates. According to Wells (2006), competitive pressures provide the essential stimulus to the organisation to adopt strategic planning as a priori element in its corporate strategy. The satisfaction of all concerned parties is a pure generalisation of archaic theoretical constructs while the industry perspective carries much weight than can be seen due to the fact that in the absence of perfectly competitive industries or even pure competition, competitive oligopolies might develop some anti-competitive characteristics. In the same context, Porter (2008) found five competitive forces that shape strategy and these five forces differ by industry. The strongest competitive force determines profits, and this becomes central to strategy formulation. These five forces include the threat of new entrants, bargaining power of buyers, bargaining power of suppliers, rivalry among existing competitors and the threat of substitute products.

Notably, the strategic planning process is highly focussed on the nature of the organisation and its external environment. For instance, Mantere (2005) showed that an organisation can apply the strategic planning when their products and services are rapidly changing in an industry. In such a situation, planning can be done once or twice a year through using proper strategic models to achieve the goals. It is important to note that if an organisation operates within a stable market place, it is unnecessary to devise and implement the whole process of strategic planning, and it can apply certain identified parts of it instead. This scenario shows the general linkage between planning and need in that planning is more likely to be required and in greater depth the greater the perceived need for it, and that this need is determined by such conditions as the degree of development, dynamism and criticality. In other words, the extent of planning usually reflects the extent of external as well as internal influences that create the need for the planning.

### ***2.2.6 Internal Influences of Strategic Planning***

Since the 1980s, strategic planning has seen substantial changes. Following Aldehayyat & Anchor (2010), strategic planning has become less bureaucratic with more emphasis on implementation and innovation. There are less staff planners and greater participation of mid-managers and employees; more sophisticated planning techniques, such as use case and

scenario planning; and there is an increased attention to changing markets, as well as the competitive and technological environment (see also Bonn & Christodoulou, 1996; Clarke, 1997; Taylor, 1997).

According to Whittington (2002b), a firm's own resources consist mostly of capital, trained personnel and networks in the form of strategic intelligence of markets, finances, operations, techniques and HR management. Whittington suggested that strategic processes within the organisation should involve all management functions and corporate decisions to achieve performance. This means that the organisations would have to take into consideration all available strategic choices that involve all management functions and corporate decisions to satisfy their goals and objectives. Organisational success is thus determined by the internal strengths of the organisation because this drives individuals to attain their personal as well as organisational goals (Okioga, 2012).

Business strategy is determined by the efficient resource management techniques that have been adopted in order to face off competition in a highly competitive environment. A micro level activity of the firm has to face more threats on a day-to-day basis from its rivals, so that efficient resource utilisation and rationalisation to enhance capacity would be much more desirable from the viewpoint of strategic competitive strength (Jarzabkowski, 2003). Rivals depend on their brand image and promotion strategy to increase sales while much of their competitive edge consists of pricing and quality policies. Strategic long term goals such as market share, profitability, an increase in the share price, quality improvements, customer satisfaction and brand loyalty have to be achieved by adopting such strategies as good internal and external communication practices, employee relations, good motivation strategies and HRM practices, sound financial management including positive cash flows and better overall performance metrics.

On studying the impact of internal environment on strategic planning, Brews & Purohit (2007) evaluated strategic planning across four dimensions – whether the plans were under compulsion or mission (Symbolic Planning), whether the plans were formally constructed (Rational Planning), whether they were changed on an on-going basis (Transactive Planning), and whether they encourage innovation (Generative Planning). This information is summarised in Table 5 below. The results showed that planning increases with an unstable business environment.

Symbolic planning had a negative association in an unstable environment, but the positive effects of the other three dimensions of planning far outweighed the negative effects of Symbolic planning. Managers are thus more adaptable to changing and turbulent environments. Strategies may emerge from experience, and the planned strategy may have to be abandoned. Even in a turbulent environment, Generative Planning has been found to take place. The study also took into account several variables to investigate the impact of the internal environment on the strategic planning. These included the size of the firm, the planning duration, and planning decentralisation. As firms grow, formal planning becomes necessary, which heightens the importance of symbolic and rational planning (Brews & Purohit, 2007). Planning decentralisation is crucial especially with transactive planning. Persistence is vital to planning and planning improves the more it is done. The authors also tested the performance effects of planning dimensions.

Table 5: Impact of internal environment on strategic planning

Dimension of strategic planning	Whether the planning ...
Symbolic Planning	is under compulsion or mission
Rational Planning	is formally constructed
Transactive Planning	is changed on an on-going basis
Generative Planning	encourages innovation

Source: Brews & Purohit (2007)

### **2.2.7 Strategic Planning Models and Techniques**

Strategic planning models and techniques help in integrating strategic planning into the core management process (Webster et al., 1989). They are regarded as significant keys to successful planning (Gooderham, 1998) when they are customised for a particular situation (Schriefer, 1998). Thus, it is important to refer to the literature on strategic planning models and techniques in which organisations apply strategic planning processes in order to help managers identify and deal with strategic decisions (Ramanujam et al., 1986).

The oldest techniques stem from the 1960s with the rise of strategic planning. The Harvard Business School realised the importance of adopting strategic planning in organisations in order for them to remain competitive within changeable business environments (Mintzberg, 1994). So they developed the “Harvard Policy Model” which was used to find a “best fit” between a

business' mission and its environment. This model was originally referred to as the "design school model" (Mintzberg, 1994), which was used to develop strategy by analysing strengths, weaknesses, opportunities, and threats to the organisation in a SWOT analysis (Al Garni, 1997). The original Ansoff Model viewed strategy as an operator. This model was designed to transform the firm from its present position to a position described by its objectives, subject to the constraints of its capabilities and potential (Ansoff, 1965). Steiner (1997) developed the Steiner Model which focuses on three major phases: planning premises, formulation of plans, and implementation and review, with tactical considerations for alternative courses of action given potential environmental changes.

Many researchers differentiate steps or phases in systems of strategic planning models. Crowley & Domb (1997) include four major phases of strategic planning whereas Bryson (1995) describe a ten-step planning process and Goodstein et al. (1993) described a nine-step strategic formulation and planning process. Steiner (1997) also clarifies many different systems of planning processes. Thus, strategic plans come in many different flavours with complex subdivisions (Wallace, 2001). However, all of them have common elements such as a set process, product or service offered, target markets, alternative approaches, and information management down to operational practices (Carter & Rausch, 1989; Steiner, 1997; Wallace 2001).

Strategic planning techniques have a main role in changing valuable data into forms suitable for decision-making and action (Fleisher & Bensoussan, 2003). Webster et al. (1989) provided a set of 30 strategic planning tools and techniques. More recently, Lisinski & Saruckij (2006) have classified 28 tools of strategic planning. Al Ghamdi, (2005) notes how these tools generally include variations of SWOT analysis, Portfolio analysis, analysis of critical success factors, Porter's five-force analysis, experience curve analysis, PIMS analysis, 'what if' analysis, stakeholder analysis, value chain analysis, benchmarking, product life cycle analysis, cognitive mapping, and the Delphi technique of building expert consensus. For example, Porter's Five Forces Model and a TOWS Matrix (a revamped SWOT technique) are generally employed for facilitating the strategic linkage among company strengths and weaknesses, and threats and opportunities in the marketplace (Ruocco & Proctor, 1994). The authors support the view that SWOT analysis is utilised to analyse the environmental factors, both internal and external, that impact on the performance of a business organisation in a variety of ways, and a PESTEL analysis is used to guide future possibilities.

### **2.2.8 Actors in the Strategic Planning Process**

Much of the frustration with the positivist traditions in strategy research is because they marginalise the actor (Lowendahl & Revang, 1998; 2004). That is, they ignore the fact that people do strategy. Strategic planning at a micro-level requires devolved implementation via employees (or actors) throughout the organisations.

Fletcher et al. (2003) describe two categories of actors, namely internal and external. The former includes managers, directors, employees, and unions, while the latter includes customers, creditors, shareholders, suppliers, and government. In particular, for the strategic planning process, this implies a tremendous burden and responsibility for planners to maintain effective communication within this very wide range of actors. Organisational routines are socially complex, interlinked, and they promote inertia in communication and information sharing making change more difficult (Henderson & Clark, 1990). The strategic planning process is significantly associated with strategic planning effectiveness, and effectiveness depends on building commitment (Elbanna, 2007). Therefore, communicating the strategic plan in complex organisations is increasingly recognised as critical to effective strategic planning.

Actors with different interests affect participation and communication within the strategic planning process differently. Employees from different hierarchical positions within an organisation may experience resistance to and influence strategic planning practices from interactions on many different levels, thereby stoking inertia (Jarzabkowski & Balogun, 2009). While strategic planning has an integrative effect, integration itself can uncover clashes of interests at different levels. Each business unit and sub-units experience and respond differently to the integrative effects of strategic planning. Even when the participation and communication activities are the same, those from powerful and experienced units perceive them as dominant and exclusive, while those from the less powerful and experienced units, find them to be inclusive. Hence, in order to provide higher levels of integration, strategic planning needs to be varied taking into consideration the interests of actors. The managers may be physically present, but they can be excluded from decision making. Jarzabkowski & Balogun (2009) conclude that strategic planning should be a process of co-evolution where diverse participants can contribute.

Managers play a vital role through their participation in strategic decision making. Andersen (2004) hypothesised that the characteristics of decentralised decision making depends upon the

level of influence that managers can exert on strategic outcomes through their participation in strategic decision making. This study is in line with the study of Jarzabkowski & Balogun (2009), as Andersen also bases his study on the assumption that differences in experience, motivation, and self-interest influence the decision outcome. The study found that as lower level managers are empowered to take decisions as environmental conditions change, the effectiveness of the responsive actions increases and enhances organisational efficiencies. The lower level managers are closer to the market environment, and are hence better equipped to take decisions. Hence, a decentralised decision structure leads to better outcomes. In this context, Ketokivi & Castañer (2004) conducted a study on how structural differentiation leads to position bias and sub goal pursuit, and more importantly, whether strategic planning can be used as a potential integrative device. The results showed that participation and communication function as complements to jointly reduce managerial position bias. It also clarifies that the effect of subsequent goal communication can be reinforced by also engaging employees in participative planning. This study also showed the amount of regular communication in the organisation might moderate the impact of participative planning and subsequent goal communication on position bias. At the same time, if the regular communication among organisational members indeed includes discussions about organisational goals, one could expect this regular communication to reduce position bias and thus function as a substitute for the strategic planning process.

Koufopoulos & Chrysochoidis (2000) carried out a study to investigate the strategic planning process used by companies, exploring information about their CEOs' characteristics, their perception of strategic planning, and their role within planning. Due to an uncertainty of the business environment (and thus ambiguity), strategic planning often centres around CEOs as CEOs have the ultimate responsibility. In cases where a CEO did delegate some functions, the study found that middle and lower management did not fully participate in strategic planning. Self-interest, political issues within an organisation, and the limited level of mid-managers' responsibilities influence how information is shared, and hence the degree of participation. Yet decentralised decision making has been found to be necessary and effective when the environment is uncertain. The lower level managers are better at strategic formulation at such times when they are closer to the market environment. Although planning is distinguished from practice with respect to where and how it is performed at different levels in the company (Whittington, 1996), the closeness of managers to dynamic markets based on observing the

environment on a daily basis, has become the main reason for considering strategy as practice as being capable of informing planning.

### **2.2.9 Review of Strategic Planning**

Section 2.2 on strategic planning outlined many aspects of strategic planning mentioned in the existing literature, and also clarified the definition of strategy. Quinn (1980) highlighted strategy as “the pattern or plan that integrates an organisation’s major goals, policies, and action sequences into a *cohesive* whole” (italics in original), while Mintzberg (1979) defined strategy as “a mediating force between the organization and its environment” characterised by “consistent patterns in streams of organizational decisions to deal with the environment”. This section also examined strategy further to include strategic planning and strategy development. The development of strategic thinking revealed four basic perspectives on strategy (Whittington, 1996), namely policy, planning, process and practice (Whittington, 1996). Strategy development facilitates the setting up of a framework for establishing direction for the organisation, and it facilitates determination of the criteria for day-to-day decision making.

In addition, the strategy as practice perspective as examined in the literature review was found to involve three domains: (1) practice, (2) practices, and (3) practitioners (Whittington, 2002a; Jarzabkowski, 2005). This perspective does not therefore concern itself merely with what an organisation has (i.e. its resources), but also with what actors do (Johnson et al., 2003; Whittington, 2006). Furthermore, it was noted that the important strategic thinking skill of understanding and appreciating the role and impact of culture on strategy has only relatively recently been highlighted in the literature on strategic planning (Kim, 2009). The strategic planning process was also covered in this section along with the external and internal influences of the strategic planning process. In particular, four internal dimensions of strategic planning were discussed, namely symbolic planning, rational planning, transactive planning, generative planning. It also discussed the models, techniques, and the actors who engage themselves in the strategic planning process. However, activities that are undertaken during the strategic planning process were not found to be widely discussed in the literature, although Grant (2003) did describe such activities pertaining to strategic planning systems albeit in an unpredictable environment.

For devising models and techniques of strategic planning, many researchers tend to differentiate

the necessary steps or phases involved in systems of strategic planning models, strategic planning techniques that have a main role in changing valuable data into forms suitable for decision-making, and in action (Fleisher & Bensoussan, 2003). However, there is a clear gap in studying the strategic planning process from a practice perspective, that is, to study the activities of the strategic planning process while engaged in the development and implementation of strategic initiatives, and also in investigating the actors of these activities along with the tools used during this process. Therefore, this research seeks to address this gap by adopting activity theory, as it provides a useful framework for analysing the strategic planning process (Hasan, 2002). Moreover, this study adds greater sophistication to the strategic planning process through examining it in much greater detail, as was recommended by Bracker et al. (1988), but largely avoided in previous studies examining the strategic planning process.

## **2.3 Strategic Initiatives**

As this research seeks to investigate the link between strategic planning and strategic initiatives by describing how strategic planning might influence the development and implementation of strategic initiatives, this section provides a definition of strategic initiatives, and discusses their importance and development to shed light on the relationship between strategic planning and strategic initiatives.

### ***2.3.1 Definition of Strategic Initiatives***

Several studies can provide introductions to the concept of strategic initiatives (Kanter, 1982; Miller, 1983, Burgelman, 1991, McGrath et al., 1995; Birkinshaw, 1997; Lovas & Ghoshal, 2000; Floyd & Wooldridge, 2000). Researchers of course, investigate strategic initiatives from different aspects since the concept of an initiative itself is relatively open. An initiative in general is any activity that helps organisations enter into new markets, and sparks the development of new capabilities (Burgelman, 1983a; Floyd & Lane, 2000; Floyd & Wooldridge, 2000). Initiatives are a way to develop new competitive advantages through the pursuit of adding new products, markets and technologies to the current repertoire (McGrath et al., 1995). Initiatives may also have differing scopes, and involve entrepreneurial, discrete, and proactive processes to identify opportunities and use or expand resources to exploit these opportunities (Kanter, 1982; Miller, 1983). Becker (1993) argues that initiatives should involve both the internal and external environment. Initiatives may still be internally focused, towards a rationalisation of existing

activities or towards the promotion of new ones (Birkinshaw, 1997). Formal or informal coordinated undertakings may seek to develop or renew the capabilities associated with competitive advantage (Lechner & Floyd, 2007). Lovas & Ghoshal (2000) point out that strategic initiatives endeavour to create economic value from the environment. The role of strategic initiatives on financial performance has indeed attracted significant research (Roberts & Silvester, 1996; Dixon, 1996, Roper, 1997; Hendricks & Singhal, 1999).

### ***2.3.2 Importance of Strategic Initiatives***

Strategic initiatives have become very important in the process of developing strategy (Floyd & Wooldridge, 2000; Keupp & Gassmann, 2009). An effective strategy is used not only for exploiting external opportunities and internal competencies, but also for exploring new opportunities and renewing competencies (Pettigrew et al., 2006). Present or anticipated competition can force a company to discover new markets and opportunities before competitors (Hurst et al., 1989). As a result, organisations resort to strategic initiatives to implement sweeping change more rapidly and reap benefits more quickly (Tushman et al., 1996). This leads strategic initiatives to be considered as the essential point in strategic renewal research (Burgelman, 1991; Zahra et al., 1999). In fact, the main objective of strategic renewal is to implement new initiatives such as new products, new markets, new technologies or new processes (McGrath et al., 1995).

Strategic renewal has however also been identified by other authors with evolutionary models of strategic change (Barnett & Burgelman, 1996; Burgelman, 1983a; Huff et al., 1992; Nelson & Winter, 1982). These models show renewal as an iterative process of belief, action, and learning, with the purpose of aligning the organisation's strategy with changing environmental circumstances (Doz, 1996; Huff et al., 1992; Johnson, 1988). Strategic renewal can also be associated with promoting, accommodating, and utilising new knowledge and innovative behaviour for improving an organisation's core competencies, and position in a market domain (Burgelman, 1991; Floyd & Lane, 2000). This renewal for Floyd & Lane (2000) involves three sub-processes of competence definition, deployment, and modification. The skill of strategy renewal is how to integrate the differing demands and priorities of top-, middle- and operating-level managers with respect to time horizon, information requirements, and core values as these affect all three sub-processes. Once again, the need to achieve unity of purpose in

strategy is striking and comes to the fore in many spheres of communication at all levels, and between hierarchical levels. Martens et al. (2011) advocated market strategy renewal by dynamic and incremental movement, listening to front line employees and mid-managers who can deliver strategically valuable information to planners. These authors warn against expeditious top-down initiatives when such initiatives do not take care or plan to recognise the different viewpoints and different rationalities existing throughout an organisation.

### ***2.3.3 The Development of Strategic Initiatives***

A key problem for strategists is to manage the development of new resources in order to replace those no longer able to perform adequately (McGrath et al., 1995). Such a development process can be directed at each sub-unit of an organisation that involves activities and resources requiring new product, market or technology initiatives. Many strategy initiative studies link new product introductions and the firms' growth (Storey, 1994; Barkham et al., 1996). In studying the development of strategic initiatives, many researchers go on to identify activities, resources, processes and units isolated from the formal organisational structure (Bower, 1970; Burgelman, 1983b). Other research identifies autonomy from supervisory relationships (McGrath, 2001). However, Floyd & Wooldridge (2000) also argue that strong ties in organisations increase support for initiatives. Lovas & Ghoshal (2000) state that human and social capitals are key factors to initiative selection outcomes. In particular, at the micro-behavioural level, the impact on both individuals and groups is the key to maintaining commitment to strategy change (Staw & Ross, 1987).

To provide a clearer understanding of the development of strategic initiatives, it would be necessary to analyse such activities and interactions as a collection of strategic initiatives. In fact, some researchers focused on strategic initiatives typically apply the variation-selection-retention framework to analyse strategic initiatives, such as Lovas & Ghoshal (2000) and Burgelman (1991, 1994). The variation-selection-retention framework is in line with the work of Campbell (1969), Boyd & Richerson (1985) and Miner (1994), and is well established in analysing the evolution of strategic initiatives (Lovas & Ghoshal, 2000; Burgelmann, 1991, 1994). Hussey (2001) also suggested key steps under the strategic initiatives, such as initiating the effort; launching; executing; and gaining momentum. Armstrong (2001) and Rigby (2001) highlight a diverse range of tools and techniques for managers to initiate change. Floyd & Wooldridge

(2000) proposed that strategic renewal is comprised of three sub-processes: idea generation, initiative development, and strategic reintegration. Initiation, development and implementation will be regarded as three characteristic sub processes to enable the exploration of strategic initiatives in greater detail.

### **2.3.3.1 Initiating**

The first step to develop and implement strategic initiatives is their selective initiation, since the potential for future competitive advantage depends on a company's ability to imagine markets and opportunities before competitors (Hamel & Prahalad, 1996; Hurst et al., 1989). Furthermore, the generation of new ideas, it has been argued, depends on individuals who routinely and repeatedly interact, share, and form similar information and parallel beliefs (Granovetter, 1985; Burt, 1992). There are key individuals, who may or may not be readily apparent, who extend their relationships beyond their own cluster to seek novel information, new ideas, and new opportunities (Freeman, 1979; Burt, 1992). Therefore, those individuals, mainly 'managers' but including others, will gain insights into strategic issues and opportunities not apparent to others in similar positions.

Schmid (2005) investigated the roles of initiative leaders in initiative performance where focused changes were planned. The most successful managers directed their business model towards specific changes and products with few generic components. These managers also achieved a balance between integration (in a project matrix) or isolation (spin-offs) of resources, in a loosely coupled arrangement that did not stymie creativity and commitment to the initiative. This success in strategic initiatives thus required a formidable management culture to evenly balance resources in the business environment.

Lovas & Ghoshal's (2000) model of strategy as 'guided evolution' shows that intra-organisational ecology does not operate outside of the formal strategies, structures, and systems of the firm, but rather as an integral and important part of these. The model defined the role of top management in shaping the strategy and performance of firms based on the experiences of a firm that had attempted to replicate and internalise a natural selection environment. The model was in contrast to Burgelman's (1991, 1994) model of strategy making, which argued that intra-organisational ecology operates outside of formal planned mechanisms. Burgelman's view (1991) states that autonomous and induced strategic initiatives operate

together to create the variation that business managers can selectively benefit from. Whereas the induced strategic initiatives represent the formal strategy and reflect existing organisational learning, the autonomous strategic initiatives challenge existing strategy and represent bottom-up experimentation. Selection, which consists of deciding what autonomous initiatives to formally support and which induced initiatives to keep supporting, is ultimately the responsibility of top management.

Thus, all strategic initiatives are autonomous in the sense that managers in the organisation initiate or select them under varying conditions. However, they are all induced in the sense that the process of variation–selection–retention is guided by a strategic intent and openness to change largely defined by top management. The model of guided evolution also provides a link between strategy content and strategy process because of its focus on the co-evolution of human and social capital, and strategic initiatives. Strategic initiatives require the organisation to obtain new resources and combine them with resources it already possesses. If this occurs either with strategic intent, 'induced' strategic change, or with unplanned, serendipitous activity or 'autonomous' behaviour undertaken without particular reference to a conscious corporate strategy, it must all be absorbed into the human capital and working practices of the organisation (Burgelman, 1983a). The purpose of strategic intent from a managerial perspective is to go beyond environment sensitive strategic planning in order to achieve objectives “for which one cannot plan” (Hamel & Prahalad, 1989). Strategic intent is thus a proactive mode while strategising as a symbol of the organisation's future will that energises all levels of the organisation for collective goals.

### **2.3.3.2 Developing**

The second sub-process is an initiative based development, and research has increasingly shown: (1) how middle managers play an important role, (2) how managers' control increases with network centrality, and (3) how managers facilitate development efforts. Middle managers play an important role in developing new ideas, reshaping a firm's capabilities, and by affecting strategic renewal (Floyd & Wooldridge, 1992; Burgelman, 1994; Currie, 1999; Currie & Procter, 2001). The strategic roles of middle managers, namely championing, synthesising, facilitating, and implementing, mediate between divergent inputs, situational demands, and the existing strategy. Such interactions are critical as middle managers are in a unique position to evaluate the

true value of the information to the firm (Floyd & Wooldridge, 1992; Kanter, 1983). In comparison, operating managers tend to have less knowledge of the strategic situation of a firm, and middle managers also tend to have greater familiarity with operational matters, as well as both factor and product markets, than do top managers (Walsh, 1995). In addition, middle managers are usually capable of evaluating new information pertaining to the firm's strategy, operations and markets, and to thereby direct top managers' attention to the understanding of strategic issues (Dutton et al., 1997).

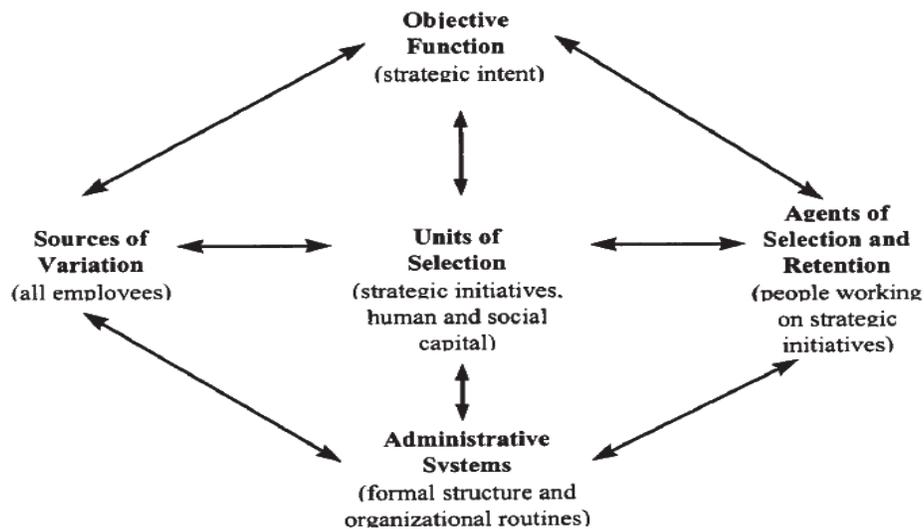
Balogun (2006) likened them to editors of top managers' strategic change initiatives. Lateral interactions among them are also crucial in the implementation of strategic change (Balogun & Johnson, 2005). Initiatives that originate from middle management have been studied in research on new venture development (Burgelman, 1983b, 1994), innovation (Kanter, 1988), business planning (Currie & Procter, 2001), and on how to directly influence upper management (Currie, 1999). Some research suggests that centrality within social networks is critical in developing resource advantages (Cook & Emerson, 1978), early promotions (Burt, 1992), and workplace performance (Mehra et al., 2001). Currie & Procter (2001) suggest that managers' control increases with network centrality (Brass, 1984; Pfeffer & Salancik, 1978), which in turn helps in gaining cooperation and support from others for strategic initiatives (Dutton et al., 2001; Kanter, 1988).

Managers facilitate development efforts by garnering favours from others using past favours, personal relationships, or reputations as social currency (Kanter, 1988). These more direct relationships and their degree of centrality provide information critical to an initiative's success (Floyd & Wooldridge, 2000). In a similar vein, Pappas & Wooldridge (2007) focused in their study on internal network conditions that enable managers to engage even in divergent strategic activity. The results show that measures of internal network position, consistent with the types of network flows suggested by strategic renewal, are significantly associated with divergent strategic activity. The results support the notion that degree centrality facilitates the type of immediate or 'one-on-one' influences that seems necessary for developing new ideas into strategic initiatives.

Strategic initiatives are also subject to evolutionary processes and ecological forces in both an external and an internal market (Lovas & Ghoshal, 2000). The external market is defined by the

introduction of a new product or service in the marketplace (variation), its initial capacity for appropriating resources in the external environment (selection), and its capacity to do so in later time periods (retention). These processes take place in the context of the other products and services (competition). Lovas & Ghoshal's (2000) model of strategy as guided evolution co-ordinated five main elements (see Figure 5): (1) strategic initiatives and human and social capital, which are the units of selection; (2) strategic intent, which defines the objective function; (3) administrative systems, which facilitate the evolutionary process; (4) sources of variation; and (5) agents of selection and retention in the evolutionary process, both of which potentially include every employee of the company.

Figure 5: The five elements of guided evolution



(Source: Lovas & Ghoshal, 2000)

Strategic initiatives therefore do need to have, and then later have in their development phase, strong effects in changing the human and social capital (Coleman, 1990). By working on a new strategic initiative, individuals are likely to learn new skills and develop business relationships. They could also acquire new human and social capital, and these social, intellectual, emotional and business networking effects are part of the strategic initiative's most desirable qualities.

### **2.3.3.3 Implementing**

During the third element of strategic renewal, initiatives extend to become part of an organisation's new or renewed capability base. Knowledge transfers itself throughout the organisation across functions and subunits. Information about the initiative then spreads to 'increasing numbers of individuals of disparate functional backgrounds and at different hierarchical levels, and the emergent network begins to expand across the organization' (Floyd & Wooldridge, 2000). This framework suggests associations between managers' network position and their ability to effect strategic renewal. In the same context, Floyd & Lane (2000) identified that a divergent strategic activity in firms must become a social learning process between management layers. A fluidity of roles may become necessary and acceptable to escape the inertial forces of clans and bureaucracy.

These more successful initiatives can lead to many advantages by different routes. Firstly, by undertaking new initiatives, a firm may utilise resources to tap into new market areas, by offering lower cost, greater efficiency, or by availing a more attractive offering than those of competitors. Secondly, undertaking new initiatives might stimulate the 'absorptive capacity' (Cohen & Levinthal, 1990) of the firm, which assists in developing new products, markets or technology assets. Thirdly, new initiatives extend the frontiers of corporate capabilities and discover additional synergies in the large, relatively unique resource combinations constituted by such firms (Burgelman, 1983a). Therefore, the critical component of the entire process of strategic renewal is the sub-process of developing ideas into new capabilities, integrating and aligning those capabilities into the strategic direction of the firm (Nonaka, 1994; Gourlay, 2006). This of course recalls Ansoff's recommendation of planning (Ansoff, 1965), for being an activity that aligns ideas, resources, capabilities and strategy. The opportunity spurring the strategic initiative may be bounded by resources, but the entrepreneurial challenge is to move from an idea to a new commitment of resources, and the managerial challenge is to make the resultant business activity profitable (Birkinshaw, 1997).

Lechner & Floyd (2007) also elaborate on important informational components of strategic initiatives - searching, processing, codifying and practising - and why, despite their benefits, managers tend to neglect them. Searching is an activity that aims to acquire new information within and outside the group (Sharfman & Dean, 1997). Searching helps managers to lead groups by providing diverse sources of information inside and outside an organisation, beyond familiar

information, and where information is less likely to be readily helpful. The high demands of the searching activity assist in generating novel ideas, and increase the involvement of other actors in the initiatives. Processing is an activity that aims to analyse data, discuss issues, consider alternatives and reach decisions about particular courses of action (Dean & Sharfman, 1996). Communication is an important feature of these activities (Zollo & Winter, 2002), and structured discussion that provides a basis for further action helps groups to establish more accurate perceptions of the viability of various alternatives.

In codifying, concepts, procedures, products are all put into written form in order to coordinate action in the development of new routines. Codifying helps to understand the relationships between actions and performance outcomes, which result from the processing activity. Practising is the way to transform the explicit knowledge acquired through processing and codifying into the tacit knowledge required in the development of new routines. Practising also enables behaviour to become part of the subconscious (this activity alludes to the non-verbal quality and innate importance of the ‘practice’ component of strategy). Practice also enables feedback loops to clarify whether a proposed solution is actually working, how behaviours interrelate, and whether and how they need to be modified to improve performance. This series of activities somewhat resembles Kuhlthau’s (1993) description of information search processing. The central point is how the process of information and meaning seeking is critical to success.

An article by Lechner & Floyd (2007) offered a description of the factors that may either impede or support effective learning in exploratory groups, and provided a fine-grained analysis of the links between learning activities and specific learning outcomes. This in many ways re-orders the planning as learning idea of De Geus (1988), and complements it with learning as planning.

### ***2.3.4 Strategic Planning and Strategic Initiatives***

According to Nutt (1986), implementation “is a procedure directed by a manager to install planned change in an organization”. Over time, any strategic practice may sustain or change patterns in strategic activity, and the practices need to mediate between rather than minimise contradiction to promote change (Jarzabkowski, 2003). However, organisations generally need to focus attention on the coordination of cross-functional efforts to make sustainable as well as significant changes among its business processes. Although little empirical research considers how initiatives evolve into emergent routines (when in fact strategising has become more

decentralised), strategic initiatives have become more important in the process of developing strategy (Floyd & Wooldridge, 2000; Keupp & Gassmann, 2009). It is still the case that making critical and sustainable change through any new strategic plan or initiative remains a challenge for any organisation. Attention is now drawn to a discussion of how strategic planning and strategic initiatives may supplement the other's weaknesses.

Strategic planning was classically linked to the establishment of objectives, the development of products, markets, administrative and financial strategies, and also the development of a strategic budget (Ansoff, 1965). Berg, (1965) focused on corporate planning in large diversified companies, and clarified that the use of corporate planning is not only for capital budgeting, but also for identifying new products and project initiatives. Ocasio & Joseph (2006) examined the evolution of strategic planning and how strategic planning practice has changed. The outcomes show that the practice of strategic planning cannot remain static, but must evolve to facilitate changes in corporate agenda and management style. To be consequential and sustained, planning must be closely coupled with concrete organisational initiatives, and the success of these initiatives lend credibility and support to strategic planning systems. Strategic planning is still being done for the long-term exploitation of identifiable opportunities in capital structures, product variation, and market conditions.

Lovas & Ghoshal (2000) similarly argued that strategic initiatives also represent an 'exploitation effect' among a firm's activities, and the ways in which company resources are employed will influence how the firm's human and social capital changes over time. This becomes the 'creation effect' of the firm's activities (Burgelman, 1991). In this regard, newer strategy developments have increasingly shifted the focus of analysis from factors external to the firm (such as industry structure), to factors internal to the firm (resources), and especially towards human and social capital. A change in activities leads to the depreciation of some skills, knowledge, and relationships, and adds to the appreciation of others (Coleman, 1990). The strategic initiative communication process, from formulation to implementation, also involves several filtering mechanisms governed by unique decision makers and environmental factors (Keupp & Gassmann, 2009). Many actors are involved during the formulation through the implementation of a strategic initiative. Participants may strive to undertake specialised initiatives differentially in the organisation for having the best potential for their own advancement. This can provide an important source of internal variation when individuals possess diverse data, ideas, motivation,

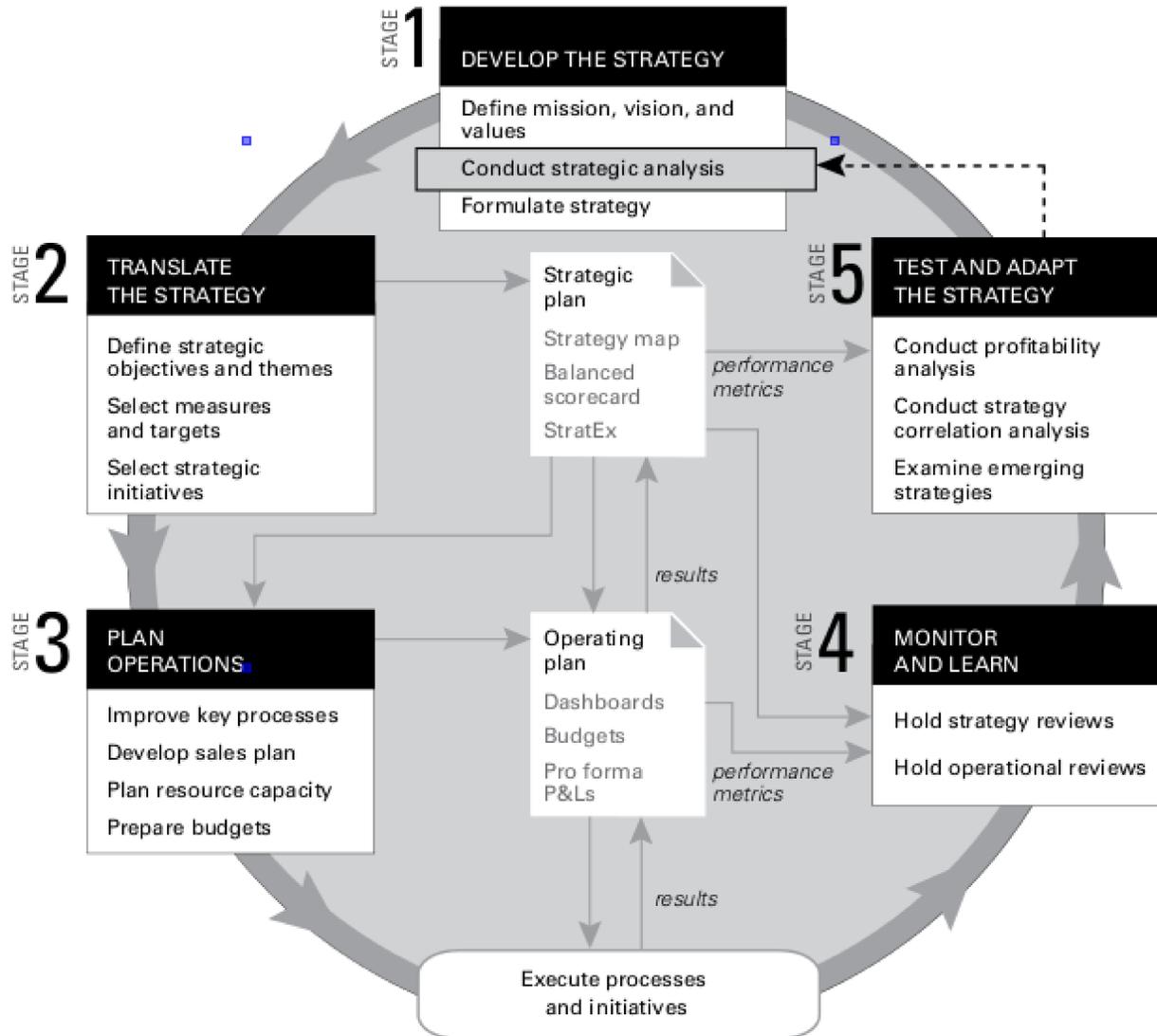
and resources.

These human capital considerations of strategy were not fully present in early strategic planning, which concentrated more on ‘transition behaviour’ motivated by aspirational means in a power structure (Ansoff, 1979). Ansoff’s analysis is at some distance from the human capital concepts along the horizontal axis of Figure 5 by Lovas & Ghoshal (2000). Classic strategic planning implies forms of transactional leadership (exchanges of power, promotion and wealth), whereas strategic initiatives with their sensitivity to human capital more often call for forms of transformational leadership, when values of virtue, identification and honour hold greater sway (Judge & Piccolo, 2004). Yet, the limits of transformational leadership are just those organisational structures (Walter & Bruch, 2010), which strategic planning can address with thoroughness and authority. When individuals do possess diverse data, ideas, motivation, and resources, this may lead the strategy to become unrealised (Mintzberg, 1978). Strategic management can still supplement an initiative with the benefits of strategic planning: a structural context encompassing administrative mechanisms (Bower, 1970), strategic planning and control systems, approaches to measuring and rewarding managers, rules governing resource allocation, appropriate cultural mechanisms (Ouchi, 1980), plus socialisation rituals and behavioural norms (Burgelman, 1991).

### ***2.3.5 How Strategic Planning Activities Influence Strategic Initiatives***

A tight link between strategy and operations can be achieved by forming a closed-loop system, as suggested by Kaplan & Norton (2008). Their particular loop, which is shown in Figure 6 below, comprises of five stages beginning with strategy development to formulate a statement and then a translation of that statement into specific attainable objectives and initiatives. The implementation of the strategy links the strategy to operations using various tools and processes such as quality and process management, process dashboards, resource capacity planning, dynamic budgeting, etc. Both internal operational data and external data on the business environment and of competitor practices is continuously reviewed during the implementation. The strategy itself is periodically assessed, and if necessary updated, which would begin another loop. The success of this system is dependent on beginning with understandable and achievable strategies, and linking the objectives to tools that can support operational improvement processes.

Figure 6: Closed-loop management system linking strategy and operations

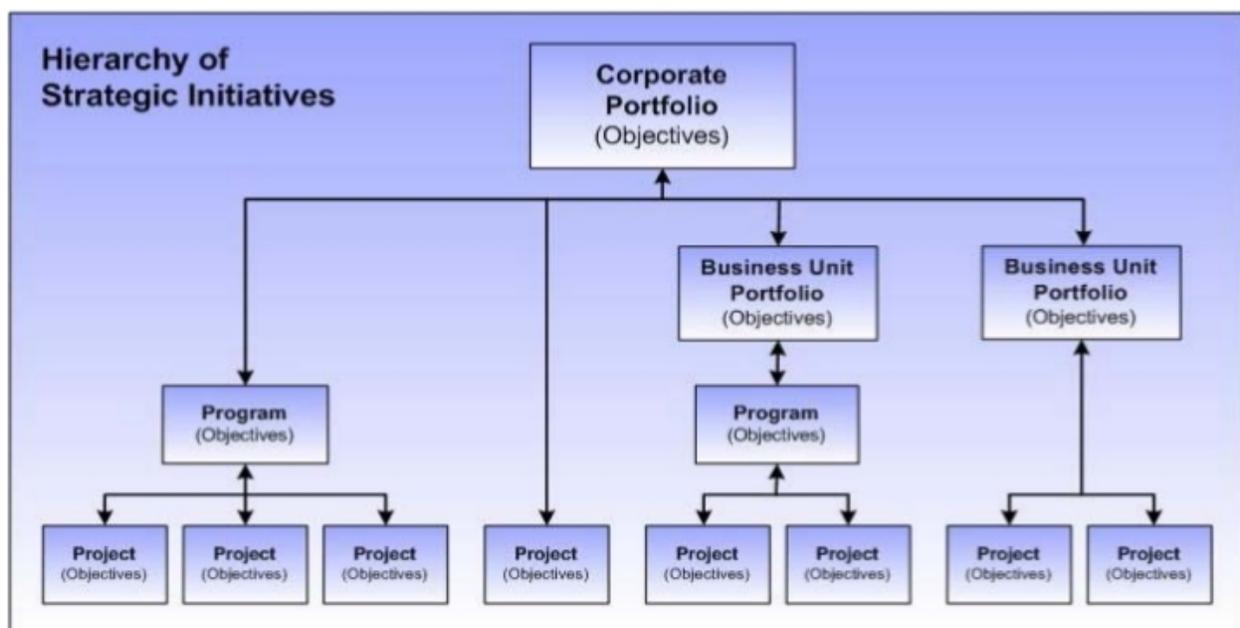


(Source: Kaplan & Norton, 2008: 3)

Pennypacker & Ritchie (2005) identified a number of barriers to executing strategy effectively, such as inflexible processes, inadequate tools for measuring performance, poor strategy communication, lack of execution focus, poor resources allocation, unclear policies, etc. However, they stressed that effective strategy execution can still be achieved and that it requires a carefully planned approach to overcome the barriers and ensure that organisational strategic goals and objectives are attained. As part of this approach, they stressed the importance of linking the project strategy and objectives upwards with the strategic performance management

framework, and further that they have to be taken into account when the organisation's capability is determined. Figure 7 shows the hierarchy of strategic initiatives in which this logical linkage can be seen and in which arrows indicate the alignments and feeds. The top-down arrows indicate strategic alignments between projects, programs and portfolios, and the bottom-up arrows indicate the feeds of performance related information that aid the decision-making process. Projects, programs and portfolios are three of four Ps of strategy execution, the other being performance management.

Figure 7: Hierarchy of strategic initiatives



Source: Pennypacker & Ritchie (2005)

Measures of strategic performance thus provide a link between strategy objectives and strategy initiatives (Sears, 2003). Performance measurement therefore needs to be accepted as a critical element of not only strategic planning but the entire strategic management process (Poister, 2003). Particular indicators though would need to be adapted to specific strategic initiatives. The potential advantages of managing strategic performance are ensuring employees are clear and understand what is expected from them, greater support from management in meeting expectations based on the feedback of their performance, greater opportunities to discuss goals and objectives, improved relations between managers and others, etc. (Bhattacharyya, 2011).

Pennypacker & Ritchie (2005) also stressed on the importance of integration. They pointed out that in order to make strategy effective, it is necessary to have feedback on organisational performance and this must then be used to 'fine-tune' the strategy, objectives and the process of execution. In other words, as in Kaplan & Norton's (2008) model, a learning aspect is involved necessarily. The aforementioned barriers to effective strategy execution can thus be overcome by properly aligning the elements involved in the strategic organisational context. This would make strategic performance management be regarded as a “comprehensive and integrated set of processes and tools that enable the effective execution of organizational strategy through sound portfolio, program, project, and performance management”. Organisations that successfully integrate strategic planning and implementation are those that align strategic planning, operations and budgeting, which would make them engaged in strategic management (Bryson et al., 2011).

As for the actors involved in the process whereby strategic planning influences strategic initiatives, there is also a need to align a company's HR with strategy in a way that these actors are recognised as strategic assets rather than as having mere administrative duties (Righeimer, N.d.). It is understood that an organisation's employees, and their skills and abilities can contribute to the achievement of business goals if the strategic approach is aligned with HR (Huselid et al., 1997). The organisation's strategy would first need to be organised and involved in strategic planning. The HR's administrative role would then need to take on a strategic dimension so as to be focused on strategic initiatives. In other words, as Galford (1998) observed, the HR needs to be able to operate on both administrative and strategic levels. If the HR can be linked effectively with strategy, this could enable the organisation to more easily obtain competitive advantage (Righeimer, N.d.). The point is made that alignment is necessary but Righeimer provides no details as to how to actually achieve this alignment. Nonetheless, it is apparent that all actors, HR, management and others alike, play a significant role in enabling strategic initiatives to be successful and in accordance with the original strategic planning.

### ***2.3.6 Review of Strategic Initiatives***

Section 2.3 on strategic initiatives examined aspects related to strategic initiatives. It defined strategic initiatives and investigated their importance and development. Strategic initiatives have become very important in the process of developing strategy (Floyd & Wooldridge, 2000; Keupp & Gassmann, 2009). In particular, the increasing attention on the role of strategic initiatives on

financial performance was highlighted. Most of the literature was found to have been concerned with the development of strategic initiatives pertaining to three stages, namely (1) initiation, (2) development, and (3) implementation. Lovas & Ghoshal (2000) argued for the 'exploitation effect' among a firm's activities, and described how the utilisation of company resources can influence how firms' human and social capital changes over time. Whereas previously, the variation-selection-retention framework was applied for analysing strategic initiatives (ibid), there is greater recognition now of utilising a diverse range of tools and techniques, as mentioned by Armstrong (2001) and Rigby (2001).

It was shown that in early phases of strategic planning, there tends to be a focus on 'transition behaviour', so human capital considerations are not usually fully present. The role of middle managers for example, was shown to be especially useful during the stage of initiative based development as they can potentially provide very useful input towards developing new ideas, reshaping a firm's capabilities, and owing to their potential impact on strategic renewal. Several beneficial consequences were mentioned relating to this implementation element of strategic renewal, and the need to recognise actors as strategic assets (Righeimer, n.d.) was also highlighted. In addition, this also highlighted the importance of market strategy renewal based on dynamic and incremental movement, as advocated by Martens et al. (2011) as opposed to undertaking an expeditious set of top-down initiatives. This led to the consideration of how strategic planning activities can better lead to beneficial strategic initiatives, and Kaplan & Norton's (2008) closed-loop system showed how a tight link can be forged between strategy and operations.

The link between strategic planning activities and strategic initiatives was further informed by a discussion of the measures of strategic performance. It was pointed out that as strategic performance measures link strategy objectives with initiatives, performance measurements must be made greater use of throughout the strategic management process (Poister, 2003). Furthermore, the importance of aligning strategic planning, operations and budgeting was highlighted for successfully integrating strategic planning and implementation, as recommended by Bryson et al. (2011). However, importantly, no study was found to have linked strategic planning activities with strategic initiatives. On this basis, it was deemed important to address this link. This research therefore filled this gap by linking the two areas of strategic planning activities and the development and implementation of strategic initiatives. It also addressed how

strategic planning activities influence the development and implementation of strategic initiatives.

## **2.4 Theoretical Lens**

The main objective of this section is to provide a theoretical lens about activity theory which has been conducted in order to provide theoretical insight to guide the data collection and data analysis of this research. This section begins with an overview about activity theory and its principles. Then, it sheds a light on activity theory, as applied in strategic planning studies.

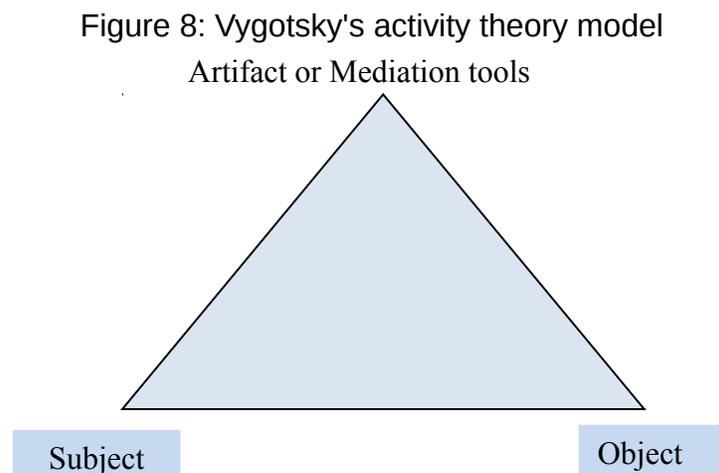
### **2.4.1 Activity Theory**

The literature on the applications and conceptualisations of activity theory is extensive. Scholars, academics and researchers have shown great interest over understanding the fundamental concepts of activity theory and constructing a practical framework within which the specific theoretical perspective can generate efficient understanding of the human behaviour and the interactivities between different constituents as well as forces that eventually contribute to the relationship built among individuals and their social environment (Foot, 2001; Johnson et al., 2003). Yagamata-Lynch & Smaldino (2007) define activity theory as an interdisciplinary framework (combining and integrating psychological, philosophical and organisational fields) which attempts to study the individuals' behaviours and practices within the context of exploring the interactivities of humans with their social and cultural environments. Likewise, others describe activity theory, or rather the 'cultural-historical theory of activity', as an inter-disciplinary philosophical framework for studying both individual and social aspects of human behaviour as developmental processes interlinked at the same time" (Engestrom, 1999; Cole, 1996, Kuutti, 1996).

Diaper (2008) states that the activity theory is a systematic study of the way in which the different components or factors that intervene in the decision making process and the planning procedure gradually interact with each other under the scope of influencing human behaviour and human 'placement' within the social environment. Under a slightly different perspective, Hasan (2002) posits that the activity theory is a general framework that is drawn from multiple disciplines and focuses on the study of people's actions within the context of the influential forces stemming from a number of different aspects such as the individuals' perspectives, the

interaction with other humans, the cultural and social infrastructure of the site in which actions take place and the goals or targets that each activity is directed to.

Although there are several different definitions of the activity theory available in literature, the underpinning conceptual basis remains the same as initially introduced by Vygotsky in the early 1920s and further developed by Leontiev in 1930s then later by Engestrom in 1987; human activity, learning and the social environment in which individuals interact are highly interrelated and need to be studied in conjunction in an attempt to understand human behaviour (Diaper, 2008; Yamagata-Lynch & Smaldino, 2007). Vygotsky, drawing from the philosophical perspectives and the political theory developed by Marx, conceptualised the importance of exploring the contribution of the environment in shaping both learning and produced activities (Foot, 2001). In fact, Vygotsky focused on concepts of human actions and the use of language, and his activity theory model consisted of mediational means, subjects, and object or motive, as shown in Figure 8.



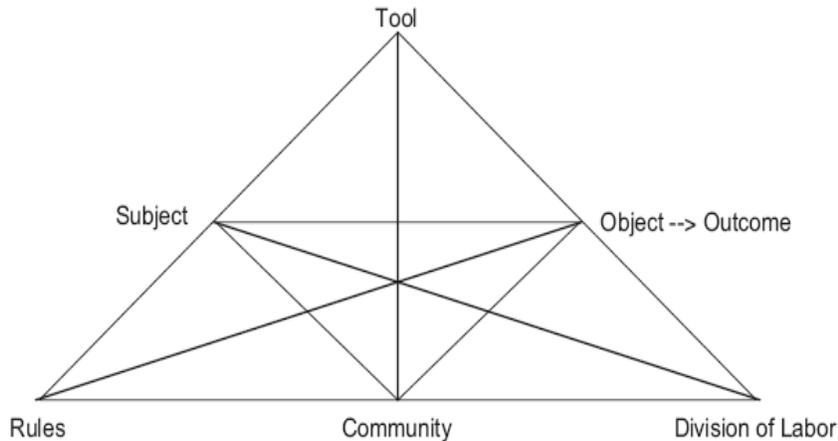
(Source: Vygotsky, 1978)

Nevertheless, the complete activity theory as it is known today was generated by Leontiev in 1978 who expanded the theoretical view into the interactivities between individuals as well in the effort to understand 'shared activities' (Yamagata – Lynch & Smaldino, 2007). According to Leontiev (1981) the critical assumption in the entire theory lies in the fact that the 'activity' is not a sole and distinct product of human behaviour, but it is structured (consists of multiple interactive structures) and therefore becomes subject to transformation, transition and

development (Hasan, 2002). In that respect, the study on activities is substantiated by the fact that they are complex systems of interactive factors and not just mere reactions to either external or internal stimuli (Johnson et al., 2003). Furthermore, as Canary (2010) differentiated an activity from the action (perceived as the system of produced activities) in that it is a process and not a simple response on the part of individuals. Engestrom (1987) further proceeded into exploring applications of the activity theory and concluded in a conceptual model which analyses the activity systems and integrates three important constructs: the individual factors or forces, the collective structures and the final practical activities which are produced (Cruz-Neto et al., 2005; Jarzabkowski, 2003).

The fundamental principles in the activity theory are explained by Cruz-Neto et al. (2005) as the underlining assumptions that describe the individuals' activities in terms of structure and development within the social framework. "An activity is the way a subject (either an individual or a group) moves towards an object with the purpose of attaining certain results or certain objectives" (Cruz-Neto et al., 2005). The overall activity theory places emphasis on the interactions between subjects, objects, tools, communities, rules, division (distribution) of labour and outcomes, as shown in Figure 9 (Canary, 2010; Hasan, 2002; Johnson et al., 2003; Yamagata-Lynch & Smaldino, 2007). The subjects are the individuals that perform the activity; the objects are the goals or the targets that the activity is directed towards and which the subjects wish to obtain; the tools are mediating artefacts or the resources that the subjects leverage and employ in their attempt to achieve their goals; the communities are the social environment infrastructures and the social groups in which the individuals belong to; the rules are social, cultural or other relevant policies (either formal or informal) that principally influence the behaviour of the subjects (the individuals); the distribution of labour predominantly refers to the allocation of responsibilities to each individual within the communities; and finally the outcomes are the end products of the particular activities implemented and performed by the subjects always with regards to the objects targeted (Cruz-Neto et al., 2005; Diaper, 2008; Jarzabkowski & Balogun, 2009; Yamagata-Lynch & Smaldino, 2007).

Figure 9: Engestrom's activity system model



(Source: Yamagata – Lynch and Smaldino, 2007)

Jarzabkowski & Balogun (2009) state that one of the most critical elements in activity theory is that the tools apart from being considered as mediating artefacts also constitute the partial relationship with individuals which is also perceived as a mediation to the achieving of the objects. This is an important construct in the particular theory as it views communications (being tools) and human interactions as mediators to the end goals as well (Hasan, 2002).

#### **2.4.2 Principles of Activity Theory**

Activity theory operates under certain assumptions (Jonassen, 2000; Jonassen & Rohrer-Murphy, 1999) or principles (Kaptelinin, 1996), namely (1) unity of consciousness and activity, (2) intentionality, (3) contradictions, (4) mediated action, and (5) historicity. Each of these is discussed in detail below. With regard to the contradictions, Engestrom (1987) recognised two forms of them, i.e. as primary and secondary. The former are those that exist within the elements of the central activity, and the latter exist between those elements.

These five principles show the immense power of activity theory in being applied to examine the dynamic interdependence of individuals and the social and cultural influences upon them. An examination of studies that had applied activity theory, revealed that the researchers used the theory flexibly and only selected and applied those principles that best served their purpose.

Researchers thus tend to select one or more of the principles in their analysis of an activity according to their own research intentions.

**(a) Unity of Consciousness and Activity**

This assumption is acknowledged as the most basic principle of activity theory. It explains how consciousness and activity are integrated (Kaptelinin, 1996) instead of being separated as learning (conscious processing) and activity (mental/physical interaction with the environment or with objective reality). In other words, activity theory perceives consciousness and activity as coexisting and mutually supportive (Jonassen, 2000). This view bears similarity with 'situated cognition' in that learning is seen as a transformational process resulting from reciprocal feedback obtained from consciousness and activity. That is, as individuals act, they gain in understanding and this understanding leads to improvements in their actions and so the cycle continues with further improvements.

**(b) Intentionality**

This assumption accepts that learning and doing, which are inseparable as per the previous assumption (unity of consciousness and activity), are initiated by intention. In other words, it recognised that activity theory “focuses on the purposeful actions that are realised through conscious intentions” (Jonassen, 2000). Moreover, these intentions are directed at objects of activity, where the motive is to transform the objects into outcomes. Intentions are therefore considered as activity specific and context bound, and they seen to emerge due to the contradictions that individuals perceive in their surroundings between how things are and how they should be. This is an important assumption because intentionality has the potential to result in meaningful learning, and for connectivism, it is useful to know why individuals connect to their communities.

**(c) Contradictions**

Activity theory accepts that activity systems are not necessarily stable or harmonious systems (Yamagata-Lynch, 2003; Cole & Engestrom, 1993) because such systems contain internal contradictions. These so-called contradictions are caused by tensions between the components within the system. When the conditions pertaining to one component contrast with the functioning of another component, a tension usually arises that could cause subjects or learners

to be faced with contradictory situations that could impede the attainment of an object. Contradictions could also be external in nature in which one activity system constrains the operation of another activity system (Jonassen & Rohrer-Murphy, 1999; Barab et al., 2002; Yamagata-Lynch, 2003). These contradictions or perturbations tend to cause activity systems to change and be developed (Jonassen, 2000; Barab et al., 2002), as activity systems are always adapting towards resolving contradictions and becoming more stable. Connectivism also recognises the dynamic nature of information, and the need to adapt so as to resolve the disharmony created by the change.

#### **(d) Mediated Action**

Mediated action refers to human activity being mediated by tools, or by artefacts that are either physical or symbolic (e.g. a sign, model or theory). Mediated action is therefore defined by the interplay between an agent (subject) and the mediating tool. This creates a reciprocal effect between the subject and the mediating tool while the action is performed. Thus, although tools can bring about a change in the nature of human activity, in turn, they are also affected by human activity. This assumption is explained by distributed cognition, which is a key aspect of communities of practice and connectivism.

#### **(e) Historicity**

Historicity recognises that activity is developed both historically and culturally (Jonassen, 2000). Understanding the dynamics involved in an activity, therefore requires knowing how those dynamics change over time. Kaptelinin (1996) thus refers to this assumption as “the principle of development”, and posits that in order to understand a certain phenomenon, it is necessary to be aware of how it took shape in its present form.

These principles show that activity theory can be very useful for examining the interdependence between individual human activity and the dynamic socio-cultural influences that impinge upon it over time.

### ***2.4.3 Activity Theory as Applied in Strategic Planning Studies***

Within the framework of organisational fields and business studies, the literature suggests that there are several applications of the activity theory. Blackler (1993) states his reason for adopting

activity theory where it offers a way to develop knowledge of organisations in specified contexts. Foot (2001) indicates that despite the fact that the applicability of the theory becomes questionable in that it offers essentially a theoretical and not a practical context, there are indeed successful and effective levers of the activity theory especially in the study of the micro strategic level. Johnson et al. (2003) argue that there are actually many benefits attached to employing the particular theory in understanding strategic planning at the micro level. The authors suggest that although research on the macro effects of the strategy offers substantial analysis for the development and formulation of strategies (with regards to practitioners), a micro perspective on the activities of management can provide more consistent and integrated understanding of the practices that are embedded within the strategy. Similarly, Hasan (2002) explains that in strategic planning the essential aspect is to understand the interactivities between the different actors that eventually shape behaviour and result in the particular activities that gradually sum up to the development of strategies. Activity theory would examine the issues of coordination and shared activity of an organisation, and it can be identified as a useful conceptual framework which suggests that different actors in the planning process would show different interests. Thus, activity theory would help in order to analyse the micro level activities of the organisation with the interaction of process, context and outcomes (Blackler et al., 2000).

Johnson et al. (2003), commenting on the benefits of using activity theory in the study of micro strategic planning, state that the 'activities' are actually the everyday engagements of managers and therefore it is these activities that are necessary to investigate, given the fact that research can more easily provide evidence and suggestions at the micro level rather than at the macro level (which is targeted through studies on strategic planning as an input to strategy formulation). This view is also shared by Canary (2010) who argues that activity theory allows researchers to undertake a more focused perspective on strategy planning because the emphasis is placed on the interactions which influence the activities and which in turn have an impact on the decision making. Yamagata-Lynch & Smaldino (2007) add that activity theory provides the opportunities to grasp the dynamic nature of the collective action in terms of individual action and the transformation or development of the activities throughout the time. In that respect, activity theory becomes a useful framework for analysing strategic planning under the scope of understanding the contribution of the different actors and factors which underpin the social environments (the organisations) with which the managers interact (Hasan, 2002). After all, as

Johnson et al. (2003) argue, activities, individuals and strategies are inseparable and thus studies on the micro – organisation level becomes central in understanding the macro – organisation as well. This means that the study on strategic planning on the micro level needs to be focusing on those three aspects as well (individuals, activities, strategies).

Jarzabkowski & Balogun (2009) studied the degree of integration and communication within the framework of business and strategic planning through the activity theory perspective. The authors suggested that activity theory is an effective and efficient model that allows an in-depth understanding of the process by which strategic planning eventually fosters both communication and integration under the scope of achieving a unified activity as a constituent of the entire strategy planning procedure. One of the main benefits identified for activity theory is so as to provide a consistent approach to evaluating, assessing and analysing the interactivities between the different actors within the process of planning and formulation of the strategy. In a similar manner, Johnson et al. (2003) explain that at the top of the strategic planning process lies the management's decision making process. Foot (2001) further states that the decision making process is a product of interactivities and interrelationships amongst agents and actors of learning which constitute the overall sphere of knowledge management. To that extent, the study of both learning and interactivities becomes feasible with the use and application of the activity theory. According to Jarzabkowski (2003), an understanding and realisation that the object (which is translated as the goal) is drawn from complex and perplex interactive forces is critical in conceptualising and contextualising the strategy planning approach on the part of organisations. All these studies engage into leveraging theoretical frameworks and constructs of activity theory in order to draw conclusions on the realisation of the different forces that interact with the 'activities' that constitute the strategic planning process.

Activity theory is a useful framework in understanding strategic planning not just as a system of organisational goals and objectives, but predominantly as a process activated by the interactions of different actors who engage in the activities. Such activities are enhanced by the mediation of tools that belong to communities and are governed by principles and rules. This means that it is "a procedure of interacting factors much more than it is a system of distinct and separate activities" (Jarzabkowski & Balogun, 2009).

The advantages and benefits sought to be gained through the use of activity theory at the

micro-strategic level are evidenced by an in-depth understanding of how individuals interact. It is also evidenced by which structures or inputs eventually affect their activities in the onset of providing empirical data on the processes towards achieving common goals within the context of organisational and business studies.

Activity theory adds to other social theories that also deal with interactions between actors and contexts, the dimension of practical activity, wherein interaction takes place (Blackler, 1993). Activity theory therefore proves useful for analysing interactions that occur between actors and collective structures. As such, it is essentially a learning theory that provides a foundation for various theories pertaining to knowledge creation (Blackler, 1995; Spender, 1996). This could include, for example, organisational renewal (Spender & Grinyer, 1996), or learning within communities of practice (Brown & Duguid, 1991; Lave & Wenger, 1991). Activity theory could be perceived to be in the same category as other theories that analyse power as a systemic construct established through participating in practice and discourses (Foucault, 1980; Hardy, 1996; Knights and Morgan, 1991). In contrast, other social theories such as structuration affirm interaction to the agency (Barnes, 2000; Clegg, 1989; Giddens, 1984), whereas others predicate interaction to social structure (cf. Bohman, 1999; Bourdieu, 1990), else they conceal them due to a greater focus on reciprocity which consolidates both (Clark, 2000). Furthermore, an activity system can reconceptualise the interpretive rationale wherein practical activity takes place, thereby opening avenues to several possible actions and goals (Engestrom et al., 2002).

A criticism of activity theory however, owes to its goal oriented nature, which is believed to conflict with more emergent strategy conceptualisations. Activity theory also tends to ignore the power aspect in constituent interactions (Blackler, 1995), but this weakness can be addressed by linking activity theory with literature on strategy and change which do examine underlying power aspects in practice infrastructure (Jarzabkowski, 2003). Furthermore, the activities of activity theory have also come under criticism on three grounds given its conceptualisation of change in activity systems based on contradictions and tensions (Blackler, 1993). The further criticisms of activity theory question its clarity on the origins of the contradictions, point out how it often fails to explain what sustains them, and suggest it is incapable of adequately explaining how the contradictions and tensions lead to change. It is suggested that these concerns can be allayed by examining the dialectic tensions that exist between an organisation's past and future, and focusing on the role of practices in mediating between them (Jarzabkowski, 2003). The roots

of contradictions can be found in the history of an institution, especially in the tensions between past activity and current or future desired activity. Change in an activity, as distinguished from the past, can be conceptualised by an activity system due to the inherent and continuously occurring interactions. With the entry and exit of participants into and out of a system, and its evolution, the interpretations of the activity develop and change likewise, and thereby produce tension between past and future conceptualisations. In short, the methodological tool of activity theory can be helpful because of its treatment of practical activity as the locale in which the interactions can be viewed and in which changes take place.

## **2.5 Summary**

Strategy refers to the plan that integrates an organisation's major goals, policies and actions, and is usually shaped by the degree of planning involved and the involvement or otherwise of external conditions. The perspectives of four schools of thought on strategy were described, namely the planning, design, position, and environmental schools. One definition of strategic planning was that is "the devising and formulation of organisational level plans which set the broad and flexible objectives, strategies and policies of a business, driving the organization towards its vision of the future" (Aldehayyat & Anchor, 2008). A brief historical overview was then given of strategic planning, beginning with its conception as a scientific method by Mintzberg (1994), through its association with learning by De Geus (1988), and arguments against its need were also discussed. Newer perspectives identified three axiomatic questions involved in strategic planning, i.e. in relation to the organisational context, content and processes (Balogun & Hailey, 1999).

Strategy development has likewise seen a change from a planning approach in the 1960s, through a policy approach in the 1970s and a process approach in the 1980s. Three important categories of strategy development were identified by Dennis Barnhart & Associates (2006) as situational assessment, actual strategy formation and implementation planning, whereas Bailey et al. (2000) identified four phases, i.e. preparation, planning, resource development and implementation.

Strategy as a practice, which is a new approach in the field of strategy research, is a part of a broader practice turn in contemporary social theory and in management sciences over the past 20 years (Reckwitz, 2002; Schatzki et al., 2001; Turner, 1994). It takes a micro view of strategy,

which emphasises the role of the individual and the social context, focusing on strategists engaged in the real work of strategising (Hendry, 2000; Whittington, 1996, 2002a, 2003), including the role of interactions between them (Jarzabkowski & Spee, 2009). Strategy as a practice involves three domains, namely (1) practice, (2) practices, and (3) practitioners (Whittington, 2002a; Jarzabkowski, 2005). A simple summary of studies on strategy as practice perspective from the three aforementioned aspects is also provided.

Strategic planning processes include aspects of assessing consumer needs, and competitors' activities, plus environmental and market trends. Greater insights have been provided, for example, by Grant (2003) who devised a generic strategic planning cycle. Both external and internal influences on strategic planning were also explored. With respect to the latter, Brews & Purohit (2007) showed how strategic planning can be evaluated across four dimensions, according to whether it is under compulsion, formally constructed, changed on an on-going basis, and if it encourages innovation. Various strategic planning models and techniques were also surveyed prior to exploring the practitioners involved in the strategic planning process.

Strategic initiatives are seen as increasingly essential to the process of the developing strategies which then evolve successfully into emergent routines that are sustainable (Floyd & Wooldridge, 2000; Keupp & Gassmann, 2009). Their potential impact on financial performance was also mentioned. The development of strategic initiatives was explored in detail from its initiating phase, through developing, to implementing. It was noted, for example, that the most successful managers direct their business model towards specific changes and products with few generic components, and further that intra-organisational ecology operates as an integral part of the formal strategies, structures and systems. During implementation, knowledge also transfers throughout the organisation, including different hierarchical levels (Floyd & Wooldridge, 2000).

Strategic planning has been classically linked to the establishment of objectives, the development of products, markets, administrative and financial strategies, and the development of a strategic budget (Ansoff, 1965). Lovas & Ghoshal (2000) argued for the 'exploitation effect' among a firm's activities, and described how the utilisation of company resources can influence how the firm's human and social capital changes over time. It was shown that in early strategic planning, there was a focus on 'transition behaviour' so human capital considerations were not fully present.

Kaplan & Norton's (2008) closed-loop system showed how a tight link can be forged between strategy and operations. The link between strategic planning activities and strategic initiatives was further informed by a discussion of the measures of strategic performance, and the benefit of making performance measurements throughout the strategic management process (Poister, 2003). As Bryson et al. (2011) recommended, a successful integration of strategic planning and implementation would require a careful alignment of strategic planning, operations and budgeting. It is important though, to develop a carefully planned approach to overcome the barriers to executing strategy effectively, and to link project strategy and objectives upwards with the strategic performance management framework. Thus, rather than a top-down set of initiatives, dynamic and incremental movements for market strategy renewal were advocated (Martens et al., 2011), and integration was also stressed as important, as was the recognition of all actors as strategic assets, including that of middle managers, especially for the sake of initiative based development. The link between strategic planning activities and strategic initiatives was further informed by a discussion of the measures of strategic performance. However, no study was found to have specifically linked strategic planning activities with strategic initiatives. It was therefore deemed to be important to examine this link. This research attempted to fill this gap by linking these two areas of strategic planning activities and the development and implementation of strategic initiatives through taking a practice perspective.

Overall, the strategy from a practice perspective is an important field in strategic planning, as it is concerned with revealing the activities engaged in during the strategic planning process, which may ultimately play a central role in strategy making (Regnér, 2003). The challenge of an organisation is to discover and then recognise new and innovative ways of working that can make a real strategic difference (or quickly recognise what is not working). Therefore, the purpose of this study is to shed light on the gap that links strategic planning activities and their influence on the development and implementation of strategic initiatives by adopting activity theory as its theoretical lens. Activity theory could help to cover this critical gap, which would thereby add to the existing literature as it aims to do. Activity theory allows researchers to undertake a more focused perspective on strategy planning because the emphasis is placed on the interactions that influence the activities, and which in turn have an impact on the decision making process (Canary, 2010). It also paves the way for grasping the dynamic nature of the collective action and the transformation or development of the activities throughout its duration.

In that respect, activity theory proves to be a useful framework for analysing strategic planning under the scope of activities, tools, and practitioners.

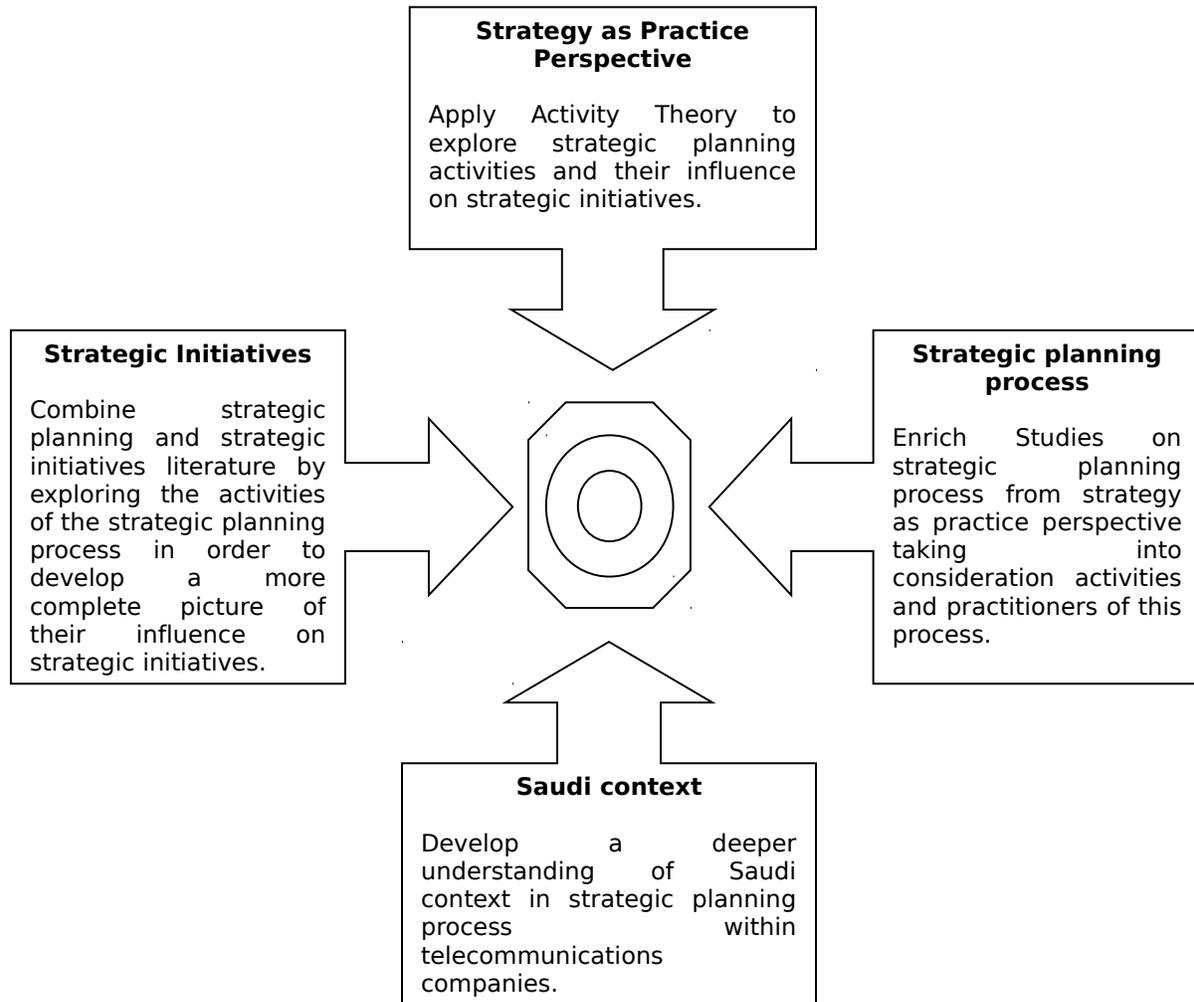
This research attempts to study the strategic planning activities through taking into consideration all of the three aspects together. It aims to study the practice aspect by studying the activities related to the strategic planning process and by going beyond studying the relation between such concepts to addressing them as being mutually constitutive. In studying the practices aspect, this research will address the tools utilised during the strategic planning process as a form of practices aspect that are used during the development and implementation of strategic initiatives. As for practitioners, this research will specifically seek to identify the practitioners involved in this process, and ascertain their roles. As mentioned earlier, the purpose of this research is to fill the identified gap in the study of the strategic planning process from a practice perspective by taking into consideration each of the three aspects and investigating the activities of the strategic planning process, tools, and the practitioners involved in the development and implementation of strategic initiatives.

Importantly, there appears to be a scarcity of research specifically on strategic planning and strategic initiatives in the Arabian Gulf region, and in Saudi Arabia in particular (AlGamdi, 2005), which this study has dealt with. Most empirical research that is related to Saudi Arabia is concerned with the tools and techniques of strategic planning. Thus, exploring a new area of research related to the strategic planning process and strategic initiatives from a practice perspective, lends this study significance and distinguishes it from other Saudi studies. For this reason, three Saudi telecommunication companies were selected for implementing the research owing to the fact that telecommunication companies provide a perfect example of the competitive environment in the kingdom, and thus the rapid developments in the practice of strategic planning activities. A further discussion on the Saudi telecommunication market, as well as the three current providers, is presented in chapter 4. Therefore, this study is expected to provide a deeper understanding of the Saudi context of relevance to the strategic planning process within telecommunication companies. For this, it is necessary to examine the impact of culture, but as this was not the central focus of this study, this dimension is discussed in more depth later in section 7.5. Prior to that, this study focuses instead on the actual link between strategic practices and strategic initiatives although cultural aspects are mentioned briefly where they were perceived to have a significant impact.

Based on the previous discussions, the following are identified as the main potential contribution areas of this study (see Figure 10 below):

- It enriches studies on strategic planning processes from strategy as practice perspective taking into consideration activities, tools, as well as the practitioners involved in such processes.
- It combines literature on strategic planning and strategic initiatives through exploring the activities engaged in during the strategic planning process in order to develop a more comprehensive picture of their influence on strategic initiatives.
- It applies activity theory to explore strategic planning activities and their influence on strategic initiatives.
- It provides a deeper understanding of the Saudi context of relevance to the strategic planning process within telecommunication companies.

Figure 10: The potential contribution areas of the research



# ***Chapter 3***

## ***Research Methodology***

### **3.1 Introduction**

This chapter aims to detail and elucidate on the research methodology which was employed during the research to achieve the study's objectives. This includes the research aim, research philosophy, details of the case method, research design, details of the procedures adopted for the data collection, the subsequent analysis, and a discussion of the reliability and validity of the methods used.

### **3.2 Research Aim**

This research focuses on the link between strategic planning activities and the development and implementation of strategic initiatives. The study aims to explore how activities engaged in during the strategic planning process influences the development and implementation of strategic initiatives in relation to the Saudi telecommunications industry. The Saudi context was chosen as it provides an example of both an unpredictable and competitive environment. In recognition of the cultural impact of Saudi society on the study's findings, these impacts are noted briefly in places where they are most significant, and a more detailed discussion of this whole cultural dimension is made later in section 7.5. In consideration of the research aim, the following main research question has been framed:

*How do strategic planning activities influence the development and implementation of strategic initiatives in Saudi telecommunication companies?*

Two secondary questions were then developed to further pursue the answer to this general question.

- What activities are engaged in during the strategic planning process, what do they involve, and how do they influence the development and implementation of strategic initiatives?
- Who are the main practitioners, and what are their roles in this process?

It is proposed that the use of an activity theory framework will help to explore the strategic planning process over time (Vygotsky, 1978; Jarzabkowski, 2003). Jarzabkowski & Balogun (2009) state that the activity theory is 'a useful framework for analysing these reciprocal strategy processes because it is fundamentally concerned with understanding dynamic processes over time'; furthermore, it is considered to be a useful methodological framework for the exploration of the internal dynamics of organisational continuity and change. This perspective also 'provides

a much more dynamic view of strategic practices and their role in organisational sense making, systemic power relationships and organisational change' (Jarzabkowski, 2003).

### **3.3 Research Philosophy**

Research philosophy is defined as the 'development of knowledge and the nature of that knowledge' (Saunders et al., 2007). Studying research philosophy benefits the research design in terms of clarifying, recognising, identifying, or even creating and adopting design. It is an essential way in which to determine how and where various methods will be adopted, and subsequently analysed and interpreted, as well as to accordingly identify feasible research designs (Easterby-Smith et al., 2002). A major goal of this research is to gather descriptive data concerning the activities of the strategic planning process, and to further research how these contribute to influencing the development and implementation of strategic initiatives. Therefore, with the aforementioned in consideration, qualitative research is considered to be a suitable way in which to study processes compared to a quantitative one (Patton, 2002). Furthermore, a qualitative research is said to be, 'any kind of research that produces outcomes not arrived at by means of statistical procedures or other means of quantification' (Strauss & Corbin, 1998). Moreover, it is used in order to produce outcomes from real-world settings where the 'phenomenon of interest unfold naturally' (Patton, 2002).

In contrast to quantitative research, which seeks 'causal determination, prediction, and generalization of outcomes', qualitative research instead seeks 'illumination, understanding, and extrapolation to similar situations' (Hoepfl, 1997). With this in mind, it is then considered that the qualitative approach is the best way to collect and analyse data, which focuses on words rather than the quantification, and addressing 'how' questions rather than 'how many' (Bryman & Bell, 2007). In the case of strategic planning studies, most research use a quantitative approach, which subsequently fails to capture the richness and complexity of firms' planning practices (Grant, 2003). Therefore, the qualitative approach was used in this research in order to describe the inside of the strategising process, and the activities for organisations (Pettigrew, 1992; Patton, 2002) that influence the development and implementation of strategic initiatives.

It is appropriate here to indicate the four research paradigms which are used for analysing social theories, namely 'radical humanist', 'radical structuralist', 'functionalist', and 'interpretive'. These four paradigms are further categorised depending on four concepts: radical change,

regulation, subjectivist, and objectivist (Burrell & Morgan, 1979). Radical humanist and radical structuralist paradigms represent a sociology of radical change. Each of them has a different standpoint. Furthermore, whereas radical humanist takes on a subjectivist concept, radical structuralist takes on an objectivist concept. On the other hand, both functionalist and interpretive paradigms represent a perspective that is firmly rooted in the sociology of regulation, but both also have different standpoints: an objective point of view is the functionalist paradigm; a subjective point of view is for the interpretive paradigm.

There are two main methodological implications: interpretivism and positivism. The former approach seeks to identify patterns of subjective understanding rather than arrive at objective truth, whereas positivism considers all variants of the truth as influenced by viewer perceptions and their understanding of the world. This latter approach relies on the scientific method and verification procedures to find true meaning or the underlying cause of some event or social pattern. Proponents of positivism thus tend to view reality as stable and observable from their objective viewpoint (Levin, 1988), and without any interference with what is being observed. There is no recourse to any particular method in preference to others, and both quantitative and qualitative techniques have the potential to help achieve positivist goals as long as they share what King et al. (1994) described as a unified logic of causal inference.

When considering the nature of this research, which seeks to understand and explain the important meanings in terms of organisational life (Saunders et al., 2007), this research adopts positivist approach because it helps to understand the activities engaged in during the strategic planning process and how to influence the development and implementation of strategic initiatives, and who are the practitioners involved in the process. This research considers in depth the extended work of Nutt (1986, 1987, 1989, 2004, 2008) where a qualitative positivist approach is used to model details within the strategy process. In fact, process analysis seeks to identify an temporal patterns existing in the activities and events. This involves checking for how events are ordered, finding out typical phase sequences, whether there are any different paths and cycles through the phases, finding out how activities and phases are interconnected, and so on. Nutt (1986, 1987, 1989, 2004, 2008) gave examples of process research based on temporal decision-making patterns that plot phases and subroutines. Detailed process data can then lead to obtaining more meaningful and more powerful explanations for researching, and this provides many advantages over narrative approaches (Miles & Huberman, 1994). The strategy of 'visual

mapping' involves representing processes using tables, diagrams, and other forms of visual display. Moreover, visual mapping permits large quantities of information to be presented within a small amount of space, and are also useful as tools for developing and verifying theoretical ideas. Such graphical representations prove especially useful for analysing process data due to the way they enable a large number of dimensions to be represented together, and the ease by which they can show elements such as precedence, parallel processes, and the flow of time.

This research thus used an inductive approach (Miles & Hubermann, 1994, Eisenhardt, 1989) as it aims to use exploration and discovery research, and also relies upon available data so as to build general patterns, which is in contrast to the deductive approach, which depends on early assumptions or hypotheses (Patton, 2002). The inductive approach is used in order to describe general conclusions based on empirical evidences (Ghuri & Gronhaug, 2002). The inductive approach is predominantly concerned with the emphasis and context of the collection of qualitative data, with which the researcher has had intensive involvement. Furthermore, it is a suitable approach when striving to understand people's ways of interpreting their social world. Notably, it is also a flexible approach, as it allows changes to be made during the research process (Saunders et al., 2007).

Although this research is inductive, the final confirmatory stage of qualitative analysis may be deductive. In fact, once patterns, themes have been established through inductive analysis, testing and affirming the appropriateness of the inductive content analysis could be deductive (Patton, 2002).

### **3.4 Case Study Research Method**

The research methods are selected according to the nature of the problem and the kind of data required for answering the research questions. During this particular research, it became necessary to make a successful selection decision amongst the different types of research designs to achieve the research purpose. The case study is the research method that was decided to be used for this qualitative research. Below, this sub-section begins with detailing the characteristics of the case study method, and then continues to discuss several main concerns about this method as used in the research.

### 3.4.1 The Characteristics of the Case Study Method

Yin (1984) suggested three conditions that could determine the type of research programme. These are: the type of research question; the degree of investigator control possible; and finally, the degree of focus on contemporary events as desired (versus historical events). Table 6 below provides an outline of the relative performance of each type of research strategy under each condition.

Table 6: Relevant situations for different research strategies

<b>Relevant situations for different research strategies</b>			
<b>Strategy</b>	<b>Form of research question</b>	<b>Requires control over behavioural events?</b>	<b>Focuses on contemporary events?</b>
Experiment	how, why	yes	yes
Survey	who what, where, how many, how much	no	yes
Archival analysis	who what, where, how many, how much	no	yes/no
History	how, why	no	no
Case study	how, why	no	yes

Source: Schell (1992)

Based on Yin's (1984) suggestion, this research poses a how question, i.e. about how strategic planning activities influence the development and implementation of strategic initiatives, and it also focuses on contemporary events of the strategic planning process without manipulating relevant behaviours. Thus, the case study was deemed to be the suitable research method for this study, and it was duly used for this qualitative research. The reason for this is that there is the need to collect more detailed data concerning how things are operated and dealt with in organisations. As such, this research needed to explore new developments and existing practices in business management literature, and accordingly to evaluate these in order to spot the gap (Saunders et al., 2007). Also, a good micro-level planning methodology should be: a) based on an assessment of the local situation, b) client sensitive and participative, c) replicable, and d) easy to institutionalise.

The case study methodology is considered to be the most suitable for studying the precise manner of this research, and for answering the 'how' and 'why' questions (Flick, 2009). It can also answer research questions, 'which require detailed understanding of social or organisational processes because of the rich data collected in context' (Hartley et al., 2004). It can be stated that the case study method is required in order to satisfy the research aim. Importantly, the case study research is considered to be a scientific tool in management research (Gummesson, 2000): 'In business studies, case study research is particularly useful when the phenomenon under investigation is difficult to study outside its natural setting, and also when the concepts and variables under study are difficult to quantify' (Ghauri & Gronhaug, 2002). The case study design is particularly appropriate to a situation where it is also impossible to separate the phenomenon variables from their context (Yin, 2003). Furthermore, a case study can be positivist or interpretative, depending upon the underlying philosophical assumptions of the researcher. Accordingly, it can involve either single or multiple cases (Yin, 2003).

### ***3.4.2 The Clarification of Main Concerns of Case Study***

In adopting the case study method, many concerns arise that are important to clarify. In this research, two concerns will be discussed - case study and theoretical conclusion, and case study and generalisation. The next section can facilitate the understanding of the case study method, and the rationality of the case study as used in this research.

#### **3.4.2.1 Case Study and Theoretical Conclusion**

This research adopted the case study method. In addition to the case study based design being able to lead to a theoretical conclusion, it can also be used as part of an exploratory, descriptive, or explanatory research design, for theory generation, and for initiating change (Yin, 1994). The rationales of the case study method can be explained in either of two ways: 'direct perception of casual relations' or by focusing on 'the role of comparative methods' (Hammersley et al., 2000). Firstly, a case study is able to provide direct insight into 'the casual processes linking inputs and outputs within a system' (Hammersley et al., 2000). The descriptions thus obtained are typically very detailed in the case study method, as it can help to discover the meanings that are attached to behaviours and to 'unravel the causes of an individual's or a group's behavior' (Connolly, 1998).

Secondly, it is easier to control and assess casual relationships between different factors by conducting a multi-case study (Hammersley et al., 2000). Two influential interpretations of comparatives exist in relation to the case study method, viz. eliminative induction and analytic induction. Eliminative induction is based on Mill's methods of agreement and difference (Mill, 1872/1973). The former (agreement method) involves examining cases in order to identify factors that frequently occur whenever an outcome occurs. The second (difference) method on the other hand, involves searching for differences between cases where some would have a single outcome but others would not. In the second type of induction, i.e. analytic induction, it is accepted that accumulation does not modify original theoretical elements; rather, that it adds explanatory factors (Hammersley et al., 2000). This research mostly involves eliminative induction, and it is therefore necessary to better understand the casual relationships between the different explanatory factors.

#### **3.4.2.2 Case Study and Generalisation**

The generalisation of information obtained from a case based study to other situations presents certain difficulties, especially where only few cases exist of the critical phenomenon studied. The ability of a research programme to generate such results that can be generalised to other cases can be tested using external validity tests. However, this criteria is seen as a significant weakness of the case-based research method. For a single case design, there is little if any, scope for generalisation. Replication on the other hand, can lead to a greater potential for producing generalised statements, as is the case in experimental processes. Thus, it is very important to ensure external validity during implementation of the research design. This can be done, for example, using replication logic in multi-case studies. In addition to that, the cross-case data analysis enhances generalisability (Miles & Huberman, 1994). As far as this research is concerned, the cross-case study method was applied in investigating all three Saudi telecommunication companies so that a generalisation could be made for the wider Saudi context, as well as for other contexts with similar characteristics.

### **3.5 Research Design**

Predominantly, the research design is concerned with addressing the research questions and problems, and ensuring answers are dealt with in an efficient way. With this in mind, it is therefore paramount that the research design selected is suitable in relation to the research

circumstances (Ghauri & Gronhaug, 2002). There are five different types of research design, which are experimental design, cross-sectional or social survey design, longitudinal design, case study design, and comparative design (Bryman & Bell, 2007). This research adopts the multi-case study approach. The next section discusses the research design with respect to multiple case studies, and country and case selection.

### ***3.5.1 Multiple Case Studies***

A case study based research can involve conducting either a single case study or a study of multiple cases. Under the former possibility, a study of a single case can form the basis of research on either a typical, critical or a deviant case. It is analogous to the experimental method in which a single experiment is conducted in that the same justifications are subscribed to. This approach is best suited for studying critical cases for testing a well formulated theory that deserves to be documented or analysed, or for a revelatory case in which a previously non-accessible phenomenon is revealed so as to be scientifically investigated (Whitworth & Cheatham, 1988). In the latter case, the revelation of the techniques is more remarkable than the manipulation as regards manipulating the data and process (Yin, 1994). A multi-case study research on the other hand, is usually undertaken for replicating the same type of scenario (i.e. typical, critical or deviant) in different settings either for comparative or contrastive purposes. This makes multi-case studies particularly useful for research that is complex or which involves numerous actors that are better addressed through conducting interviews.

It is important to clarify that single case studies are suitable if the research aim is to explore a previously under-researched subject, whereas multiple-case designs are more suitable when the research aim is based on description, theory building, or theory testing (Yin, 2003). The use of single studies is also susceptible to errors (Patton, 2002). Therefore, a multiple case study design was adopted in this study, simply because it helps to avoid any errors that may occur, and to allow outcomes to be validated.

### ***3.5.2 Selection of Country and Cases***

Now more than ever, successful organisations recognise the importance of strategic planning in relating to achieving desired business results. Companies clearly have a competitive advantage when they are in a position to be able to develop an effective strategic plan (AlGamdi, 2005).

Furthermore, although organisations are concerned with strategic planning when striving to achieve advantages for business results, there is nevertheless 'an obvious scarcity of research on strategic planning in the Arabian Gulf region, and in Saudi Arabia in particular' (AlGamdi, 2005). For this reason, three Saudi telecommunication companies are selected for implementing the research due to the aforementioned reason, and also owing to the fact that telecommunication companies represent a perfect example of a highly competitive environment, and thus rapid changes of the practice of strategic planning activities.

A brief introduction of the Kingdom of Saudi Arabia, the telecommunications industry, and background information of the three cases are provided in chapter four. In brief, there are three organisations that represent the mobile telecommunication sector in Saudi Arabia. The leading national provider of telecommunication services in the Kingdom of Saudi Arabia is Saudi Telecom Company (STC), which was incorporated in 1998, and which succeeded in reaching 20 million customers. The Etihad Etisalat Company (Mobily) from the UAE is the second largest telecom company, and is considered to be the fastest growing telecom operator in Saudi Arabia, with more than 15 million subscribers achieved since its establishment in August, 2004. Finally, MTC Saudi Arabia (Zain) of Kuwait launched itself in 2008, and quickly became the third service provider in August, 2008, succeeding in achieving around 6 million subscribers. The next chapter provides detailed background about these three telecommunication companies.

### **3.6 Data Collection**

The data for this study was collected over the course of two consecutive years - 2010 and 2011. The first period was from September to December 2010, and the second period was from June to September 2011. Furthermore, the data was also analysed during the intervening period, which helped in respect of obtaining further useful information. The research participants were also contacted via telephone or email between these two periods. A series of interviews and document analyses of the three companies being investigated were carried out. Permission was obtained for carrying out 'limited' observation within women departments in all three cases. The reason behind this 'limited' access is discussed in sections 3.6.2.1(b) and 5.4. The observation periods lasted about 19 days in STC, 15 days in Mobily, and 21 days in Zain. During the first year of the data collection, those organisations were contacted that represented the research cases in order to acquire formal written approval to conduct data collection within interviews and observation,

and also to gain access to the required documents, such as memos, strategic plans, records, and others.

### ***3.6.1 Gaining Access***

When negotiating access to the companies, third parties were sought who had had a relationship with senior managers in the strategy departments, who were then persuaded to be introduced for this research. Since Saudi society values relationships highly, it was much easier to make an impression of trust in this way. As a result of these efforts, access was obtained to the three companies, albeit in their women only departments. The reason for this restriction is that the Saudi environment and culture is very conservative. It does not permit men and women from intermingling casually or even working together in the same place.

### ***3.6.2 Data Collection Methods***

The qualitative research inherent in multi-methods and the combination of multiple methods in one study will enrich the research (Flick, 2009). One of the key criticisms of the case study research is the lack of a well defined, formalised methodology of case study research. Therefore, it is important to understand the types of research activity prescribed for a case study preparation, and the different types of approaches typically used. Different methods are employed in order to provide a real picture of an entire research, and also to avoid any bias when relying upon any single data source (Denzin, 1989). According to the aims and questions of this research, it is clear that this research needed to include both primary and secondary data.

Table 7: Summary of data sources for the three Saudi telecommunications companies

Data Sources	STC	Mobily	Zain
<b>Interviews</b>	18 semi-structured interviews with open-ended questions, 60-180 minutes each, with 1 VP, 4 GM, 3 Directors, and 1 manager (some are frequent with the same interviewee), all interviews were recorded.	15 semi-structured interviews with open-ended questions, 60-90 minutes each, with 3 GM, 3 directors, and 2 managers (some are frequent with the same interviewee), 13 interviews were recorded.	15 semi-structured interviews with open-ended questions, 60-90 minutes each, with 5 GM, 2 directors, and 1 managers (some are frequent with the same interviewee), 12 interviews were recorded.
<b>Observations</b>	- Daily activities from the staff in Women section for 19 days. - Weekly management meetings- 3 - General management meetings- 1 All employees meeting-2	- Daily activities from the staff in Women section for 15 days. -Weekly management meetings- 3 -General management meetings-2 -All employees meeting-1	- Daily activities from the staff in Women section for 21 days. Weekly management meetings-3 All employees meeting-2
<b>Documents</b>	A book- Introduction Files- Annual reports- Advertisement handouts- internal newspaper- Internal Files- Strategy Files- Quality Report from 2007-2010	The weekly meeting records from Jan 2010- Apr 2010- Annual reports for 2008 and 2009- Quality Report for 2008 and 2009- Advertisement handouts- internal reports for Strategic Planning Dept.	Annual reports for 2009- Strategy Files- advertisement handouts- internal newspaper- a book-

### 3.6.2.1 Primary Data

Primary data refers to the ‘information gained directly from the first-hand sources’ (Forcht & Cochran, 1999). In this research, three cases were explored in the research, all of which are telecommunication companies. At the same time, the differences in history, origin, and market share of the companies will be considered in order to help to make comparisons between them in order to enrich the research. Furthermore, because the strategy as a practice needs to be active concerning the inside organisational processes (Johnson et al., 2003), the primary data was collected from interviews and observations with participants of strategic planning process in the three telecommunication companies (STC, Mobily and Zain). These will be discussed below.

#### (a) Interviews

The interview is considered to be the most fundamental and important qualitative research source because it is ‘a guided conversation rather than structured queries’ (Yin, 2003). It proposes to ‘gather descriptions of the life-world of the interviewee with respect to interpretation of the meaning of the described phenomena’ (King, 2004). Moreover, the interview provides the

opportunity to deeply investigate new information, and to accordingly open up new dimensions; hence, the interviewer should concentrate the questions on the real-life experiences of the interviewee (Saunders et al., 2007).

Interviews have many different types, such as ‘structure interview, standardised interview, semi-structured interview, unstructured interview, intensive interview, qualitative interview, focused interview, focus group, group interview, oral history interview, life history interview’ (Bryman & Bell, 2007). Notably, fully-structured and unstructured interviews have some limitations: the first has the disadvantage of permitting only restricted questions and time (Cohen and Manion, 1994), whilst the second could potentially lose the focus of the topic (Masor, 1996). However, in the case of qualitative research, the more common methods used are semi-structured interviews and in-depth (unstructured) interviews (King, 2004), which require having a list of themes and questions to be covered (Saunders et al., 2007).

This research relies on conducting interviews due to several reasons. Firstly, it was intended to conduct interviews with the top level (senior managers) and middle level (professionals and managers who are engaged within strategic the planning process) in order to obtain information that will ultimately assist in answering the research questions. This method allows the interviewer to generate more questions in response to the answers and the discussions with the interviewees, and will further enable ‘a wide range of instances’ to be covered (Bryman & Bell, 2007). Secondly, it is important to recognise that managers tend to opt for interviews rather than filling in questionnaires simply because most of them prefer to know how their feedback will be used in relation to the research (King, 2004). Thirdly, semi-structured, open-ended questions were adopted in order to explore the research questions. Semi-structured questions helped to cover all parts of the actions that to be explored during the practices of strategic planning. Moreover, open-ended questions allow the interviewee to describe or define a situation or event (Saunders et al., 2007); in general, the interview questions may vary according to the interviewee’s background, position, or organisational context, taking into consideration the research questions.

Forty-eight interviews were conducted during this study, and all of them were conducted personally due to the complexity of the task. A more detailed description may be found in Table 8. The long interviews lasted from 60 to 90 minutes (though some were about 180 minutes).

Forty-three interviews were recorded, and two interviews had to be conducted without being able to be recorded due to power problems. In addition, three interviews had to be done with pen and paper as the interviewees refused to have the interview recorded. These interviews were followed by providing detailed interview summaries. They were written up within 24 hours of finishing the interviews, as recommended by Eisenhardt (1989). It was found that the interviewees who refused to record did not feel confident and secure when talking about revealing new services especially when concerning the competitive environment.

Before commencing each interview, the purpose of the research was explained, confidentiality was assured, and permission was requested to record the interview by using electronic equipment. By recording the interview, the focus was more on the questions and answers that enabled the interview to be fully focused upon, and the interview was listed to repeatedly at a later stage in order to obtain direct quotations (Patton, 2002; Saunders et al., 2007). However, the interviewee was granted the right to switch off the equipment at any time during the interview. The interview questions are shown in Appendix A1, which were not asked respectively to all interviewees as some questions were found to be general and repeated.

**List of interviews conducted at the Saudi telecommunications companies**

Table 8: List of interviews conducted at the three Saudi telecommunications companies

<b>STC (Saudi Telecom Company)</b>		
<b>Interviewees</b>	<b>Position</b>	<b>Interviews</b>
A	VP, Corporate Strategy Sector	1
B	GM, Strategy Management Department	3
C	Director, Marketing Department	1
D	Director, Strategic Planning Department	4
E	Director, Program & Performance Management Department	3
F	GM, Strategic Planning Department	2
G	GM- Strategy Management Sector	2
H	GM- Strategy Management Sector	1
I	Manager- Strategy Management Sector	1
Total number of interviews		18 interviews
<b>Mobily Company (Etihad Etisalat)</b>		
<b>Interviewees</b>	<b>Position</b>	<b>Interviews</b>
A	Director, HR Department	1
B	Director, Strategy Planning Department	3
C	GM, Sales Department	1
D	Director, Public Relations Department	3
E	GM- Strategy Planning Department	2
F	GM- Strategy Planning Department	3
G	Manager- Strategy Planning Department	1
H	Manager- Strategy Planning Department	1
Total number of interviews		15 interviews
<b>Zain Company</b>		
<b>Interviewee Name</b>	<b>Position</b>	
A	GM, Corporate Communications Department	2
B	Director, Strategic and Development Department	1
C	GM, Strategic and Development Department	4
D	GM, Strategic Partnership Department	2
E	GM, Strategic Planning	3
F	GM, Sales & Marketing department	1
G	Director, HR Department.	1
H	Manager- Strategic and Development Department	1
Total number of interviews		15 interviews

### (b) Observations

Observations form the second source for gathering data in qualitative research. Other people's behaviours and actions were closely watched and listed to in order to learn, analyse, and interpret what people do during the strategic planning activities and how these influence strategic initiatives (Ghauri & Gronhaug, 2002). Participation enabled the data to be gathered in the original social settings for a period of time, and to ask questions and gain insight into the culture and the social group from their conversations. In this way, the actions of the actors were able to be observed and analysed directly (Patton, 2002; Robson, 2002). The main advantage of

observation is that it allows collection of information, which could not be collected by questionnaires and interviews so as to enable more accurate interpretation and understanding (Ghuri & Gronhaug, 2002). However, a choice has to be made concerning how to make the observations. There are four ways of observing: complete participant, complete observer, observer as participant, and participant as observer (Gill & Johnson, 2002). The first two roles require hiding the researcher's identity in contrast with the other two, which require revealing the researcher's identity. However, because of the ethical issues involved, it is difficult for the researchers to observe without revealing his/her identity. Observations were made by relying upon an observation guide, which is attached in Appendix A3.

In this research, observation is an appropriate method. However, since Saudi Arabia was the country for the case selection, there are separated sections for both men and women employees although they may have mixed meetings and workshops. This restriction did not allow any observations to be made within the men only sections in any of the three companies. These observations were therefore limited to attending meetings, workshops, or making interviewees, or by attending in the women only sections. Observation data for this research collected during the two periods when conducting the empirical work. Permission was obtained to observe on-site in the women only sections in all of the three companies (i.e. STC, Mobily, and Zain), which contain special women sections.

While the interviews were conducted, observations were also made, both in person and at the same time, as a participant observer. When involved as an observer as a participant, this permitted focussing intensively on the role without participating and to act as a spectator (Patton, 2002). Acting as a participant observer is the more common role, which allows a complete observation to be made (Easterby-Smith et al., 2002). This role allows for engagement in the research environment, and accordingly to ask questions in order to gain deeper clarification concerning the relevant social actors. This method is also suitable for a case study research in terms of solving questions that are related to human behaviours (Jorgensen, 1989).

It was attempted to build strong relationships with women employees and to participate in off-the-job activities during break time, such as chatting with them, and having lunch together. These activities helped to develop trust based relationships with the women employees. In, this way, they were prepared to talk more openly in the interviews, or even to ease the connection

with the men employees by making appointments for interviews, or by attending meetings. This strategy proved to be successful. The next table shows the observation periods for the three cases.

Table 9: Observation periods for the three cases

The companies	Observation period		
	From	To	
STC	25- 10-2010	14-11-2010	19 days
Mobily	27-11-2010	15-12-210	15 days
Zain	09-07-2011	07-08-2011	21 days

During the observation period, the researcher behaved just as any other company staff. At STC, an opportunity was availed to observe the daily activities of the staff in the strategic planning department (within the women only section). However, the observation at Mobily and Zain were within different management departments in their women only sections, which helped to explore the business environments and the social relations between women employees. In fact, observation at STC helped to focus on the activities of the strategic planning practices, and the actors involved. It also helped to investigate the staff reactions and the way in which these activities influence the development and implementation of strategic initiatives. In addition, relaxed talks were held with the staff of the strategic department, which helped to develop a deeper understanding of the daily activities of the strategic planning process that influence the development and implementation of strategic initiatives.

Table 10 below provides an example of the list of observation at Mobily. Observations were made for 15 days and six meetings were attended. Three directors showed up and discussed strategic issues in 5 meetings. Strategy managers attended three meetings. In addition, several informal talks were held with strategy managers, which helped to understand some strategic daily activities.

Table 10: List of observations for Mobily Company

Mobily	
Date	Observation Event
Weekly Meeting	30-11-2010
	07-12-2010
	14-12-2010
General meeting of strategy department and other department	28-11-2010
	05-12-2010
All employees meeting	01-12-2010

An observation diary was used to take notes during the observations, which helped to determine the date, time, actors, activities, or actions. An example of an observation diary is attached in Appendix D1, and the actual observation questions are attached in Appendix A2.

### ***(c) Secondary Data***

Secondary data is 'information that has been gathered by someone other than the researcher and/or for some other purposes other than the project at hand' (Schmidt & Hollensen, 2006). This data was collected from books and electronic journals relating to the literature, annual reports, any written documents with regard to the company's strategic planning and strategic initiatives, also newspaper articles, minutes of meetings, etc. All these sources provide an insight into the research questions. However, the researcher must ensure this data is reliable and related to both the objectives and the aim of the research (Cassell et al., 2006).

In addition, the secondary data could be divided into two types: internal information, and external information (Saunders et al., 2007). Internal secondary data refers to the 'in-house information' of a company, which contains information about the private information concerning case studies, and so the researcher must obtain permission from the companies in order to subsequently obtain this information. On the other hand, external data constitutes the information that is to be collected from different available sources (Schmidt & Hollensen, 2006). External secondary data include electronic and printed information; electronic secondary data includes online trade magazines/journals, digital books, newspapers, university databases information, the websites of competitors, printed data, such as purchase panels, web-traffic monitoring, store audits, etc. (Saunders et al., 2007).

The data for this study was gathered from published materials and different sources, such as academic articles (Saunders et al., 2007), archived records of companies (Yin, 2003), dissertations, conferences and symposiums proceeding, books, development plans, reports, records, official memos, and strategy files. The data thus provided a deep background concerning activities of the strategic planning process, as well as of the organisations, and it also helped to develop questions for the interviews.

Certain documents were collected from contacts in STC, Mobily, and Zain before starting the fieldwork. This helped to get some background information about the three companies. It also

helped to find the right interviewees at the first stage of the fieldwork and to prepare the interview questions. During the fieldwork, more documents were collected and studied in order to generate and explore the activities of strategic planning that influence the development and implementation of strategic initiatives. Although some documents did not necessarily include details of specific activities relating to the strategic planning process, it could potentially help to identify the important and frequent activities of strategic planning that may be influential in the implementation of strategic initiatives. A list of documents was written for each company, an example of which can be found in the next table.

### List of documents - STC Company

Table 11: List of documents obtained from STC Company

Type	Documents
Book	The Development of STC from a public to a private company
Introduction Files	<ul style="list-style-type: none"> <li>• . STC's Introduction</li> <li>• STC Success Journey from <b>Privatisation</b> to Excellence</li> </ul>
Annual reports	Financial performance for 2009- 2008- 2007
Advertisement	Services and offers in 2010
Newspaper	STC' internal newspaper.
Internal Files	<ul style="list-style-type: none"> <li>• Structure of STC group, and STC Saudi company</li> <li>• Structure of Strategy management department</li> </ul>
Strategy Files	<ul style="list-style-type: none"> <li>• STC's Strategy Development Plan</li> <li>• Overview of Business planning process</li> </ul>
Web Files	STC Quality Report for different quarters from 2007-2010

### 3.7 Data Analysis

This research adopted the approach and method of Miles & Huberman (1994) when analysing data. It found this approach to be very practical and beneficial to use in both on-field and off-field data analysis processes. Miles & Huberman (1994) suggested to use an interactive model of qualitative data analysis, which consists of four activities, viz. data reduction, data display, conclusion drawing/verification, and comparison with theory. In order to apply this model during the qualitative data analysis, four tools or instruments were employed while still in the field, namely contact summary sheet, document summary form, coding, and memo. Then, after finishing collection of the data, the data was re-examined, coding was continued, descriptive data was presented, networks were produced for the cases, and the three case were then compared. This process is discussed in detail below. For the purpose of analysis, the central

focus of the study is on the impact of strategic practices on strategic initiatives, and the cultural dimension is discussed in detail instead in section 7.5.

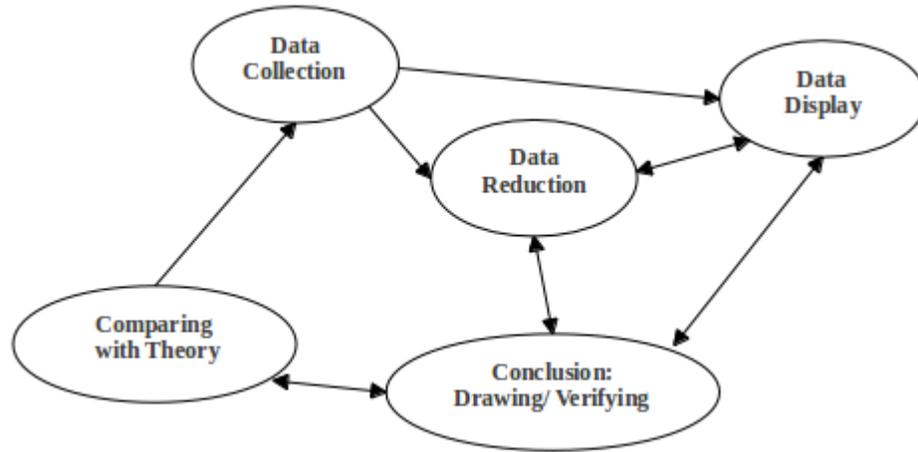
### ***3.7.1 The Interactive Model of Qualitative Data Analysis***

Miles & Huberman (1994) introduced an identical view that confirms knowledge is a historical and social product that enhances with theory in order to ‘affirm the existence and importance of subjective, the phenomenological, the meaning-making at the centre of social life’ (Miles & Huberman, 1994). This view minimises the possibility of any conflict from appearing between the adopted research philosophy, and methods used in the research. This view comprises of three activities, viz. data reduction, data display, and conclusion drawing/verification. Balogun (2006) developed and added a fourth component for the interactive model, which is comparison with theory. These four components are detailed as under.

- **Data reduction:** This is a process to select, focus, simplify, abstract, and transform the data in field notes or transcriptions (Miles & Huberman, 1994). This process will continue to occur throughout the whole life of the research, helping to reduce and manage the voluminous amount of data.
- **Data display:** This refers to the information organised and assembled in order to draw conclusions and actions, and can include charts and graphs (Miles & Huberman, 1994). There are two ways of displaying data: matrices and networks. Matrices is the process when data is entered into a table, and networks is a combinations of nodes or boxes which are linked by lines or arrows to indicate relationship (Saunders et al., 2007). Using these two methods provides the ability to analyse the data easily, and accordingly to identify the relationships between the data in order to draw conclusion (Saunders et al., 2007).
- **Conclusion drawing/ Verification:** This is a process when conclusions are drawn and verified within data collection and data analysis processes, and then tested for validity (Miles & Huberman, 1994).
- **Comparison with theory:** The researcher in this process compares the drawn/verified conclusions with current theories in order to define a contribution and to further to evoke a theoretical discussion.

These four components are formulated so as to produce the interactive model that was adopted in this research, which is shown in the figure below.

Figure 11: Interactive model of data analysis



It was thus important to compare the conclusions drawn and to have them verified with the current theory with respect to the characteristics of strategic planning (Grant, 2003), and then to define the contribution and the further theoretical discussion in order to depict the features of the strategic planning activities, and to illustrate how these influence the development and implementation of strategic initiatives in Saudi telecommunication companies, as well as with who are the practitioners and their roles in this process.

### ***3.7.2 Research Instruments Used for Field Data Analysis***

Four different methods were employed by which the data was analysed. These are: contact summary sheet, a documentary summary form, coding, and memo. Interview transcripts were relied upon, as well as observation diaries, and documents were collected to start the data analysis process.

#### **3.7.2.1 Contact Summary Sheet**

It was necessary to develop contact summary sheets both before and after writing up transcripts or notes. During the process of data collection, the summary sheet was written on directly after finishing the interviews and observations based on the fresh memory of the interviewer. This sheet was developed to help to summarise the important points and vital data from the interviews and observations and minimise the loss of any interesting information; it can also help to plan for the next contact (Miles & Huberman, 1994). In total, 48 contact summary sheets were written up during the field research process, which helped to concentrate more on important data and avoid

any loss of it. Table 67 in Appendix D2 provides an example of a contact summary sheet.

### 3.7.2.2 Documentary Summary Form

This instrument was used to analyse data and summarise the information obtained from collected documents. It was necessary to write on this form after collecting any document, report or brochure during the field research process. This sheet further provided the important points of the document. It was also used for increasing the reliability of the data collected, and for cross-referencing when analysing data from the different sources. An example of this form can be seen in Table 68 in Appendix D3.

### 3.7.2.3 Memo

This study used many memos along with contact summary sheets and documentary summary forms. A ‘memo’ can be defined as ‘one of the most useful and powerful sense-making tools at hand’ (Miles & Huberman, 1994), and it is used to note any new ideas during the data analysis process. Although memos are usually written as only a few words or paragraphs, this does not eliminate its importance as a powerful tool to facilitate data analysis. Memos helped to understand many issues during the data collection process. The next table (Table 12) shows an example of a memo.

Table 12: STC memo

Memo
<b>Date:</b> 20-10-2010 <b>Site:</b> STC <b>Theme:</b> Strategic Administration Activities
Some activities of strategic process are frequent, but also are considered as a routine administration works. The contents of these activities are different from a year to another. In general, the plan changes each three months because of the competition, so the planning activities also change to consolidate with the new plan. Most of STC plans focus on new technologies taking into accounts the financial statements and budgets issues.

### 3.7.2.4 Coding

During the data collection process, coding was used for ‘assigning units of meaning to the descriptive or inferential information compiled during a study’ (Miles & Huberman, 1994). It is a good device for organising information and subsequently supporting analysis. Coding should be

carried out during the collection of data — not at the end of gathering data. Such coding will be revised or deleted after data collection.

Before commencing the field work, an initial list of codes was created (see Table 13). These codes were based on the conceptual framework developed from the literature review as well as a list of research questions. During the data collection proceeding, the data was collected, guided, and organised in the initial list of codes. However, an eye was kept on all new and interesting information as the field experience continued. These descriptive codes were used in contact summary sheets, documentary summary forms, and memos in order to categorise information.

Table 13: The initial list of codes

Short Descriptions	Codes	Research Questions
Strategy property	ST	1, 2
Strategy Policy	ST-POL	1, 2
Strategy Vision	ST-VIS	1, 2
Strategy Mission	ST-MIS	1, 2
Strategy Objective (Value)	ST-OBJ	1, 2
Strategy Process	ST-PRO	1, 2
strategic planning	SPL	1, 2
Strategic Planning Practice	SPL-PRAC	1, 2
Strategic Planning Activities	SPL-ACT	1, 2
Business Plan	BUS-PLAN	1, 2
Corporate Plan	COR-PLAN	1, 2
Strategic Planning Modules	SPL-MOD	1, 2
Strategic Planning Technique	SPL-TECH	1, 2
The Development Of Strategic Planning	SPL-DEV	1, 2
The Implementation Of Strategic Planning	SPL-IMP	1, 2
Influence of Strategic Planning/External	SPL-INF-EXT	1, 2
Influence Of Strategic Planning/External/ Competition	SPL-INF-EXT-COMP	1, 2
Influence Of Strategic Planning/External/ Rules	SPL-INF-EXT-RULE	1, 2
Influence Of Strategic Planning/ Internal	SPL-INF-INT	1, 2
Influence Of Strategic Planning/ Internal/ Actor	SPL-INF-INT-ACT	1, 2
Influence Of Strategic Planning/ Internal/ Innovation	SPL-INF-INT-INN	1, 2
Influence Of Strategic Planning/ Internal/Culture	SPL-INF-INT-CULT	1, 2
Influence Of Strategic Planning/ Internal/ Motive	SPL-INF-INT-MOT	1, 2
Influence Of Strategic Planning/ Internal/History	SPL-INF-INT-HIST	1, 2
Influence Of Strategic Planning/ Internal/ Organisational	SPL-INF-INT-OR/PRO	1, 2
Procedures		
Influence Of Strategic Planning/ Internal/ Centrality	SPL-INF-INT-CENT	1, 2
Influence Of Strategic Planning/ Internal/ Hierarchical	SPL-INF-INT-HI/STR	1, 2
Structure		
Influence Of Strategic Planning/ Internal/ Tools	SPL-INF-INT-TOOL	1, 2
strategic initiatives	SI	2
Strategic Initiatives/ Initiating	SI-INIT	2
Strategic Initiatives/ Developing	SI-DEV	2
Strategic Initiatives/ Implementing	SI-IMP	2
Strategic Initiatives/ Variation	SI-VAR	2
Strategic Initiatives/ Selection	SI-SEL	2
Strategic Initiatives/ Selection/ Objective	SI-SEL-OBJ	2
Strategic Initiatives/ Selection/ Administrative Systems/ Formal Structure	SI-S-ADM/S-FORM	2
Strategic Initiatives/ Selection/ Administrative Systems/ Organisational Routines	SI-ADM/S-ORG/ROUT	2
Strategic Initiatives/ Retention	SI/RET	2

### 3.7.3 Data Analysis after Data Collection

#### 3.7.3.1 Re-examination of the Data

Data analysis began with a thorough examination of the data collected after leaving the field. It

includes interviews transcripts and notes, observation diaries, collected documents, contact summary sheets, document summary forms and memos. At this stage, it was highly important to ensure that all important interviews records left were also converted into transcriptions. Important data were still missing although they was highlighted or categorised in the early field data analysis. This re-examination of the data aimed to minimise the amount of missing data as well as to prepare for the later data analysis. This way proved to be successful, and the file folder of completed data collected was created.

### 3.7.3.2 Coding

The coding process continued along with a re-examination of the data collected. Coding was applied line by line to interviews transcripts and notes, observation diaries, and collected documents. Codes were made as detailed as possible, so a great number of sub-categories with appropriate codes were developed based on the conceptual framework and a list of research questions (Miles & Huberman, 1994). Finally, the complete list of codes (Table 14) was developed, which contains 108 Codes.

Table 14: The final list of codes

Short Descriptions	Codes	Research Questions
<b>Strategy:</b>	<b>ST</b>	1
Strategy Policy	ST-POL	1
Strategy Objective	ST-OBJ	1
Strategy Process	ST- PRO	1
<b>Strategic Planning:</b>	<b>SPL</b>	1
Strategic Planning Process	SPL-PROC	1
Strategic Planning Activities	SPL-ACT	1
Business Plan	BUS-PLAN	1
Corporate Plan	COR-PLAN	1
Strategic Planning Tools	SPL-Tool	1
The Development Of Strategic Planning	SPL-DEV	1
The Implementation Of Strategic Planning	SPL-IMP	1
<b>Phases of Strategic planning process</b>	<b>SPL-PHAS</b>	1
Developing and Planning Phase	SPL-PHAS-DEV	1
Execution and Performance Phase	SPL-PHAS- EXE	1
<b>Activities of Strategic Planning Process at STC</b>	<b>SPL-ACT/STC</b>	1
Business Analysis Activity	bus-ana	1
Corporate Strategy Development	cor-dev	1
Corporate Strategy Cascading	cor-cas	1
Business Plan Development	bus-dev	1
Budgetary and Manpower Requirements Development	bud-dev	1
Program Management	pro-man	1
Performance Management	per-man	1
<b>Activities of Strategic Planning Process at Mobily</b>	<b>SPL-ACT/MOB</b>	1

Business Analysis	bus-ana	1
Generating Strategies	gen-str	1
Developing the Action Plans	dev-act	1
Conducting Cost-Benefit analysis	cost-ana	1
Monitoring Management	mon-man	1
Evaluation Management	eva-man	1
<b>Activities of Strategic Planning Process at Zain</b>	<b>SPL-ACT/Zain</b>	1
Environmental Scanning	env-sca	1
Developing Business Strategies	dev-bus	1
Strategy Execution Plans	exe-plan	1
Establish Resource Allocation	res-allo	1
Execution and Performance	exe-per	1
<b>Influence of Strategic Planning Activities</b>	<b>SPL-INF</b>	1
Influence of Strategic Planning Activities/ Indirect	SPL-INF-IND	1
Influence of Strategic Planning Activities/ Direct	SPL-INF-DIR	1
Influence of Strategic Planning Activities/ Direct/ Initiation	SPL-INF-DIR-INI	1
Influence of Strategic Planning Activities/ Direct/ Development	SPL-INF-DIR-DEV	1
Influence of Strategic Planning Activities/ Direct/ Implementation	SPL-INF-DIR-IMP	1
<b>Contradiction</b>	<b>CON</b>	1
Contradiction in Initiation Stage	CON-INIT	1
Contradiction in Development Stage	CON-DEV	1
Contradiction in Implementation Stage	CON-IMP	1
Primary Contradiction	CON-PRI	1
Secondary Contradiction	CON-SEC	1
Factors Causes Contradictions	CON-FAC	1
Previous Contradictions	CON-FAC-PRE	1
Unresolved Contradictions	CON-FAC-UNRE	1
Changing Initiatives	CON-FAC-CHANGE	1
Delaying Preparation of Budgets Subjects	CON-FAC-DELAY	1
Object	CON-FAC-OBJ	1
Tools	CON-FAC-TOOL	1, 2
Subjects	CON-FAC-SUB	1, 2
Division of labour	CON-FAC-DIV	1, 2
Outcome	CON-FAC-OUT	1, 2
Training Sessions	CON-FAC-TRAIN	1, 2
Numbers of Employees	CON-FAC-NO	1, 2
Strategic Experts	CON-FAC-EXP	1, 2
<b>Strategic Initiatives</b>	<b>SI</b>	1
<b>Strategic Initiatives/ Initiation</b>	<b>SI-INIT</b>	1
Cascading Strategies	SI-INIT- CAS-STR	1
Detailing Business Forecast	SI-INIT-DET-BUS	1
Identifying Responsible Sectors	SI-INIT-IDEN-RES	1
Developing Requirements	SI-INIT-DEV-REQ	1
<b>Strategic Initiatives/ Development</b>	<b>SI- DEV</b>	1
Preparing Budgets and Manpower requirement	SI-DEV-PRE-BUD	1
Presenting to the Board	SI-DEV-PRE-Board	1
<b>Strategic Initiatives/ Implementation</b>	<b>SI-IMP</b>	1
<b>Strategic initiatives/ Implementation/ Performance</b>	<b>SI-IMP-PER</b>	1
Assigning the Responsible Subjects	SI.IMP-PER-Assign	1
Getting Approval	SI-IMP-PER-APPR	1
Managing Execution	SI-IMP-PER-EXC	1
<b>Strategic Initiatives/ Implementation/ Monitoring and Evaluation</b>	<b>SI-IMP-EVA</b>	1
Confirming KPIs Targets	SI.IMP.EVA-KPI	1

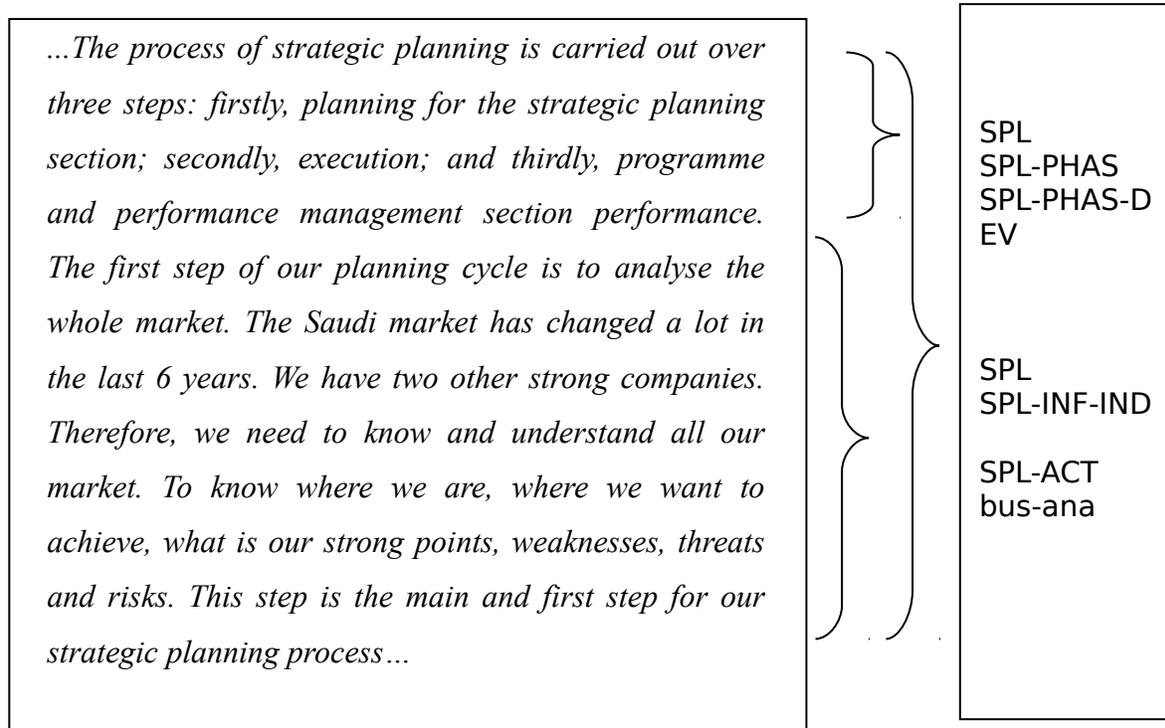
Producing Reports	SI.IMP.EVA-REP	1
Correcting Actions	SI.IMP.EVA.ACT	
<b>Tools</b>	<b>TOOLS</b>	1, 2
TOOLS in Initiation Stage	TOOLS-INIT	1, 2
Tools in Development Stage	TOOLS-DEV	1, 2
Tools in Implementation Stage	TOOLS-IMP	1, 2
SWOT Analysis	TOOLS-SWOT	1, 2
Scenario Analysis	TOOLS-SCNR	1, 2
Dashboard Reports	TOOLS-DASH	1, 2
Execution Plans	TOOLS-EXEC-PLAN	1, 2
Monthly Timelines/ Monthly Forecasts	TOOLS-MON	1, 2
Budgetary Requirements	TOOLS-BUD	1, 2
Revising Business Plans	TOOLS-REV-BUS	1, 2
Presentations	TOOLS-PRES	1, 2
Templates	TOOLS-TEM	1, 2
KPI Targets	TOOLS-KPI	1, 2
Execution Reports	TOOLS-EXEC-REP	1, 2
<b>Practitioners</b>	<b>PRAC</b>	2
Practitioners in Initiation Stage	PRAC-INIT	2
Practitioners in Implementation Stage	PRAC-DEV	2
Practitioners in Development Stage	PRAC-IMP	2
The president	PRAC-PRS	2
The Board of Directors	PRAC-BOARD	2
VPs for Sectors	PRAC-VP-SEC	2
VP of Finance	PRAC-VP-F	2
VP of Human Resource	PRAC-VP-HR	2
Strategic Planning Group	PRAC-SPL-TEAM	2
Strategy Department	PRAC-STR-DEP	2
Performance Department	PRAC-PER-DEP	2
On sector level	PRAC-ONSEC	2
GMs of Sectors	PRAC-GMSEC	2

Three types of codes were used during the data analysis process, namely descriptive codes, interpretive codes, and pattern codes. In the earlier stage of data analysis, the descriptive codes were used to ‘attribute a class of phenomena to a segment of text’ (Miles & Huberman, 1994). With the analysis moving on, more interpretive codes were able to be used as more became known about each of the cases. Following that, pattern codes became clearer and were used to illustrate them in field notes. The pattern codes are more inferential and explanatory than the other two types of codes. In fact, these codes were employed in different levels and at different times during the data analysis process. In order to make meaning from all the data collected, the field materials were read repeatedly. To decide when coding was to be over, Lincoln & Guba’s (1985) suggestion was followed in that coding was regarded as over when the analysis itself appeared to have run its own course.

During the process of coding, many reflective and marginal remarks were used. An example (Figure 12) to illustrate the coding process is presented. It was cut from the transcripts – file 1-

STC-2 ( the second interview with informant A in the case of STC). The interviews were originally done in Arabic, as it is the actual language used in the business environment. Since the plan was to use N-Vivo software for analysing the data, all interview transcripts were translated day by day into English in order to avoid missing meanings and to understand the field data in its original context. This was due to the difficulties that may have been faced if using Arabic in N-Vivo software. Thus, all field data was analysed in English, and the codes used were all in English. The presentation of the field data was also in English.

Figure 12: An example of the coding process



After the paragraph was read carefully for the first time, descriptive codes - SPL and SPL-ACT were used to summarise the information in the paragraph. The first code represents the strategic planning process in STC and the second code represents one activity of the strategic planning process at STC, which was ‘analyse the market’. Both of the two codes were used as general descriptive codes for all cases. The coding at this stage was straightforward.

As more knowledge was obtained about the cases of STC, Mobily, and Zain, more interpretive and patterns codes emerged from the same paragraph. When coding proceeded, the paragraph

was re-examined in order to extract good meaning from it. Four more codes were used during this re-examination process. These codes are: bus-ana, SPL-PHAS, SPL-PHAS-DEV, and SPL-INF-IND. The first code (bus-ana) represented the first activity of the strategic planning process in STC, which is 'business analysis activity'. This code interprets the first activity that is concerned with analysing the market to scan strengths, weaknesses, threats, and risk points for the STC Company. As a result of completing the analysis of data for all transcripts, the similarities in conducting the strategic planning process in the three companies were identified. All three companies implement strategic planning process on two phases: development and planning phase, and execution and performance phase. Thus, the code (SPL-PHAS) is a pattern code, which represented the first phase of the strategic planning process, and this first activity here represented a development phase of the planning process, so the pattern code (SPL-PHAS-DEV) was also employed. With the analysis moving on, the investigated data assisted to identify those specific activities that influence the development and implementation of strategic initiatives. They were divided into two main types: indirectly influential activities, and directly influential activities. Therefore, the code (SPL-INF-IND) is a pattern code, which was employed here to clarify that the first activity of the planning process at STC influences the development and implementation of strategic initiatives indirectly.

### **3.7.3.3 Cross-Case Data Analysis**

This research adopted within-case and cross-case data analysis strategies during two phases. The first phase adopted was a within-case data analysis (chapter 5) so as to study each case study in depth. This strategy helped to develop an in-depth explanation and details of the activities pertaining to the strategic planning process in each of the three cases. As multiple case studies help to strengthen the outcomes developed through the examination of similarities and differences across cases, the second phase adopted across cases was that of case-oriented strategies (Miles & Huberman, 1994; Yin, 1994). This strategy enhances the outcomes of one case to be used to predict those of other cases (as done in chapter 5), and then to look for themes that cut across cases (as done in chapter 6). This approach relies on framing types or families that share certain configurations (which in this research are activities of the strategic planning process) by using the activity theory framework (for which more details are provided in chapter 5). The outcomes of the first case (STC) helped to predict the activities engaged in during the

strategic planning process in the other two cases (Mobily and Zain) based on the available data and confirmed by the strategic planning departments in these two companies (Appendix C). Case-oriented strategies helped to examine contradictions, synthesise interpretations, and build general interpretations of different cases. It is also used to look for themes that cut across cases. In fact, pattern coding has an important function in surfacing common themes that are produced across cases. It helps to identify three themes within the activities of the strategic planning process that influence the development and implementation of strategic initiatives. These themes are: initiation, development, and implementation. After that, meta-matrices were used as devised by Eisenhardt (1989) for condensing, and permitting systematic comparison across cases (see chapter 6 for more details).

#### **3.7.3.4 Data Display**

Data display is ‘a visual format that represents information systematically, so the user can draw valid conclusions and take needed actions’ (Miles & Huberman, 1994). There are two ways of displaying data: matrices and networks. Matrices are used in a way such that the process whereby data is entered into a table and networks is a combination of nodes or boxes that are linked by lines or arrows to indicate relationships (Saunders et al., 2007). Using these two methods helped in ‘permitting a viewing of a full data set in the same location, and are arranged systematically to answer the research questions at hand’ (Miles & Huberman, 1994). These two methods were employed in this research. They also provided the capability to analyse the data easily, and accordingly to identify the relationships between the data in order to draw conclusions (Saunders et al., 2007).

Firstly, in order to answer the first question about the activities of the strategic planning process in the Saudi telecommunications companies, the data was displayed by using Event-State networks for each of the three cases (see Figure 21, Figure 47 and Figure 56 respectively in chapter five). This is a display format of time-ordered displays that are utilised for presenting qualitative data (Miles & Hubermann, 1994). It helped in identifying and categorising the phases and activities engaged in during the strategic planning process for the three cases (see chapter 5). In addition, the networks were also designed to identify the direct and indirect influences involved in the strategic planning activities on the development and implementation of strategic initiatives. It also helped to clarify how such strategic planning activities influence the

development and implementation of strategic initiatives by identifying the three stages of strategic initiatives and drawing connections and contradictions in such an activity and between the activities (see chapter 6).

Matrices were also developed for making it easier to answer the research questions. For example, in within-case analysis, each matrix was tailored for revealing the details of each activities, or the subjects who responsible for the activity (see chapter 5). However, during cross-case data analysis, many matrices were developed to illustrate the similarities and differences of activities, and tools and practitioners of strategic planning among cases, and under the three founded themes of initiation, development and implementation of strategic initiatives (see chapter 6).

As per the analysis conducted during the within-case and across-case analyses, it was attempted to extract, condense, and to summarise all the data, and then fill in the cells efficiently, as appropriate. While the matrices were being designed, certain ideas and information input for the cells had already been developed. At this stage therefore, the task was mostly focused on extracting relevant data, condensing it to make it easier to process, and summarising it. In so doing, the most relative and most condensed standards were followed so as not to cause any misunderstanding. In other words, the analysis involved a data reduction process. Furthermore, data input standards were also adhered to throughout the research from the outset.

### ***3.7.4 The Use of NVivo8 Software***

Using QSR software was seen as important and helpful for the research as well as for the researcher. Thus, seminars were attended and training was undertaken so as to be better acquainted with the different kinds of QSR software. Based on that, NVivo software was found to be the most useful for assisting in the data analysis process due to its potential and dominant position in the area, and its easy-to-use character. From the beginning of the data collection process, difficulty was encountered in using Arabic in the NVivo software. Therefore, the interview transcripts were translated into English on the same day (or on the day after at most) of making each interview. All interview transcripts were translated into English in order to avoid missing any meanings and to understand the field data in the original context. This means that all interview notes, memos, and other materials were prepared in English. Thus, all field data was in English, and the codes used were in English. The presentation of field data was also in English. Using this computer software was a simple way to code, record, and retrieve data, as described

by Saunders et al., (2007). It helped to save time in such grouping and organising of the data. It also helped to establish relationships and links between the collected data, and to store and retrieve important references.

### **3.8 Reliability and Validity in Qualitative Research**

In the context of qualitative studies, the concept of quality stems from considerations centred on reliability and validity in the quantitative tradition, which, as highlighted by Seale (1999), requires replacing new terms for other words, such as reliability and validity, so as to reflect qualitative conceptions.

In the view of Patton (2002), reliability and validity are two elements any qualitative research should consider during the design phase of a research, analysing outcomes and assessing the research's overall quality. This parallels the question concerning the way in which a researcher can persuade their audience that study results are valuable and therefore worth taking into account (Lincoln & Guba, 1985). In response to this query, Healy & Perry (2000) highlight that a research's quality should, in each individual framework, be assessed by the terms of its framework. For instance, although reliability and validity are both concepts recognised as being fundamental criterion in terms of quality in the case of both qualitative and quantitative paradigms, the terms Credibility, Confirmability (or Neutrality), Consistency, Dependability and Applicability (or Transferability) are recognised as being the fundamental stipulations for quality (Lincoln & Guba, 1985). In order to be more precise in regard to the concept of reliability in qualitative studies, Lincoln & Guba (1985) use the term 'dependability' in a qualitative study, which notably has strong links with 'reliability' in the context of quantitative studies. Moreover, the scholars further highlight 'inquiry audit' as being one tool potentially able to improve the dependability aspect of qualitative studies'. This may be utilised to analyse both the product and process of the study in terms of consistency (Hoepfl, 1997). In this same vein, Clont (1992) and Seale (1999) further support the belief that dependability, as a concept, is strongly linked with reliability in qualitative studies. Importantly, data consistency is achieved, for example, when the stages of the study are confirmed through the analysis of raw data, process notes, and reduction products (Campbell, 1997).

Moreover, in a further attempt to ensure validity and reliability in qualitative studies, trustworthiness and the examination of such a quality are also fundamental. With this in mind,

whilst identifying good quality researches through validity and reliability in qualitative studies, Seale (1999) remarked that, the ‘trustworthiness of a research report lies at the heart of issues conventionally discussed as validity and reliability’. This is a perspective similarly held by Lincoln & Guba (1985), who suggested that the notion of establishing truth through validity and reliability instruments is replaced with the idea of trustworthiness, which as stated by Johnson (1997), is ‘defensible’— and ascertains certainty in the results.

Importantly, when assessing qualitative studies, Strauss & Corbin (1990) highlight that the ‘usual canons of “good science”... require redefinition in order to fit the realities of qualitative research’. In this regard, it was argued by Lincoln & Guba (1985) that maintaining a study report’s trustworthiness relies on those considerations that are recognised quantitatively, namely reliability and validity.

### **3.8.1 Reliability and Validity in this Research**

The brief provided above considers reliability and validity, and highlights the grounds of agreement concerning the suitable quality criterion for qualitative studies based on measures of reliability and validity. Nevertheless, it is fundamental for this study, as any other, to identify its audience in the arena of trustworthiness concerning its study results so as to ensure the empirical literature is enriched, and thereby ensuring a difference is made in people’s lives. Kidder & Judd (1986) summarised four criteria, viz. construct validity, internal validity, external validity, and reliability - for judging research quality, as highlighted by Yin (1994). The method adopted in this research is discussed below.

Since a research design is a link of data collection and analysis to a research question (Yin, 1994), high quality research must have a high quality research design. In this multiple-case research design, much energy and effort was put into gaining access, and to applying this study to all three of the Saudi telecommunications companies. The cases thus represent the whole sample of Saudi telecommunication companies. This design to apply the research in multiple cases within the same industry supports the validity of the research by providing valid and practical outcomes, and trustworthiness through the Saudi environment. Furthermore, with the aim of enhancing the analysis and overall understanding of the construction of realities in terms of the sample selected, a further step adopted involved the examination by a peer researcher in reviewing and providing feedback on the interview questions, the data gathered, and the

subsequent outcomes.

In the view of Johnson (1997), a qualitative researcher may utilise investigator triangulation and take into account the ideas and explanations provided by other scholars examining the research participants. This peer examiner was well-informed in the area of strategic planning, and had a number of important, significant experiences in the domain of Saudi telecommunications.

During the field work, a research proposal was first produced, which was mainly used to guide the field work and to collect data in a more efficient way. Relevant information was also searched for on the Internet in order to have a clearer view of the cases, and as explained, multiple data collections were adopted in the field. This study utilises the Triangulation approach, which is supported by a number of academics in the field, such as Merriam (1998), Patton (2002), Mathison (1988), Johnson (1997), among others. It was also considered that this would help to achieve reliability, trustworthiness, and validity. Notably, the term 'triangulation' is defined as being 'a validity procedure where researchers search for convergence amongst multiple and different sources of information to form themes or categories in a study' (Creswell & Miller, 2000). Thus, this comprises the incorporation of various approaches concerned with authorising the emergent results (Merriam, 1998). Normally, triangulation is an approach concerned with enhancing the overall reliability and validity of a study of the outcomes and its evaluation, which subsequently improves the research through combining different approaches (Patton, 2002). In this regard, it was emphasised by Mathison (1988) that triangulation has raised a fundamental methodological consideration in naturalistic and qualitative strategies for evaluation, essentially concerned with controlling bias and identifying valid proposals owing to conventional scientific approaches being viewed as conflicting with this unconventional epistemology. Thus, a number of approaches - namely, interviews, observations, and documentation were utilised in the study so as to ensure a greater degree of diverse, reliable and valid construction of realities were achieved.

During the data analysis process, a great deal of personal effort was applied in maintaining the quality of the data analysis by incorporating all relevant evidence and interpretations, and through highlighting the most significant parts of the research. Furthermore, certain help came from important peers and informants. They were asked to provide their opinions on the developed networks and matrices. Moreover, after the three Event-state networks were

developed for the three cases, which contained the strategic planning activities, they were sent to the contact managers in all of three companies in order to solicit their opinion regarding the sequences and details of the strategic planning activities. Some details were then modified until the final version of the three networks was devised. This research also relied on peer assessment (Easterby-Smith, 1991), and inter-coder reliability checks (Fox-Wolfgramm, 1997) to increase the reliability and validity of the cross- case qualitative research outcomes.

### **3.9 Summary**

To sum up, this chapter represents the research methodology that was adopted in order to enable the core objectives of this study to be fulfilled. It also provides a detailed insight for the research philosophy and designs. The chapter also describes the country and case selection, and presents the intended data gathering technique. Furthermore, the methods used for data analysis have also been discussed. This research is a qualitative research that takes a positivist approach. This research used a case study methodology represented in multiple-case study to provide deeper understanding and in order to achieve valid theories to contribute to the literature. The research adopted multiple research methods for collecting the data so as to achieve a triangulation of the data. This was primary data that comprised of data obtained from interviews and observations, as well as some secondary data.

The research was conducted between September and December 2010, and between June to September 2011. The selected country was Saudi Arabia, this being due to the limited number of studies centring on strategic planning literature. The three telecommunication companies represent the selected case studies, which are STC, Mobily, and Zain. Forty-eight interviews were conducted during the research. Moreover, access was obtained to observe (limited observation within women only departments) on-site in all of the three companies. Relevant documents were also collected from the cases. This research adopted Miles & Huberman's (1994) approach and methods to guide the data analysis process. An interactive model consisted of data reduction, data display, and conclusion drawing/verification was employed to guide the whole data analysis process. A series of research instruments were employed to apply this model during the data analysis process. It included four instruments in the form of a field-contact summary sheet, documentary summary form, coding, and memo, and five analysis procedures after data collections. These were data re-examination, re-coding, descriptive data presentation,

network development, and comparison among cases. Finally, this research discusses the validity and reliability in qualitative research and in this study in particular. In the following chapters, a general overview of the Kingdom of Saudi Arabia and its telecommunications industry is provided in chapter four, a detailed description for each case-within-case is presented in chapter five, and the study ends with a complete analysis of the data across-cases in chapter six.

***Chapter 4***  
***Saudi Arabia's***  
***Telecommunications Industry***

## **4.1 Introduction**

This chapter gives a general overview of the telecommunications industry in the kingdom. This is explored so as to provide insight into the three main telecommunications companies operating in the Kingdom of Saudi Arabia (KSA). Each of these companies is examined in-depth by considering each of their individual planning strategies and their activities in relation to the adoption and development of strategic initiatives. It is also useful to be familiar with the environment in which these telecommunication companies are operating. For this purpose, extra information is provided for the reader on the Kingdom of Saudi Arabia in Appendix B. This begins with a general overview of the geographical location of the kingdom, and a brief outline of its history, and this is followed by an overview of the legal and political systems that have been adopted in the kingdom, together with details of its population. An overview of relevant aspects of Saudi Arabia's culture is given in section 7.5.3 prior to a discussion of their potential impact on the study's findings.

## **4.2 The Saudi Arabian Telecommunications Market**

### **4.2.1 History**

It is widely recognised that telecommunications, especially as comprising of telephones and telegraphs, is one of the most important sectors and infrastructures within any economy. It is therefore an essential component for any country to be successful in the modern age. The founder of Saudi Arabia, the late King Abdul-aziz Al-saud, widely acknowledged the value associated with telecommunications, recognising that the field could help the kingdom to achieve growth and development. He thus ordered the installation of the first telephone exchange, which was established in Riyadh in 1930. Two decades later, in 1953, the responsibility of the postal and telecommunications services was transferred to the Ministry of Communications, which had just been established. Regardless, it was known at the time that the telecommunications services were limited, and did not cover all Saudi cities, with the exception of Dammam, Jeddah, Madinah, Makkah, Riyadh, and Taif. With this in mind, as a step towards improving the overall telecommunications sector, in 1977, the MoPTT (Ministry of Post, Telegraphs and Telephones) was established. It implemented a modern telecommunications network covering the remaining cities within the KSA (Alfarsy, 2001).

#### **4.2.2 Current Market**

Previously, the telecommunications sector in Saudi Arabia had formed a monopoly, held by the MoPTT and supervised by the Saudi Arabian government. Then, during May 1998, a royal decree — number 135 — was issued by the Saudi Council of Ministers with the objective to encourage privatisation across the Saudi Arabian telecommunications sector. Accordingly, that same year, the first service provider — Saudi Telecom Company (STC) — was formed. Subsequently, the Saudi Arabian government came to acknowledge the value of IT, and was enthusiastic in participating in the worldwide information age, and in following up with international world development. Furthermore, the government sought to establish and implement laws, regulations and rules for the telecommunications market within the country, and thereby to improve and restructure its administrative and financial policies. The aim was to ensure the market was in a position to be liberalised and hence would be able to attract new investors — both local and international. Consequently, in 2001, the Saudi Council of Ministers issued a further decree — number 74 — with the objective to establish the Saudi Communications Commission. Its main goal was ‘*Universally available, high quality and affordable communications and information technology services*’ (Communications and Information Technology Commission, 2012). Importantly, the commission is known to shoulder a number of obligations and responsibilities. One of its most important aims is concerned with identifying a sound competitive environment within the Saudi telecommunications sector through establishing and adopting regulations and rules, and accordingly to restructure its administrative and financial policies.

Later, in 2004, another decree — number 123 — was issued by the Council of Ministers, which approved the change of name of the Saudi Communications Commission to the Communications and Information Technology Commission (CITC). With such a change rationalised as a result of the government wanting to add additional responsibilities in the context of Saudi Communications, such new tasks were focused on IT. Some issues that were taken into account and which were considered included the provision of additional investment-related opportunities within the area of IT, as well as needing to increase the utilisation and implementation of the electronic government and electronic commerce programmes. In addition, also in 2004, the Saudi Council of Ministers issued a royal decree

— number A/2 — with the aim of changing the title of the Ministry of Post, Telegraphs and Telephones (MoPTT) to the Ministry of Communications and Technology. Essentially, the objective of such an order was focused on conducting supervisory activities within the sector, and accordingly ensuring that such activities are all-encompassing and widely utilised as critical services for the development of both social and economic areas (Ministry of Communications and Information Technology, 2012).

### ***4.2.3 Future Market***

Following continuous negotiations between the Saudi Arabian government and an official delegation led by Dr Hashim A. Yamani, the Saudi Arabian Minister of Commerce and Industry, and the World Trade Organization (WTO), on December 11, 2005, the Kingdom of Saudi Arabia achieved a status as a full member of the WTO. Subsequently, the country's government devised an approach to implement telecommunications liberalisation, so as to provide the opportunity for new telecommunications organisations to become involved in the country's telecommunications market. The KSA telecommunications strategy was geared towards liberalising the market with the aim of terminating the then-monopolistic state. In that time, such action would open up the market to competition, and then new licenses would be issued in regard to both landline and mobile services by the end of 2006. The overall objective is to enhance the benefits to customers and to further attract investors — both local and international (Elaph, 2008).

### ***4.2.4 Sector Evolution***

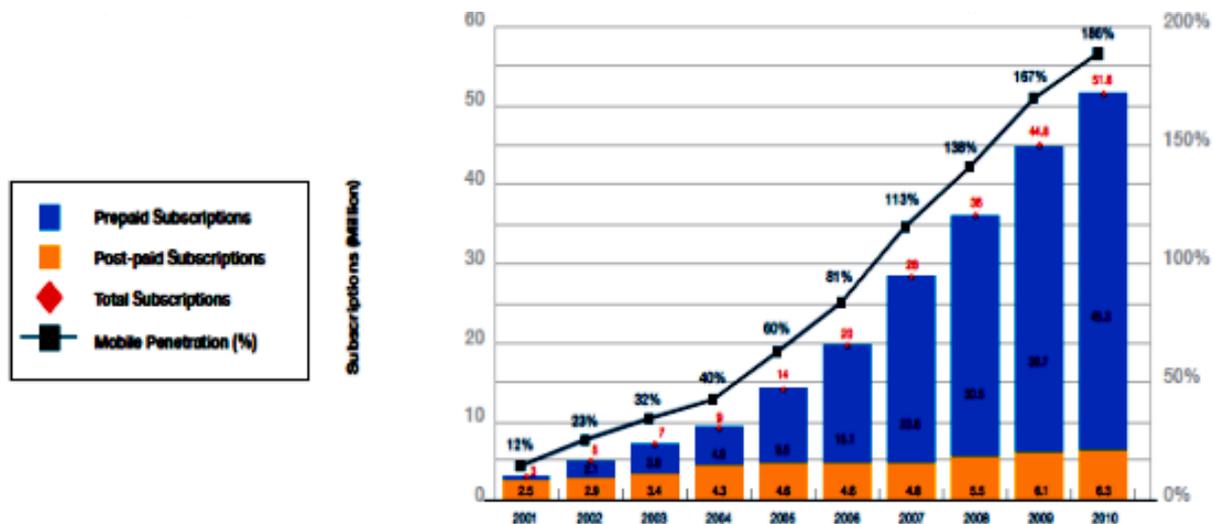
#### ***4.2.4.1 Mobile Telecommunications Market***

Within the market of mobile telecommunications, competition has been strong and on-going since its initiation in 2005. By the end of 2011, the total number of mobile phone subscriptions had increased from approximately 53.7 million. To put this in perspective, this Figure 14 was much lower, at 2.5 million, during 2001, thus emphasising a rapid growth, which was approximately 15% during the year 2009.

Figure 14 shows the change and development of mobile subscriptions from 2001 to 2011. Notably, by the end of 2011, Saudi Arabian mobile penetration was recognised as being

188% — significantly greater than 76% depicted as the world average, whilst the average of developing countries stands at 73%, and of developed countries at 116%. Importantly, such continuous and significant growth in the mobile services industry reflects its acceptance and esteem within the kingdom, with customers clearly happy with customer care, quality of service, reduced prices, and service offerings. Markedly, the majority of all mobile subscriptions (87%) are prepaid subscriptions, which is in line with patterns exhibited in other parts of the world (Communication and Information Technology Commission, Annual report, 2010). In this regard, it is stated that prepaid subscriptions comprise of the short-term addition of visitors, tourists and pilgrims.

Figure 13: Mobile Service Market Growth—Total Subscriptions (2001–2010)



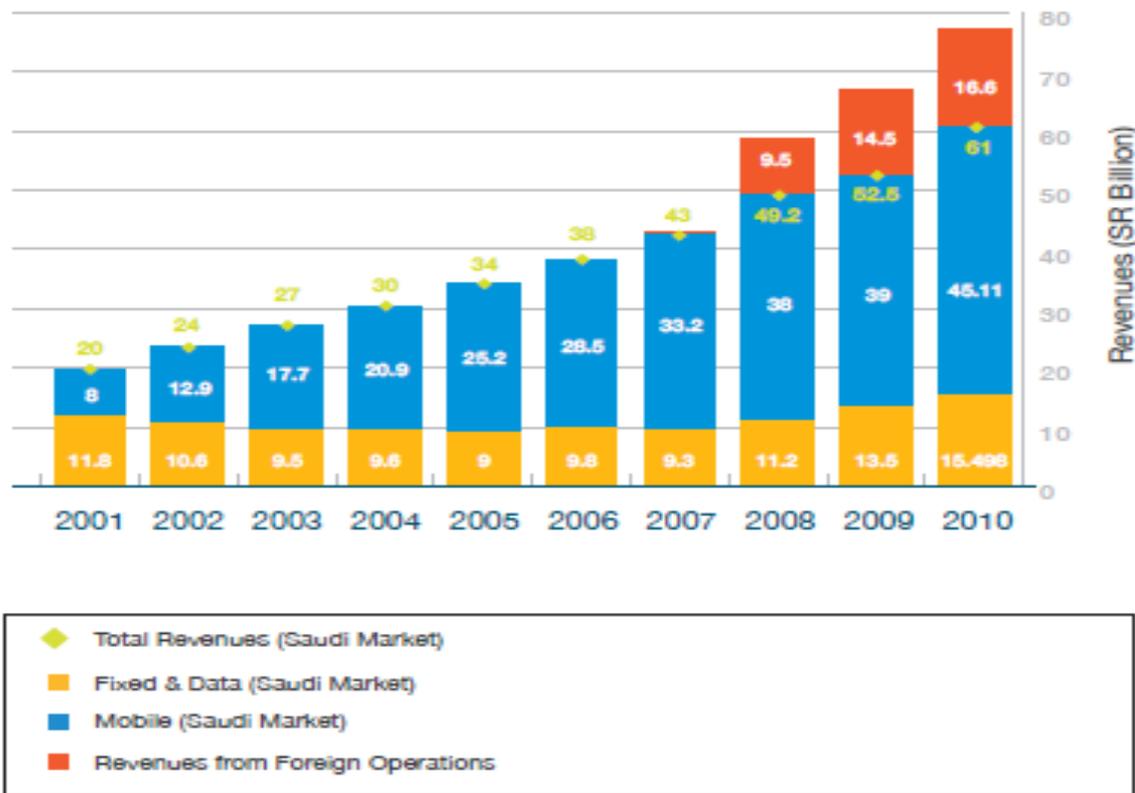
Source: Communication and information Technology Commission, annual report (2010) (Based on numbers reported by mobile service providers)

#### 4.2.4.2 Telecom Services Sector Revenues

In Saudi Arabia, it has been seen that there has been a steady growth of the telecom service revenue at a CAGR of approximately 13% during the recent decade spanning from 2001 to 2010, with the end of 2010 showing a figure of SR 61 billion (see Figure 14). Markedly, 73% of services are mobile, whilst the remaining 25% are data and fixed services (Communication and information Technology Commission Annual Report, 2010). Moreover, in terms of domestic market revenues, Saudi licensed telecom operator investments within foreign telecom markets have resulted in significant revenue growth for the sector as a result of

international operations, with SR 16.5 billion achieved in 2010 compared to SR 455 million in 2007. This shows the telecom sector’s entire revenue, both within and outside of the country, equated to approximately SR 77.6 billion.

Figure 14: Telecom Sector Revenues (2001-2010)



Source: Communication and information Technology Commission Annual Report (2010)

#### 4.2.5 Current Operators in the Saudi Telecommunications Market

At the present time, there are three main companies operating within the Saudi telecommunications sector, all of which also deliver associated services to citizens. These companies are:

- A. The Saudi Telecom Company (STC)
- B. The Etihad Etisalat's Company (Mobily)
- C. Zain company (Zain)

#### **4.2.5.1 The Saudi Telecom Company (STC)**

Saudi Telecom Company (STC) is the largest telecommunication services provider in the Middle East and North Africa. It is the leading national provider of telecommunication services in the Kingdom of Saudi Arabia, and its international presence extends to 11 countries. It was launched in 1998, according to a transformation programme extending from 4 to 5 years, in preparation for market liberalisation. It succeeded in getting 33 million customers in KSA, and 160 million customers globally (STC English Fact Sheet, 2010).

#### **Establishment of STC**

On December 17, 1997, a Royal Decree (No. 2971) was announced by the Saudi government, declaring its intended transformation of the communications sector to a Saudi joint stock organisation, functioning in a commercial capacity. Such a decision was made with the aim of enhancing communications within the KSA in order to fulfil the needs of businesses and citizens. This was affected by the worldwide IT and communications sectors' technological improvements. Subsequently, on July 18, 1998, under Royal Decree No. 35, the Saudi Telecom Company (STC) was established. It was entirely government-owned, and it delivered a number of communications services, including communications both locally and internationally, information technology services, internet services, landline services, mobile services, and pager and public telephone services (STC.com.sa).

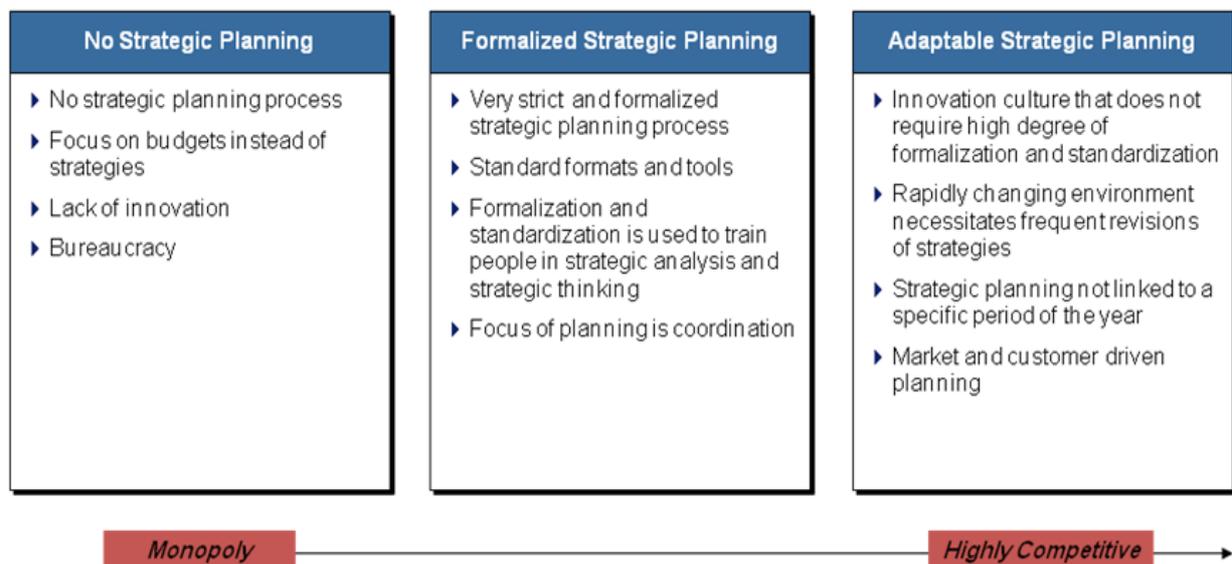
Five years later, in 2002, the government of Saudi Arabia declared the release of 30% of the shares of the Saudi Telecom Company to both local businesses and citizens. Following this declaration, shares were divided as follows: General Organisation of Social Insurance (GOSI) (5%), Public Pension Agency (PPA) (5%), and 20% for Saudi citizens. This generated US\$9.6 billion for the Saudi Treasury, with a number of Saudis subscribing to the organisation as a result of their confidence in its expected return and success. Following the completion of the subscription periods, the number of applications exceeded the number of shares by more than three-fold.

Accordingly, STC adopted a challenging program aiming to transform its business from a government system to one adopting recognised commercial business standards. The company has developed clear strategies focused on internal re-organisation, re-skilling and development of its staff, enhancement of its internal processes, and on studying its customers'

needs and requirements while continuing with carrying out its national and social duties and responsibilities (Figure 15).

A strategic planning culture evolves with the competitive environment from a situation of no planning to one of formalised planning and then back to a simplified process.

Figure 15: Evolution of the planning process at STC



Source: STC Strategy File (2011)

### STC's Mission

As leaders in a world of constant change, STC strives to exceed its customers' expectations so that together they reach new horizons.

### STC Values

STC adheres to a set of core values, which are followed during all its activities. These values are: Honesty, commitment, cooperation, respect, initiative, loyalty.

### Main activities

The company engages in the operation and management of networks, fixed and mobile telecommunications, provides Internet services, owns companies that operate in the provision of mobile services and the Internet, engages in projects involving communication processes and information technology, engages in the operation and management of platforms and

electronic markets, broadcasts television and radio, and manages the operation of submarine cables.

### STC's Strategy

The company is working continuously to fulfil and satisfy the market requirements, keeping pace with the emerging technologies in the telecommunications sector and satisfying its customers' needs. STC recognises that this is the way to reinforce its position and identity in view of a changing world where the role and usage of telecommunications is highly significant.

Believing in the importance of its customers and the fulfilment of their needs, STC has recently adopted its LEAD Strategy (see Table 15) that aims to support and re-enforce its competitive position in capturing the emerging opportunities while managing overall challenges over the coming years. Based on this strategy, STC strives to enhance a customer-centric culture in all its business aspects. This culture has been reflected in the organisational design of the company that comprises of a Corporate Centre, a number of Functional Units and Four Key Business Units focused on the Key STC Customer Categories, which are: Personal BU, Home BU, Enterprise BU, and Wholesale BU.

LEAD covers six key dimensions that are critical for STC.

Table 15: Six dimensions critical for STC

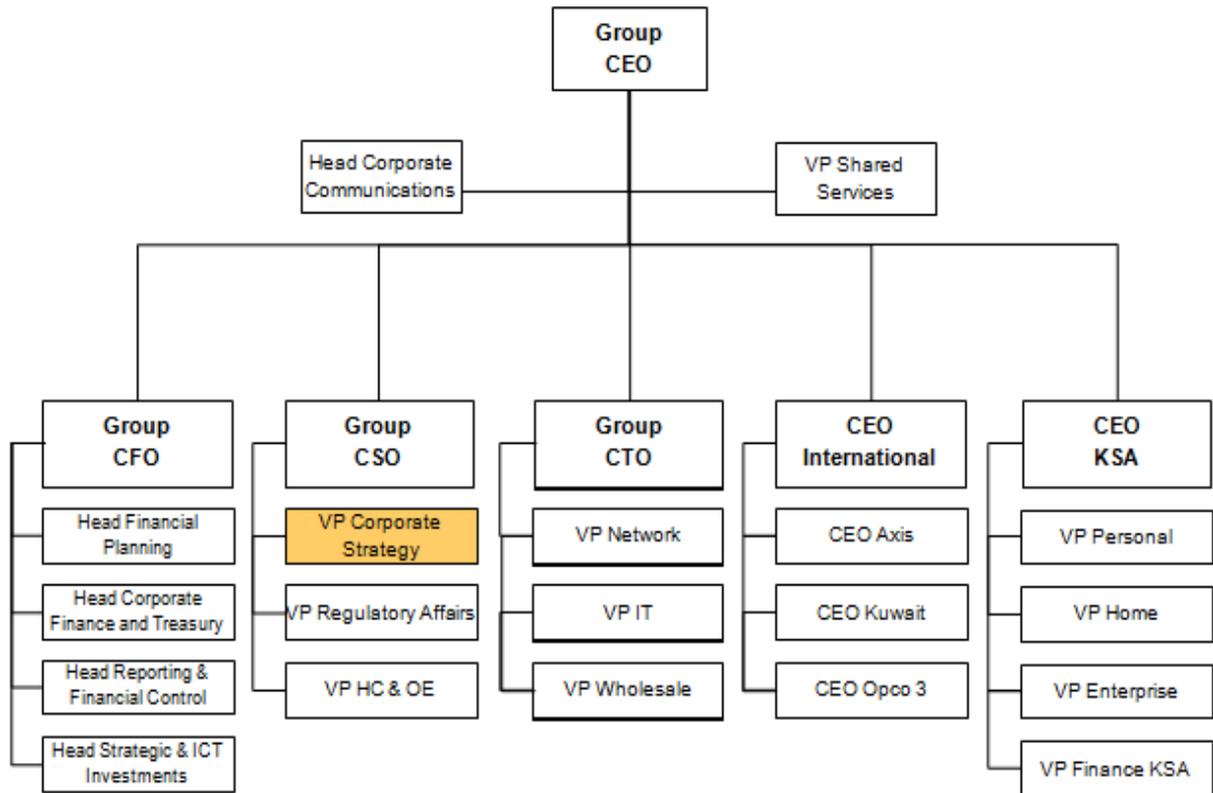
<b>Lead in Next-Gen Broadband</b>	<b>Become the broadband operator of choice, offering ubiquitous access, converged offerings and innovative content an applications.</b>
Differentiate Through Integrated Customer Experience	Delight customers with an integrated experience, differentiated sales and service model, tailored offerings and next-generation customer service.
Consolidate International Leadership	Optimise international investment portfolio, further expand in the MENA region, drive products, technology and supply chain synergies, and build-up international management capabilities.
Invest in People Capital	Invest in leadership and talent development, increase employee empowerment, and foster a winning corporate culture.
Drive Financial Performance and Agility	Provide value to shareholders by continuously driving efficiency in operations and investing in long-term profitable growth.
Promote Leading Brand and Reputation	Promote a strong brand and reputation that consistently communicates superior value to stakeholders and STC's role as the catalyst for economic and social development.

Source: STC website (2012)

STC conducted new regulatory amendments to its organisational structure to keep pace with expansion within the company's operations locally and internationally, through the transformation of the company into a group, ensuring five heads of operations. The restructuring does not have any impact on the legal structure of company ownership or on the rights of shareholders, and the amendment includes the formation and development of five administrative units to follow the workings of the Executive Chairman of the Group (STC Annual Report, 2010). The group is divided into five units, and each unit head reports directly to the Group's Chief Executive.

1. The **Chief of Financial Operations** manages the financial operations of the Group's strategy and assesses new investment opportunities, both current and as a follow-up to their economic feasibility.
2. The **Chief of Operations Strategy** develops strategic directions of the group to achieve optimal exploitation of resources and information strategy and human capital.
3. The **Chief Technology Office** manages the technical processes and handles technical integration between the units of the group.
4. The **Head of International Operations** manages the company's foreign investments, and diversifies and integrates them.
5. The **Head of Operations in Saudi Arabia** is concerned with the management of all financial activities, marketing and sales in Saudi Arabia.

Figure 16: STC's organisational structure



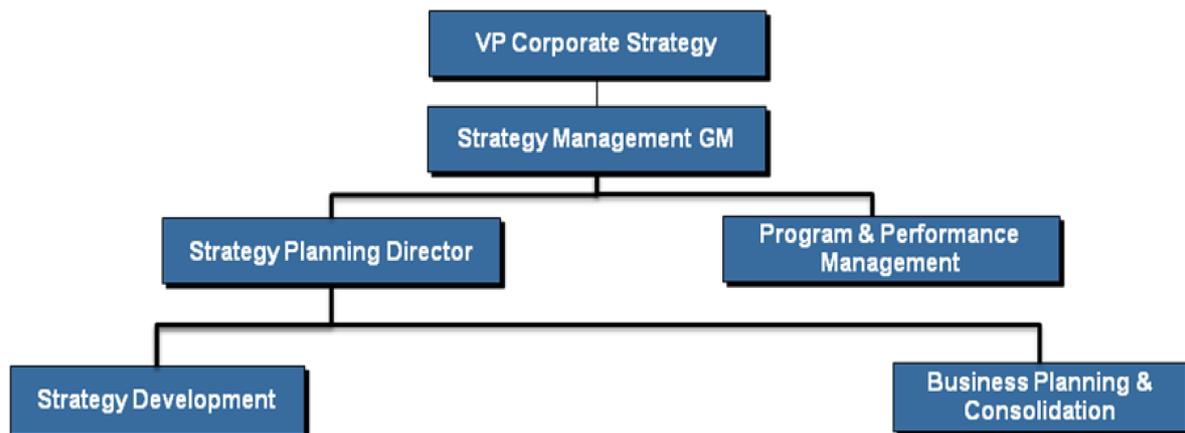
Source: STC Document (2011)

As the telecommunications company transformed itself from having a local to having a global structure, it became necessary to establish a group to manage its international operations and to ensure the tight integration of the local communities. When it first began, the process of expansion was managed within the organisation or centralised management of operations in an integrated manner, both domestically and internationally.

From the newly developed STC structure, it is clear that this structure helps to achieve integration between all units that reflect on all its services. Another important reason is that each country from STC as a group has its rules and procedures followed by its own laws, as determined by its Telecommunications Authority. Therefore, it is difficult for STC as a group

to manage a variety of different laws in any one structure of a company. This division is important in order to simplify the works and conduct of the rules for all STC units. The Corporate Strategy Structure of STC is shown in the next figure.

Figure 17: STC's corporate strategy structure



Source: (STC document, 2011)

The main role of the Corporate Strategy Unit is to implement plans and strategies that the company faces for change and development. In addition, it could be said that the Corporate Strategy Unit has its own roles and responsibilities which are defined as follows:

- To analyse and review the business environment and conduct a strategic analysis;
- To identify scenarios, prepare recommendations for MC/BoD, and coordinate sectors' input analysis towards the formulation of the STC business strategy;
- To gather and consolidate inputs from different sectors, develop an overall business plan, and to facilitate sectoral initiatives;
- To set up an executive workshop with the Top Management to present and discuss the strategic directions and goals;
- To cascade strategies and KPI's to sectors, and to consolidate business plans;
- To develop guidelines for Sectors for business plan development;
- To review and present Corporate Strategy to deduce relevant priorities;
- To challenge and consolidate business plans of Sectors on an annual basis;
- To develop a Corporate Scorecard;
- To coordinate with the Corporate Program & Performance Management to

follow-up the implementation.

#### **4.2.5.2 The Etihad Etisalat Company (Mobily)**

This company is recognised as being the second largest authorised mobile telecommunications provider within the Kingdom of Saudi Arabia. In 2004, Mobily was assigned the second GSM mobile license in the country, which cost 12.2 billion Saudi Riyals — equal to approximately US\$3.2 billion. Notably, a significant portion of the company — 35% to be precise — is owned by Etisalat, the current operator within the UAE.

#### **Establishment**

In 2004, a royal decree was issued by the Saudi Council of Ministers, introducing Mobily as the second mobile telecommunications service provider in KSA, with services launching in May of the following year (Etihad Etisalat Company, 2008). Importantly, the Etihad Etisalat Company (Mobily) is presently located within the KSA. Its headquarters are in the capital city of the country, i.e. Riyadh, and it has a number of offices in various cities located around the country (Etihad Etisalat Company, 2008).

#### **The Company's Vision**

To add value to lives through innovation and leading in the provision of telecoms services.

#### **The Company's Mission**

To fully leverage capabilities and exceed consumer expectations, thus enriching the lives of not only customers but also of staff.

#### **The Company's Objectives**

- To put staff concerns first, thereby providing the best working environment;
- To be at the top position for customer satisfaction;
- To ensure the maintenance of leadership in the area of data applications and services.

#### **Main Activities**

Mobily engages itself in a number of activities, such as: providing mobile telecommunications services within KSA, establishing and operating networks and associated fibre-optic extensions, installing, managing and operating telephone networks and peripheral

*Hana Alotaibi*

devices, communication units, and associated systems, and selling and maintaining mobile devices, communication units, and systems.

### **Mobily's Strategy**

The telecoms sector is changing rapidly. Thus, in addition to the approach developed previously by the company in 2005, a number of keen efforts have been implemented. These have been directed towards ensuring compatibility with global trends in the context of mobile communications. This brings together sector experts to achieve good outcomes in the field of mobile telecommunications.

### **Mobily's Strategy**

Mobily has announced its strategic plan for the period 2011–2015, which comprises of three main elements: (1) growth, (2) efficiency, and (3) differentiation. With this in mind, the management have sought to ensure that this new approach is compatible with recent global trends, and further details provide clearly defined time-frames and goals. Mobily has sought to create and maintain a highly productive and safe working environment within the kingdom, whilst also prioritising the improvement and development of people's lives through the delivery of state-of-the-art data and broadband services, and cutting-edge applications (Interim Fact Sheet, Mobily, 2010).

Markedly, the new approach seeks to utilise and control a number of different domains, and provides both staff and consumers with enriched lives. The strategy also focuses on another aspect —linked with growth, operational efficiency and excellence — that is geared towards being the best in the environment whilst providing high-quality services in the field of broadband and mobile telecommunications. It is believed by Mobily that it should strive to be 'the best and achieve great accomplishments', to bypass the competition. With this in mind, the company adheres to a five-year plan to facilitate the fulfilment of its goals and objectives (Etihad Etisalat Company, 2008).

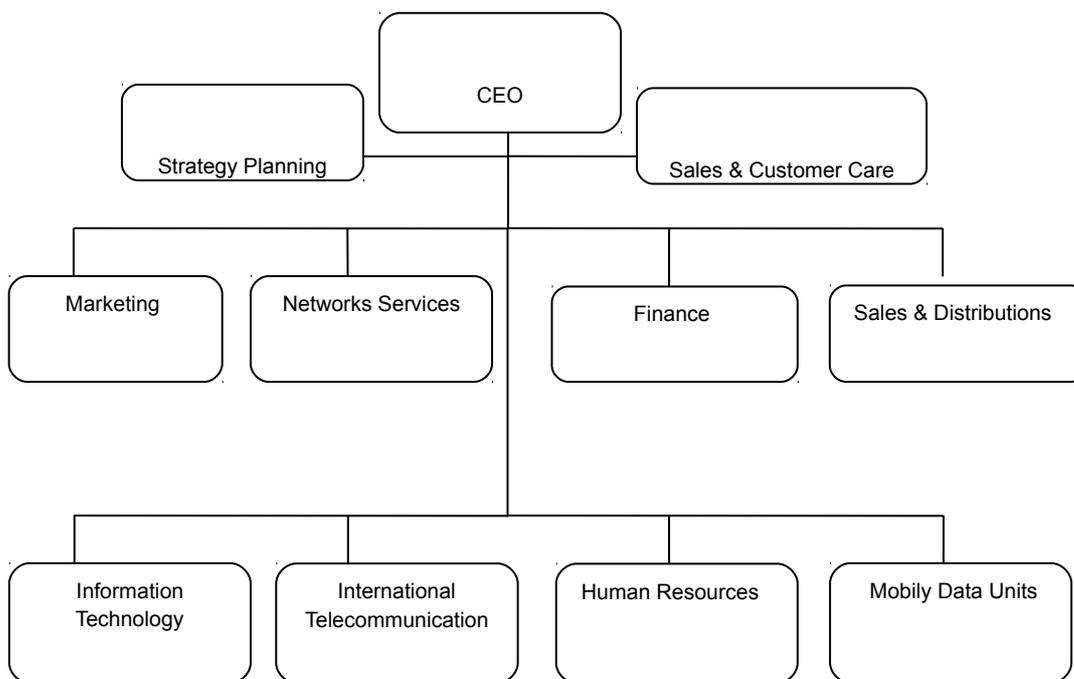
### **The Organisational Structure**

The Etihad Etisalat Company has an organisational structure that is comprised of ten units. These units are represented by members who are assigned in their positions for no more than three years. Notably, within a period of one year, the design and completion of a new

corporate structure took place for the various departments and functions. This is seen to be in adherence to the company's operating model and strategic design, and actively incorporates the complicated integration in all of its operations.

It is recognised that Mobily is striving to provide the best quality customer services, ensuring keen customer focus and competitiveness in regard to achieving consumer satisfaction. This is reflected in its policies, strategies, and plans. In this regard, it is to be noted that there is a specific unit for strategy planning that links directly with the CEO. The figure below provides an overview of Mobily's organisational structure.

Figure 18: Mobily's organisational structure



Source: Mobily Annual Report (2009)

In conjunction with the strategy planning unit, consultants were required to develop a model, comprising of risk identification and measurement approaches with the aim of benchmarking, comparing, communicating, monitoring, prioritising, quantifying, and reviewing risk on an organisation-wide level. The ultimate goal is to enhance the business' capacity to achieve business and strategic objectives. In addition, high-level management has also been assigned with the task of managing and dealing with all responsibilities associated with strategy

*Hana Alotaibi*

planning. This is in addition to the on-going reviewing and monitoring or executive management.

Moreover, the strategy planning unit is charged with responsibility of the following:

- conducting a review of the structure of the organisation, and accordingly suggest any recommendations for change;
- ensuring adherence to relevant regulations, policies and legislations;
- ensuring the coordination, control and monitoring of company risk and internal controls;
- examining all divestments, trade investment, and major capital expenditure proposals, and correspondingly making recommendations to the Board, ensuring that the adequacy and allocation of company resources are optimised;
- identifying and implementing new business opportunities;
- reviewing and ensuring the application of organisational policies; and
- safeguarding the integrity of all financial reporting and management data systems.

#### **4.2.5.3 Zain Company**

Zain is a newly established company operating within the Saudi Arabian mobile telecommunications market. It is recognised as being one of the most successful of new entrants within the sector, and it has built up and developed a strong customer base, despite the market being very competitive and saturated with other businesses. Building upon its experience and professional capacity, Zain seeks to establish an effective and trustworthy telecommunications company for the largest Middle Eastern country.

#### **Establishment**

On August 26, 2008, Zain launched its commercial operations in the Kingdom of Saudi Arabia, just twelve months after it was granted a license to act as a mobile voice and data operator within the Kingdom of Saudi Arabia.

#### **Company Vision**

To achieve a wonderful world.

#### **Company Mission**

*Hana Alotaibi*

The company works in line with the following objective: to become the preferred choice for the provision of telecommunications services within Saudi Arabia by adopting an approach tied with innovation and market segmentation.

### **Company Values**

**Radiance:** Providing a path down which people can travel whilst enjoying imagination and vision, colour, and richness within the business environment.

**Heart:** Living life with resolve and courage, touching emotions, and engaging our spirits.

**Belonging:** Valuing and utilising community spirit and fellowship, regardless of geographical boundaries.

### **Main activities**

Zain provides various telecommunications services to businesses, the government, and individuals, such as SMS, MMS, and voice calls, all of which can be accessed through a mobile handset device. The company also provides broadband internet services, which can be accessed using a computer, laptop, mobile telephone, or indeed any other gadget/device with access to the internet, such as through a USB dongle. In addition, Zain also offers a number of Value Added Services, including mobile downloads, ringtones, TV, and SMS short codes.

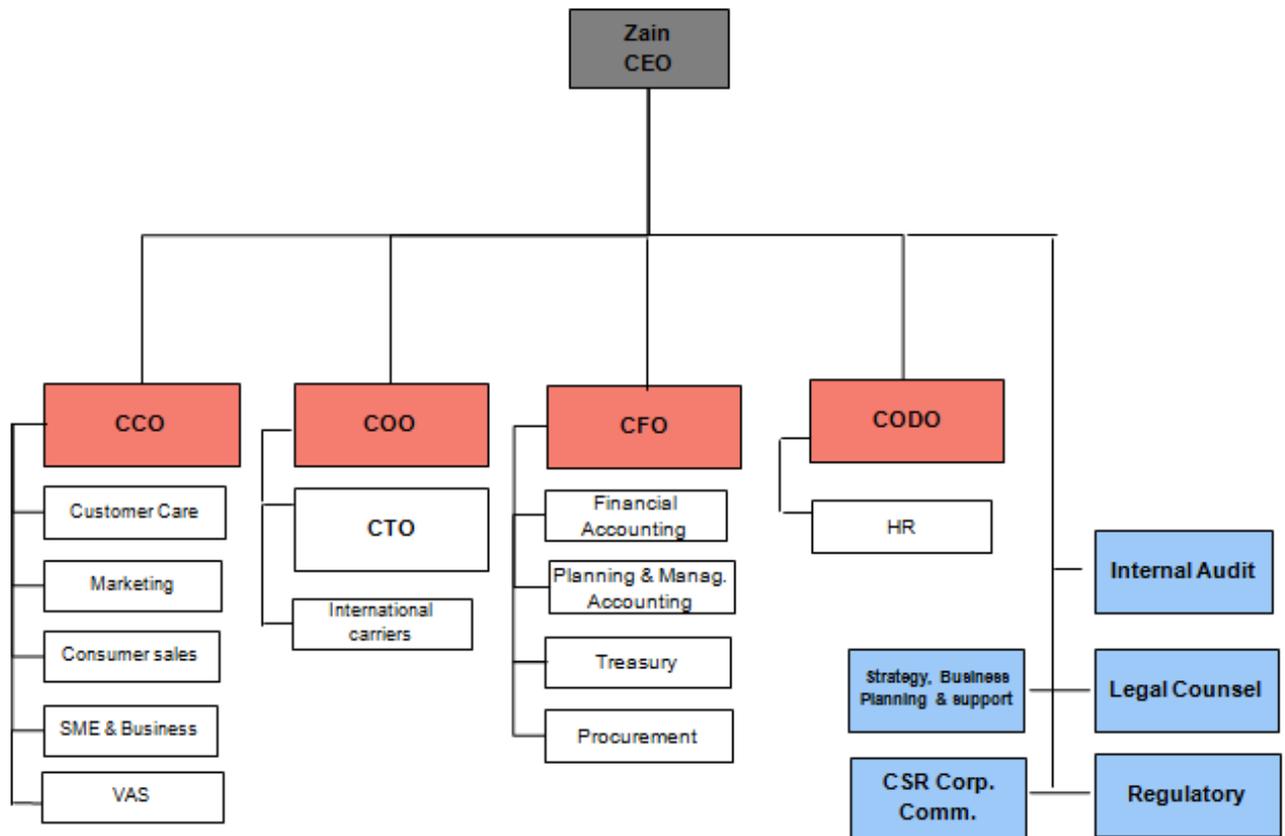
### **Zain's Strategy**

When Zain entered the Saudi market, it was strong and competitive, and offered a number of benefits through its global operations, such as knowledge and operational collaborations. There are three main aspects that provide a key foundation for Zain's strategy, namely (1) customers, (2) operations, and (3) people. When brought together, these aspects provide a strong fabric for the organisation, with each relying on the other aspects for providing mutual benefit and support. Such principles have resulted in Zain becoming recognised as an effective, efficient and trusted mobile telecommunications operator for both businesses and individuals alike, as well as for both staff and consumers.

### **Zain's Organisational Structure**

Zain's Board of Directors comprises of nine members, who oversee the activities, operations and management of Zain within the Kingdom of Saudi Arabia.

Figure 19: Zain's organisational structure



Source: Zain's Strategy file (2011)

The organisational structure of Zain comprises of four main units. These four units (as shown in the figure above) are CCO (Chief Commercial Officer), COO (Chief Operational Officer), CFO (Chief Financial Officer), and CODO (Chief of Organisational Development Officer). In addition to these, there are five departments that link directly with the CEO. One of them is the Strategy, Business Planning and Support Department, which has the main responsibilities in regards to the strategies, plans, and objectives. In addition, the Strategy, Business Planning and Support Department is charged with responsibility for the following:

- establishing clear policies concerning Board members' and senior executives' remuneration;
- agreeing on policy guidelines for business divisions in direct regard to the Board's approved strategy;

- making recommendations regarding the company's strategy and objectives in regard to business development, considering shareholder, customer, and staff interests, as well as those of other stakeholders;
- monitoring and overseeing the efficient implementation of the organisation's business plan, as approved by the Board, and further supervising the budgets and objectives of the business division so as to ensure all are within the targets of the company; and
- following up concerning any actions adopted.

### **4.3 Summary**

This chapter provided a brief background on the Saudi telecommunications industry, and it then gave more detailed insight into the three main telecommunications companies operating in the kingdom by presenting some inside information about their establishment, main activities, strategies, and organisational structures. Additional information was also referred to in Appendix B in which a general overview is provided of the geographical location of the kingdom, a brief outline of its history, the legal and political systems that have been adopted in the kingdom, and details of the kingdom's population. In addition, it was pointed out that Saudi culture also bears a major influence on the working conditions in Saudi companies generally. This dimension is explored further in section 7.5. The next chapter begins by analysing the data gathered in-depth by detailing the activities relating to their strategic planning processes through the application of activity theory.

# ***Chapter 5***

## ***Case Studies***

## **5.1 Introduction**

As indicated previously, this study is concerned with activities of the strategic planning process, and with how these influence the development and implementation of strategic initiatives. The purpose of this chapter is to analyse the data which was collected during the first and second phases of data collection. This chapter begins by first providing information on the implementation of data analysis strategies, the implementation of the coding process, and the access obtained for making observations within the Saudi environment. It then provides a brief summary of activity theory and it then discusses the benefits of applying this theory in this study. Following this, the chapter is focused on presenting the data gathered in respect of the activities relating to the strategic planning process, beginning with STC company, then Mobily company, and lastly Zain Company.

## **5.2 The Implementation of Data Analysis Strategies**

This research adopted within-case and cross-case data analysis strategies during two phases. The first phase that was adopted, i.e. within-case data analysis, is dealt with in this chapter (5). This strategy helped to study each case in depth; to offer a very detailed explanation, and to provide extensive details of the activities pertaining to the strategic planning processes in each of the three cases. Since multiple case studies help to strengthen the outcomes developed through the examination of similarities and differences across cases, the second phase adopted was across cases for case-oriented strategies (Miles & Huberman, 1994; Yin, 1994). This strategy enhances the outcomes of one case to be used to predict those of other cases (chapter 5), and then to look for themes that cut across cases (chapter 6). The subsequent section will illustrate how the information gathered from the fieldwork relating to the companies has been used to produce the planning process systems for the three cases, and it highlights the key activities engaged in during this process.

First, a review of both paper-based and system-based company documents was carried out for all three cases. The paper-based company documents reviewed included the 'company workbook and local reports', plus other publicity materials of each of the companies, already available in the public domain, such as their financial reports. The system-based company documents reviewed included online reports and other communications that were conducted through Internet-based tools on the company websites.

Secondly, adopting case-oriented strategy analysis, as recommended by Miles & Huberman (1994), and Yin (1984), was based on framing types or families that share certain configurations (which in this research are activities of the strategic planning process). From the sources shown in Table 7, the data pertaining to STC was collected and represented on an Event-State Network (vid. Figure 21). The Event-State Network is a display format of time-ordered displays that are utilised for presenting qualitative data (Miles & Huberman, 1994). Moreover, a collection of ‘nodes’ or points connected by a line, and designed to depict the flow and sequence of events and processes, illustrates a large amount of information in a helpful way, which in turn facilitates the assessment of causal dynamics in a particular case. The outcomes of STC (Event-State Network) helped to predict the activities of the strategic planning process at the two cases (Mobily and Zain) based on the available data and confirmed by the strategic planning departments in these two companies (see Appendix C).

The next steps were followed of the approach described by Miles & Huberman (1994) for creating an event-state network. These steps are:

- Coding for transcripts, observation dairies, contact summary sheets, document summary forms, and memos (based on initial list of codes, as shown in Chapter 3)
- Collecting the initial codes into pattern codes.
- Recoding again using the final list of codes (as shown in Chapter 3).
- Identifying the key activities with details concerning the strategic planning process.
- Categorising the key activities in consequent steps.
- Developing a table that highlights such activities.
- Developing a data display using an Event-State Network.

The second phase of data analysis is the case-oriented strategies (Miles & Huberman, 1994; Yin, 1994), which helped to examine contradictions, synthesise interpretations, and build general interpretations of different cases. They were also used to look for themes that cut across cases. In fact, pattern coding has an important function in surfacing common themes that are produced across cases. It helped to identify three themes within the activities of the strategic planning process that influence the development and implementation of strategic

initiatives. These themes are: initiation, development, and implementation. After that, meta-matrices were used as devised by Eisenhardt (1989) for condensing, and permitting systematic comparison across cases (see chapter 6 for more details).

### **5.3 The Implementation of the Coding Process**

This section clarifies the coding process, which was employed in this research during the two phases of analysing the data, i.e. during the within-case data analysis (Chapter 5), and during the across-case data analysis (Chapter 6).

In the discussion of data analysis (section 3.7), it is mentioned that the data analysis process began while doing field work. The contact summary sheet, documentary summary forms, memos, transcripts, and observation diaries were coded. Four steps of the coding process were followed: field coding and reflection, re-coding, comparison and integration. The initial list of codes (see Table 13 in section 3.7.2.4), which was developed based on the conceptual framework and a list of research question, was used to guide the coding process at this stage. After field coding, field data was put into two main categories (SPL and SI), and five sub-categories (SPL-ACT, SPL-INF, SI-INI, SI-DEV, SI-IMP).

While doing field coding, this coded data was read in order to make sense of it. Although the literature review helped to provide the theoretical context, some specific questions were posed: (1) 'Does it support existing knowledge?' (2) 'Does it challenge it?' (3) 'Does it answer previously unanswered questions?' and (4) 'What is different?' (Easterby-Smith; Thorpe & Lowe, 2002). This reflection process in asking questions helped to avoid missing critical issues, and to develop a deeper understanding of relationships among codes.

After completing the field work, all the codes were read and recoded again. As this research adopted firstly a within-case data analysis of the strategies to study each case study in depth, the data coming under the sub-category (SPL-ACT) above was further broken down into 3 concepts based on each case (interpretive codes: SPL-ACT/STC, SPL-ACT/Mob, and SPL-ACT/Zain). During this process, case-oriented strategy analysis was adopted in order to frame different types of activities as well as to synthesise interpretations across cases, i.e. the findings of one case were used to predict the other two cases (see section 3.7.3.3 for more details). The comparison by framing different types of activities in each case helped to

categorise the key activities in each consequent step (see 18 interpretive codes under SPL-ACT/STC, SPL-ACT/Mob, and SPL-ACT/Zain in Table 14). These codes then helped to develop the Event-State Networks for the three cases. Through drawing comparisons between the data in these networks, the similarities in conducting the strategic planning process in the three cases were identified. Two phases of implementing the strategic planning process were found. Thus, three pattern codes were identified: SPL-PHAS, SPL-PHAS-DEV, and SPL-PHAS-EXE. As a result of completing the analysis of data, the influence of strategic planning activities on the development and implementation of strategic initiatives was identified. Thus, three pattern codes (SPL-INF, SPL-INF-IND, SPL-INF-DIR) were added to clarify which activity of the strategic planning process engages in the development and implementation of strategic initiatives, and what its type of influence is in this process.

With the analysis moving on, the investigated data assisted in identifying three main themes which represent three stages of the development and implementation of strategic initiatives. Therefore, three interpretive codes were used, which were categorised into 14 concepts (interpretive codes, see codes under SI-INI, SI-DEV, SI-IMP in Table 14). Since this research applies activity theory as a theoretical lens, it is important to investigate the contradictions between activity systems within the three stages of the development and implementation of strategic initiatives. Thus, one descriptive code (CON), and three interpretive codes (CON-INI, CON-DEV, CON-IMP) were added. In addition to that, 15 interpretive codes (see codes under CON-IMP in Table 14) were used to clarify the contradictions between such elements within the activity systems. At this stage, matrices and figures were used to arrange, explain, and display the data.

Finally, as a result of identifying the three themes of the development and implementation of strategic initiative, it is important to investigate the practitioner's roles in this process also under these three themes. Therefore, two descriptive codes were modified (from the initial list of codes) and added (TOOLS and PRAC in Table 14) in the final list of codes. During this process of analysis, 27 interpretive codes were added (see codes under TOOLS and PRAC in Table 14). At the same time, matrices were developed to display the data of the practitioner's role as well as the tools used during this process (for example, see tables 56-61).

## **5.4 Observation Access within the Saudi Environment**

Observation is an appropriate method for gathering information within a range of social settings over a particular period of time. Accordingly, it was required in this study to pay attention in order to achieve a deeper understanding of the social groups, and of their cultures through listening to their conversations. The key benefit in applying such observational techniques is that it provides the ability to gather data that would otherwise not be gathered by using other methods, such as interviews and questionnaires. However, since Saudi Arabia was the country for the case selection, there are segregated sections for both men and women employees, although they may have mixed meetings and workshops. This situation is not peculiar to the three companies or the Saudi telecommunications industry; rather, it reflects the strict gender segregation policy applied throughout the kingdom and Arab culture generally. This restriction did not allow any observations to be made within the men only sections in any of the three companies. The observations were therefore limited to attending meetings, workshops, or making interviewees, and to attending in the women only sections.

Despite the limited observations, this situation provided the opportunity to be closely involved within the research environment and to pose questions for the purpose of achieving a deeper understanding of the social actors of interest. Moreover, this enabled the day-to-day activities that were carried out in relation to strategic planning (at STC company) to be clearly identified, as well as how such activities influence the development and implementation of strategic initiatives. Strong relationships were thus built with the women employees and off-the-job activities were participated in as well during break time through some social gatherings that took place within the female sections, such as chatting with them, and having lunch together. These activities helped to develop trust based relationships with the women employees. In this way, the employees were prepared to talk more openly during the interviews, or even to ease the connection with the men employees by making appointments for interviews, or by attending meetings. This strategy proved to be successful. The opportunity was availed to obtain a general understanding of the organisation's work practices and support mechanisms in less formal settings.

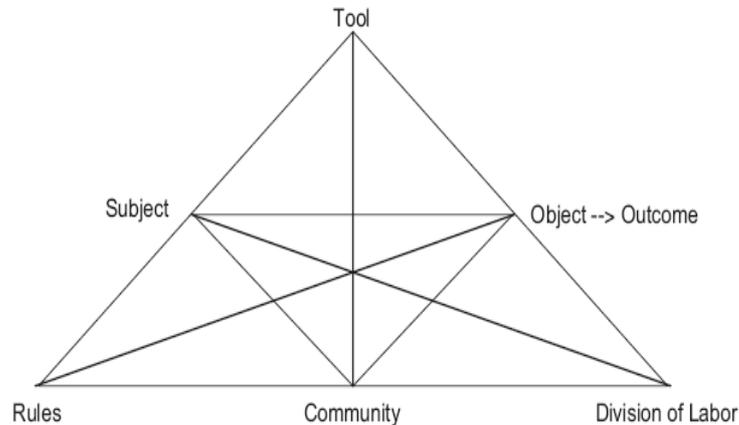
In fact, getting permission to observe (even on site in the women only sections in all of the three companies, which contain special women sections) can be considered as an important success in gaining access given the conservative Saudi environment. At STC, an opportunity

arose to observe the daily activities of the staff in the strategic planning department (within the women only section). However, the observations at Mobily and Zain were within different management departments in their women only sections, which helped to explore the business environments and the social relations between the women employees. In fact, observation at STC helped to focus on the activities of the strategic planning practices, and the actors involved. It also helped to investigate the staff reactions and the way in which these activities influence the development and implementation of strategic initiatives. In addition, relaxed talks were held with the staff of the Strategic department, which helped to develop a deeper understanding of the daily activities of strategic planning practices that influence the development and implementation of strategic initiatives. An observation diary was used to take notes within observation which helped to determine the date, time, actors, activities, or actions.

## **5.5 Data Analysis in Activity Theory**

In consideration of the model of activity theory, the gathered data was analysed by using two different frameworks: (1) the activity theory Model introduced by Engestrom (1987), and (2) the Eight-Step Model created by Mwanza (2001). Notably, Engestrom's (1987) activity theory model proves useful for gaining an understanding of strategic planning with respect to the various interactions of factors that engage with the activities. Secondly, the Eight-Step model allows for examination by means of providing the capability to determine, for instance, the 'activity of interest' in relation to several activities that could be active in different environments or contexts under study.

Figure 20: Engestrom's Activity Systems' Model



Activity theory, as created by Engestrom (1987), is an inter-disciplinary philosophical model concerned with reviewing various aspects — both social and individual — of human behaviours (Engestrom, 1999; Cole, 1996). With this in mind, Kuutti (1996) provides a summary of this model by stating that the framework is primarily concerned with reviewing different types of human behaviours in terms of developmental processes, with the notion that social and individual elements are linked and interact simultaneously. It is recognised that this particular model is very useful when seeking to gain an understanding of strategic planning; although not in the context of a system with organisational objectives and goals, at least as a method instigated through the various interactions of factors that engage with the activities. Importantly, such activities are augmented through the further intervention of tools that are governed by principles and rules, and which belong to communities. Essentially, therefore, as described by Jarzabkowski & Balogun (2009), it can be stated that this is ultimately a process of interacting factors more so than a system of separate and individual activities.

Table 16 below highlights a number of key points concerned with areas in which this particular framework may be implemented in order to answer the set research questions. All these areas of interest will be considered collectively in an attempt to understand the mechanisms associated with the strategic planning process, as well as how such principles may impact various areas of the strategic initiatives, including their development and implementation. An activity theory-based method is required in order to aid the process of

gathering and interpreting data so as to make sense of what happens during the planning process in the companies.

Table 16: The eight-step model

<b>The Eight- Step Model</b>	
<b>Identification of</b>	
Step 1	Activity of interest
Step 2	Objective
Step 3	Subjects
Step 4	Tools
Step 5	Rules and Regulations
Step 6	Division of Labour
Step 7	Community
Step 8	Outcomes

The main purpose associated with the Eight-Step Model of activity theory is to provide the opportunity to gain an understanding of a situation through facilitating its interpretation in relation to activity theory by considering it in terms of an activity triangle system. Accordingly, the concept surrounding activity system production is believed to facilitate the communication of numerous key points regarding the situation in question. Moreover, through the utilisation of the Eight-Step Model, data collection is also further supported through the interpretation of various activity system components. For example, various situational elements and their corresponding data were gathered during the overall approach of progressing through the open-ended questions comprised within the Eight-Step Mode, as this provided an overall perspective of the situation. Essentially, it is recognised that such data is important when striving to achieve an understanding of the situation under analysis. This is best achieved through devising a situation activity system. This task is greatly simplified by utilising the Eight-Step Model, as it creates an activity system through the presentation of a methodical illustration detailing the individual processes associated with establishing and categorising individual elements. Furthermore, it is also noted that the Eight-Step Model aids the examination through providing the ability to determine the ‘activity of interest’ in relation to a number of other activities that may be active in relation to other environments or situations under study.

## 5.6 First Case Study: STC

### 5.6.1 Outline of Data Sources

For the purpose of gathering data for this study, several meetings were participated in supervised that were held between the strategic management unit and several other units at STC. All the data sources are shown in Table 17 below.

Table 17: Data sources for STC

Details	Data source
18 semi-structured interviews with open-ended questions, 60-180 minutes each, with 1 VP, 4 GM, 3 Directors, and 1 manager (some are frequent with the same interviewee); all interviews were recorded.	Interviews
Daily activities from the staff in the women section for 19 days; 3 weekly management meetings, 1 general management meeting, and 2 all employee meetings.	Observations
A book- Introduction Files- Annual reports- Advertisement handouts- internal newspaper- Internal Files- Strategy Files- Quality Report from 2007-2010	Documents

During this process, general information concerning STC and on the operational structure of STC was gathered, as shown and discussed earlier. In addition to interview transcripts, various data concerning the strategic planning process within STC was gathered informally during breaks and through attending STC meetings. Such data was recorded in observation diaries. All the data concerning the activities of the strategic planning process was extracted and arranged in the Event-State Network (vid. Figure 21). Moreover, through some social gatherings that took place, the opportunity was availed to obtain a general understanding of the organisation’s work practices and support mechanisms in less formal settings.

Table 18: Activities of the strategic planning process in STC

Phase	Activity	Source	Evidence
First Phase	Business Analysis	STC's Strategy Development Plan Overview of Business planning process Interviewees Meeting Records Observation Diaries	STC Strategy Files
	Corporate strategy development		
	Corporate strategy cascading		
	Business Plan development		
	Budgetary and Manpower Requirement Development		Interviews transcripts
Second Phase	Program Management		Observation diary
	Performance Management		

Figure 21: The event state network for the strategic planning process at STC

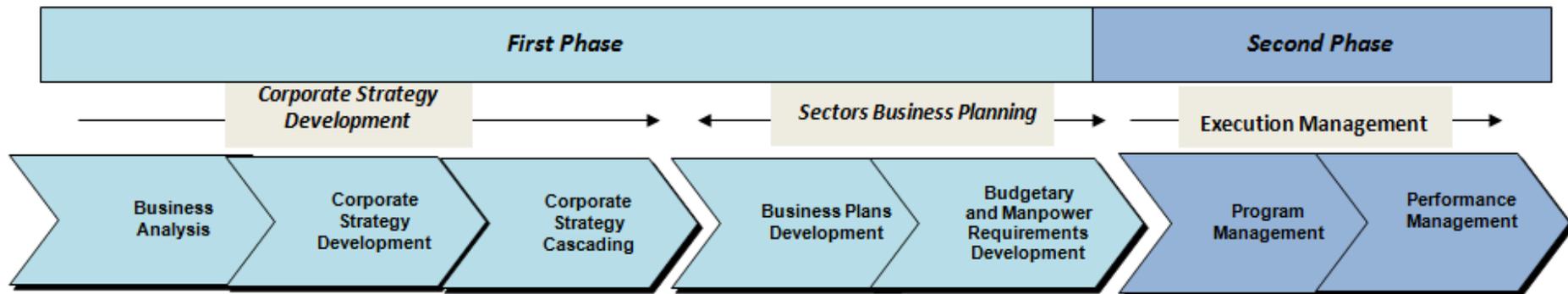


Table 19: Key activities of the event state network at STC

1- Business Analysis Approach	2-Corporate Strategy Review Approach	3-Corporate Strategy Cascading Approach	4- Execution Plans Development Approach	5 -Budgetary and Manpower Requirements : Development Approach	6- Program Management	7- Performance Management
<ol style="list-style-type: none"> <li>Monitoring business evolution</li> <li>Conducting external business environment analysis ( five forces Model- Porter)</li> <li>Conducting internal business environment analysis</li> <li>Synthesising Business analysis (SWOT and critical success factors analysis)</li> </ol>	<ol style="list-style-type: none"> <li>Deriving business challenges from environ. and business analysis</li> <li>Developing business forecasts (Gap Analysis, Scenario and sensitivity analysis)</li> <li>Reviewing corporate strategy through a strategic workshop</li> </ol> <p><b>Corporate Strategy Development Approach</b></p> <ol style="list-style-type: none"> <li>Developing proposed strategies based on Strategy Review Workshop output</li> <li>Updating business forecasts</li> <li>Formulating corporate strategy through a strategic workshop</li> <li>Defining and establishing corporate goals</li> <li>Presenting to Board of Directors for review and approval</li> </ol>	<ol style="list-style-type: none"> <li>Cascading the corporate strategy into strategies at Sector level</li> <li>Organising a Strategy Cascading Workshop to ensure senior management collective ownership</li> <li>Synthesising each sector set of strategies</li> <li>Cascading the corporate scorecard into sectors goals</li> </ol>	<ol style="list-style-type: none"> <li>Detailing strategies into initiatives for the year and identifying responsible GMs</li> <li>Developing bottom up budgetary and manpower requirements associated with sector initiatives</li> <li>Developing Sectors Performance Management Scorecard for the year</li> <li>Detailing business forecasts on a monthly level for the year</li> <li>Cascading GMs initiatives to Directors level</li> </ol>	<ol style="list-style-type: none"> <li>Reconciling bottom up with top down budget and manpower requirements</li> <li>Updating business plans if necessary</li> <li>Preparing and presenting budget and manpower presentation to the Board of Directors</li> <li>Updating business, budget, and manpower plans accordingly</li> <li>Presenting them to the Board of directors.</li> </ol>	<ol style="list-style-type: none"> <li>Assigning sponsors for each of the corporate strategies, and Overseeing execution management process</li> <li>Assign Task Force members and managing initiative execution, Approve Strategy and Initiative Milestones, and Presenting to Management Committee on a monthly basis</li> <li>Consolidating execution reports, supporting Management Committee and following up with Sponsor, and Management of Change Request process</li> <li>Reviewing execution performance, making decisions on issues and initiating corrective actions to corporate strategy</li> </ol>	<ol style="list-style-type: none"> <li>Confirming KPIs, obtaining KPI targets (monthly, quarterly, etc.)</li> <li>Producing bi-weekly, monthly, quarterly and annual reports, and Monitoring business evolution and corporate strategy execution</li> <li>Monitoring sectors performance and sectors strategies execution</li> <li>Monitoring initiatives execution.</li> </ol>

### **5.6.2 Analysis of the Data**

The components of the Eight-Step Model will now be presented, and the methodological functions of this tool will also be described. This involves describing how the user can identify for example an ‘activity of interest’ when using the Eight-Step-Model. These illustrations are outlined as follows: The Eight-Step-Model is used as a tool within the activity theory to interpret the activity-based process of strategic planning at STC.

There are two phases of strategic activities for the planning process at STC. These activities are gathered and extracted in the Event-State Network so as to illustrate the consequent process of the planning cycle within STC. The eight-step components of Mwanza (2001) will be explained in order to ensure a deep understanding of the planning mechanism at STC. This will further aid understanding to help answer the study questions in regard to exploring the activities of the strategic planning process, and of how such activities influence the development and implementation of strategic initiatives. The first phase of the strategic activities for the planning process thus began, and a brief explanation is provided of what needs to be addressed during each of the eight steps for the activity model.

### **5.6.3 The First Phase: The Strategic Planning Process at STC**

#### **5.6.3.1 Business Analysis Activity**

##### Step 1: Activity of Interest

The following question requires addressing: What Sort of Activity is he interested in?

At STC, sectors (units or departments) continuously scan the business environment and update business analysis with a particular focus on areas in which changes impact forward-looking topics. This activity, namely Business Analysis, contains four essential sub-activities: (1) Monitoring business evolution, (2) conducting external business environment analysis, (3) conducting internal business environment analysis, and (4) synthesising business analysis.

Interviewee D stated:

*‘The first step of our planning cycle is to analyse the whole market. The Saudi market has changed a lot in the last 6 years. We have two other strong companies.*

*Therefore, we need to know and understand all our market. To know where we are, where we want to achieve, what is our strong points, weaknesses, threats and risks. This step is the main and first step for our strategic planning process.'*

Moreover, Interviewee E also confirmed:

*'Yes, our first step is to analyse the business. This work contains some important elements you can see in our strategy file.'*

The next figure illustrates the sub-activities of business analysis. It was taken from the Strategy file from STC.

Figure 22: Business analysis activity  
**Strategic Planning Process**  
**1- Business Analysis Approach**



Key Activity	Deliverable	Responsible
1 Monitoring business evolution	▶ Performance reports and recommendations	▶ Performance Management
2 Conducting external business environment analysis	▶ External environment analysis, external benchmarking, segmentation of markets	▶ Sectors / Corporate Planning <sup>(1)</sup>
3 Conducting internal business environment analysis	▶ Performance baselining, products and services portfolio analysis and assessment of strategic plan evolution	▶ Sectors / Corporate Planning
4 Synthesizing Business analysis	▶ SWOT and critical success factors analysis	▶ Sectors / Corporate Planning

(Source: STC Strategy File, 2010, STC)

### Step 2: Objective

It is necessary to identify why the activity took place. STC implements business analysis because it is an important step in understanding the entire telecommunications market — both externally and internally — that could affect the company vision for its future objectives.

Interviewee D mentioned:

*‘We have two other strong companies. Therefore, we need to know and understand all our market. To know where we are, where we want to achieve, what is our strong points, weaknesses, threats and risks. This step is the main and first step for our strategic planning process.’*

**Step 3: Subjects**

It is necessary to answer the question: Who is involved in carrying out this activity? The previous source clarifies each sub-activity with the responsible unit as shown in Table 20.

Table 20: Sub-activities of the business analysis activity

<b>Sub- activities of : Business analysis</b>	<b>Responsible</b>
Monitoring business evolution	Performance Management
Conducting external business environment analysis	Sectors / Corporate Planning
Conducting internal business environment analysis	Sectors / Corporate Planning
Synthesising business analysis	Sectors / Corporate Planning

**Step 4: Tools**

*By what means are the subjects performing this activity?*

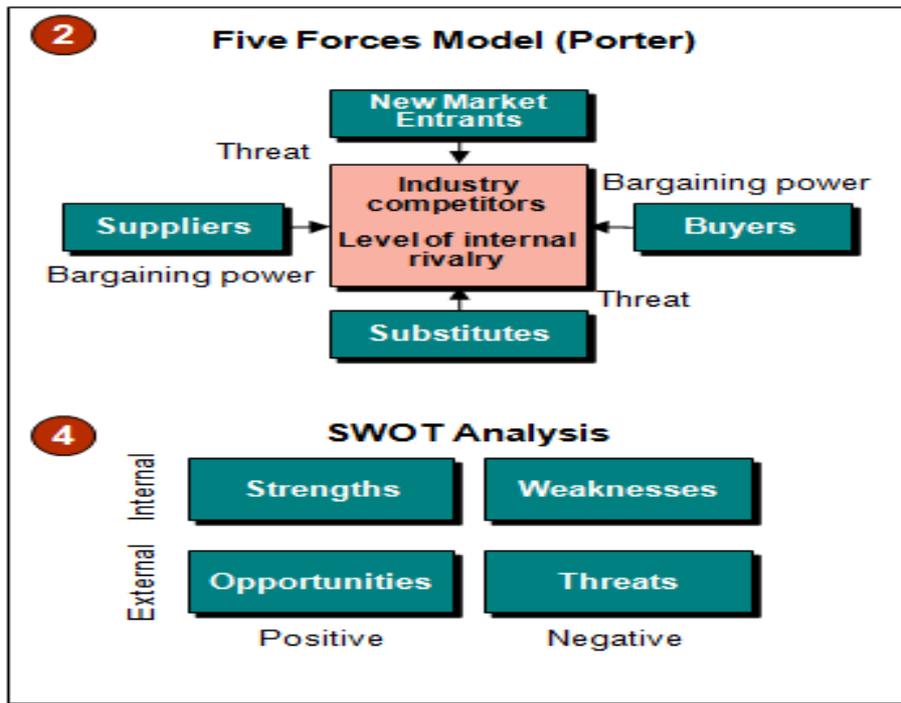
Table 21 shows what tools are used to perform the business analysis activity.

Table 21: Tools of business analysis activity

<b>Sub- activities of: Business analysis</b>	<b>Deliverable</b>
Monitoring business evolution	Performance reports and recommendations
Conducting external business environment analysis	External environment analysis, external benchmarking, segmentation of markets
Conducting internal business environment analysis	Performance baselining, products and services portfolio analysis and assessment of strategic plan evolution
Synthesising business analysis	SWOT and critical success factors analysis

STC depends on conducting the Five Forces Model (Porter) in the external business analysis, and the SWOT analysis in the internal business environment analysis, as shown in the strategy files using different examples (Figure 23).

Figure 23: Examples of tools for business analysis activity



(Source: STC Strategy File, 2010, STC)

#### Step 5: Rules and Regulations

*Are there any cultural norms, rules or regulations governing the performance of this activity?*

STC complies with the terms and conditions of the Saudi telecommunication and information technology commission, so it is relying on formal channels to obtain more information on the whole market, such as on the TADAWOL website. Notably, it collects all regular information for the three telecommunications companies, as was informed by Interview D, who stated:

*'... If you want any specific information for any quarters of the last 6 years, you can find them in TADAWOL website. Actually, we rely on its past and expected information to analysis our market before determining our strategy.'*

At the same time, Interviewee C said:

*'We collect the important and futuristic information about our domain internationally through new studies, publications, statistics from the International Telecommunication Union (ITU) and also through our clients from consultant*

*companies in Europe and America. In fact, the communications and acquaintance to other cultures expand our vision and also make us striving to be the better in our Saudi market.'*

This shows that the company actively seeks to gain from acquiring information from international sources, and to collaborate with other foreign companies. However, it could be construed that STC is also reliant on informal channels to analyse its business. Interviewee G said:

*'Please do not forget that STC was a governmental ministry. This has helped us to gain more and more information about other competitors, about the whole market, any new competitor, any new changes in such services prices. I do not want to say that we still 'demonstrate' on the Communications and Information Technology Commission, but we have good contacts with them. This relation makes us to play a strong leader role in the market for the other telecommunications companies.'*

These quotes confirm that STC depends more internally on its informal channels to obtain information in order to employ this data in analysing its business. This may provide the interpretation that STC remains a leader, and is the main mover in the telecommunications market. STC also has a strong relationship with the Saudi Communications and Information Technology Commission. This is because STC was the governmental ministry for communications prior to the privatisation period of 1998. This relation continues to support STC's position in gaining in competitive information for other companies.

#### Step 6: Division of Labour

*Who is responsible for what when carrying out this activity, and how are the roles organised?*

It is appropriate here to consider the STC structure, which was shown in Chapter 4. As was mentioned previously, business analysis activity contains four sub-activities, each of which has specific responsibility to achieve its role. The next table below illustrates this.

Table 22: The responsible subjects for business analysis activity

Sub- activities of : Business analysis	Responsible
Monitoring business evolution	Performance Management
Conducting external business environment analysis	Sectors / Corporate Planning
Conducting internal business environment analysis	Sectors / Corporate Planning
Synthesising business analysis	Sectors / Corporate Planning

Step 7: Community

*What is the environment in which this activity is carried out?*

To conduct this activity, STC carries out many meetings and workshops. Primarily, these workshops are at a sectoral level, and each sector carries out its responsibility through conducting various internal meetings and workshops. Subsequently, the meetings and workshops are carried out on all sectoral levels in order to synthesise all collected information for analysing the business. In this activity, corporate planning and performance management represent the community. In addition, the distinguished relation with The Saudi Telecommunication and Technology Commission represents a main member in forming this community, as well as with other external consultants and experts.

Step 8: Outcome

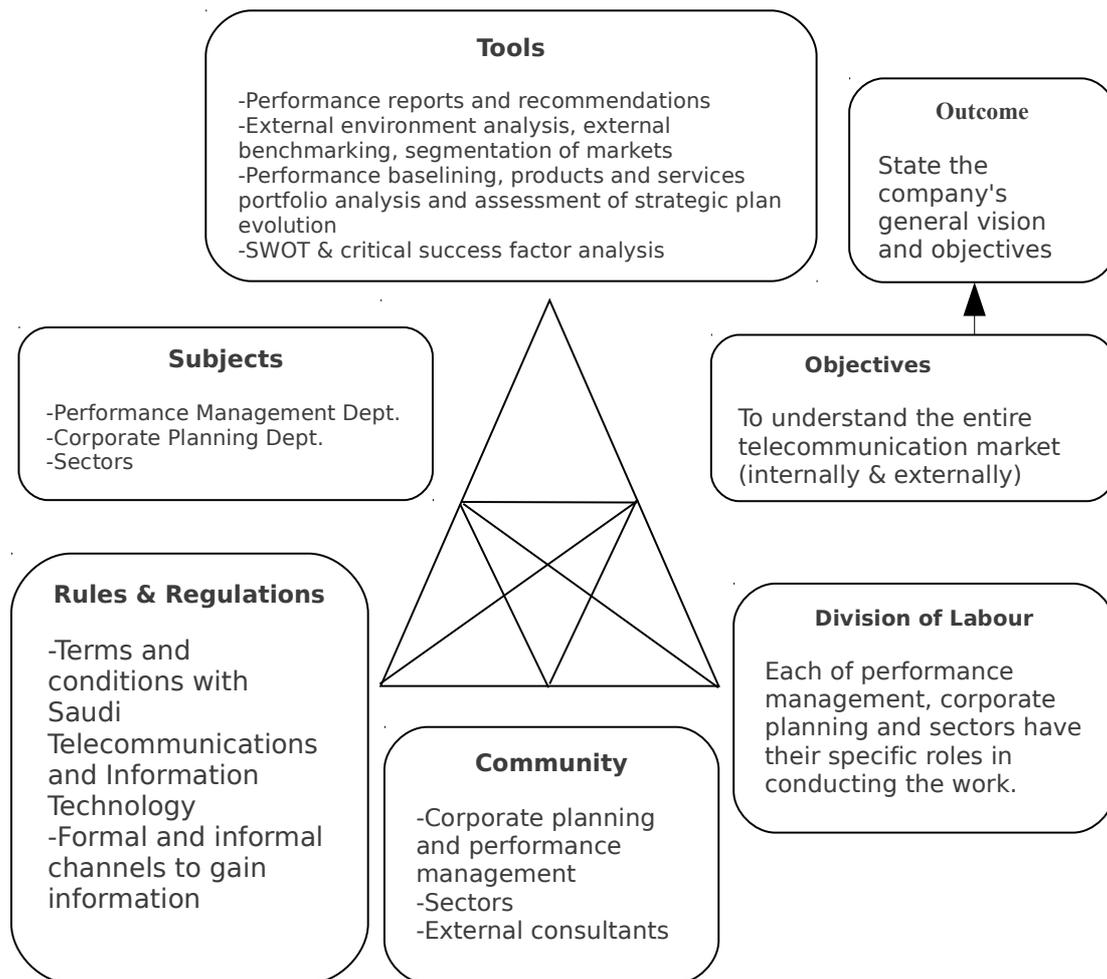
*What is the desired Outcome from carrying out this activity?*

Interviewee B said:

*‘Environment overview and business cases are consolidated for the corporate strategy review workshop which will help to develop our corporate strategy.’*

Therefore, this activity is carried out in order to gain and obtain detailed information concerning the telecoms market and also about the STC business, which may affect the STC vision and strategy.

Figure 24: An activity model for business analysis activity



### 5.6.3.2 Corporate Strategy Development

#### Step 1: Activity of interest

Corporate Strategy Development: This stage comprises of two fundamental activities: (1) the Corporate Strategy Review, and (2) Corporate Strategy Development. In the corporate strategy review approach, business challenges are derived based on the market environment and also from business analysis. Sectors and Corporate Planning are responsible for this. The Sectors and Finance units are responsible for developing business forecasts by carrying out Gap Analysis, Scenario and Sensitivity Analysis.

Performance Management and Corporate Planning then review corporate strategy through holding a strategic workshop. After that, Performance Management and Corporate Planning implement a Corporate Strategy Development approach through developing proposed strategies based on a Strategy Review Workshop output.

Following the above, the Sectors and Finance update business forecasts through carrying out Business Forecasts. Corporate Planning then formulates corporate strategy through a strategic workshop, and then, a consolidate of business forecasts and finalised Corporate Strategy. The next step is defining and establishing corporate goals, and general financial goals by the President of Corporate Planning, and then presenting these to the Board of Directors for review and approval. It is important to clarify some points:

- a) Corporate goals included in the corporate scorecard are of two types:
  - General Financial Goals, which measure the financial performance of the company
  - Corporate Strategy Goals, which assess value creation and delivery progress along every dimension of the corporate strategy
- b) Corporate goals are set by the President who extracts them from the corporate strategy and validates them with the Board of Directors

The next two figures clarify all these details (Figure 25, Figure 26).

Figure 25: Corporate strategy development activity (part 1)

**Corporate Strategy Development:  
\* Corporate Strategy Review Approach**

Key Activity	Deliverable	Responsible
<b>1</b> Deriving business challenges from environment and business analysis	▶ Key business challenges	▶ Sectors / Corporate Planning
<b>2</b> Developing business forecasts	▶ Gap Analysis ▶ Scenario and sensitivity analysis	▶ Sectors / Finance
<b>3</b> Reviewing corporate strategy through a strategic workshop	▶ Corporate Strategy performance report ▶ Corporate Strategy Review workshop presentation ▶ Consolidation of business forecasts	▶ Performance Management  ▶ Corporate Planning  ▶ Corporate Planning

(Source: STC Strategy File, 2010, STC)

Figure 26: Corporate strategy development activity (part 2)

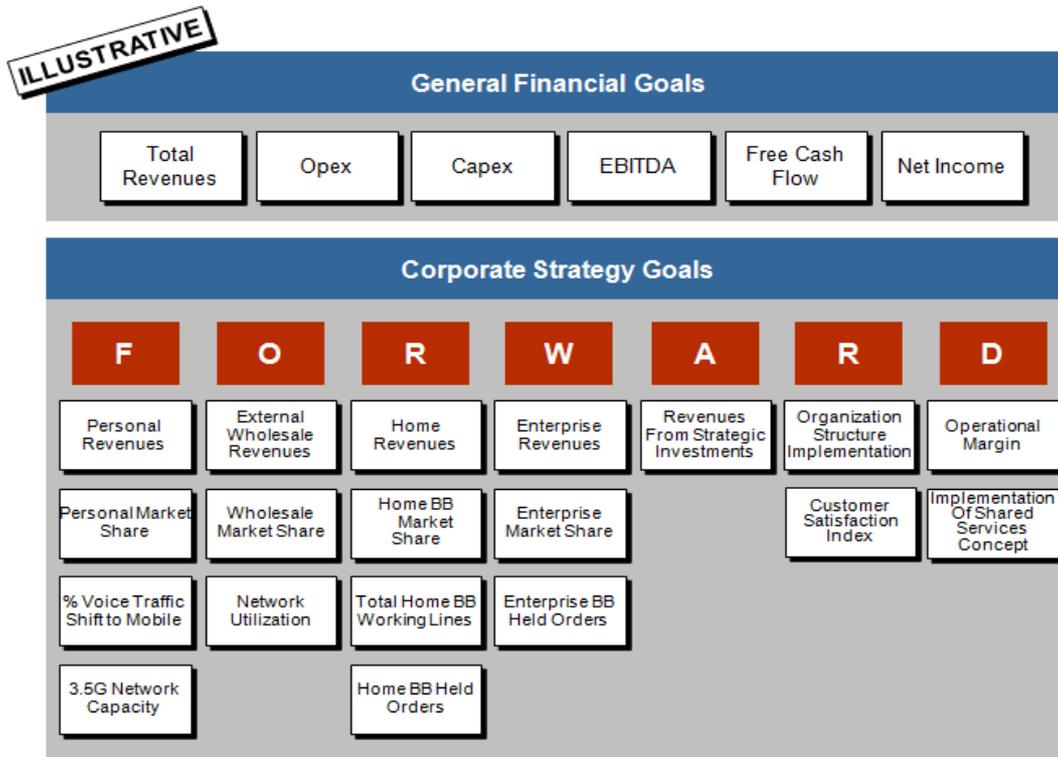
**\*\* Corporate Strategy Development Approach**

Key Activity	Deliverable	Responsible
1 Developing proposed strategies based on Strategy Review Workshop output	▶ Proposed Corporate Strategy	▶ Sectors / Corporate Planning
2 Updating business forecasts	▶ Business Forecasts	▶ Sectors / Finance
3 Formulating corporate strategy through a strategic workshop	<ul style="list-style-type: none"> <li>▶ Corporate Strategy Workshop presentation</li> <li>▶ Consolidation of business forecasts</li> <li>▶ Finalized Corporate Strategy</li> </ul>	<ul style="list-style-type: none"> <li>▶ Corporate Planning</li> <li>▶ Corporate Planning</li> <li>▶ Sectors / Corporate Planning</li> </ul>
4 Defining and establishing corporate goals	<ul style="list-style-type: none"> <li>▶ Corporate goals</li> <li>▶ General financial goals</li> </ul>	▶ President / Corporate Planning
5 Presenting to Board of Directors for review and approval	▶ Approved Corporate Strategy and Goals	▶ President / Corporate Planning

(Source: STC Strategy File, 2010, STC)

An example of a Corporate Scorecard Development activity is shown in the next figure (Figure 27).

Figure 27: An example of corporate scorecard development activity



(Source: STC Strategy File, 2010, STC)

Step 2: Objective

Interviewee D said:

*‘Sure, you can see many details need to associate with this activity. It is an important and main step to develop the corporate strategy of STC.’*

Therefore, this activity takes place in order enable corporate strategy to crystallise and develop during the strategy workshop with senior management.

Step 3: Subjects

Based on the previous two figures (Figure 25, and Figure 26), it can be said that VPs for Sectors, Finance, Corporate Planning, Performance Management, and the President are all involved in carrying out this main activity. Moreover, each member has a specific role and responsibility to play.

Step 4: Tools

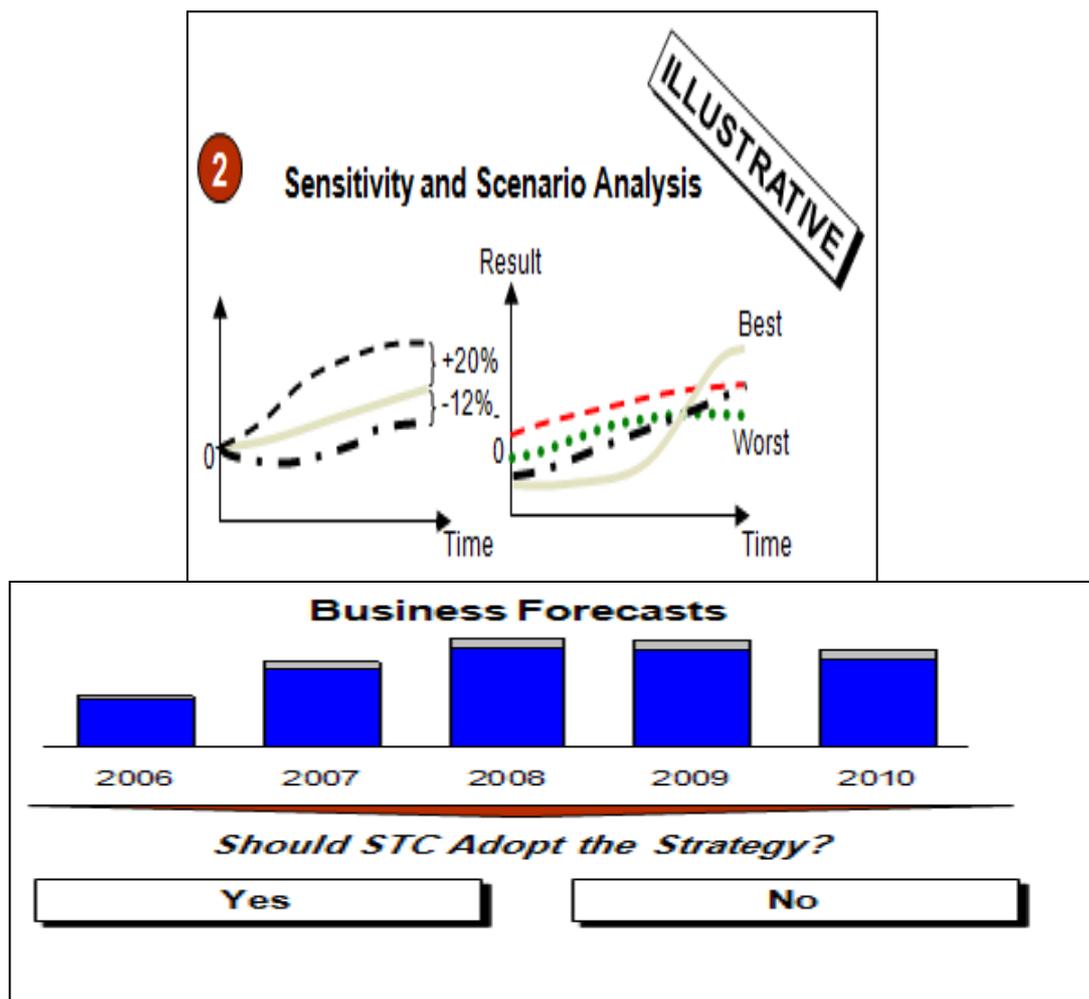
The development of corporate strategy and business forecasts is done through

conducting Gap Analysis, and Scenario and Sensitivity Analysis. Interviewee D mentioned that:

*‘...during developing the corporate strategy, we need to have business forecasts. We rely on Gap analysis, and Scenario and sensitivity analysis. These are our tools to expect our business analysis’.*

An example of these analyses is shown in the next figure (Figure 28).

Figure 28: Examples of tools for corporate strategy development activity



(Source: STC Strategy File, 2010, STC)

### Step 5: Rules and Regulations

After attending some meetings and workshops, it was observed that the business environment to conduct this activity is helpful and cooperative. Each sector presents all the accessed information to other sectors — even by means of a written document,

although this affects the required time to finalise this activity. The environment is very serious and practical. With this in mind, all meetings and workshops are determined beforehand, and all responsible VPs are studious in attending such events. This demonstrates a good example of teamwork involving different sectors and units.

The next Figure 29 below shows the content of strategy workshop that is followed at STC.

Figure 29: Strategy review workshop content

**3 Strategy Review Workshop Content**

**Table of Content**

- ▶ Potential Shareholder Value Increase
- ▶ Industry and Technology Trends
- ▶ KSA Market Overview
  - KSA Market Overview
  - Regulatory Environment
  - Telecom Sector Overview
- ▶ Key Business Challenges and Business Projections
- ▶ Current Strategy Review
- ▶ Managing Growth Strategies
- ▶ Operational Efficiency Strategies

(Source: STC Strategy File, 2010, STC)

Step 6: Division of Labour.

The next table highlights each sub-activity with the responsible role from each sector.

Table 23: The responsible subjects for the corporate strategy development activity

<b>Sub-activities of: Corporate Strategy Development</b>	<b>Responsible</b>
1. Deriving business challenges from environment and business analysis	Sectors & Corporate Planning
2. Developing business forecasts (Gap Analysis, Scenario and sensitivity analysis)	Sectors & Finance
3. Reviewing corporate strategy through a strategic workshop	Performance Management, & Corporate Planning
4. Developing proposed strategies based on Strategy Review Workshop output	Sectors & Corporate Planning
5. Updating business forecasts	Sectors & Finance
6. Formulating corporate strategy through a strategic workshop	Corporate Planning & Sectors
7. Defining and establishing corporate goals	President & Corporate Planning
8. Presentation to Board of Directors for review and approval	President & Corporate Planning

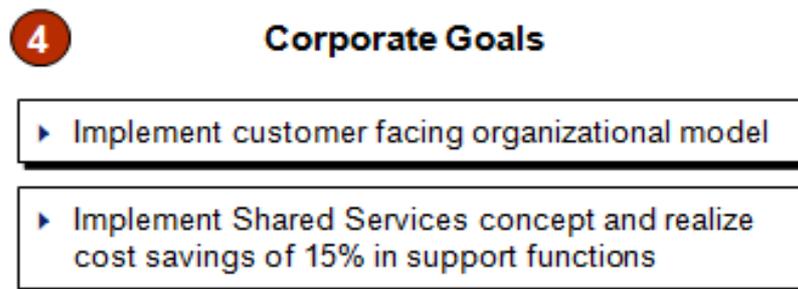
Step 7: Community

All sectors involving corporate planning and performance management — as well as the president — represent the community for this activity.

Step 8: Outcomes

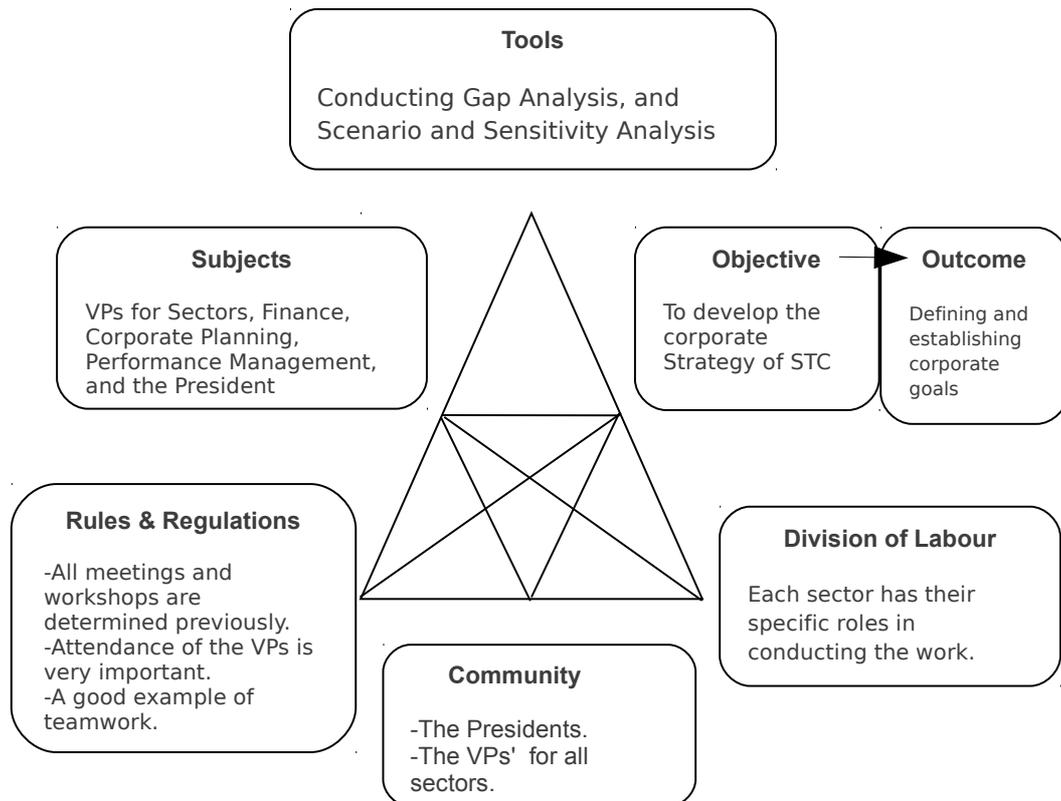
The outcome of this activity is the definition and establishment of corporate goals in order to present them to the Board of Directors for review and approval.

Figure 30: Outcomes of corporate strategy development activity



(Source: STC Strategy File, 2010, STC)

Figure 31: An activity model for corporate strategy development activity



### 5.6.3.3 Corporate Strategy Cascading

#### Step 1: Activity of Interest: Corporate Strategy Cascading

During this phase, the Corporate Strategy unit breaks down the corporate strategy into a number of different approaches at Sectoral level. This is carried out in order to enable a collective ownership of senior management, and to thereby facilitate the blend of each set of strategies associated with each sector. Finally, the Corporate Scorecard is cascaded into sector-relevant aims and objectives.

#### Step 2: Objective

The main objective of this activity is to cascade the corporate strategy into strategies at sectoral level.

Step 3: Subjects: VPs for sectors and corporate strategy unit are all involved in this activity.

The next figure extracts each sub-activity with the responsible sector for its application.

Figure 32: Corporate strategy cascading activity

### 3- Corporate Strategy Cascading Approach

Key Activity	Deliverable	Responsible
1 Cascading the corporate strategy into strategies at Sector level	▶ Sectors strategic plans draft	▶ Sectors / Corporate Planning
2 Organizing a Strategy Cascading Workshop to ensure senior management collective ownership 3 Synthesizing each sector set of strategies	▶ Validated Sectors strategic plans	▶ Corporate Planning / Sectors ▶ Corporate Planning
4 Cascading the corporate scorecard into sectors goals	▶ Sectors goals	▶ Corporate Planning / Sectors

(Source: STC Strategy File, 2010, STC)

#### Step 4: Tools

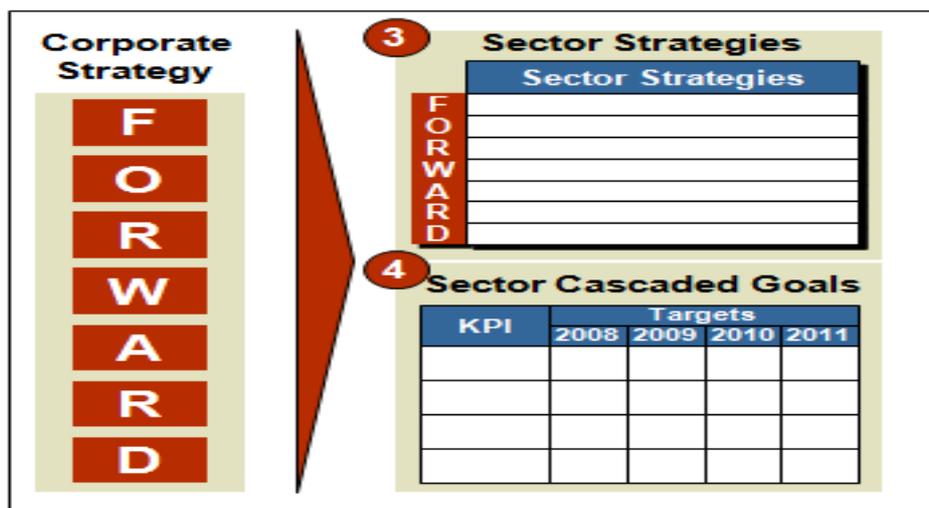
A workshop involving senior management from all sectors is held to collectively define and commit for the required cascaded strategies and associated goals at the sectoral level. Through this workshop and by relying on KPI indicators for the previous years, STC is able to cascade the scorecard into sectoral goals. STC relies on KPI indicators to simplify the implementation process of strategy, as well as to guide the development process of strategic planning.

Interviewee E said:

*‘This is an example of teamwork and general financial goals in corporate strategy. The KPI is always three years, and it is always considered as one of our main tools in creating the strategy and cascading it into sectors goals.’*

An example of cascading the corporate strategy into sectoral goals is shown in the next figure.

Figure 33: An example of a cascading corporate strategy activity



(Source: STC Strategy File, 2010, STC)

#### Step 5: Rules and Regulations

Importantly, within STC, the Corporate Strategy Unit places significant emphasis on all sectors and departments, with one interviewee (H) stated that corporate strategy within the organisation adopts a synthesising role. This is fundamental when seeking to ensure all internal processes are simplified, and also that work is not duplicated.

*'After this stage, the corporate strategy unit is presenting in all workshops, which are between HR and financial, for discussing the requirements of all sectors. It has a significant role in regulating and consolidating the goals between sectors. They should be logical, have realistic needs, propose other solutions for budgeting, help in terms of covering the gaps in sectors or capabilities gaps. This is because we know and understand all sectors, and we know what they offer.'*

The Corporate Strategy unit at STC has a big interest in consolidating all sectors of STC, and all its goals and objectives are logical. This was expressed by interviewee E who said:

*'Yes, of course, we, by our experts and consultants know all abilities of sectors, so we can determine what the requirements of each sector are. We also could shifts some goals from a sector to another depending on utilising all our resources in an efficient way.'*

The Corporate Strategy Unit plays an important role in pre-arranging its meetings. It

benefits from these meetings and communications with all sectors in cascading the corporate strategy in order to gain from all its abilities in all sectors. At the same time, it is ensured that these strategic goals are able to comply with the general conditions of the corporate strategy.

Step 6: Division of Labour

Generally, sectors were found to collaborate with the Corporate Strategy Unit in conducting this activity. The next table illustrates each activity with the sector responsible for each one.

Table 24: The responsible subjects for corporate strategy cascading activity

<b>Sub- activities of Corporate Strategy Cascading</b>	<b>Responsible</b>
1. Cascading the corporate strategy into strategies at sectoral level	Sectors & Corporate Strategy Unit
2. Organising a Strategy Cascading Workshop to ensure senior management's collective ownership	Sectors & Corporate Strategy Unit
3. Synthesising each sectoral set of strategies	Corporate Strategy Unit
4. Cascading the corporate scorecard into sectoral goals	Sectors & Corporate Strategy Unit

Step 7: Community

The corporate strategy cascading phase is conducted through holding workshops involving senior management from all sectors, along with their staff, so as to collectively define and commit to the required cascaded strategies and associated goals at sector level.

Step 8: Outcome

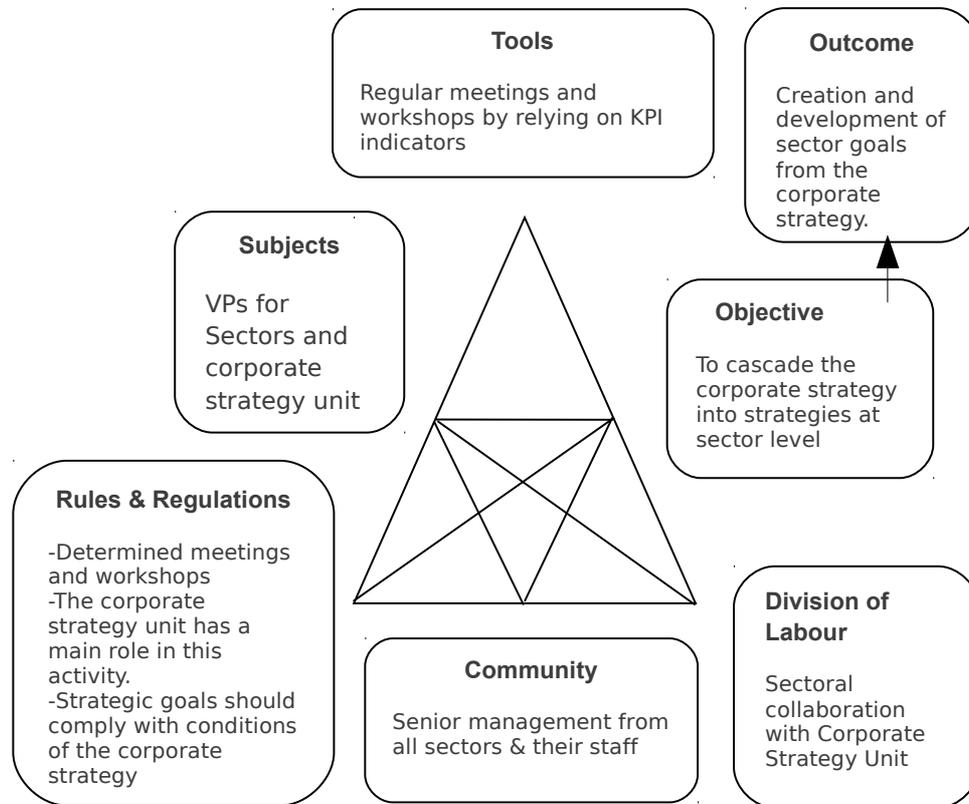
Cascading the corporate strategy by carrying out the previous sub-activities will scorecard it within sector goals, which will therefore simplify the next phase of developing business plans. It means that the main outcome is to create and develop sectoral goals from the corporate strategy.

Interviewee B clarified the situation in the following words:

*'Each phases of our strategy process has desired objectives and goals. We move during conducting the strategy process from phase to another to achieve specific outcomes,.....in corporate strategy cascading phase, we concentrate on having goals on sector level which are important to develop our business plans in the next*

phase.'

Figure 34: Corporate strategy cascading activity



### 5.6.3.4 Business Plan Development

#### Step 1: Activity of interest: Business Plan Development

During this phase, each sectoral strategy needs to be informed in terms of the execution plans and resource requirements for the year. In fact, this phase of the Business Plan Development requires all relevant units — namely the Corporate Strategy, as well as the associated strategic departments of STC — to devise detailed initiatives as well as associated GMs. In this regard, sector-relevant bottom-up budgetary and manpower requirements should be considered, as well as a Sector Performance Management Scorecard and business forecasts on a monthly level for the year, and then cascading GMs initiatives to director level.

#### Step 2: Objective

The main objectives of this phase are to transform each sector strategy into execution plans, and also to determine the requirements of resources for the year, as mentioned

by Interviewee B, who stated:

*‘... Also we develop business plans for sectors in order to have plans in the execution form, and also we need to have the resource requirement as a total for each sector.*

**Step 3: Subjects**

The next table illustrates all sub-activities of this phase and the responsible sector.

Figure 35: Business plans development activity

**4- Business Plans Development**



Key Activity	Deliverable	Responsible
1 Detailing strategies into initiatives for the year and identifying responsible GMs	▶ Sector initiatives by General Manager	▶ Sectors / Corporate Planning
2 Developing bottom up budgetary and manpower requirements associated with sector initiatives	▶ Manpower and budgetary requirements <sup>(1)</sup>	▶ Sectors / Finance / HR
3 Developing Sectors Performance Management Scorecard for the year	▶ VPs / GMs KPIs and objectives	▶ Sectors / Performance Management
4 Detailing business forecasts on a monthly level for the year	▶ Business forecasts	▶ Sectors / Finance
5 Cascading GMs initiatives to Directors level	▶ Sector execution plan	▶ Sectors

(Source: STC Strategy File, 2010, STC)

**Step 4: Tools**

STC considers itself as one of the first companies that conducts dashboard reports as a tool through its workshops of developing business plans. In addition, KPI indicators, SWOT analysis, scenario analysis for developing monthly timelines and budget requirements are all tools used that help sectoral GMs in detailing business forecasts for the year. This has happened during the holding of workshops.

Interviewee H said:

*‘In the Business plan development step, initiatives and milestones should be very detailed. .... ,Some reports are weekly, monthly, quarterly. We use dashboard*

*reports, i. e the senior manager accesses the website to update all revenues, how much it reaches on a daily and weekly basis. This happened during workshops.'*

#### Step 5: Rules and Regulations

The regulations at STC related to the development of business plans seem to be flexible and promote cooperation between the sectors. Sometimes, there are some issues which may affect the stated business plans, and so there is a need in this case, to return again to amend them although the plans may reach the initiatives stage.

Interviewee B said:

*'For example, in 2010 we had some problems regarding conducting some initiatives although they were added to the plan after conducting many workshops, and presented them in front of the Board. At this point, we had to make various decisions and specific initiatives, and then we returned to the sectors to add and amend, although they may reach the initiatives stage. This justifies the inclusion of a special department for business development for amendments, studies and coordination with sectors and meetings, i.e. it is general management for each sector.'*

Also, this stage requires the president, vices, various GMs in strategy, analysers, and experts to attend these workshops.

Interviewee B said:

*'The president, vices, and various GMs specialising in strategy also attend the workshops. These discussion groups may total 5 discussion groups, including analysers, experts in parallel groups, and experts in this topic.'*

Importantly, these workshops enable all attendees to participate in the discussion through discussion groups. This enriches and helps to achieve the workshop's objectives. This was confirmed by Interviewee I, who said:

*'Importantly, a proposal will be presented from the strategic management department, and many meetings will be held in order to build strategies. Some vices use SWOT analysis, scenario analysis or other tools; each has its own initiatives. These are discussed until we reach the final version of the strategies, which is at the VP stage. Each sector adopts various strategies at a GM level, and each GM has their own initiatives and objectives to achieve the company*

*strategies through his sector goals.'*

Step 6: Division of Labour:

As indicated earlier, performance management, corporate planning, Sectors, Finance, and HR all have their specific roles in conducting the work.

Step 7: Community:

In the business plan development phase, sectors, corporate planning, HR, Finance, and performance management all represent the community for implementing this activity. Each one has its own specific role to play in regard to the whole activity. Figure 35 above clarified this. However, the corporate planning with their experts and consultants play a central role in developing business plans for all sectors. They consolidate between various sectors to attain initiatives that simplify and help to achieve the company strategy taking into account the abilities and resources of all sectors.

Interviewee D said:

*'Each sector sets their initiatives through the represented GM who is chosen by the corporate planning. Because we are a small group, it is difficult to know all the details for these initiatives as them, but we review through our consultants and our experts, and here we play a consolidate role between sectors.'*

It is pertinent to note here that STC depends on its experts and consultants in consolidating between sectors through the process of developing the corporate strategy into small initiatives. Interviewee D said:

*'The numbers of employees in the corporate strategy department total 6 employees. All of them are experts and consultants with long experience..... because we are now in a developing position: for example, one consultant is responsible for the application strategy for a specific sector; he attends all workshops as a team member of their committee to assist them from the first and may give his opinion about some specific initiatives. Sometimes, the expert could transfer an initiative from a sector to another based on a reasonable cause such as resource allocation or sector ability'.*

As highlighted by interviewees, it can be stated that the consultants and experts are fundamental, as the stage is concerned with simplifying the overall process. And, the

Corporate Strategy unit utilises a number of different internal and external experts in order to make this phase simpler.

Step 8: Outcome

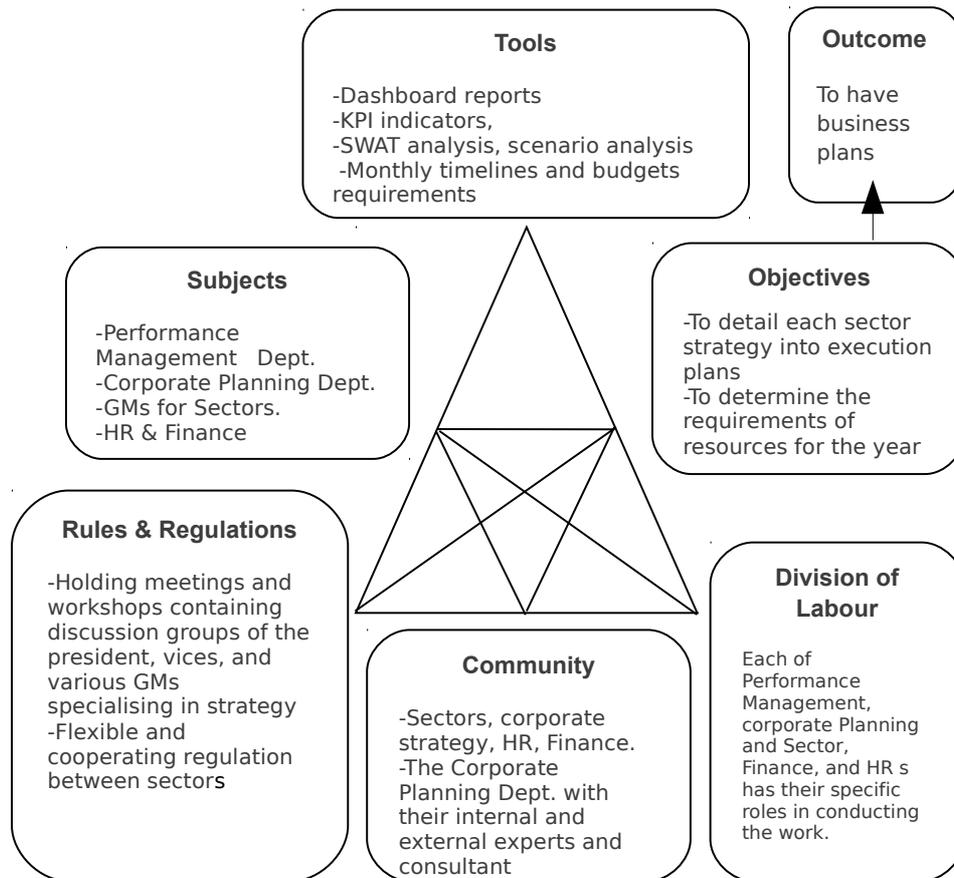
The outcome of this activity is that each sector's strategy is to be detailed in the form of execution plans and resource requirements for the year. The next figure explains the process of this activity and the final outcomes to have business plans.

Figure 36: Outcome of business plans development activity



(Source: STC Strategy File, 2010, STC)

Figure 37: An activity model for business plan development activity



### 5.6.3.5 Budgetary and Manpower Requirements Development

#### Step 1: Activity of interest: Budgetary and Manpower Requirements Development

A number of different departments — namely Corporate Planning, Finance and HR — need to work together in order to determine all bottom-up and top-down requirements in relation to both manpower and budgets. Subsequently, business plans should be amended, if deemed necessary. Then, budget and manpower presentations need to be presented to the Board of Directors, and accordingly, the business budget and manpower plans have to be updated.

#### Step 2: Objective

The main objective of this activity is to reconcile between budget and manpower requirements, and this activity is taking place to have approved corporate and business plans which is a main role in implementing strategy as an action shape. This was mentioned by Interviewee I when he said:

*‘Based on defined initiatives and resource requirements, sectors budget and manpower requests would then be reconciled with finance and HR to have all bottom –up and top-down requirements.’*

Step 3: Subjects

Sectors, Finance, HR, and Corporate Planning all represent subjects responsible in this activity. Their roles in implementing each sub-activity are shown in the next table. Following this, the VPs are responsible in the meeting for presenting the corporate and business plans.

Figure 38: Budgetary and Manpower Requirements Development

**5- Budgetary and Manpower Requirements Development**



Key Activity	Deliverable	Responsible
1 Reconciling bottom up with top down budget and manpower requirements	▶ Reconciled manpower and budgetary requests	▶ Finance / HR / Corporate Planning
2 Updating business plans if necessary	▶ Revised business plans	▶ Sectors / Finance
3 Preparing and presenting budget and manpower presentation to the Board of Directors	▶ Budget presentation to the Board of Directors	▶ Finance / HR
4 Updating business, budget, and manpower plans accordingly	▶ Finalized business plans and budget	▶ Finance / HR / Sectors

Step 4: Tools

This step is performed through:

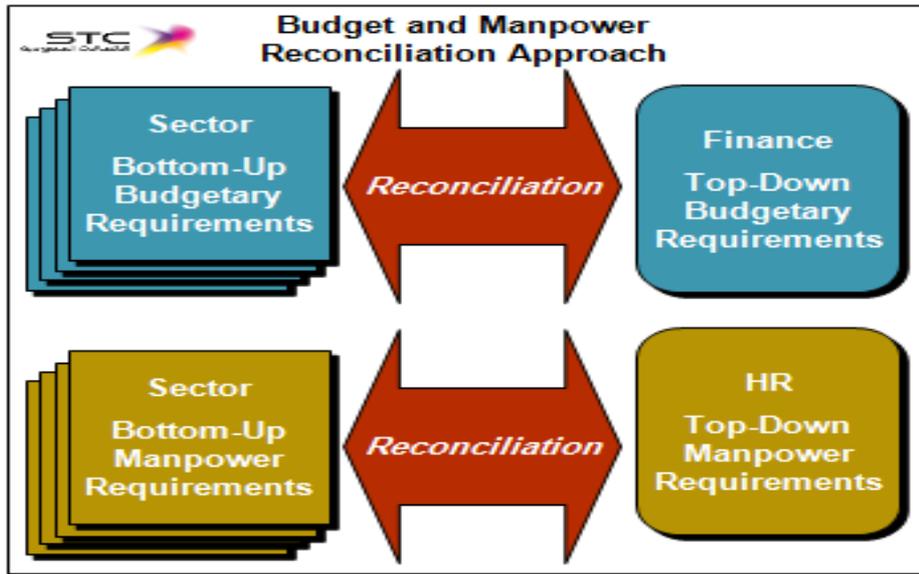
1. Reconciling manpower and budgetary requests
2. Revising business plans
3. Presenting the budgets to the boards of Directors, and updating if necessary

Step 5: Rules and Regulations

It is observed that the Corporate Strategy Unit has played a significant role in reconciling this activity between sectors, Finance, and HR. The strategic planning

experts perform this role, as shown in the next figure.

Figure 39: An example of rules and regulations for budgetary and manpower requirements development activity



(Source: STC Strategy File, 2010, STC)

Importantly, the managers from all sectors participate in the reconciliation step with the Strategic planning experts. This happened during the general meeting and workshops for all sectors, as mentioned by Interviewee D:

*'Yes, we benefit from all sectors to perform our role in reconciliation. When we reach to the Budget and Manpower Requirement step, we hold a general meeting and workshops. Some managers could give notes and hints for other sectors in order to reflect positively on our role of reconciliation'.*

#### Step 6: Division of Labour

Figure 38 illustrates each sub-activity with a sector responsible to perform it, and each VP for each sector has a specific time to present its business plans to the Board.

#### Step 7: Community

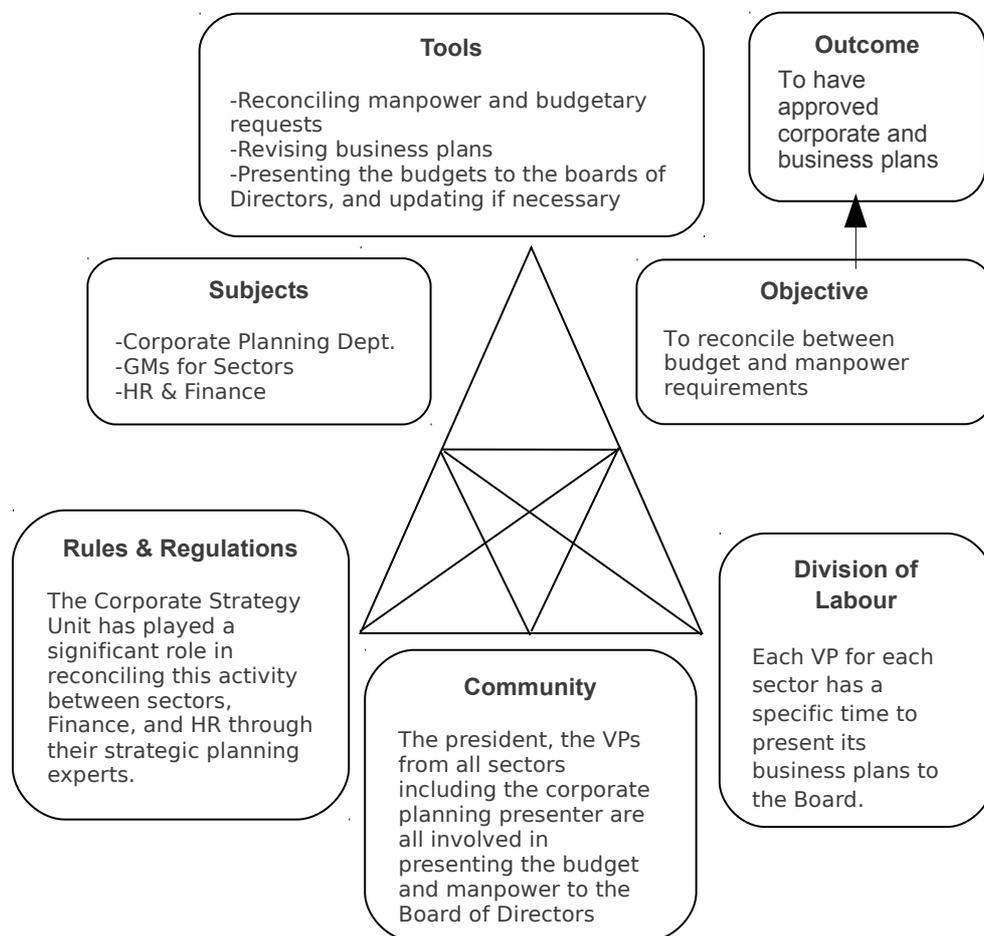
All sectors are involved in this activity, but each one has a particular role. This is also

shown in Figure 38. The president, the VPs from all sectors including the corporate planning presenter are all involving in presenting the budget and manpower to the Board of Directors.

**Step 8: Outcome**

The expected outcome of this activity is to finalise business plans and budget plans in order to begin with the second phase of the planning cycle which is the Execution and Performance Phase. This is shown from the same source in Figure 38.

Figure 40: An activity model for budgetary and manpower requirements development activity



**5.6.4 The Second Phase: Execution and Performance Management Phase**

This phase has two main activities: (1) Program Management Activity, and (2) Performance Management Activity. Each of these activities is analysed by utilising

the Mwanza Eight-step Model (2001) for activity theory.

#### **5.6.4.1 Program Management Activity**

##### Step 1: Activity of Interest

This activity involves assigning sponsors for each of the corporate strategies, overseeing the execution management process, assigning Task Force members, managing initiative execution, approving strategy and initiative milestones, making a presentation to the Management Committee on a monthly basis, consolidating execution reports, supporting the Management Committee, following up with the sponsor, managing the change request process, reviewing execution performance, and making decisions concerning issues, and initiating corrective actions for corporate strategy.

##### Step2: Objective

This activity takes place for three reasons: (1) To confirm accountability, roles and responsibilities; (2) to approve strategy and initiative milestones, and (3) to deliver execution reports.

##### Step 3: Subjects

The responsible subjects in this activity are shown in the next figure.

Figure 41: The responsible subjects for program management activity

**1- Program Management Activity**



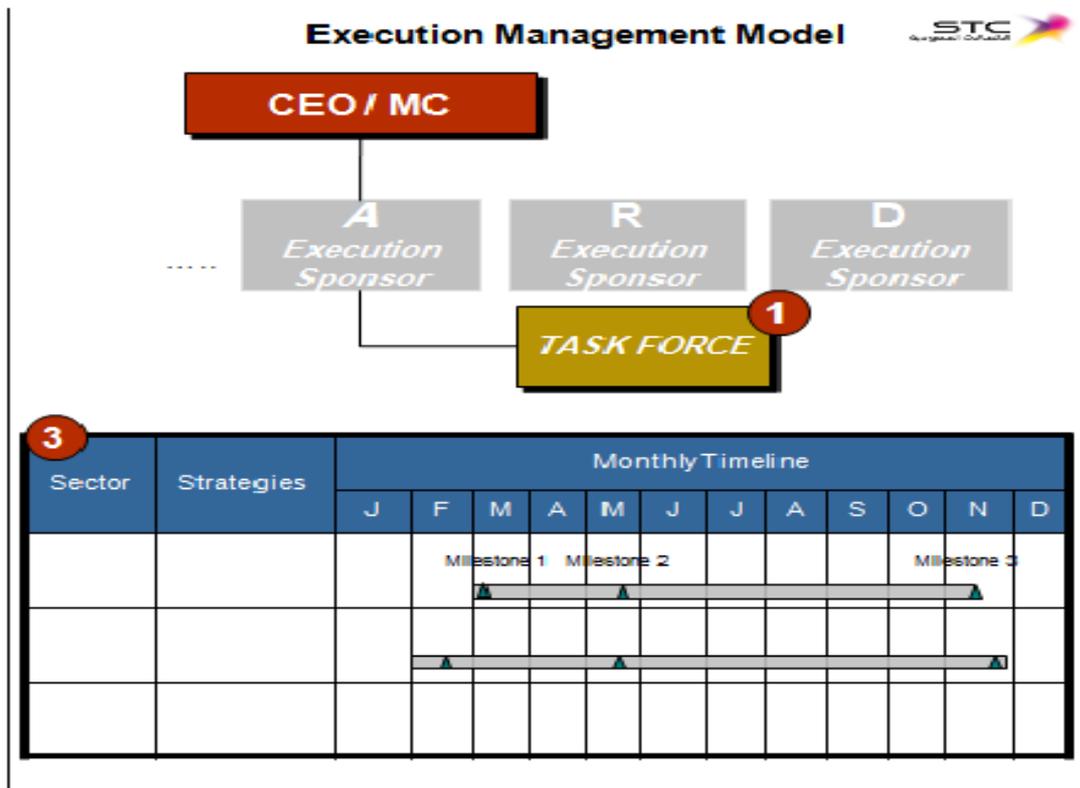
Key Activity	Deliverable	Responsible
<b>1</b> Assigning sponsors for each of the corporate strategies ▶ Overseeing execution management process	▶ Corporate Strategy Sponsors	▶ President
<b>2</b> Assign Task Force members and managing initiative execution ▶ Approve Strategy and Initiative Milestones ▶ Presenting to Management Committee on a monthly basis	▶ Sponsor Execution Management Status Report	▶ Sponsor and Task Force(1) / Corporate Program & Performance Mgmt
<b>3</b> Consolidating execution reports, supporting Management Committee and following up with Sponsor ▶ Management of Change Request process	▶ Strategy Execution guidelines and templates	▶ Corporate Program & Performance Mgmt
<b>4</b> Reviewing execution performance, making decisions on issues and initiating corrective actions to corporate strategy	▶ Strategic input and guidance	▶ Management Committee

(Source: STC Strategy File, 2010, STC)

Step 4: Tools

Corporate strategy sponsors, sponsors’ execution management status report, strategy execution guidelines and templates, and strategic input and guidance are all tools used to perform this activity. An example of a template used in this activity is shown in the next figure.

Figure 42: An example of tools for program management activity



(Source: STC Strategy File, 2010, STC)

Step 5: Rules & Regulations

The president, corporate planning, performance management, and Management Committee are all involved in attending these monthly meetings in order to evaluate the executed strategy, but what have they achieved? If they have, then what do they consider as their plan? Or, is there any need to change? They hold these regular meetings for the purpose of evaluating the executed strategy so as to ensure it is in line with the corporate strategy and its planned objectives.

Step 6: Division of Labour

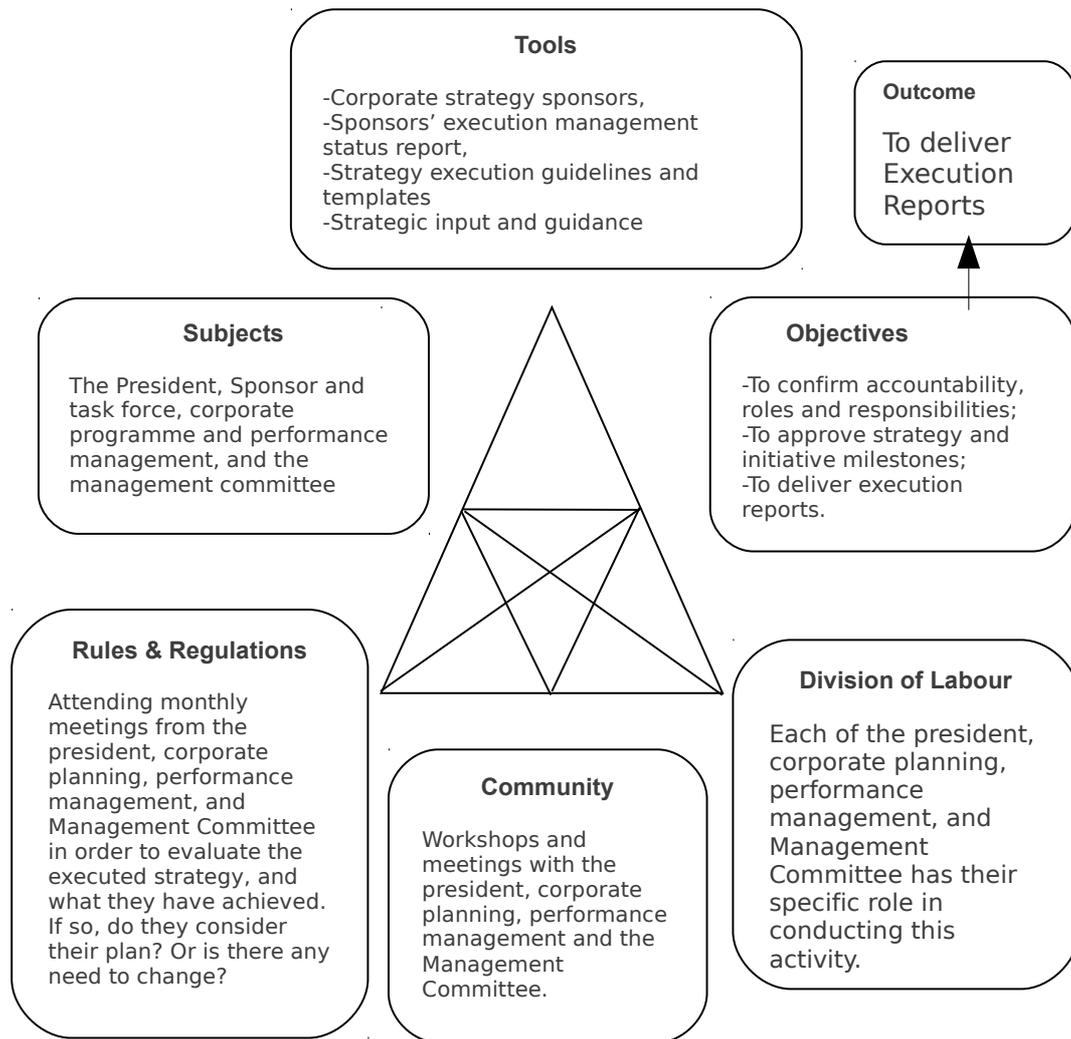
Figure 41 illustrates who is responsible for each sub-activity and role.

Step 7: Community

This activity is carried out during workshops and meetings with the president, corporate planning, performance management and the Management Committee.

Step 8: Outcomes: the desired outcome of this activity is to deliver execution reports.

Figure 43: An activity model for program management activity



#### 5.6.4.2 Performance Management Activity

##### Step 1: Activity of Interest: Performance Management Activity

This activity includes confirming KPIs, obtaining KPI targets (monthly, quarterly, etc.), producing bi-weekly, monthly, quarterly and annual reports, monitoring business evolution and corporate strategy execution, monitoring sector performance and sector strategies execution, and monitoring the execution of initiatives.

##### Step 2: Objective

This activity takes place keeping in mind two tasks: (1) confirming KPI targets, and (2) throughout the year, progressing the execution plans and reporting VP/GM objectives to senior management.

Step 3: Subjects:

All the responsible VPs and GMs for each sub-activity are shown in the next figure:

Figure 44: Performance management activity

**2- Performance Management Activity**



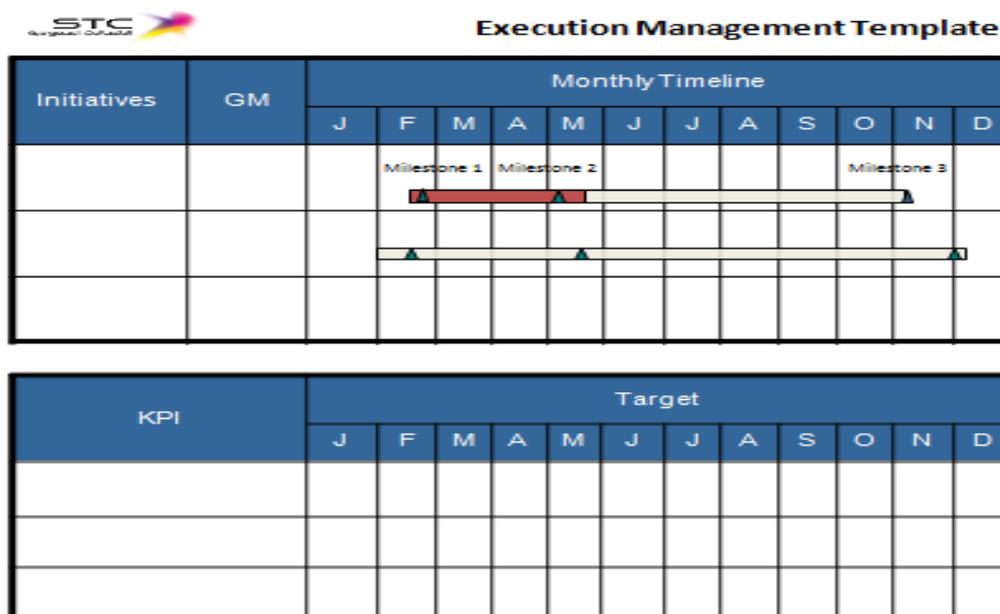
Key Activity	Deliverable	Responsible
1 Confirming KPIs, obtaining KPI targets (monthly, quarterly, etc.)	▶ Updated KPI library/ KPI targets	▶ Corporate Program & Performance Mgmt / Sectors
2 Producing bi-weekly, monthly, quarterly and annual reports ▶ Monitoring business evolution and corporate strategy execution	▶ Corporate Performance reports	▶ Corporate Program & Performance Mgmt
3 Monitoring sectors performance and sectors strategies execution	▶ Corporate Strategy Execution Report	▶ Corporate Program & Performance Mgmt
4 Monitoring initiatives execution <sup>(1)</sup>	▶ Sectors Initiatives Execution Report	▶ Task Force / Corporate Program & Performance Mgmt

(Source: STC Strategy File, 2010, STC)

Step 4: Tools

As shown in the previous table, updated KPI, KPI targets, corporate performance reports, corporate strategy execution report, and sector initiative execution reports are used as tools to deliver the objective of performing this activity. The next figure (Figure 45) illustrates an example of a template used in this activity.

Figure 45: An example of a template used for a performance management activity



(Source: STC Strategy File, 2010, STC)

Step 5: Rules and Regulations

Some activities are implemented internally within each sector alone, and most of these sub-activities are implemented within corporate planning and performance management. Importantly, each sector should undertake its sector initiatives and comply with their objectives. However, if there is a need to make and implement changes within sector initiatives or objectives, it must then be reported using a Modification Request Form to Performance Management and Corporate Planning respectively.

Step 6: Division of Labour

It was illustrated in Figure 44 that corporate planning and performance management play a responsible role in conducting this activity. In addition, sectors are also engaging through confirming KPIs and obtaining KPI targets (monthly, quarterly, etc.).

Step 7: Community

This activity is carried out within internal separated workshops for each unit, which

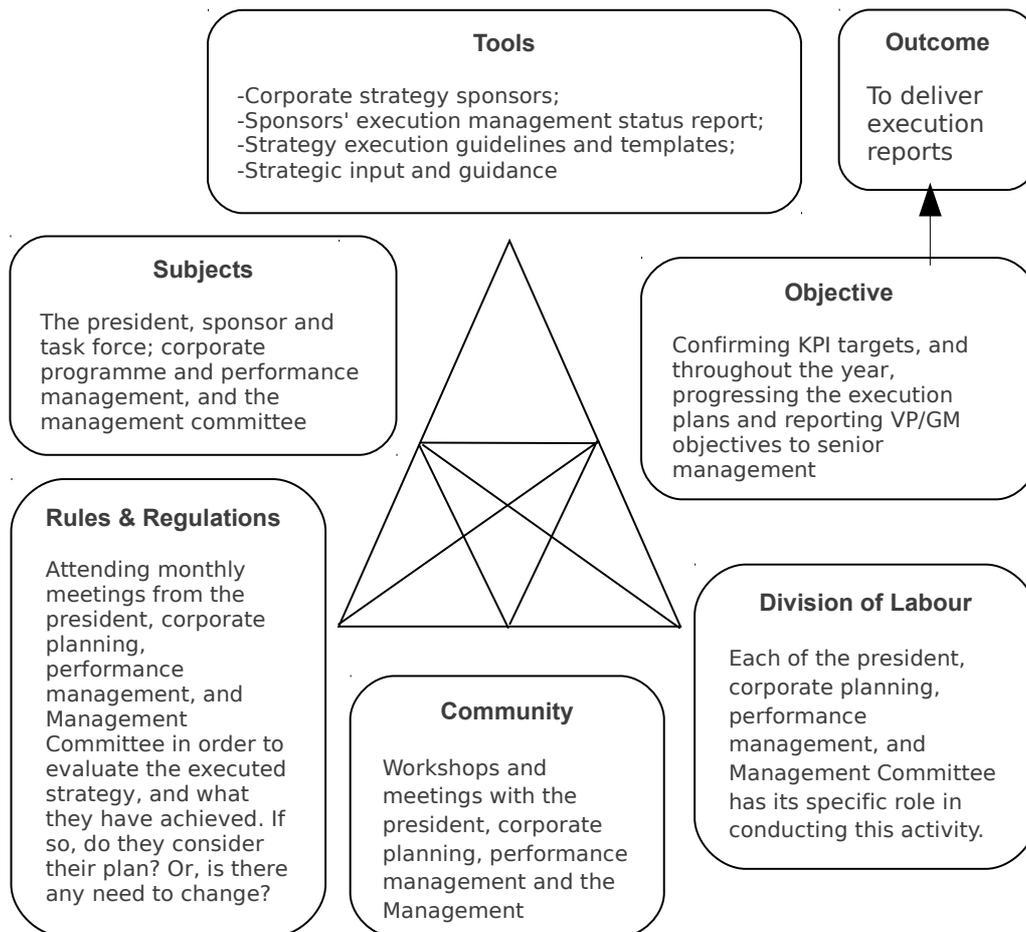
are corporate planning, and performance management.

Step 8: Outcomes

The desired outcomes of this activity are:

1. To approve KPI Targets
2. To deliver Performance Reports

Figure 46: An activity model for performance management activity



## 5.7 Second Case study: Mobily

### 5.7.1 Outline of Data Sources

Mobily is the second case that was investigated in order to obtain data from the Strategic Management Unit as well as other units at Mobily. All the data sources are shown in Table 25 below.

Table 25: Data sources for Mobily

Data Sources	Mobily
<b>Interviews</b>	15 semi-structured interviews with open-ended questions, 60–90 minutes each, with 3 GM, 3 directors, and 2 managers (some are frequent with the same interviewee); 13 interviews were recorded.
<b>Observations</b>	Daily activities from the staff in women section for 15 days; 3 weekly management meetings, 2 general management meetings, 1 all employee meeting.
<b>Documents</b>	The weekly meeting records from January 2010 to April 2010; Annual reports for 2008 and 2009; Quality Report for 2008 and 2009; Advertisement hand-outs, and internal reports for the Strategic Planning Dept.

During this process, information on the background and also the operational structure of Mobily were gathered, and these were shown and discussed earlier in chapter four. From the sources shown in Table 25, the data was collected, extracted, and subsequently represented in an Event-State Network (Figure 47) after being approved by the strategy department in Mobily (Appendix C1). The same steps were followed as in the first case to extract and arrange the data in the Event-State Network (Figure 47).

Figure 47: The event-state network for the strategic planning process at Mobily

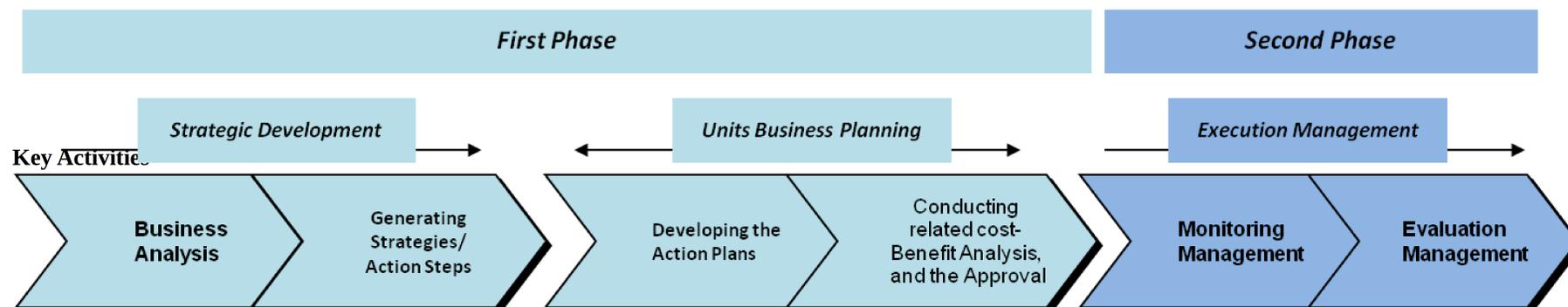


Table 26: Key activities of the event state network at Mobily

<b><u>1. Business Analysis</u></b>	<b><u>2- Generating Strategies/ Action</u></b>	<b><u>3- Developing the Action Plan</u></b>	<b><u>4- Conducting related cost-Benefit Analysis:</u></b>	<b><u>5. Monitoring Management</u></b>	<b><u>6- Evaluation Management</u></b>
<ol style="list-style-type: none"> <li>1. Conducting external and internal business environment analysis ( five forces Model-Porter)</li> <li>2. Using Business analysis (SWOT and critical success factors analysis</li> <li>3. Focusing on business evolution.</li> <li>4. Determining business challenges based environment and business analysis</li> </ol>	<ol style="list-style-type: none"> <li>1. forecasting business (Gap Analysis, Scenario and sensitivity analysis</li> <li>2. Reviewing a general strategy through workshops.</li> <li>3. Developing proposed strategies based on reviewing the workshops.</li> <li>4. Updating business forecasts and formulating general strategy.</li> <li>5. Defining and establishing corporate goals</li> <li>6. Approving through presentations to the Committee.</li> </ol>	<ol style="list-style-type: none"> <li>1. Cascading the general strategy into strategies.</li> <li>2. Cascading the corporate scorecard into units goals, and Synthesising each department set of strategies</li> <li>3. Detailing strategies into initiatives for the year and identifying responsible GMs.</li> </ol>	<ol style="list-style-type: none"> <li>1. Developing budgetary and manpower requirements</li> <li>2. Detailing business forecasts on a monthly level for the year</li> <li>3. Cascading GMs initiatives to Directors level</li> <li>4. Updating business plans if necessary, and updating business, budget, and manpower plans accordingly.</li> <li>5. Coordinating and reconciling budget and manpower requirements</li> <li>6. Presenting budget and manpower prepared for approval through presentations to the Board of Directors.</li> </ol>	<ol style="list-style-type: none"> <li>1. Having the right staff in the right position with the right training</li> <li>2. Managing initiatives execution</li> <li>3. Getting approval for initiatives and milestones, and presenting them regularly to the Board of Directors.</li> <li>4. If needed, appropriate, corrective actions should be identified and implemented.</li> </ol>	<ol style="list-style-type: none"> <li>1. Obtaining Monthly KPI targets, regularly (monthly, quarterly, annually) reports</li> <li>2. Monitoring business evolution on corporate level, and units level</li> <li>3. Reviewing that the general strategy is producing the necessary accomplishments in the expected time frame.</li> <li>4. If needed, appropriate, corrective actions and decisions should be identified and implemented on issues.</li> <li>5. Monitoring general strategy execution, unit's performance, units strategies execution, and initiatives execution.</li> </ol>

### **5.7.2 Analysis of the Data**

The following section will detail the various components of the Eight-step Model, in order to ensure a deep understanding of the planning mechanism at Mobily. There are two phases of the planning process at Mobily. The first phase consists of four activities whereas the second phase consists of two activities. The following begins with the first phase of the strategic activities for the planning process.

### **5.7.3 The First Phase: Strategic Planning Process in Mobily**

#### **5.7.3.1 Business Analysis Activity**

##### Step 1: Activity of Interest

The first activity of the planning process at Mobily is Business Analysis. This activity includes four main sub-activities, as follows: (1) conducting external and internal business environment analysis (Five Forces Model, as introduced by Porter), (2) applying a business analysis (SWOT and critical success factors analysis), (3) focusing on business evolution, and (4) accordingly determining business challenges-based environment and business analysis.

Business analysis activity at Mobily relies firstly on investigating the external environment — especially the Saudi telecommunications market, which has changed a lot in the recent years in terms of competition. This refers to the entrance of a new competitor, namely Zain, which has a strong influence on the competitor market. Interviewee C mentions this factor when stating:

*‘As it is cleared that the entry of a Zain company has influenced the Saudi Market. Now, we have strong competition, so we take this factor, I mean a competition, into our consideration when we analyse the business.’*

Mobily conducted a business analysis in order to determine all components of the SWOT analysis so as to ensure a clear analysis concerning the strengths, weaknesses, opportunities and threats within the organisation. It is also important to determine any challenges facing the company in the Saudi market. All this is carried out annually, which is the first step to analysing the business; this position was clarified by Interviewee B:

Hana Alotaibi

*'We analyse our business at least annually, by conducting SWOT analysis, Five Forces (Porter) to know our position in the market, if there is any challenge we need to achieve, any weakness to cover it, to support our business, and so on. This step is a main step before planning for our strategy.'*

#### Step 2: Objective

Business analysis is conducted because it will help Mobily to depict the real picture of the external and internal environments in order to be better acquainted with all the factors that influence their futuristic strategy and objectives, as expressed in the following words by interviewee E:

*'Sure, we need to know where we are, what we want to achieve, how we can satisfy our objectives. Therefore, we analyse our business to attain more information about external and internal environment, and all these information are very important to plan for our strategy.'*

#### Step 3: Subjects

Business analysis activity is a common responsibility between each sector at Mobily. All sectors were found to participate with the Strategic planning department to analyse the business environment, and also to synthesise the analysis. This is mentioned, for example, by interviewee B:

*'Very important for Mobily to analyse our business, we have to collect external and internal information. Sure, many sectors are also providing us by their experiences and their opinions. For example, Marketing Department provide special information in prices, competitive offers, and so on... I mean that we all are sharing with our knowledge to build a final base for our business.'*

#### Step 4: Tools

SWOT Analysis and the Five Forces Model (Porter) are the main tools that are used at Mobily for conducting an external and internal business analysis. This is evident from the words of interviewee F:

*'It is important to implement the appropriate tools and techniques during all our strategy'*

Hana Alotaibi

*process. However, each tool is used in its proper place. For example, SWOT, Analysis and Five Forces Model are used a lot in the first stage of analysing the business. They provide us with the required information to focus on in preparing our strategy.'*

#### Step 5: Rules and Regulation

The rules and regulations at Mobily create a stable environment. It was noticed that most units are connected to each other through a routine correspondence by emails and formal letters. In fact, this step also creates a long interval between the strategic planning department and other units in terms of gathering all the required information both externally and internally for assisting in the business analysis. This also was mentioned by interviewee D:

*'... and all our communications in strategic department via formal emails. You may say it takes long time to have a clear response, but we adopt this to make more monitoring, controlling and responsibility in all information we have received. We also depend on regular meetings to share our information. However, our formal channel for gathering information is through the emails from units.'*

This response confirms that Mobily has more restrictions with respect to feeding and providing information in order to analyse its business. However, this formal step takes more time and causes real contact and direct communication between units to be missed, which may weaken the quality and importance of such information.

Externally, Mobily relies on another main mother company (located in UAE) for gaining and obtaining information concerning the market and the competitive environment in the region. This was further pointed out by Interviewee B, who states:

*'We have our own relationship with the main company of Mobily. I mean in the UAE. We still depend on our corporative communication with the main company in investigation the market. We and they have common advantages to demonstrate and expand our market in the whole region.'*

From this quote, it is clear that Mobily has its own distinctive relationship with the main company of Mobily located within the UAE, which is to provide them with the required assistive information in conducting its business analysis. For dealing with its shareholders, Mobily has a special department assigned with the task to perform the rules and regulations.

Hana Alotaibi

This is stated in the Mobily Annual report (2009):

*‘... a dedicated Investor Relations Department has been made responsible for all shareholder contact and liaison. This department is committed to the promotion of consistent and credible communications practices to comply with all applicable rules and regulations.’*

This department has a vital role during the first activity of the planning process. It assists in obtaining more information about the market, and in strengthening commutative relations with shareholders.

#### Step 6: Division of Labour

As has been mentioned previously, this step contains many sub-activities, which are arranged in the next table together with mention of the department responsible for conducting each of them based on the internal reports for the Strategic Planning Department.

Table 27: The responsible subjects for business analysis activity

<b>Sub-activities of Business Analysis Activity</b>	<b>Responsible</b>
Conducting external and internal business environment analysis ( five forces Model- Porter),	Strategic Planning Dept./ Units
Using Business analysis (SWOT and critical success factors analysis	Strategic Planning Dept./ Units
Focusing on business evolution	Execution Management
Determining business challenges based on environment and business analysis	Execution Management Strategic Planning Dept./ Units

#### Step 7: Community

Business analysis activity is carried out through internal meetings for each unit. It then changes to between all units after gathering the required information for holding these meetings. Interviewee E stated that:

*‘Actually, all units, including strategic Planning Department are engaging in conducting business planning. Each unit has specific role to perform it. Therefore, I always say that strategic planning process makes all units to work as one team or one unit. I consider this alone as a first and important challenge to present our new strategy’.*

From this quote, it can be seen that Interviewee E confirmed that the cooperation between the

*Hana Alotaibi*

units is a necessary and an assistive goal for forming its planning process. He considered this to be a challenge for synthesising and coordinating the new planning process.

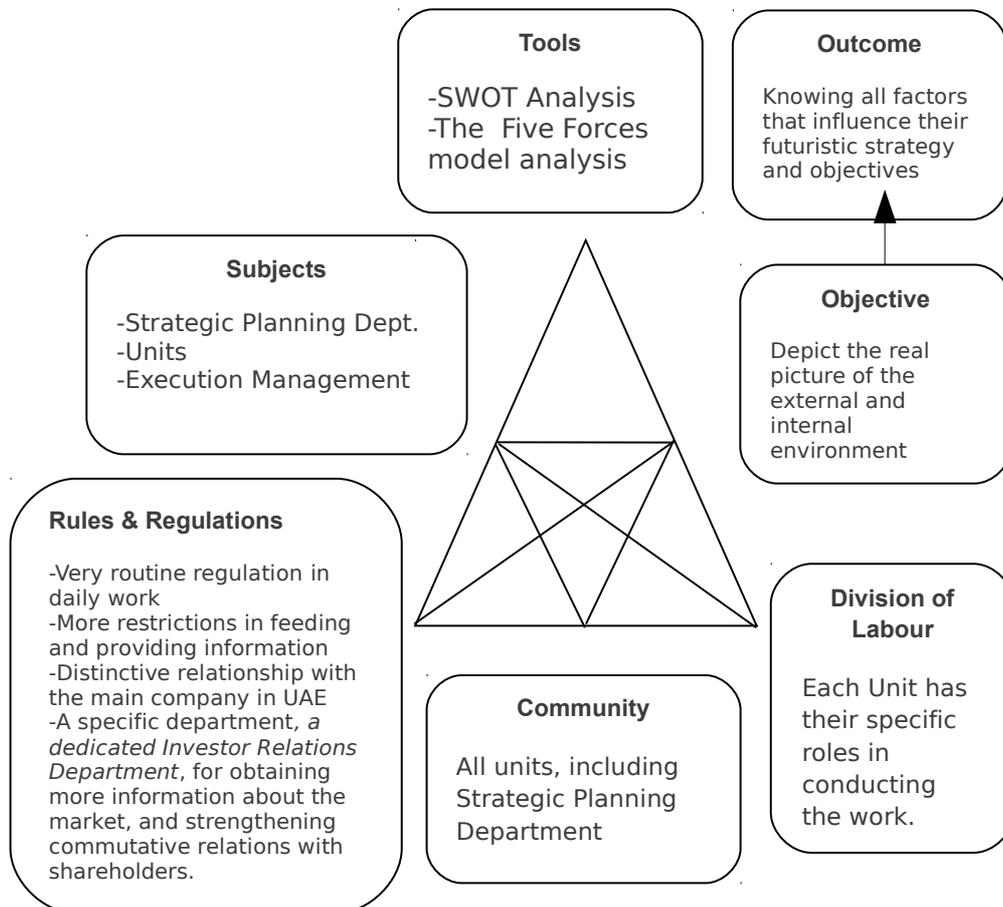
Step 8: Outcome

Mobily conducts business analysis activity for determining its challenges, and as a result, what it needs to include in its strategy, as both general and action steps. This is detailed in the internal report of the strategic management department (dated February 23, 2008), and it was also confirmed by Interviewee F, who stated:

*‘.., and each activity helps to achieve and generate our strategy. Firstly, we need to know and analyse external and internal business to have a complete picture about our new strategy which is important in the next step of determining specific actions to achieve.’*

Therefore, Mobily's outcome from this activity is to know all factors that influence their futuristic strategy and objectives.

Figure 48: An activity model for business analysis activity



### 5.7.3.2 Generating Strategies/Action Steps Activity

#### Step 1: Activity of Interest

In this activity, Mobily concentrates first on forecasting business through conducting a Gap Analysis, Scenario and Sensitivity analysis, and accordingly reviewing a general strategy through workshops so as to develop the proposed strategies. The next step is to update the business forecasts and formulating a general strategy. This activity includes defining and establishing corporate goals, and then gaining the approval of the Committee through delivering presentations.

#### Step 2: Objective

Hana Alotaibi

This activity takes place with the aim of generating strategic goals approved by the Committee. This objective is clear from the statement of Interviewee F:

*‘... and each activity helps to achieve and generate our strategy.....Then, we need more details of our strategy, so we set strategic goals and present them to the committee to have the approval.’*

### Step 3: Subjects

Many subjects are involved in carrying out this activity. The next table (Table 28) shows each sub-activity together with the subject responsible for carrying it out.

Table 28: Sub-activities of generating strategies/action steps activity

<b>Sup-activities of Generating Strategies/Action Steps</b>	<b>Responsibility</b>
Forecasting business (Gap Analysis, Scenario and sensitivity analysis	Finance/ Units
Reviewing a general strategy through workshops.	Execution Management/ Strategic Management Department (team)
Developing proposed strategies based on reviewing the workshops.	Strategic Management Department(Team) / Units
Updating business forecasts and formulating general strategy	Finance/ Units
Defining corporate goals	Strategic Management Department (Team) / The Board of Directors
Approving through presentations to the Board of Directors	President/ The Committee

It is important here to refer to the Board of Directors, as was described in the previous table. The Mobily Annual Report (2009) states that:

*‘The Board of Directors is elected by the shareholders to protect and enhance the value of the company in the interests of its shareholders. It has the ultimate responsibility for all decision-making within the Company. In all actions taken by the Board, its members are expected to exercise their business judgement in what they reasonably believe to be in the best interests of the Company. The Board may rely on the honesty and integrity of the Company’s management including senior executives and outside advisers and auditors but such reliance does not absolve the Board of its obligations to the shareholders and the Board will participate and intervene in certain key activities which support the Company’s effective functioning.’*

*Hana Alotaibi*

The Board of Directors therefore has the main responsibility of ensuring that the company remains operating in the interests of its shareholders. Its members may rely on internal or external executives and advisers to satisfy the company objectives, which are in the line of shareholders' objectives.

#### Step 4: Tools

Different tools are applied in different stages to achieve the strategic goals. First, the Finance and units conduct a Gap Analysis, Scenario and Sensitivity Analysis for forecasting business. Execution Management and Strategic Management Department hold workshops to review a general strategy. Units are then involved in these workshops so as to develop the proposed strategies. In order to update the business forecasts, the finance and other units cooperate and formulate a general strategy through the workshop presentations. Moreover, general financial goals play a vital role in this regard in order to define corporate goals by the Board and Strategic Management Department. A presentation is the final tool necessary in this activity of ensuring approval for the corporate goals from the president and the Board of Directors.

#### Step 5: Rules and Regulation

In general, Mobily has specific procedures that are followed throughout the entire duration of the year. This means that most of the meetings and workshops have their dates stated beforehand to refer to. This was clarified by Interviewee F in the following words:

*'... As you have attended meetings, we have determined dates (scheduled) for holding any meeting or workshop regarding strategic planning process. We have previously these dated events because we would like each unit to be arranged their work to be prepared in specific time. Moreover, in Mobily, we tend to determine the outline for these meetings and workshops on the units level as general. However, the details of these outline sure are be different and more updated on each unit.'*

The above interviewee's justification concerning the stated dates for holding meetings and workshops is considered to be acceptable within the Mobily environment. It was noted that their daily work is very clearly specified. Moreover, each unit holds its dated workshops and meetings to be attended with a required representative. This control in regard to the organisational procedures simplifies work performance, and accordingly reduces the time

*Hana Alotaibi*

taken for each step or activity. Notably, as Interviewee D mentioned, the details of each workshop or meeting is not absolutely specified. This confirms that there is some degree of flexibility in performing the daily work in Mobily, although there are more restrictions on commitment to work.

On the other hand however, the Board of Directors has an important role to play in regard to ensuring that the Mobily rules and regulations are kept in line with the whole Saudi environment. The Mobily Annual Report (2009) states:

*‘The Board is determined to review the Framework and all related policies from time to time and make changes when necessary to ensure that the Framework remains in line with applicable rules and regulations and leading practices in the Kingdom.’*

The Board of Directors also strives to act fairly between all Mobily shareholders, as expressed in the following words:

*‘The Board will continually strive to promote the success of the Company and it remains committed to acting fairly between all Mobily shareholders. It will also seek to engage with shareholders and to promote active shareholder participation. A manual has been issued which details the role and the rights of the Company’s shareholders. Shareholders are encouraged to play an active role and the Company will provide them with the means of exercising their rights in full by maintaining an adequate level of transparency in reporting and communication with shareholders.’*

#### Step 6: Division of Labour

Table 28 mentions all the units involved in conducting this activity. Importantly, each one has a specific role and responsibility to be considered. With this in mind, it is appropriate here to refer to the Strategic Management team, which is representative of the Strategic Management Department in terms of attending workshops or meetings regarding the strategic planning process. Interviewee E stated:

*‘Our team of Strategic Management Department consist of 6 employees including the director of the management. All of us are attending workshops and meetings, but we do not need to attend all meetings together. Each employee of us has some known management units to be presented with. For example, my focus is with HR, and marketing*

*Hana Alotaibi*

*unit, so I need to attend meeting when these two units are important to attend, and the same for my colleagues.'*

From this quote, it is clear that Mobily tends to divide the responsibility for each employee and for each unit. Although this step contains more centrality for specific employees with determined units, it may nonetheless depict and draw the responsibilities previously, and so this will be reflected in achieving the work objectives.

#### Step 7: Community

The activity of generating strategies requires many units to work together in order to achieve the requirements. The President, the Board, the Unit Directors, and the Strategic Management team represent a community of the environment. This is also clarified in Table 28.

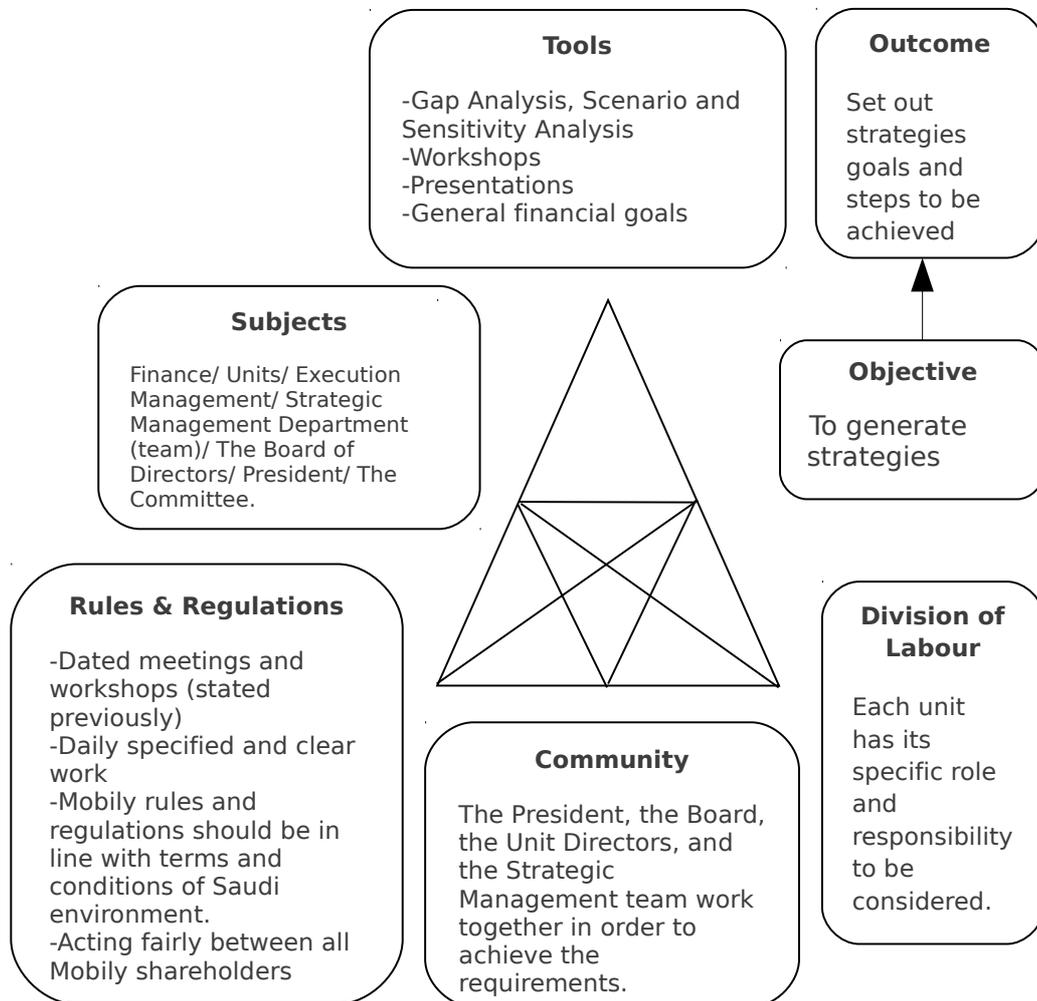
#### Step 8: Outcome

The desired outcome of generating strategic activity is to generate strategies and to thereby set out the strategic goals and steps to be achieved. Interviewee B stated:

*'You will know more details by yourself. In my opinion, the strategic planning process is very important in organising our work, where we are, and where we want to achieve. Also, each step of all the planning process has its required result. For example, we do strategic planning to set our strategy, and of course it will contain more details of specific goals for each unit...'*

From this quote, it has been clarified that the desired outcome of generating strategies is to set out strategic goals for each unit of the company.

Figure 49: An activity model for generating strategies/action steps activity



### 5.7.3.3 Developing the Action Plan Activity

#### Step 1: Activity of Interest

This activity of the strategic planning process includes cascading the general strategy into strategic goals. The next step is cascading the corporate scorecard into goals for each unit. Subsequently, each department needs to determine the synthesising of strategies, and accordingly detail the strategies into initiatives for the year, and to identify responsible GMs.

#### Step 2: Objective

Development of the action plan takes place in order to have detailed strategies and initiatives

Hana Alotaibi

to develop and to complete the activities of the strategic planning process. Interviewee E stated:

*‘The third step of the planning process is developing the action plan. In this activity, we need first to cascade the general strategy into strategic goals, and then to put the goals for the units’ level, and each unit needs to make more details for its strategies set into initiatives.’*

Therefore, it is clear that the objective of developing the action plan is to set some initiatives for each unit.

### Step 3: Subjects

The next table illustrates all sub-activities associated with this phase and the units responsible for them.

Table 29: The responsible subjects for developing the action plan activity

<b>Sup-activities of Developing the Action Plan</b>	<b>Responsibility</b>
Cascading the general strategy into strategies goals.	Strategic Planning team/ units
cascading the corporate scorecard into units goals	Strategic Planning team/ units
Synthesising set of strategies.	Strategic Planning team/ units
Detailing strategies into initiatives for the year and identifying responsible GMs.	VPs for units

### Step 4: Tools

Many tools are used in order to deliver the objectives of this activity. The draft of the strategic plans for units, validated plans for units, business forecasts and execution plans are all used in the previous sub-activities to achieve the goals of the activity. Interviewee B said:

*‘Yes, we have an objective for each step of strategic planning process.... Sure, we have used many tools which are changing year by year. We rely on the draft plans firstly, and the on the validated plans to cascading the general strategies into strategic goals and then in identifying the strategic initiatives.’*

It is clear that, throughout this step, Mobily relies mainly on the draft and validated plans to set its strategic goals. These plans are used as a tool to mediate to a strategic initiative at the unit’s level.

Hana Alotaibi

#### Step 5: Rules and Regulation

Mobily's Annual Report (2009) refers to the Company Business Code. It organises rules and regulations at Mobily through establishing an ethical framework, as was mentioned in the report in the following words:

*'The Company's Business Code of Conduct and Ethics provides the ethical framework on which Mobily personnel base their business decisions. It defines employee, officer and director behaviour in dealings with our stakeholders and the conduct of day-to-day activities. It also applies to temporary employees as well as subcontractors, seconded employees and consultants. The code has been developed to help make the right business decisions consistent with Mobily's corporate values while remaining sensitive to the social norms of the Kingdom.'*

Mobily's Business Code organises all regulations both internally and externally. It also deals with the organisation of day-to-day activities between employees. It is further confirmed, as has been mentioned previously, that Mobily tends to centralise and specify in detail all its restrictions, and that it then presents these formally as company regulations. Each employee at Mobily thus has an active role to deal with any given situation. This is stated in Mobily's annual report (2009):

*'Each employee is expected to apply sound judgment in deciding on the most ethical means of dealing with any given situation involving customers, competitors, suppliers, the public, fellow employees and Company matters in general.'*

#### Step 6: Division of Labour

Table 29 summarises each sub-activity together with mention of the unit responsible to perform it, and each VP for each unit has a specific time to present and set its initiatives.

#### Step 7: Community

The community represented in this activity is presented through workshops and meetings, including the strategic planning department, all strategic units throughout the company, and the specialist strategy team.

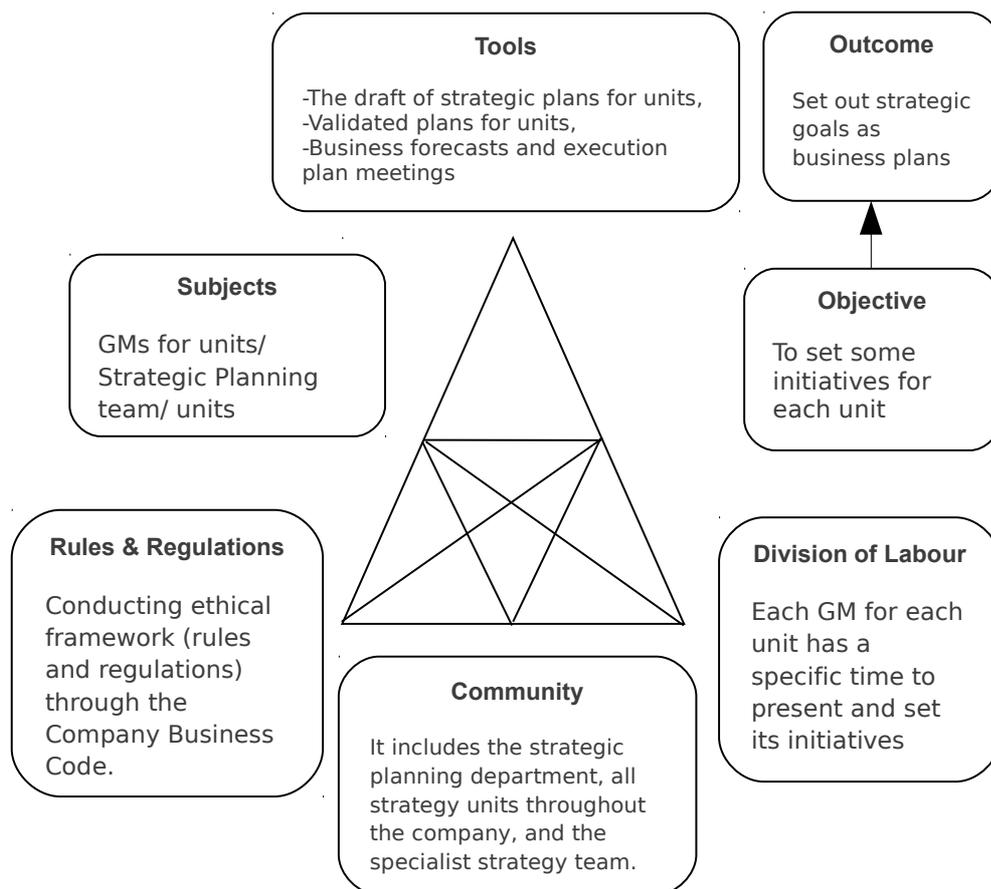
#### Step 8: Outcome

The desired outcome of this activity is to generate strategic initiatives at a GM level based on the general strategy for the company. This was stated by Interviewee B, and was quoted previously:

*‘Yes, we have an objective for each step of strategic planning process.... Sure, we have used many tools which are changing year by year. We rely on the draft plans firstly, and then on the validated plans to cascading the general strategies into strategic goals and then in identifying the strategic initiatives.’*

This quote confirms that the outcome of this activity is to identify strategic initiatives at GM level in regard to the outline of the general strategy for the company.

Figure 50: An activity model for developing the action plan activity



#### **5.7.3.4 Conducting Related Cost-Benefit Analysis, and Approval**

##### Step 1: Activity of Interest

This is the main activity of the whole planning process at Mobily. This activity requires many sub-activities, which are:

1. Developing budgetary and manpower requirements
2. Detailing business forecasts on a monthly level for the year
3. Cascading GMs initiatives to Director level
4. Reconciling budget and manpower requirements.
5. Updating business plans if necessary; Updating business, budget, and manpower plans
6. Coordinating and reconciling (bottom-up with top-down) budget and manpower requirements
7. Presenting budget and manpower prepared for approval through presentations to the Board of Directors.

##### Step 2: Objective

This activity has many detailed tasks as shown previously, but it could be said that it takes place in order to prepare budget and manpower requirements for approval from the Board.

##### Step 3: Subjects

Many subjects are involved in conducting this activity. Each one has its peculiar role throughout the planning process. The following table is arranged according to the meeting record (dated 01/12/2010) and also the transcript with Interviewee G:

Table 30: The responsible subjects for conducting related cost-benefit analysis and approval activity

<b>Sup-activities of Conducting Related Cost-Benefit Analysis, and Approval</b>	<b>Responsibilities</b>
Developing budgetary and manpower requirements	HR/ Units/Finance
Detailing business forecasts on a monthly level for the year	Units/Finance
Cascading GMs initiatives to Directors level	Units
Updating business plans if necessary, and updating business, budget, and manpower plans Accordingly.	HR/Units/Finance
Coordinating and reconciling budget and manpower requirements	Strategic Planning Team/ HR/Finance
Presenting budget and manpower prepared for approval through presentations to the Board of Directors.	HR/Finance

#### Step 4: Tools

Budgetary and manpower requirements, business forecasts, KPIs, validated business plans, and presentations are used as tools to achieve the goals step-by-step until finalising this activity. The next two figures are templates illustrating some of these tools, which are used in this activity of the planning process.

Figure 51: Examples of templates used for developing the action plan activity



**Business Planning**

Initiatives	Responsible GM	Monthly Timeline												Budgetary Requirement	Additional Manpower Requirement
		1	2	3	4	5	6	7	8	9	10	11	12		


**KPI Indicators**

KPI	Targets			
	2008	2009	2010	2011

(Source: Strategic Report (2009), Strategic Management Department, Mobily)

Step 5: Rules and Regulations

Mobily has a distinctive environment compared to the other cases. Its environmental work appears to be very restricted and serious for all its employees throughout the planning units in the company. It was observed that every member at Mobily has a specific role during the planning process, especially in this step, which requires many units — as well as with HR and finance — to work together. This serious environment does not eliminate the cleared cooperation between the team members of the strategic planning process. This advantage of teamwork and cooperation for Mobily members is reflected in their daily activities and thereby also on the expected outcome. The annual report states:

Hana Alotaibi

*'I thank each and every member of our staff for their dedication and hard work during the year. It is this, plus the spirit of teamwork and cooperation shown in all departments, that enables Mobily to continue with energy and drive into the future.'*

#### Step 6: Division of Labour

Table 30 summarises information about the units involved in conducting this activity as well as the Strategic Planning Department Team. Notably, a new Mobily structure provides all determined units involved in the performance and planning process with a greater degree of flexibility and involvement. With this in mind, the Mobily Annual Report (2009) states that:

*'A new corporate structure for the various functions and departments was designed and completed during the year. This is in line with Mobily's strategic design and operating model and incorporates the complex integration of our services into our overall operations.'*

#### Step 7: Community

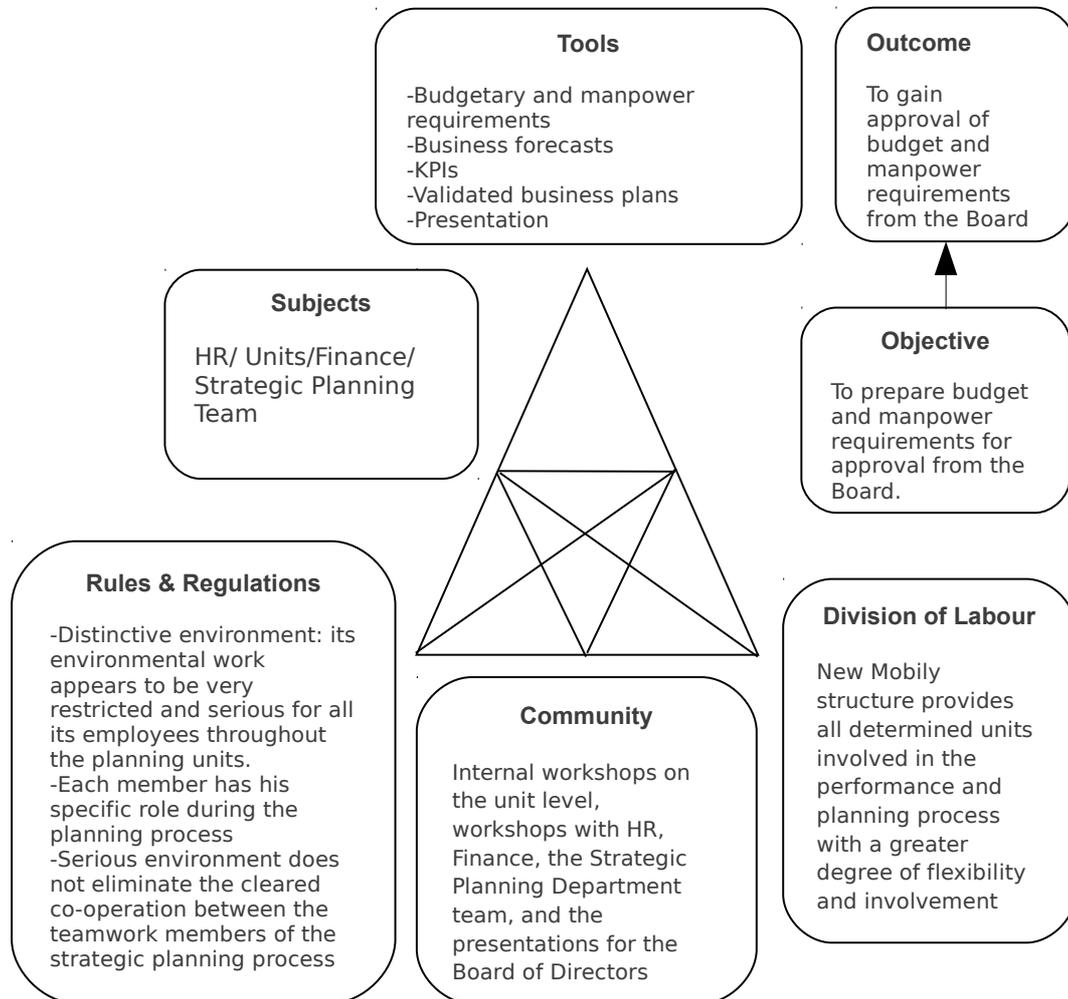
Internal workshops at the unit level, workshops with HR, Finance, the Strategic Planning Department team, and the presentations for the Board of Directors are presented to the community in which this activity is carried out.

#### Step 8: Outcome

The desired outcome of this activity is to have approval of the budgetary and manpower requirements from the Board of Directors through the presentations. This goal was mentioned by Interviewee B:

*'We prepare budgetary and manpower requirements, after setting out strategic initiatives, to presenting them for the Board of directors. It is important step in the presentation to get approval for the budgetary and manpower requirements.'*

Figure 52: An activity model for conducting related cost-benefit analysis and approval activity



### 5.7.4 The Second Phase: Execution Management

This phase includes two main activities, which are (1) monitoring management and (2) evaluation management. The next step involves analysing each activity based on Mwanza's (2001) Eight-step Model for the activity theory.

#### 5.7.4.1 Monitoring Management

##### Step 1: Activity of Interest

This activity includes: Having the right staff in the right position with the right training;

*Hana Alotaibi*

managing initiatives execution; getting approval for initiatives and milestones; presenting them regularly to the Board of Directors, and If needed, appropriate corrective actions to be identified and implemented.

Step 2: Objective

This task is carried out for a number of different reasons, including the verification of roles and responsibilities, as well as accountability; to ensure the execution stage is monitored; to verify the initiative milestones and approach, and to provide execution-related reports.

Step 3: Subjects

The next table breaks down the responsible unit for all sub-activities.

Table 31: The responsible subjects for monitoring management activity

<b>Sup-activities of Monitoring Management Activity</b>	<b>Responsibility</b>
Having the right staff in the right position with the right training.	The president/ The Board of Directors
Managing initiatives execution	All strategy units through the company/ Strategic Management Team/ strategic Management Department
Getting approval for initiatives and milestones and presenting them regularly to the Board of Directors,	
If needed, appropriate corrective actions should be identified and implemented.	The Board of Directors

Step 4: Tools

Strategy execution reports and strategy execution templates are used to perform this activity. An example of a template used in this activity is shown in the next figure.

**Examples of templates for Execution Management**

Unit	Initiatives	GM	Monthly Timeline													
			1	2	3	4	5	6	7	8	9	10	11	12		

Unit .....	Initiative	Monthly Timeline														
		1	2	3	4	5	6	7	8	9	10	11	12			

(Source: Strategic Report (2009), Strategic Management Department, Mobily)

**Step 5: Rule and Regulations**

Mobily launched a specific Committee that emphasised internal control. From the Mobily Annual Report (2009), the text reproduced below is of relevance:

*‘The Audit Committee was established and was made responsible for the Company’s internal control structure, function and audit program. The Company’s Internal Auditor reports directly to the Audit Committee which reports to Board of Directors. An internal audit department was then established whose role is to assess the current performance of internal controls and to pre-emptively help in identifying areas where the Company is at greatest risk as well as support efforts to develop sound business practices to mitigate against those risks. It has unrestricted access to all the Company records, information and personnel.’*

*Hana Alotaibi*

The focus of the Committee was on Mobily's internal control, which includes its strategic planning process. This was further confirmed by Interviewee B, who stated:

*'Sure, we review monthly all our work for the company as a whole. However, we also have a specialist committee for audit regularly. Its responsibility is to prepare audit reports in order to be presented to the Board of Directors. In fact, the Board of Directors relies mainly on these reports.'*

#### Step 6: Division of Labour

From Table 31, it can be seen that there is a clarification of the division of labour for this activity of monitoring management, which includes all strategy units over the company, the president, and also the Strategic Management Department and team.

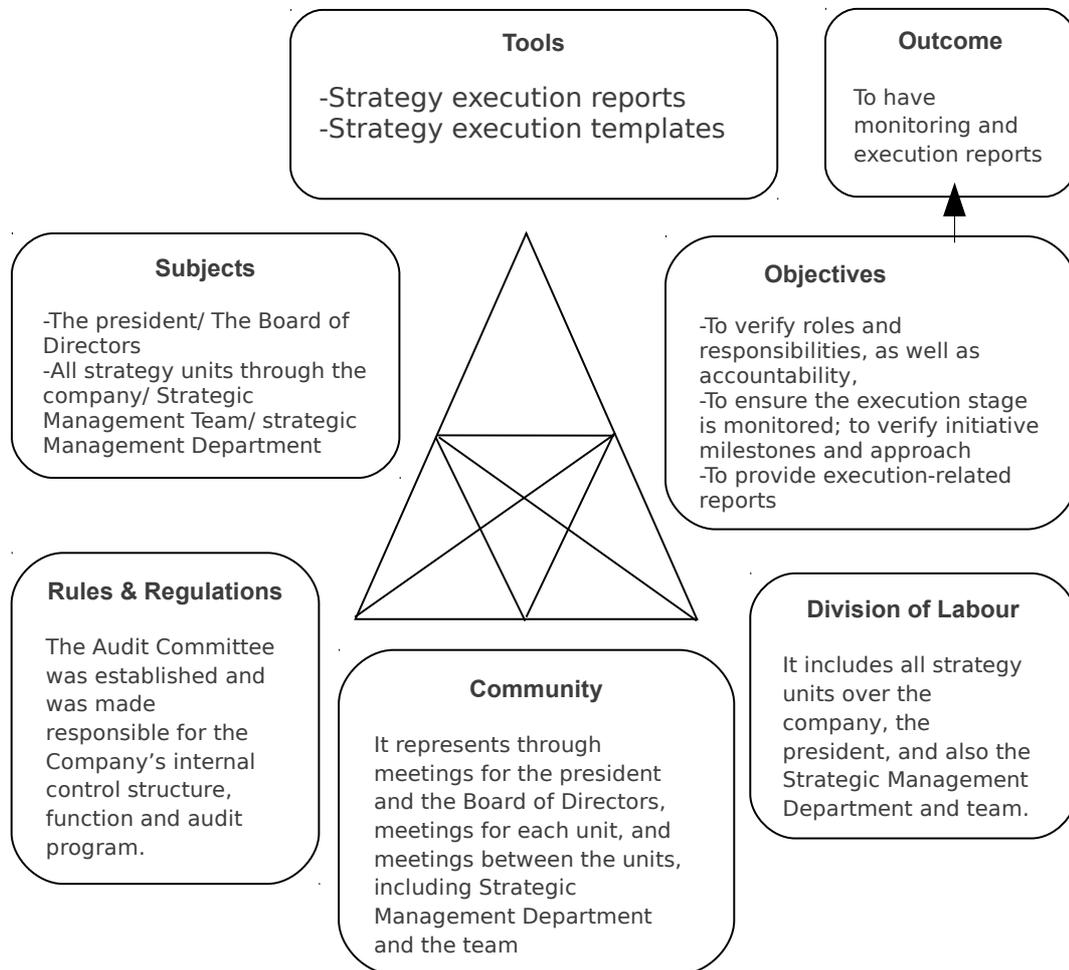
#### Step 7: Community

This activity takes place during meetings for the president and the Board of Directors, meetings for each unit, and meetings between the units, including the Strategic Management Department and the team.

#### Step 8: Outcome

The main outcome of the monitoring management activity is to produce strategic reports and to gain its approval for initiatives and milestones.

Figure 54: An activity model for monitoring management activity



#### 5.7.4.2 Evaluation Management Activity

##### Step 1: Activity of Interest

This activity involves obtaining monthly KPI targets on a regular basis (monthly, quarterly, annually); monitoring business evolution at a corporate level and unit level, and ensuring that the corporate strategy produces the necessary accomplishments in the expected time-frame. If needed, appropriate, corrective actions and decisions should be identified and implemented in consideration of the issues; general strategy execution should be monitored, along with supervision of the performance of units, the execution of strategies of the units, and the

Hana Alotaibi

execution of initiatives.

### Step 2: Objective

The objective of the evaluation management activity is to evaluate what Mobily has achieved from its strategic planning process, to determine the degree of success in this, and to accordingly determine any requirements for reaching the planned targets and goals. Interviewee E stated:

*‘In the last step of strategic planning process, we need to review what the company has achieved in regularly base, and evaluate our performance. Sometimes, there are risks as a new competition or economic conditions, so we have to take these in our account and refit and correct our plan to cope with these changes.’*

### Step 3: Subjects

The next table extracts all the activity practices and mentions the responsible subject.

Table 32: The responsible subjects for evaluation management activity

<b>Sup-activities of Evaluation Management Activity</b>	<b>Responsibility</b>
Obtaining Monthly KPI targets, regularly (monthly, quarterly, annually) reports	Strategic Planning Department/ Units
Monitoring business evolution on corporate level, and units level	Strategic Planning Department
Reviewing that the general strategy is producing the necessary accomplishments in the expected time frame.	Strategic Planning Department
If needed, appropriate, corrective actions and decisions should be identified and implemented on issues	Strategic Planning Department/ Strategic Planning team
Monitoring general strategy execution, unit's performance, units strategies execution, and initiatives execution	

### Step 4: Tools

Strategy execution reports, regular KPI targets, strategic templates, and the initiative execution of units are used to perform this activity.

### Step 5: Rule and Regulations

The Strategic Management Department has the main role to play in conducting this activity. Its significant work depends on specific templates, which need to be filled in with the required information. Interviewee F mentioned:

Hana Alotaibi

*'We rely on some templates to fill in with the requirement information, and I will provide you with an example of this. Each year we realise different or more information to be presented, so we have developed them. i.e. we change the design of these templates to serve our overall goals.'*

Although the employees of the Strategic Management Departments cooperate for the purpose of obtaining any missing data from each other, they are more conservative in implementing this policy. The reason for this is that Mobily applies certain restrictions for exchanging any data. Importantly, it requires that any employee follows formal channels in order to request any missing data — even if the resultant outcome is to be inclusive for the whole department. This point was mentioned by Interviewee H in the following words:

*'In my opinion, I appreciate Mobily restrictions in exchange any internal data, but I really think that this way may delay our daily work, and it gives more complication especially if these data will be used inside the department'.*

#### Step 6: Division of Labour

The previous Table 32 illustrates the process of conducting the evaluation activity. As is shown, this activity is an important task for the Strategic Management Department. Units are also involved in carrying out this activity in terms of obtaining KPI targets.

#### Step 7: Community

The community represents the environment during meetings. The Strategic Management Department holds small meetings between its employees, as well as other meetings with strategic units around Mobily. These meetings comprise of discussions and presentations for the the purpose of evaluating KPI targets or milestones.

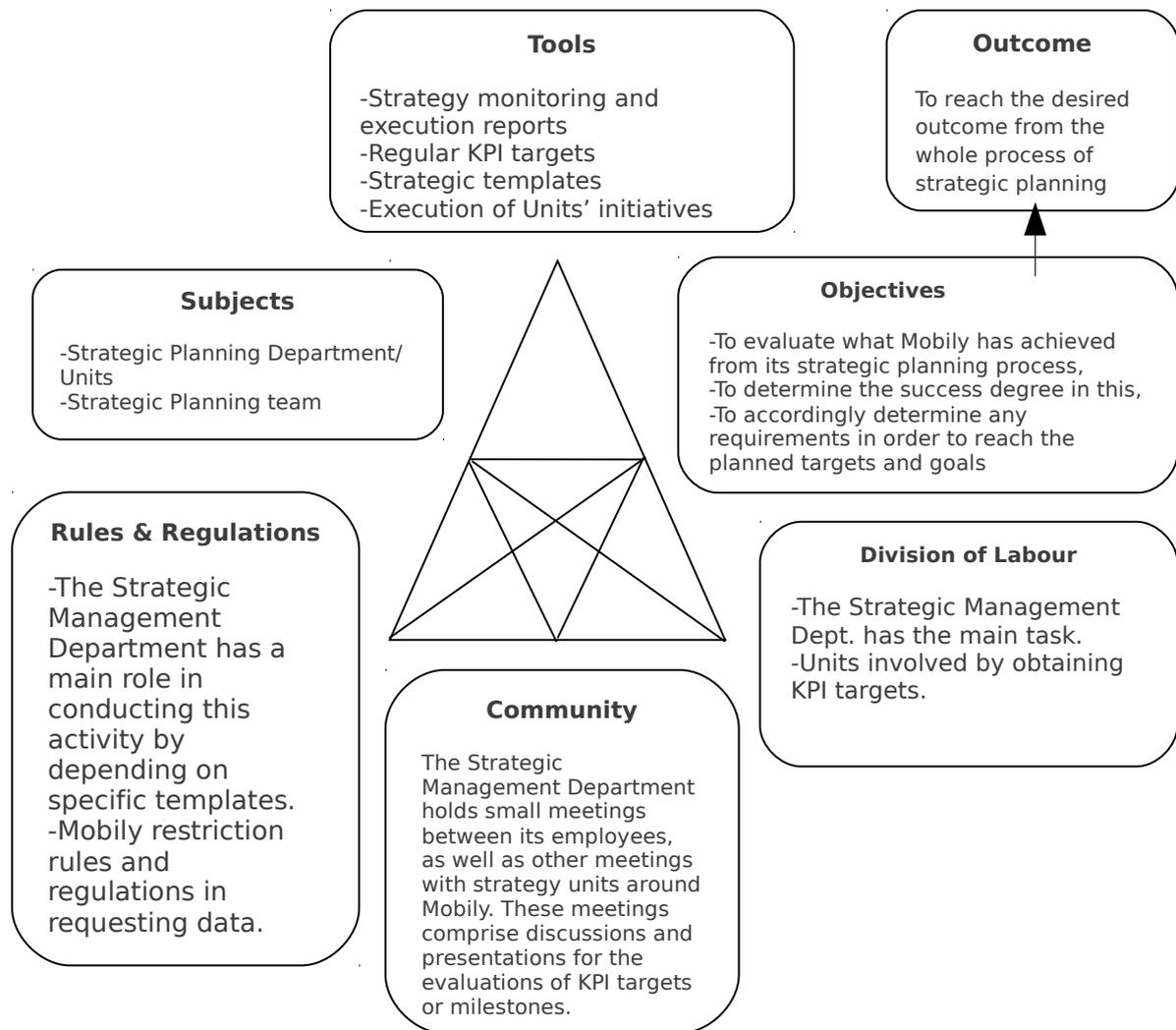
#### Step 8: Outcome

This final activity of the planning process is conducted so as to reach the desired outcome from the whole process of strategic planning. From the Mobily Annual Report (2009), the following content is noteworthy:

*'We believe that Mobily will maintain its position as a leader in the mobile broadband segment in the Kingdom through the introduction of new and innovative services and*

*products....We are a results oriented company that has successfully met the challenges of the past and we have a clear vision of the future. Our success during the year will be to achieve our strategic objectives....’*

Figure 55: An activity model for evaluation management activity



## 5.8 Third Case Study: Zain

### 5.8.1 Outline of Data Sources

Various data Sources were gathered. The next Table 33 lists these sources along with their respective details.

Table 33: Data sources for Zain

Data Sources	Details
<b>Interviews</b>	15 semi-structured interviews with open-ended questions, 60–90 minutes each, with 5 general managers, 2 directors, and 1 manager (some are frequent with the same interviewee); 12 interviews are recorded.
<b>Observations</b>	Daily activities from the staff in the women section for 21 days; 3 weekly management meetings, 2 all employee meetings.
<b>Documents</b>	Annual reports for 2009; Strategy Files; advertisement hand-outs; internal newspapers; a book.

From the sources shown in Table 33, it can be seen that all the data was collected, and then arranged, extracted, and represented on a simplified Event-State Network diagram. This is shown in Figure 56, which was approved as the final version after making a few amendments recommended by the Strategic Department in Zain (see Appendix C2). The next section describes the planning process at Zain through presenting the several components of the Eight-Step Model (Mwanza, 2001).

Figure 56: The event-state network for the strategic planning process at Zain

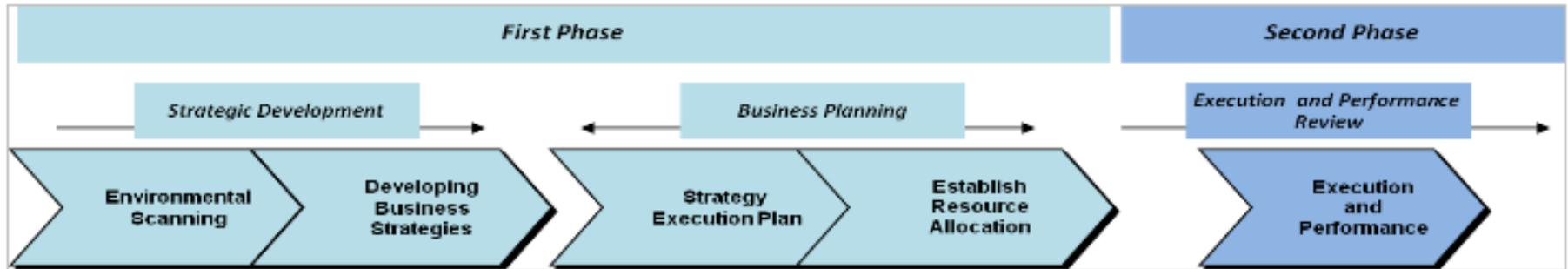


Table 34: Key activities of the event state network at Zain

<b>1- Environmental Scanning</b>	<b>2- Developing Business Strategies</b>	<b>3- Strategy Execution Plan</b>	<b>4- Establish Resource Allocation</b>	<b>5- Execution and performance Review</b>
<ol style="list-style-type: none"> <li>1. Searching for information resources and selecting information resources to scan.</li> <li>2. External and internal environmental scan by: build on strengths, resolve weaknesses, exploit opportunities, and avoid threats.</li> <li>3. Review mission and vision statements</li> <li>4. Review general success of outcomes and evaluating the most critical issues or choices facing the company.</li> </ol>	<ol style="list-style-type: none"> <li>1. Forecasting by describing techniques and scenarios</li> <li>2. Create a future image and establish goals and objectives based on the strategic profile gathered from creating the image</li> <li>3. Develop several key possible strategies, and address the organisation's objectives</li> <li>4. Use proper tools to select a few from the possible strategies.</li> <li>5. Select a few strategic options objectively to understand various strategic options, set key measures and broad time line</li> </ol>	<ol style="list-style-type: none"> <li>1. Develop a proper deployment plan to implement these strategies including set up detailed initiatives.</li> <li>2. Assign selected strategies to key personnel</li> <li>3. Ease the communication toward the lower level of the organisational hierarchy for implementation.</li> </ol>	<ol style="list-style-type: none"> <li>1. Developing budgetary and manpower requirements</li> <li>2. Detailing business forecasts on a monthly level for the year.</li> <li>3. Presenting forecasts to the Board.</li> </ol>	<ol style="list-style-type: none"> <li>1. Make constant review of the execution progress.</li> <li>2. Monitoring initiatives execution.</li> <li>3. Make decision for any deviations to plan (approval).</li> <li>4. Presenting monthly milestones to the management committee</li> <li>5. New decision may be required as the status of the strategies progressed.</li> </ol>

*Hana Alotaibi*

### **5.8.2 Analysis of the Data**

As shown in Figure 56, there are two phases of the strategic planning process at Zain: the first phase incorporates Strategic Development and Business planning, and includes four main activities, as shown in the figure. The second phase involves an activity for execution and performance review. The next section describes the first phase of the strategic planning process at Zain through deployment of the Eight-Step Model.

### **5.8.3 The First Phase of the Strategic Planning Process at Zain**

This phase comprises of two main stages: (1) Strategic Development and (2) Business Planning. These stages in turn involve two activities: (1) Environmental Scanning and Developing Business Strategies during the first stage, and (2) Strategy Execution Plan and establishing Resource Allocation during the second stage. Each of these activities is discussed sequentially.

#### **5.8.3.1 Environmental Scanning Activity**

##### Step 1: Activity of Interest

During the first activity of the planning process, Zain conducts many tasks in order to ensure clarity, and completes a scan for the environment. These tasks are:

1. Searching for information resources and selecting information resources to scan
2. External and internal environmental scans by building on strengths, resolving weaknesses, exploiting opportunities, and avoiding threats
3. Reviewing mission and vision statements
4. Reviewing the general success of outcomes, and accordingly evaluating the most critical issues or choices facing the company

##### Step 2: Objective

Through undertaking environmental scanning, Zain strives to gain more information on the market situation, which may reflect its way of planning. Interviewee B stated:

*'After Zain entered the Saudi Market, everything has changed. The competition has*

Hana Alotaibi

*increased, the offers and services have differed, and the customer has become more conscious for the competitive offers. Therefore, all these changes require us to be aware. As a result, we need more analysing for the market in order to state our new strategy each year’.*

### Step 3: Subjects

The subject responsible for this activity is the Planning Group, as well as the Sectors. This is clarified in the following table:

Table 35: The responsible subjects for environmental scanning activity

<b>Sub-activities of Environmental Scanning Activity</b>	<b>Responsible</b>
• Searching for information resources and selecting information resources to scan	Sectors/Planning Group
• External and internal environmental scan by: building on strengths, resolving weaknesses, exploiting opportunities, and avoiding threats	Sectors/Planning Group
• Review mission and vision statements	Planning Group
• Review general success of outcomes and evaluating the most critical issues or choices facing the company.	Execution and Performance Management

### Step 4: Tools

KPI indicators are used quarterly with the aim of measuring the success of the strategy with its objectives. Performance reports, SWOT analysis and portfolio analysis are also used as tools to conduct this activity of environmental scanning. Interviewee C informed that:

*‘Many tools and indicators are used to help in scanning the market environment. We rely on SWOT analysis to gain information about Strengths, weaknesses, opportunities, and threats. Execution and performance management Department measure our previous success by KPI indicators or portfolio analysis’*

The following Figure 57 illustrates an example of a template used during this activity:



Figure 57: An example of a template used for an execution and performance review activity

**Template for Execution and Performance Review**

Sectors	strategies	Major Milestones			KPI
		2008	2009	2010	

(Source: Strategy File, Strategy and Development Department, 2010, Zain)

Step 5: Rules and Regulations

The carrying out of this activity occurs on a sectoral basis. Importantly, some of these works are within each sectors, whilst others take place between sectors. Accordingly, it is required for there to be common meetings and workshops. These are prepared to discuss previous strategies and to analyse the market, with new strategies subsequently determined to be presented to the committee of the Board. Zain sets the general strategy for five years, and then sets specific objectives (around 20% of the total objectives) which are to be satisfied within a year. This was clarified by Interviewee B:

*‘Zain’s objectives are setting for a long term of five years. Each year we have put around 20% of the whole objectives to satisfy. At the end of the year, we review the success of these objectives, and then develop and add other new objectives for the next year.’*

Notably, Zain in Saudi Arabia has strong communications with its parent company Zain in Kuwait. Importantly, this cooperation comes in the form of common relations and expected benefits for the whole Zain as a group. Interviewee D stated:

*‘We get our main data for the Saudi market from our experts in the planning group. However, we rely on real and analytical information for the Gulf market from the main*

*Hana Alotaibi*

*company of Zain. I can say that our bold lines for the strategy should be in the same way with the main company in Kuwait.'*

From this quote, it is clear that Zain's strategy is very dependent on the way in which the main Zain Company in Kuwait operates, as this provides the Saudi based Zain with the required information regarding the competitive market in the Gulf Region.

#### Step 6: Division of Labour

Zain's organisational structure (illustrated previously) has nine members, all of whom make up the Board of Zain. Those members are responsible for nine sectors within Zain, all of which are engaged in conducting this activity of environmental scanning, and each of which has its own pre-determined role. For example, the Marketing and Sales Department influences strategic planning by providing important information relating to the required services of the offers and products. Moreover, the Planning Group, which consists mostly of the Strategic and Development Department, has a vital role to play in evaluating the previous results and achievements, and in obtaining updated information about the market. Therefore, it is responsible for measuring the performance and execution for the previous year.

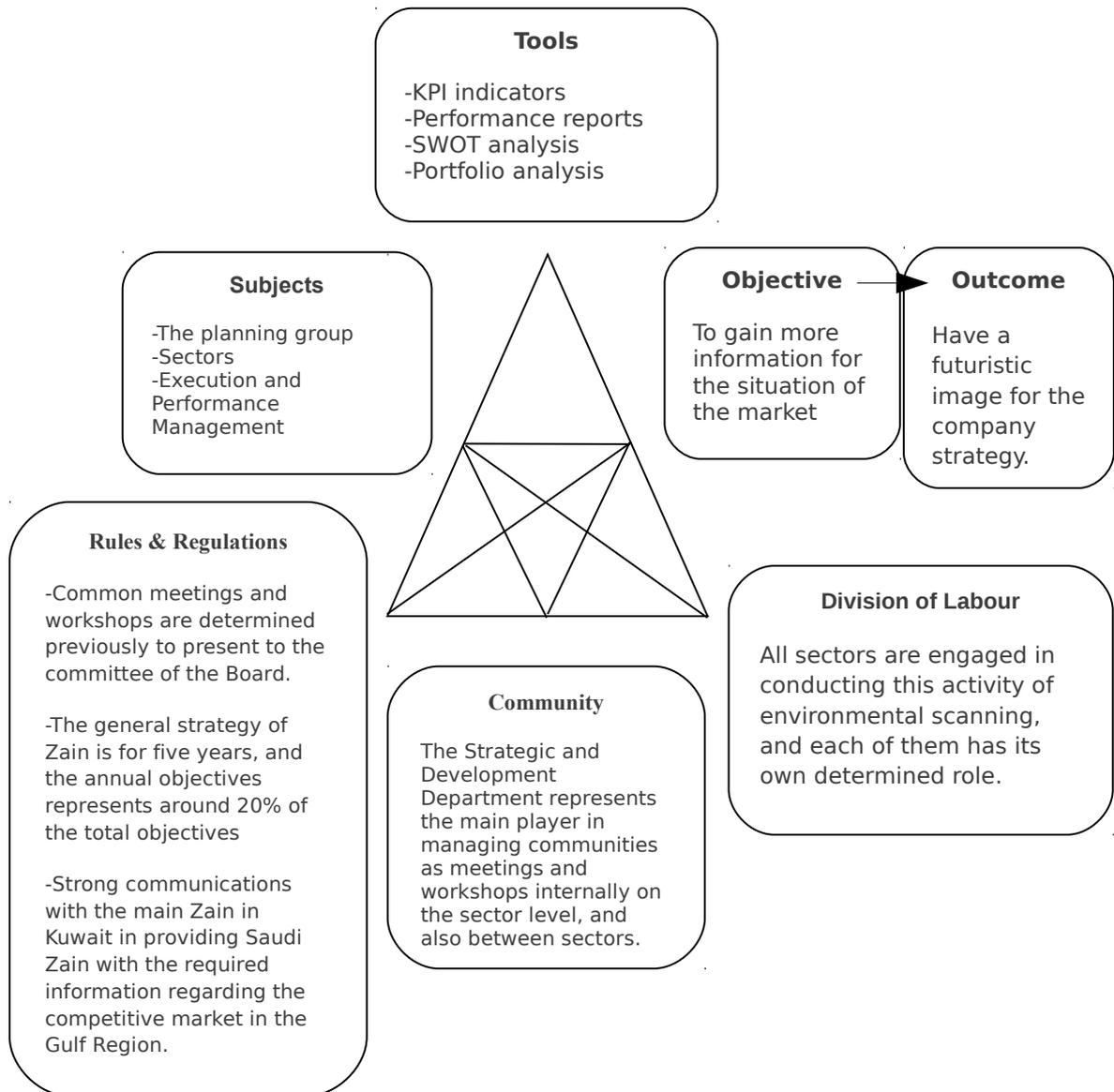
#### Step 7: Community

Environmental scanning requires holding meetings and workshops internally on the sectoral level, and also between sectors. The Strategic and Development Department represents the main player in managing these communities. The reason for this is that the Strategic and Development Department has a perfect experience of exploring the market and evaluating the priorities. This department also has distinctive authority in relation to the other sectors owing to its external experts.

#### Step 8: Outcomes

The expected outcome from the conduction of this activity is the gaining of complete information relating to the environment, and also in having a futuristic image of the strategy of the company. This is important when striving to complete the planning process at Zain.

Figure 58: An activity model for environmental scanning activity



### 5.8.3.2 Developing Business Strategies Activity

#### Step 1: Activity of Interest

This is the main activity of the planning process at Zain. It depends on depicting the futuristic strategy and accordingly setting out its objectives. In detail, the following are the main tasks to be completed when conducting this activity:

- Forecasting by describing techniques and scenarios;

- Creating a future image and accordingly establishing goals and objectives based on the strategic profile gathered from creating the image;
- Developing several key possible strategies, and addressing the organisation’s objectives;
- Using proper tools to select a few from the possible strategies;
- Selecting a few strategic options objectively in an attempt to understand various strategic options, set key measures and a broad timeline.

Step 2: Objective

The main purpose in this regard is to develop business strategies for the company with its objectives. This was confirmed by Interviewee E, who stated:

*‘After scanning the environment, the Planning Group could be able to make priorities for strategies, and choosing the best choice from them. Then, setting out the objectives is common responsibilities between sectors and Planning Group.’*

Step 3: Subjects

The next table highlights the subjects responsible for each task in this activity.

Table 36: The responsible subjects for developing business strategy activity

<b>Sub-activities of Developing Business Strategies Activity</b>	<b>Responsible</b>
Forecasting by describing techniques and scenarios.	Financial Dep./Sectors
Creating a future image and establishing goals and objectives based on the strategic profile gathered from creating the image.	Strategic Planning Group/The president/The Board
Developing several key possible strategies, and addressing the organisation's objectives.	Strategic Planning Group/Sectors
Using proper tools to select a few from the possible strategies.	Strategic and Development Department/Sectors
Selecting a few strategic options objectively to understand various strategic options, set key measures and broad timeline.	Strategic Planning Group/Sectors

Step 4: Tools

Gap Analysis, KPI indicators, execution and performance reports, and workshop presentations are all used to deliver the objectives of this activity. This was confirmed by Interviewee B, who stated:

*‘Strategic Planning Group uses different tools and ways to achieve and conduct each step,*

Hana Alotaibi

*activity, of the planning process. Strategic and Developing Department prepares reports which may affect our new strategy. They also manage these workshops to consolidate between sectors in order to reach to our final strategy.'*

#### Step 5: Rules and Regulations

The Strategic Planning Group has a key responsibility of managing the performance of the activity process through synthesising between sectors and managing workshops and meetings. Interviewee D states:

*'Each company has its frequent steps to conduct the planning process. Sure, there are some differences based on the sector or the market in which the company work. However, we are in Zain has Special Planning Group as well as Strategy and Development Department. Actually, they face difficulties in scanning the environment and preparing for the strategy. This is our main difficulty each year.'*

The Strategic Planning Group and Strategy and Development Department face a significant challenge in conducting these activities through arranging meetings and workshops as required, supervising presentations, and consolidating the objectives to be in line with those of the company's objectives.

#### Step 6: Division of Labour

Table 36 presents the subjects responsible for each sub-activity. In actual fact, many hierarchical levels engage in this process. First, GMs from the Finance Department and sectors are responsible for the first step, which is forecasting by describing techniques and scenarios. Subsequently, the President, the Board and Strategic Planning Group (VPs members) are involved in creating the futuristic image for the company. Next, sectors and the Strategic planning Group — with different levels of employees — are responsible for developing several key possible strategies and addressing the organisation's objectives. Notably, the role of the Strategy and Development Department is important in executing and carrying out reviews through presenting reports. The Strategic Planning Group and associated sectors, together have a role in understanding various strategic options and setting key measures and broad timelines.

#### Step 7: Community

*Hana Alotaibi*

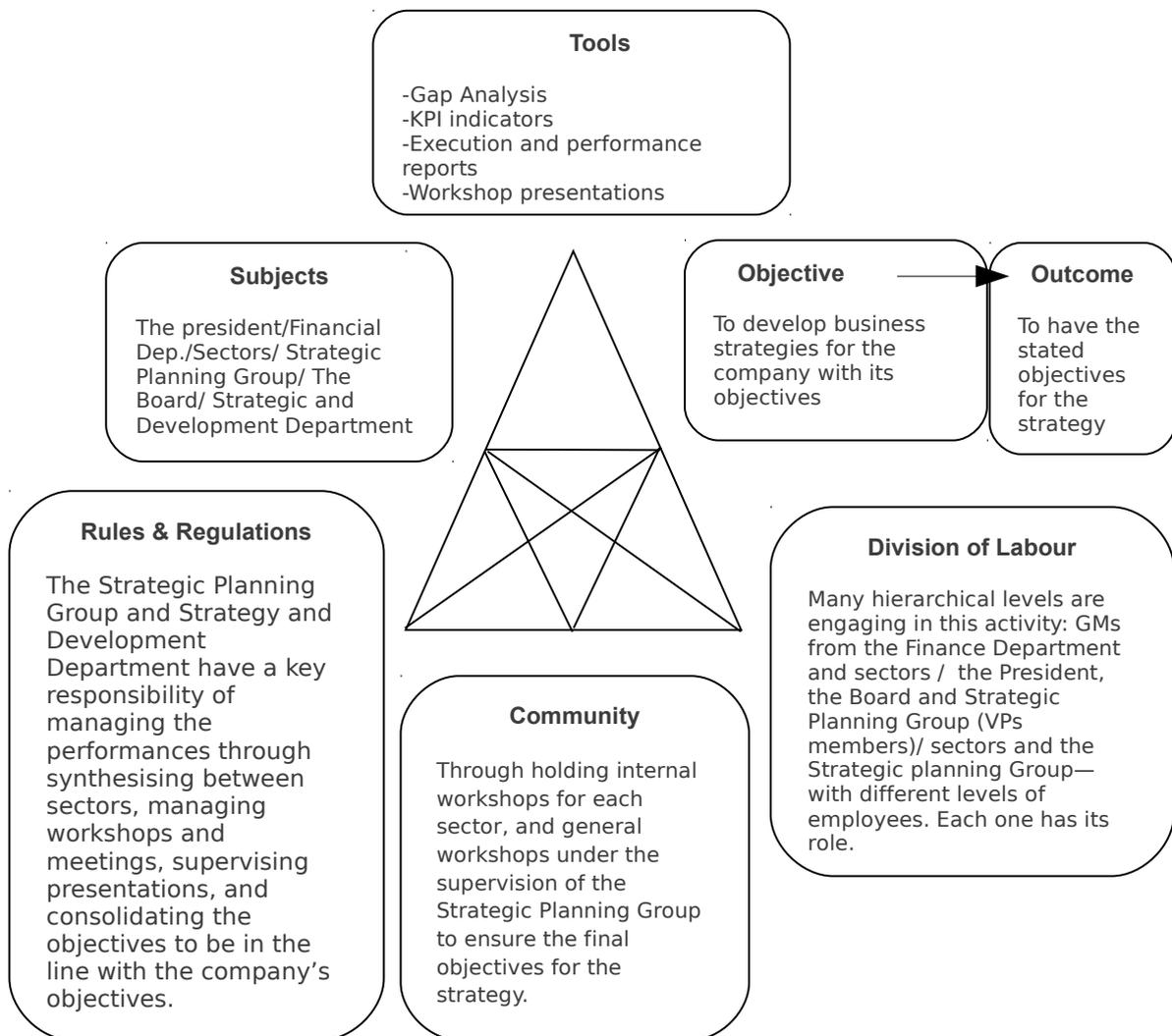
This activity is conducted through holding internal workshops for each sector, which involves those employees responsible for this activity. It is also completed by conducting general workshops under the supervision of the Strategic Planning Group to ensure the completion of the final objectives for the strategy.

Step 8: Outcomes

The desired outcome from this activity is to achieve the stated objectives for the strategy. Interviewee B confirmed this in these words:

*‘Although each activity of the planning process has many tasks to implement, each task of them will influence on our way of completing the strategy and achieving our desired objectives. To be specified, developing Business Plan purposes to have clear objectives at the end of this step in order to detail these objectives into smaller initiatives and annual goals.’*

Figure 59: An activity model for developing a business strategy activity



### 5.8.3.3 Strategy Execution Plan

#### Step 1: Activity of Interest

This third activity of the planning process is the beginning of the execution period. It requires achieving many tasks, which are:

1. Developing a proper deployment plan to implement these strategies, including the setting up of detailed initiatives;
2. Assigning selected strategies to key personnel;

Hana Alotaibi

3. Easing communication towards the lower level of the organisational hierarchy for implementation.

#### Step 2: Objective

The main objective of this activity is to develop the deployment plan for the implementation of the strategy through its initiatives.

#### Step 3: Subjects

The next table extracts the main tasks of this activity with the responsible sector.

Table 37: The responsible subjects for strategy execution plan activity

<b>Sub-activities of Strategy Execution Plan Activity</b>	<b>Responsible</b>
Developing a proper deployment plan to implement these strategies, including setting up detailed initiatives.	Strategic Planning Group/Sectors
Assigning selected strategies to key personnel.	Strategic Planning Group/The Board
Easing the communication towards the lower level of the organisational hierarchy for implementation.	Strategy and Development Department/Sectors

#### Step 4: Tools

Holding workshops for sectors, as well as strategic planning groups, is a main step towards breaking down the strategy into proper initiatives for the relevant sectors. A general meeting involving the Strategic Planning Group and the Board is important for the negotiation and assignment of selected strategies to key personnel. Small internal meetings within the sectoral level itself assists in simplifying and easing communication between employees within the sector. This in turn helps in detailing the strategy and corresponding initiatives in consideration of the sector's business.

#### Step 5: Rules and Regulations

It was observed that Zain has administrative procedures that provide more democracy for its employees in participating through their opinions, or by presenting their suggestions during the formal meetings or workshops. Interviewee F explained:

*'In many workshops I have attended, I see the president is very welcomed with any ideas*

*Hana Alotaibi*

*or opinion from all the members who attend these workshops. This feeling actually motivate us to express our suggestions or amendments we may see based on our experience.'*

Most of the meeting and workshops are pre-determined and communicated to the members in the short-term, as Interviewee E clarified:

*'As you have noticed, usually most of our meetings and workshops are determined before short term. At the first time I, personally disagree about this procedures but after a while, I realised the importance of this. Zain has not strong authority or communications. Zain position in the market is not strong enough to put Zain in a competitive place. We always miss and need more data, so the Planning Group avoid this missing data by delaying as much as they can in order to obtain more data and information.'*

This quote confirms Zain's position in the Saudi Market, which needs more support to enable them to perform their planned work.

#### Step 6: Division of Labour

The previous Table 37 clarifies the sectors responsible for each task of the activity. Importantly, developing a proper deployment and setting up initiatives involves sectors with VPs and GMs, as well as the Strategic Planning Group. Assigning selected strategies to key personnel involves all members of the Board and Strategic Planning Group. However, easing the communication for implementation is a task for all sectors at GM level.

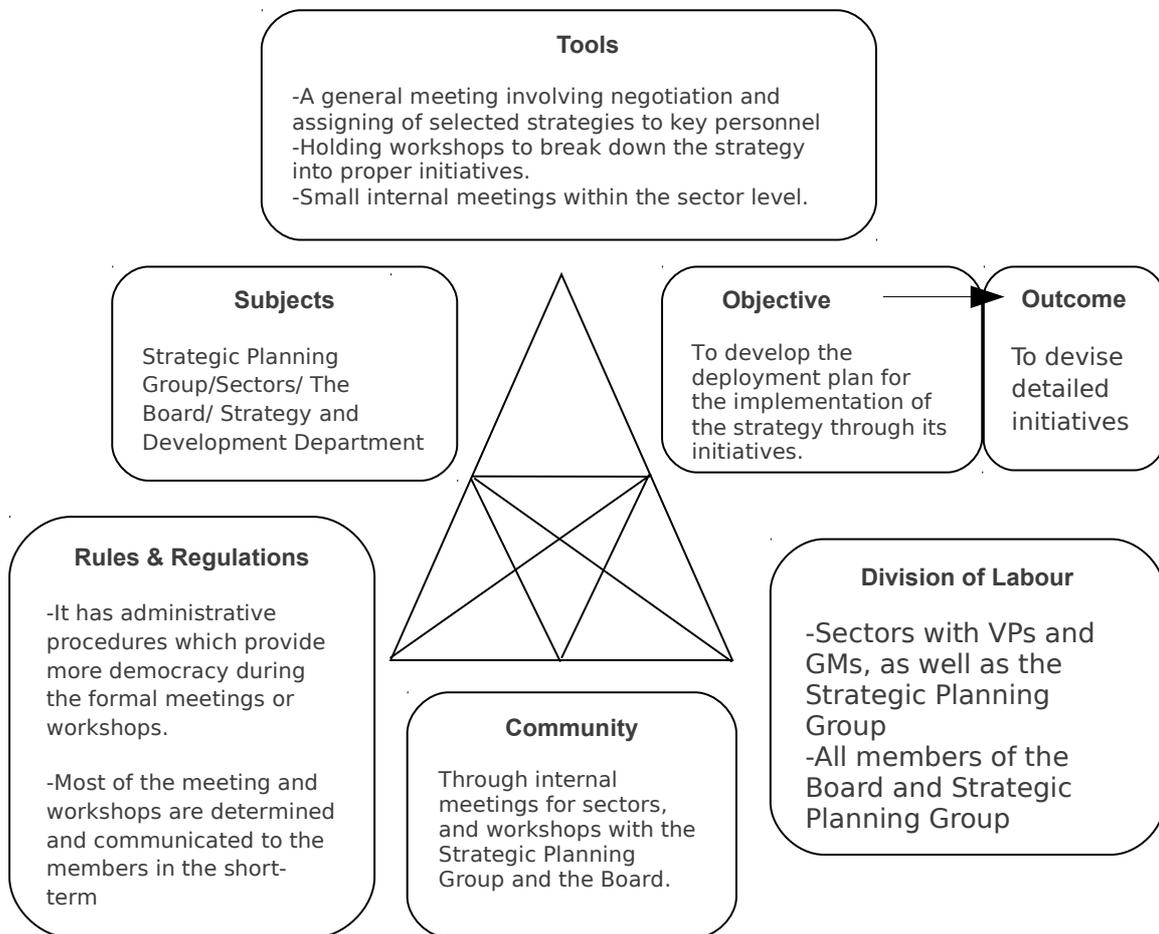
#### Step 7: Community

As has been mentioned previously, strategy execution plans are conducted during internal meetings for sectors, and through workshops with the Strategic Planning Group and the Board.

#### Step 8: Outcome

The desired outcome of conducting this activity is to devise detailed initiatives in order to allocate resources for the next activity of the planning process.

Figure 60: An activity model for a strategy execution plan activity



#### 5.8.3.4 Establish Resource Allocation Activity

##### Step 1: Activity of Interest

This activity of the planning process aims to allocate resources. It includes three main tasks, which are as follows:

1. Developing budgetary and manpower requirements;
2. Detailing business forecasts on a monthly level for the year; and
3. Presenting forecasts to the Board.

##### Step 2: Objective

Hana Alotaibi

This activity aims to develop approved business forecasts for the year. Interviewee B confirmed:

*‘The next step is to allocate resources. We called “establish resource allocation”. This stage requires to develop budgetary and manpower requirements for all sectors. Then, sectors including Finance Department and HR Management are responsible to make the details for business forecasts on a monthly level. The last task here is to present these forecasts by the responsible sectors and Strategy and Development Department to the Board to have the approval.’*

### Step 3: Subjects

The next table lists the subjects responsible for this activity.

Table 38: The responsible subjects for established resource allocation activity

<b>Sub-activities of Establish Resource Allocation Activity</b>	<b>Responsible</b>
Developing budgetary and manpower requirements.	HR/Finance/Sectors/Strategic Planning Group
Detailing business forecasts on a monthly level for the year.	Sectors/Strategy and Development Department
Presenting forecasts to the Board.	

### Step 4: Tools

Many tools are used in this activity. Firstly, many workshops are held for participants of the HR/Finance Department, various sectors, and the Strategy and Development Department with the objective to develop the budgetary and manpower requirements. Monthly forecasts for the year are also another tool, which help to deliver the objective of this activity. Subsequently, the presentation to the Board during specific meetings is also used here.

### Step 5: Rules and Regulations

The Strategy and Development Department has the authority of managing any meetings between sectors, or also with the Board. It plays a vital role in consolidating and simplifying the administrative procedures, and also in scheduling these meeting during a specific time period. The represented member from the Strategy and development Department manages and prepares for these meetings and workshops. It also has the right to involve any extra

*Hana Alotaibi*

members based on his own consideration of their importance in attending such meetings. The President and the Board contribute to the final meeting by giving their approval for the presented work during that meeting.

#### Step 6: Division of Labour

GMs have the responsibility of determining the budgetary and manpower requirements. These GMs — along with their staff — are involved in forecasting their monthly businesses for the year. However, VPs, the President and the Board are all involved in the last step of this activity, which is approving the detailed forecasts.

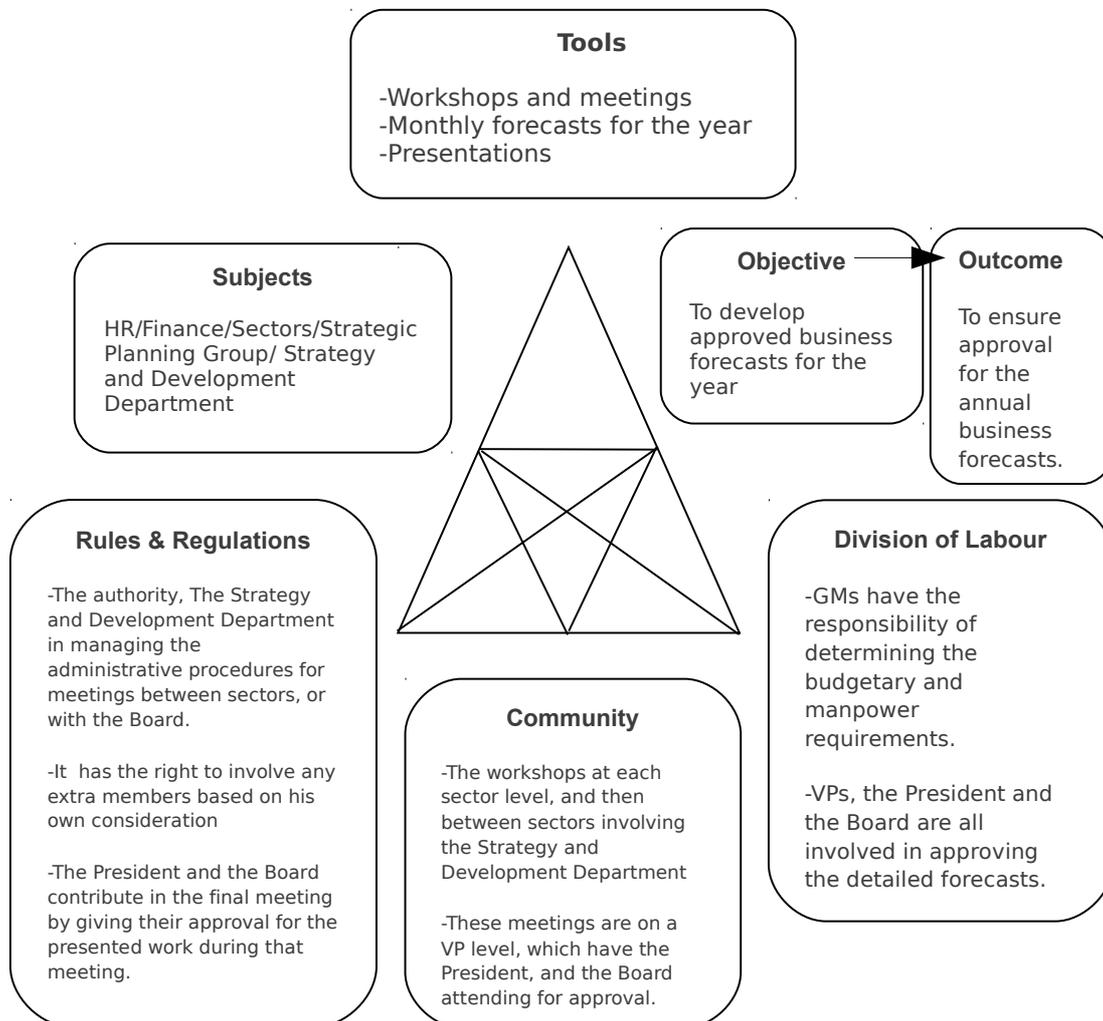
#### Step 7: Community

Meetings and workshops are carried out for the purpose of conducting this activity of establishing resource allocation. At first, the workshops are carried out at each sectoral level, and then between sectors, which involves the Strategy and Development Department. Subsequently, these meetings are on a VP level, which have the President, and the Board attending for approval.

#### Step 8: Outcome

The desired outcome from conducting this activity is the gaining of approval for the annual business forecasts.

Figure 61: An activity model for an established resource allocation activity



### 5.8.4 The Second Phase: Execution and Performance Activity

#### Step 1: Activity of Interest

This activity is concerned with the implementation step of the developing plans. It includes:

1. Conducting constant reviews of the execution progress
2. Monitoring initiative execution
3. Making decisions for any deviations to the plan (approval)
4. Presenting monthly milestones to the Board
5. Making new decisions as the status of the strategies progresses

Hana Alotaibi

### Step 2: Objective

This activity is aimed towards monitoring the execution progress and accordingly evaluating the performance. Interviewee C stated:

*'We usually monitor our plans during the execution period. We make regular review through our planning group in Strategy and Development Department in order to evaluate our present progress.'*

In the same way, Interviewee E explained:

*'Strategic Planning Group continues to review the execution progress in all sectors of the company. This work is conducted regularly taking into account any updated issues. It may require changes in some plans or decisions.'*

### Step 3: Subjects

The subjects responsible for this activity are shown in the next table.

Table 39: The responsible subjects for the execution and performance activity

<b>Sub-activities of Execution and Performance Activity</b>	<b>Responsible</b>
1- Conducting constant reviews of the execution progress.	Strategic Planning Group
2- Monitoring initiative execution.	Strategy and Development Department/sectors
3- Making decisions for any deviations to plan (approval).	Strategic Planning Group/sectors
4- Making new decisions as the status of the strategies progress.	
5- Presenting monthly milestones to the Board.	Strategy and Development Department

### Step 4: Tools

Strategy execution templates and execution status reports are used to deliver the objective of this activity. The next figure illustrates an example of a template used during this activity.



Figure 62: An example of a template used for an execution and performance activity

**Strategy Execution Template (2/ 5) \***

Monthly Timeline	Strategies				
	Initiative 1	Initiative 2	Initiative 3	Initiative 4	Initiative 5
JAN					
FEB					
MAR					
APR					
MAY					
JUN					
JUL					
AUG					
SEP					
OCT					
NOV					
DEC					

---

\* Strategy and Development Dep.

(Source: Strategy File, Strategy and Development Department, 2010, Zain)

**Step 5: Rules and Regulations**

The majority of tasks associated with this activity are conducted by the Strategy and Development Department, including the Strategic Planning Group. Therefore, internal meetings with supportive evidence and reports are required in order to achieve the objectives of the planning process. The VP of the Strategy and Development Department manages these meetings, which usually take place on a monthly basis. The reason for this is the need for the existence of the reports. The VP also has a responsibility to consolidate between sectors in order to update any information. He then simplifies the situation in order to modify any new decisions during the meetings with the Board.

**Step 6: Division of Labour**

All members of the Strategic Planning Group are involved in conducting regular reviews of

*Hana Alotaibi*

the execution progress. GMs of sectors and the Strategy Development Department is usually the Group Leader of the Planning Group, and are responsible for monitoring the execution of the initiative. The Planning Group — as well as the GMs of sectors — monitors whether there is any deviation to the planning of making decisions. Subsequently, VPs of sectors and the Strategy and Development Department prepare to present them to the Board for approval. The leader of the Strategic Planning Group — or his vice — has a responsibility to present monthly milestones to the Board. Moreover, the Strategy and Development Department assists him in arranging and preparing all required information.

#### Step 7: Community

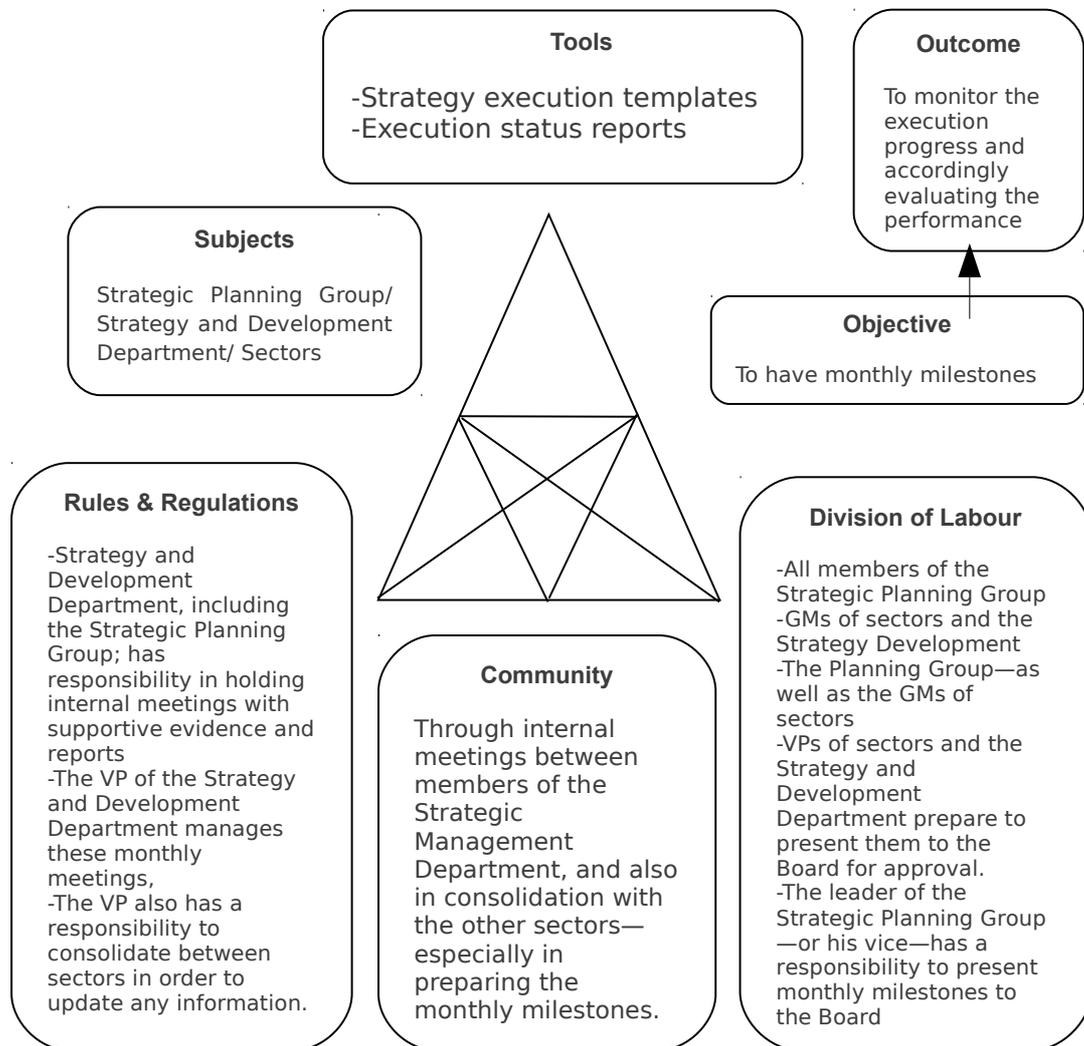
Most of the tasks in this activity are not carried out individually; rather many members share in performing them. These tasks are carried out through internal meetings between members of the Strategic Management Department, and also in consolidation with the other sectors—especially in preparing the monthly milestones. Interviewee E stated:

*‘Our Strategic Planning Group holds many internal and regular meetings between the members. Some times, especially in making monthly milestones, these meetings happen regularly between sectors. The administrative part of the Strategy and Development Department simplify these meetings, and thus simplifying the procedures of consolidate and gathering the required information in order to have the monthly milestones.’*

#### Step 8: Outcome

The desired outcome of carrying out this activity is to have monthly milestones for ensuring the progress of the execution of the planning process. This helps to monitor and evaluate its performance.

Figure 63: An activity model for an execution and performance activity



## 5.9 Summary

In conclusion, this chapter has presented the data that was gathered in regards to the strategic planning process during the three case studies. It began by providing information on the implementation of data analysis, the implementation of the coding process, and the observation access within the Saudi environment. It then provided a brief summary of activity theory and the benefits of applying it in this study. Following this, the chapter displays a thick description for each case (within-case display) beginning with STC Company, then Mobily Company, and lastly Zain Company. It presents the activities of strategic planning processes through the Event-state networks. The gathered data was analysed by using the activity

*Hana Alotaibi*

theory model, as introduced by Engestrom (1987), and the Eight-Step Model created by Mwanza (2001), in order to gain an in-depth understanding of the activities engaged in during the strategic planning process in all of the cases. The next chapter (chapter six) will analyse the data across these cases completely in order to investigate how these activities of the strategic planning process influence the development and implementation of strategic initiatives in the three Saudi telecommunications companies.

# ***Chapter 6***

## ***Analysis***

## **6.1 Introduction**

This chapter presents an analysis of the descriptive data obtained from the previous analysis in which the three cases were examined. The purpose of this chapter is to present this data while answering the set research questions by discussing and extracting the key outcomes. This chapter begins with a presentation of all the activities involved in the planning processes before discussing those activities which influence the development and implementation of strategic initiatives. They are divided based on the investigated data into two main types: indirectly influential activities, and directly influential activities. The details of the activities and the reasons behind this division are also stated. In addition, the influential activities, which directly relate to the research purpose, are presented under three themes: (1) initiation, (2) development, and (3) implementation. Since this research applies activity theory as a theoretical lens under the strategy as a practice perspective, the sequences of the directed influential activities and the contradictions between their components are also discussed. This chapter continues with an analysis and discussion of the data by describing the tools and the practitioners who use them in order to specifically answer the second research question. The discussion is made under the three aforementioned themes, i.e. initiation, development, and implementation. The next table summarises and arranges the investigated data under these themes, the theoretical lens, and based on the research approach according to the related sections in this dissertation.

Table 40: Summary of the data presented in relation to this chapter's sections

<b>1<sup>st</sup> research question</b>	<b>Activities of SPL Process (in general)</b>		<b>Case 1 5.6</b>	<b>Case 2 5.7</b>	<b>Case 3 5.8</b>
	Activities influence SI In general 6.3		Indirect influence 6.3.1		
			Direct influence 6.3.2		
			Initiation stage 6.3.2.1	Development stage 6.3.2.2	Implementation stage 6.3.2.3
	The sequences of activities 6.4.2		Case 1 6.4.2.1.	Case 2 6.4.2.2	Case 3 6.4.2.3
	Contradictions 6.4.3		Initiation stage 6.4.3.1	Development stage 6.4.3.2	Implementation stage 6.4.3.3
<b>2<sup>nd</sup> research question</b>	Mediated Action 6.4.4.	Tools 6.4.4.1	Initiation stage 6.4.4.1	Development stage 6.4.4.1	Implementation stage 6.4.4.1
		Practitioners 6.4.4.2	Initiation stage 6.4.4.2	Development stage 6.4.4.2	Implementation stage 6.4.4.2

## 6.2 Activities of the Strategic Planning Process

In the previous chapter, a whole range of activities related to the strategic planning process was identified in the case of three companies, namely STC, Mobily, and Zain. Table 41 below summarises all these activities of the strategic planning process in the three companies investigated.

Table 41: Summary of activities related to strategic planning processes in the three companies investigated

STC			Mobily			Zain		
SPL Phases		Key Activities	SPL Phases		Key Activities	SPL Phases		Key Activities
Development & Planning Phase	Corporate Strategy Development	1-Business Analysis	Development & Planning Phase	Strategic Development	1-Business Analysis	Development & Planning Phase	Strategic Development	1-Environmental Scanning
		2-Corporate Strategy Review			2-Generating Strategies /Action Steps			2-Developing Business Strategies
		3-Corporate Strategy Cascading			3-Developing the Action Plans			3-Strategy Execution Plans
	Sectors Business Planning	4-Business Development Plans		Units Business Planning	4-Conducting Related Cost-Benefits Analysis		Business Planning	4-Establish Resource Allocation
		5-Budgetary and Manpower Requirement			5-Monitoring Management			5-Execution and Performance Review
Execution & Performance Phase	Execution Management	6-Program Management	Execution & Performance Phase	Execution Management	6-Evaluation Management	Execution & Performance Phase	Execution & Performance Review	5-Execution and Performance Review

After a careful analysis based on the application of activity theory, it was found that all three companies implement strategic planning during the following two general phases:

- Development and planning phase
- Execution and performance phase

### 6.3 The Influences of Strategic Planning Activities on the Development and Implementation of Strategic Initiatives

#### 6.3.1 Direct and Indirect Influences

This study is based on exploring the activities of strategic planning process which influence the development and implementation of strategic initiatives. After carefully analysing the strategic planning processes in the three companies, it became apparent that the development and implementation of strategic initiatives are influenced by strategic planning activities through both direct and indirect influences. In detail, it was found that:

- Each company's detailed activity (1, 2, 3 of STC; 1, 2 of Mobily, and 1, 2 of Zain), tables 19, 26 and 34 do not make reference to strategic initiatives throughout any particular phase or at any time during their implementation. This means there is no link between these activities, i.e. there is no direct involvement with the development of strategic initiatives and their implementation.
- It was established that such activities are implemented at a level detached from the development and implementation of strategic initiatives. Instead, such activities are centred on the company's strategy taken as a whole, linked with its objectives, whilst the development and implementation of strategic initiatives are predominantly concerned with the in-depth actions of the planning process.
- Since the purpose of the research is to explore the activities of the planning process that influence the development and implementation of strategic initiatives, these activities (i.e. 1, 2, 3 of STC; 1, 2 of Mobily, and 1, 2 of Zain), thus represent a part recognised as being out of the scope of the research question.

It was therefore established that the development and implementation of strategic initiatives are influenced by strategic planning activities through both indirect and direct influences. The three detailed figures below illustrate this finding.

Figure 64: Direct and indirect influences in the strategic planning process at STC

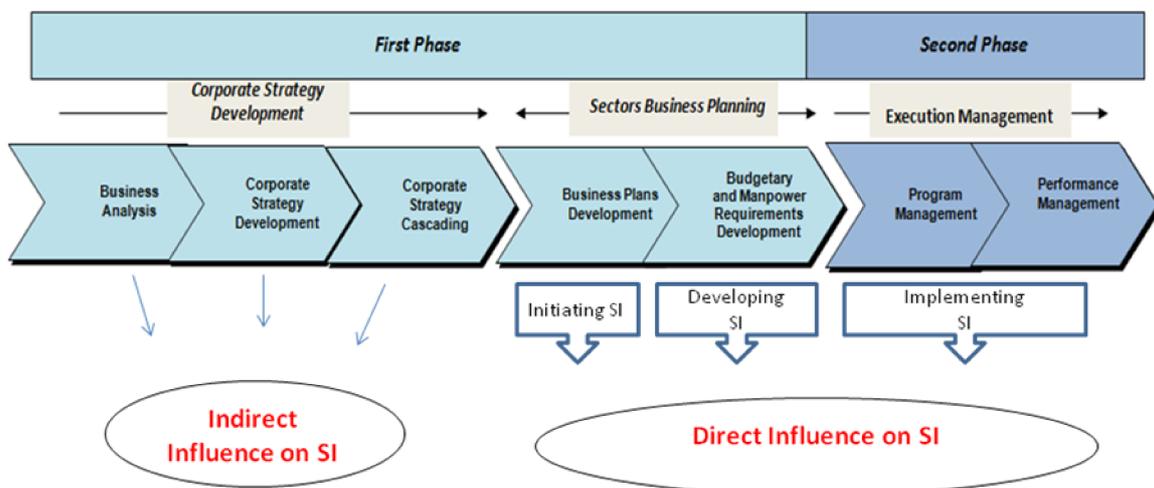


Figure 65: Direct and indirect influences in the strategic planning process at Mobily

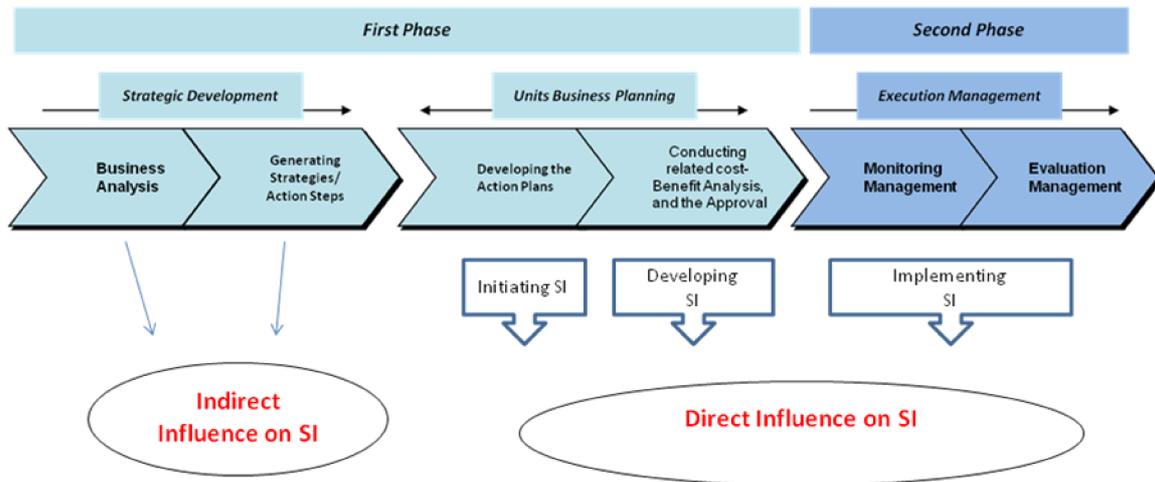
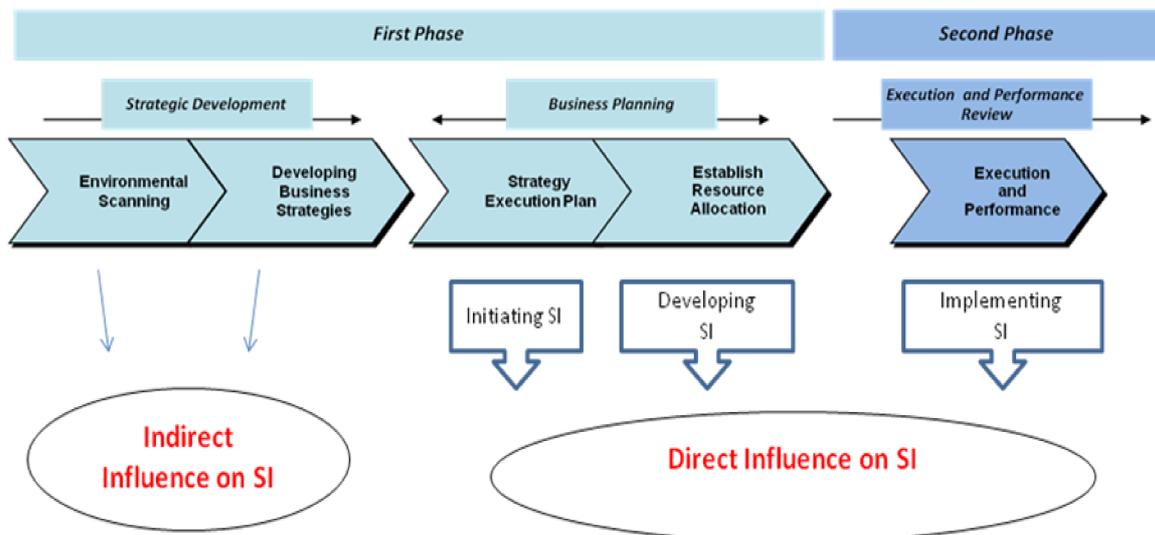


Figure 66: Direct and indirect influences in the strategic planning process at Zain



### 6.3.2 Indirect Influences

The activities of the strategic planning process identified as being involved indirectly in the development and implementation of strategic initiatives are recognised as activities that bear an indirect influence as opposed to non-influential activities. This is due to the fact that such activities retain some degree of influence on the development and implementation of strategic

initiatives. This has been established through the analysis of the data focused on the entire planning process, as highlighted in the previous chapter. These activities are summarised in the table below.

Table 42: Activities indirectly involved in development/implementation of strategic initiatives

Company	Activities that are indirectly involved in the development and implementation of strategic initiatives		
<b>STC</b>	Activity 1: Business analysis	Activity 2: Corporate strategy development	Activity 3: Corporate strategy cascading
<b>Mobily</b>	Activity 1: Business Analysis	Activity 2: Generating strategies/ Action Plan	
<b>Zain</b>	Activity 1: Environmental scanning	Activity 2: Developing Business strategies	

The two tables below provide details of each activity that is involved indirectly in the development and implementation of strategic initiatives. These activities are sorted according to the type of activity. The first table provides the details of the first activities in the three cases. All of them are concerned with analysing and scanning the environment. However, the second table provides two activities from the first case, and one activity from the second and the third cases. Although the details of these activities are different, they are sorted in one table as all of them are concerned with developing the corporate strategies.

Table 43: Details of each activity involved indirectly in the development and implementation of strategic initiatives I

Company	Activity		Details of each activity
<b>STC</b>	Activity 1	Business analysis	Monitoring business evolution Conducting external business environment analysis (Porter's five forces model) Conducting internal business environment analysis Synthesising business analysis (SWOT and critical success factors analysis)
<b>Mobily</b>	Activity 1	Business Analysis	Conducting external and internal business environment analysis (Porter's five forces Model) Using business analysis (SWOT and critical success factors analysis) Focusing on business evolution. Determining business challenges based environment and business analysis
<b>Zain</b>	Activity 1	Environmental scanning	Searching for information resources and selecting information resources to scan. External and internal environmental scan by: build on strengths, resolve weaknesses, exploit opportunities, and avoid threats. Review mission and vision statements Review general success of outcomes and evaluating the most critical issues or choices facing the company.

Table 44: Details of each activity involved indirectly in the development and implementation of strategic initiatives II

Company	Activity		Details of each activity
STC	Activity 2	Corporate Strategy Development	Deriving business challenges from environment and business analysis Developing business forecasts (Gap Analysis, Scenario and sensitivity analysis) Reviewing corporate strategy through a strategic workshop Corporate Strategy Development Approach Developing proposed strategies based on Strategy Review Workshop output Updating business forecasts Formulating corporate strategy through a strategic workshop Defining and establishing corporate goals Presenting to Board of Directors for review and approval
	Activity 3	Corporate Strategy Cascading	Cascading the corporate strategy into strategies at Sector level Organising a Strategy Cascading Workshop to ensure senior management collective ownership Synthesising each sector set of strategies Cascading the corporate scorecard into sectors goals
Mobily	Activity 2	Generating Strategies/ Action Steps	forecasting business (Gap Analysis, Scenario and sensitivity analysis) Reviewing a general strategy through workshops. Developing proposed strategies based on reviewing the workshops. Updating business forecasts and formulating general strategy. Defining and establishing corporate goals Approving through presentations to the Committee.
Zain	Activity 2	Developing Business Strategies	Forecasting by describing techniques and scenarios Create a future image and establish goals and objectives based on the strategic profile gathered from creating the image Develop several key possible strategies, and address the organisation's objectives Use proper tools to select a few from the possible strategies. Select a few strategic options objectively to understand various strategic options, set key measures and broad time line.

### 6.3.3 Direct Influences

Considering the description provided above, those activities identified below were focused upon pertaining to the planning process that comprise and directly impact upon the development and implementation of strategic initiatives. For the purpose of analysis, it was

considered appropriate to break down this stage into three respective themes, viz. initiation, development, and implementation. The next table illustrates these.

Table 45: Activities directly involved in development/implementation of strategic initiatives

Company	Activities that are directly involved in the development and implementation of strategic initiatives		
	Initiation stage	Development stage	Implementation stage
STC	Activity 4 (Business Plan Development)	Activity 5 (Budgetary & Manpower Requirement Development)	Activity 6 & 7 (Program Management Performance Management)
Mobily	Activity 3 (Developing The Action Plans)	Activity 4 (Conducting related cost- Benefit analysis & the Approval)	Activity 5 & 6 (Monitoring Management Evaluation Management)
Zain	Activity 3 (Strategy Execution Plan)	Activity 4 (Establish Resource Allocation)	Activity 5 (Execution & performance)

The next table illustrates the details of each activity that are involved directly in the development and implementation of strategic initiatives. The three main themes that were relied upon for the analysis contained in the next section were selected to be (1) initiation (2) development, and (3) implementation.

### 6.3.3.1 Initiation Stage

Table 46: Details of activities directly involved in the development/implementation of strategic initiatives during the initiation stage

Company	Activity		Details of each activity
<b>STC</b>	Activity 4	4-Business plan development	<ul style="list-style-type: none"> <li>-Detailing strategies into initiatives for the year and identifying responsible GMs</li> <li>-Developing bottom up budgetary and manpower requirements associated with sector initiatives</li> <li>-Developing sector performance management scorecard for the year</li> <li>-Developing business forecasts on a monthly level for the year</li> <li>-Cascading GMs initiatives to Directors level</li> </ul>
<b>Mobily</b>	Activity 3	3-Developing the action plans	<ul style="list-style-type: none"> <li>-Cascading the general strategy into strategies.</li> <li>-Cascading the corporate scorecard into units goals, and Synthesising each department set of strategies</li> <li>-Detailing strategies into initiatives for the year and identifying responsible GMs</li> </ul>
<b>Zain</b>	Activity 3	3-Strategy execution plan	<ul style="list-style-type: none"> <li>-Develop a proper deployment plan to implement these strategies including set up detailed initiatives.</li> <li>-Assign selected strategies to key personnel</li> <li>-Ease the communication toward the lower level of the organisational hierarchy for implementation</li> </ul>

Despite the differences in the details of the previous activities, it is clear that all these details are concerned with detailing strategies into initiatives, and identifying the responsible GMs. Thus, all these activities together represent the first stage to produce initiatives. i.e. it represents the initial stage of development and implementation of strategic initiatives within the strategic planning process.

### 6.3.3.2 Development Stage

Table 47: Details of activities directly involved in the development/implementation of strategic initiatives during the development stage

Company	Activity		Details of each activity
STC	Activity 5	5-Budgetary and manpower requirements development	<ul style="list-style-type: none"> <li>-Reconciling bottom up with top down budget and manpower requirements</li> <li>-Updating business plans if necessary</li> <li>-Preparing and presenting budget and manpower presentation to the Board of Directors</li> <li>-Updating business, budget, and manpower plans accordingly presenting them to the Board of directors.</li> </ul>
Mobily	Activity 4	4- Conducting related cost-benefit analysis	<ul style="list-style-type: none"> <li>-Developing budgetary and manpower requirements</li> <li>-Detailing business forecasts on a monthly level for the year</li> <li>-Cascading GMs initiatives to Directors level</li> <li>-Updating business plans if necessary, and updating business, budget, and manpower plans Accordingly.</li> <li>-Coordinating and reconciling budget and manpower requirements</li> <li>-Presenting budget and manpower prepared for approval through presentations to the Board of Directors</li> </ul>
Zain	Activity 4	4- Establish resource allocation	<ul style="list-style-type: none"> <li>-Developing budgetary and manpower requirements</li> <li>-Detailing business forecasts on a monthly level for the year.</li> <li>-Presenting forecasts to the Board.</li> </ul>

The above table illustrates three activities in the three cases, which are: Development of budgetary and manpower requirements in STC, conduction of related cost-benefit analysis in Mobily, and establishment of resource allocation in Zain. All these activities along with their details are concerned with development of the budget and manpower requirements through preparation of the requirements followed by their presentation to the Board. This stage thus represents the development stage of strategic initiatives within the strategic planning process.

### 6.3.3.3 Implementation Stage

Table 48: Details of activities directly involved in the development/implementation of strategic initiatives during the implementation stage

Company	Activity	Details of each activity	
STC	Activity 6 & 7	6-Program management	-Assigning sponsors for each of the corporate strategies, and overseeing execution management process -Assign Task Force members and managing initiative execution, approve strategy and initiative milestones, and presenting to Management Committee on a monthly basis -Consolidating execution reports, supporting Management Committee and following up with Sponsor, and Management of the Change Request process -Reviewing execution performance; Making decisions on issues and initiating corrective actions to corporate strategy.
		7-Performance management	-Confirming KPIs, obtaining KPI targets (monthly, quarterly, etc.) -Producing bi-weekly, monthly, quarterly and annual reports, and monitoring business evolution and corporate strategy execution -Monitoring sectors performance and sectors strategies execution -Monitoring initiatives execution
Mobily	Activity 5 & 6	5-Monitoring management	-Having the right staff in the right position with the right training -Managing initiatives execution -Getting approval for initiatives and milestones, and presenting them regularly to the Board of Directors. -If needed, appropriate, corrective actions should be identified and implemented
		6- Evaluation management	-Obtaining Monthly KPI targets, regularly (monthly, quarterly, annually) reports -Monitoring business evolution on corporate level, and units level -Reviewing that the general strategy is producing the necessary accomplishments in the expected time frame. -If needed, appropriate, corrective actions and decisions should be identified and implemented on issues. -Monitoring general strategy execution, unit's performance, units strategies execution, and initiatives execution
Zain	Activity 5	5- Execution and performance Review	-Make constant review of the execution progress. -Monitoring initiatives execution. -Make decision for any deviations to plan (approval). -New decision may be required as the status of the strategies progressed -Presenting monthly milestones to the Board

The above table represents two activities in STC, two activities in Mobily, and one activity in Zain. All these activities along with their details are concerned with two main actions:

- Implementation and performance, which are concerned with assigning who is to be responsible for the initiatives, getting approval for them, and managing their execution.

- Monitoring and evaluation, which are concerned with confirming of KPIs targets, producing regular reports, and correcting actions if needed.

Therefore, it is established that all these details related to planning process activities represent the third stage, i.e. the implementation stage of the development and implementation of strategic initiatives.

## **6.4 The Practice Perspective and Activity Theory**

### **6.4.1 Introduction**

In consideration of the conceptual framework of this research (Figure 1), there is a need to clarify two points. Firstly, this research takes a practice perspective as an approach to explain how such activities engaged in during strategic planning might influence the development and implementation of strategic initiatives. This is the focus of practice research, i.e. to study practice-in-use as a mediator of action, examining its consequences for the strategy, the actors who use them, and the interactions that are conducted (Jarzabkowski, 2004). A practice perspective includes three main elements, which are practice, practitioners, and practices (Whittington, 2002a; Jarzabkowski, 2005). It is therefore important to:

- Investigate the practice of strategic planning activities in influencing the development and implementation of strategic initiatives through going beyond studying the relation between such concepts to addressing them as mutually constitutive (Whittington, 2002a; Jarzabkowski, 2005), with how the elements of each activity connect with each other, and the contradictions that are caused by tensions between activity components.
- Explain the role of the practitioners in this influence through the mediated tools (or practices) that are used.

Secondly, activity theory is also used in this research as a theoretical lens. Foot (2001) indicates that there are indeed successful and effective levers of the activity theory especially in the study of the micro strategic level. It has been suggested to be applied as a useful framework for understanding strategic planning not merely as a system with organisational goals and objectives, but predominantly as a process activated by the interactions of different actors who engage with the activities (Jarzabkowski & Balogun, 2009). These are enhanced by the mediation of tools, which belong to communities and are governed by principles and rules. Recently, researchers have used activity theory flexibly, and have applied principles

that best suit their purposes. In other words, a researcher could choose the suitable principles in their analysis of activity relying upon their research purposes (Blackler, 1993; Jarzabkowski, 2003).

In order to understand the practice (as an element) of strategic planning activities in influencing the development and implementation of strategic initiatives, there is also a need to understand the contradictions that are caused by tensions between activity components, and to understand the practitioners and their role in this influence. The need is to explain their role and their mediated tools that are used in this process. In addition, it was deemed important in this section to apply the suitable principles (see chapter 4) of activity theory that are appropriate to the purpose of the research. As activity theory introduces activity systems, as characterised by internal contradictions caused by tensions between their components (Barab et al., 2002; Yamagata-Lynch, 2003), the activity systems are always adopted as geared towards resolving these contradictions and becoming more stable, given that mediated action is defined by the interplay between agent (subject) and the mediating tool. Therefore, the contradictions and mediated actions are suitable principles to be interpreted and could answer the research questions.

Based on the above two points, a set of suitable principles of activity theory was devised that could suitably be applied in this section in order to analyse the data under a strategy as practice perspective with its equivalent elements as a research approach. The next table summarises this approach.

Table 49: The suitable principles of activity theory applicable for analysis

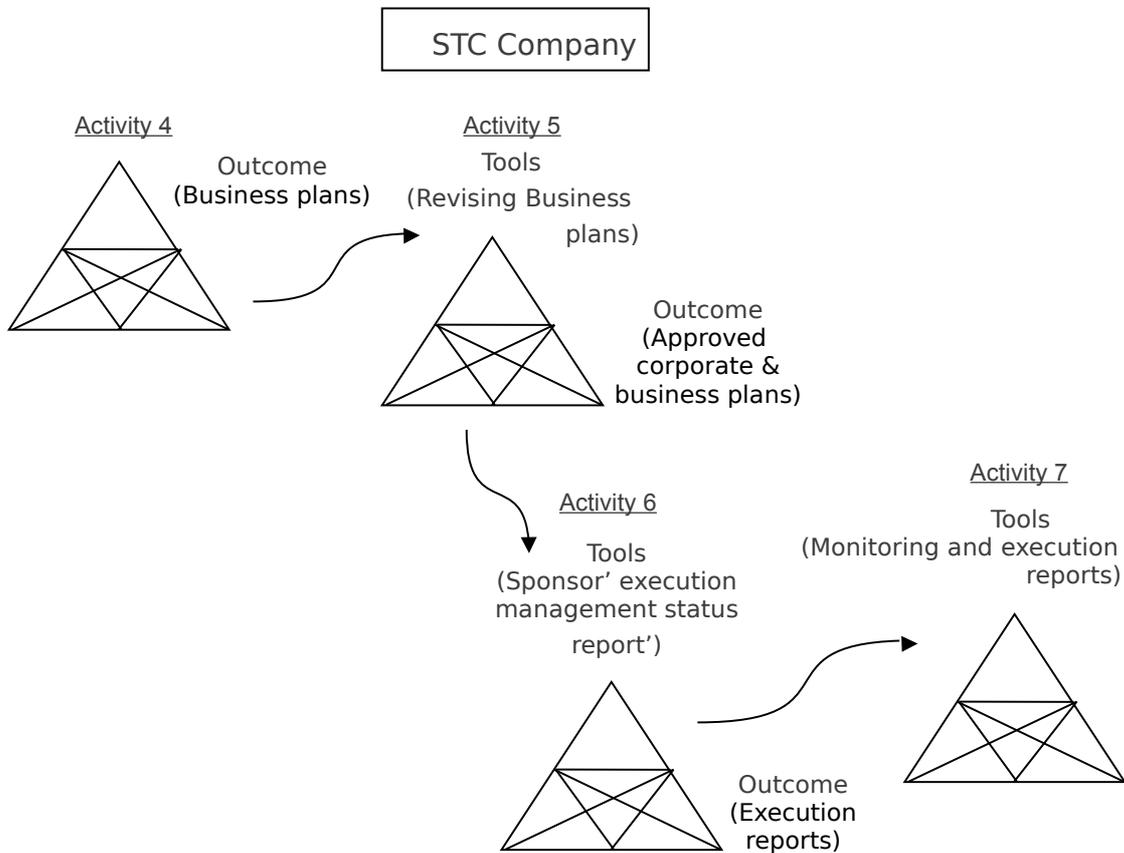
Strategy as Practice: Three main components	Activity theory Principles
Practice	1-How do elements connect with each other?
	2- Contradictions?
Practices	3- Mediated actions?
Practitioners	(Tools and practitioners' roles)

#### ***6.4.2 How the Different Elements Connect with Each Other?***

To understand how elements of an activity connect with each other, it is important to explain the sequence of the activities during the direct influence for each of the three cases.

### 6.4.2.1 Sequence of Activities at STC

Figure 67: Connections between activities responsible for direct influence at STC

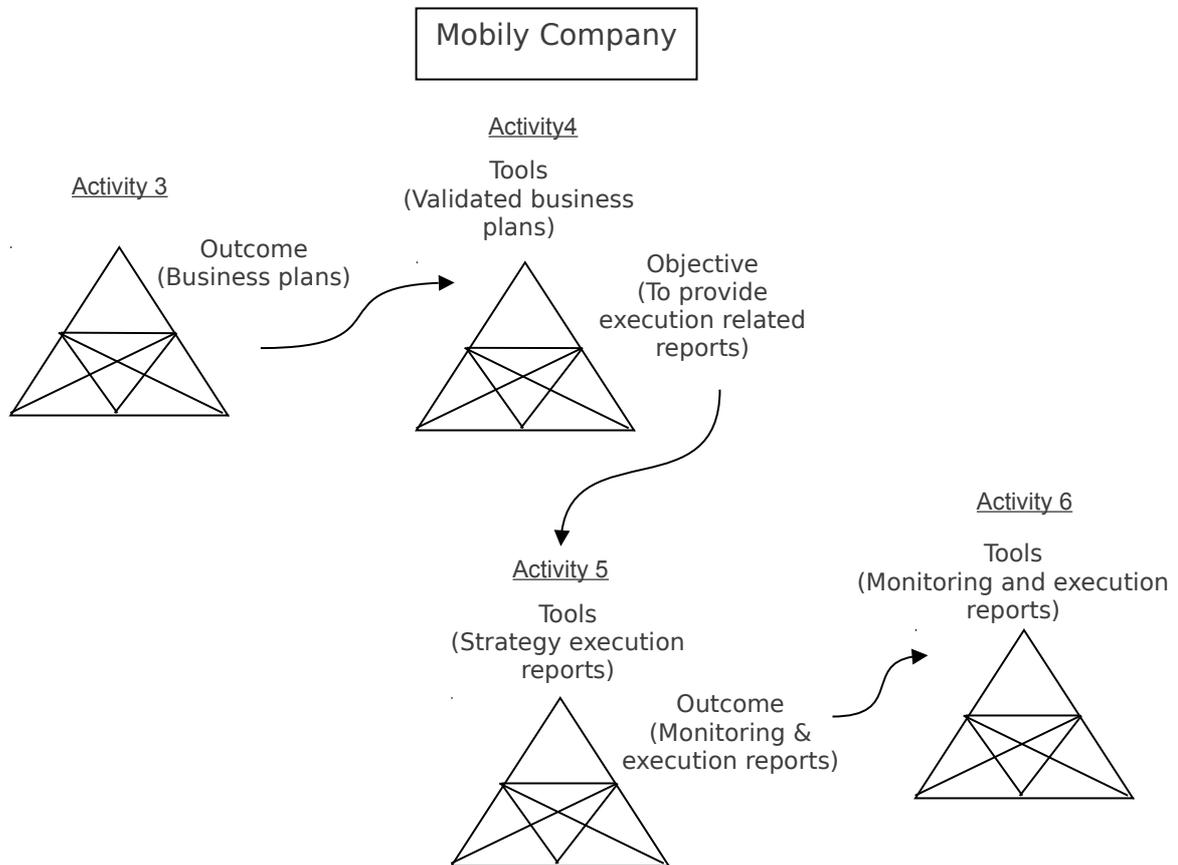


Based on within-case data analysis provided in chapter 5 (STC' case), it can be seen (in the above figure) that:

1. The outcome of activity 4 (business plans) became the tools of activity 5 (revising business plans),
2. The outcome of activity 5 (approved corporate and business plans) became tools in activity 6 (sponsor execution management status reports), and
3. The outcome of activity 6 (execution reports) became tools of activity 7 (corporate strategy execution reports).

### 6.4.2.2 Sequence of Activities at Mobily

Figure 68: Connections between activities responsible for direct influence at Mobily

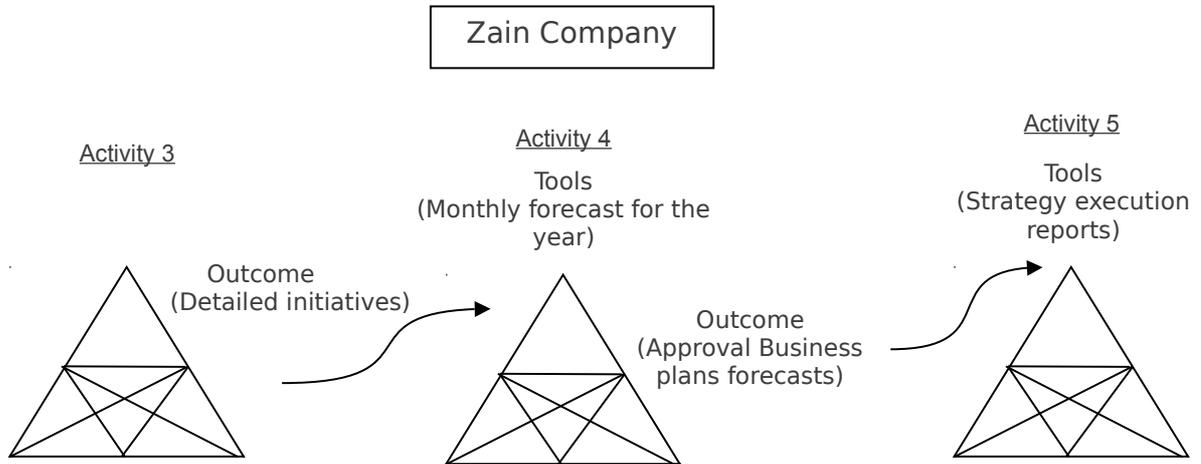


Based on within-case data analysis provided in chapter 5 (Mobily's case), it can be seen (in the above figure) that:

1. The outcome of activity 3 (business plans) became tools of activity 4 (validated business plans),
2. The object of activity 4 (to provide execution-related reports), were used as tools in activity 5 (strategy execution reports), and
3. The outcome of activity 5 (monitoring and execution reports) became tools of activity 6 (monitoring and execution reports).

### 6.4.2.3 Sequence of Activities at Zain

Figure 69: Connections between activities responsible for direct influence at Zain



Based on within-case data analysis provided in chapter 5 (Zain's case), it can be seen (in the above figure) that:

1. The outcome of activity 3 (detailed initiatives) became tools in activity 4 (monthly forecasts for the year), and
2. The outcome of activity 4 (approval business plans forecasts) became tools in activity 5 (strategy execution reports).

### 6.4.2.4 General Summary of the Sequences of Activities During the Direct Stage

As a general summary of the above sequences of activities, it is therefore clear that:

1. The element from an activity system can turn into another type of element in a different activity.
2. An element that appears as a name in an activity can be used later in another form as a new element in a subsequent activity.

### 6.4.3 Contradictions

As defined earlier in chapter 2, primary contradictions are contradictions that exist within the elements of the central activity, whereas secondary contradictions are contradictions between

*Hana Alotaibi*

the elements of the central activity (Engestrom, 1987). This section will focus on contradictions of activity systems based on the three main themes: initiation, development, and implementation stages during the planning process. It was preferred to categorise the contradictions under the previous three themes as it helps to identify the way in which the activities of strategic planning influence the development and implementation of strategic initiatives. The next three tables clarify these contradictions, and the evidence (i.e. in the form of quotes and examples) obtained from the interviewees regarding these contradictions are also included.

Table 50: Evidence of contradictions identified from interviews during the initiation stage

STC	Zain
<p>'in some cases, we found that the same initiatives were developed at the Marketing Dept. and Sales Dept., and this affected receiving the requirements of the budgets and timelines.... but we developed guidelines for sectors related to business plan development to avoid this happening again' <b>Interviewee D.</b></p> <p>"...<b>For example</b>, we can say that some initiatives will not be achieved from sector A, but will from sector B, or that sector B can help sector A. Other initiatives can also be transferred from one sector to another... Most of our difficulties during the planning time is in apportioning strategies and initiatives to the right sector with the right responsibility' <b>Interviewee H</b></p> <p><b>Example:</b> 'offering smart-phones to our customers with competitive prices was an initiative developed by the Marketing Dept. and Sales Dept., and our role was to consolidate between these two departments, and to direct both departments so that this initiative is developed by only the Marketing department as they sign the agreements with global provided companies.' <b>Interviewee D.</b></p>	<p>'Actually, our qualified experts and managers of sectors who are responsible for detailing the strategy into initiatives are limited. Most times, we continue our sequences of the strategy process without going into the small details of initiatives' <b>Interviewee F.</b></p> <p>' this year, our planning group comprises of only three main experts and three employees, Actually, this affects us, as well as with sector VPs, to review and reconcile the strategy with all its options between all sectors, but we are planning to increase our group within the next two months' <b>Interviewee E.</b></p> <p><b>Example:</b> 'offering third generation services and content services, as new initiatives required us to have an experience and knowledge about applying these services in other similar countries. As we only have limited numbers who did not have any knowledge about these new services at that time, we actually included these as initiatives in our strategy without going into how exactly we will offer them. In fact, an external consultant supported us in detailing the initiatives for specific steps during the conducting process' <b>Interviewee F.</b></p>

Table 51: Evidence of contradictions identified from interviews during the development stage

STC	Mobily	Zain
<p>'all of our planning work is in a single chain. In case we delay in developing initiatives, sure the next work is delayed, so we need to be very strict and precise' <b>Interviewee H.</b></p> <p><b>'For example</b>, if the enterprise sector wants to build new mobile towers, or reach a specific number of customers or sales, we can help in these initiatives and ensure requirements are clear and understood by different sectors. However, in our last strategy, FORWARD, all our staff as well as the experts could not finalise the requirements of budgets and manpower in order to transfer them to the responsible managers, so this affected the next step of updating business plans' <b>Interviewee H</b></p> <p>'all steps in the planning process are connected with each other...', <b>Interviewee H.</b></p>	<p>'Many units such as Marketing, operations, and technology units tend to defer preparing the required budgets to the Board. Actually, the reason for this is that they are influenced by the market conditions' <b>Interviewee G.</b></p> <p>' this of course affects us (the planning team) to assign the responsibilities between units and also to approve the requirements' <b>Interviewee E.</b></p> <p><b>'For example</b>, new technical solutions need specific requirements in our sector to be developed. However, due to the market evolution and competition, we benefit as much as we can to defer delivering the requirements to the planning team in order to investigate our market before the competitors....' <b>Interviewee C.</b></p>	<p>'I think that dividing the work between the responsible sectors is the biggest issue we (the planning group) usually face. In particular, the VPs are responsible for establishing resource allocations which requires more efforts and knowledge along with the detailed work' <b>Interviewee F</b></p> <p>'Yes, sure all the activities influence each other' <b>Interviewee D.</b></p> <p><b>'For example</b>, after establishing our new structure, the marketing department, which is under the commercial sector, has a specific planning section which communicates and coordinates with us in the planning department until they build all the marketing initiatives. However, many other departments still need a specific section for planning in their sectors in order for us to develop the proper initiatives in their proper sectors ' <b>Interviewee D</b></p>

Table 52: Evidence of contradictions identified from interviews during the implementation stage

STC	Mobily	Zain
<p>‘As usual, yes many details of the initiatives need to be updated, changed, or deleted, even those that may have reached the implementation stage. This is normal, but it is more pressure, especially as we are only six members to finalise and set these responsibilities to their actual sector’ <b>Interviewee D</b></p> <p>‘...<b>For example</b>, in 2010 we had some problems regarding conducting some initiatives although they were added to the plan after conducting many workshops, and presented in front of the Board. At this point, we returned to the sectors to amend and change, although they may reach the implementation stage’ <b>Interviewee D</b>.</p> <p>‘Mostly, we hold training sessions for the concerned staff before conducting any new initiatives. These sessions cover all the details of information to prepare our staff to be at a standard level’ <b>Interviewee C</b>.</p> <p>‘In my own opinion, I think that we need more training sessions prior to conducting some specific initiatives. Most staff have a variety and differentiated level of knowledge, and I think that STC needs to improve its capabilities in this’ <b>Interviewee I</b>.</p>	<p>‘Sure we hold training sessions, but as normal, some of our staff, especially at the bottom level require us to have more workshops, meetings and training sessions for specific or advanced technology’ <b>Interviewee D</b>.</p> <p>‘We usually face a difficulty in dividing the responsibilities between staff. In fact, our training courses prior to establishing new initiatives are insufficient for the employees to be able to conduct the work. We needed to divide the work again and again and redistribute the responsibilities between staff’ <b>Interviewee A</b>.</p> <p>‘as a result of the competition in the telecommunications market, we changed the priority of conducting some initiatives. We also changed its responsible sectors, so this affected our staff and the prepared training sessions that the staff needed, and sure this affects the final outcome’ <b>Interviewee G</b>.</p>	<p>‘yes, the most difficult thing is to deliver our understanding of the strategy to all our staff with its details to be implemented in an accurate way. <b>For example</b>, the call centre staff may need to know the link between their goals in conducting the work and the company goals in general, which will give them higher levels of motivation’ <b>Interviewee A</b>.</p> <p>‘it is required for all the staff to have understanding and absorb the company initiatives in a right way, which definitely affects the conduction of these initiatives’ <b>Interviewee G</b>.</p> <p>‘In the execution stage, we are concerned with reviewing the performance, but it is notable that a wide range of our employees around the company conduct the work without sufficient understanding. Sure, this is a main reason that conflicts are created between them and their responsibilities’ <b>Interviewee H</b>.</p>

### 6.4.3.1 Initiation Stage

During the initiation stage, there were found to be two contradictions at STC, no contradictions at Mobily, and two contradictions at Zain. The next table explains these.

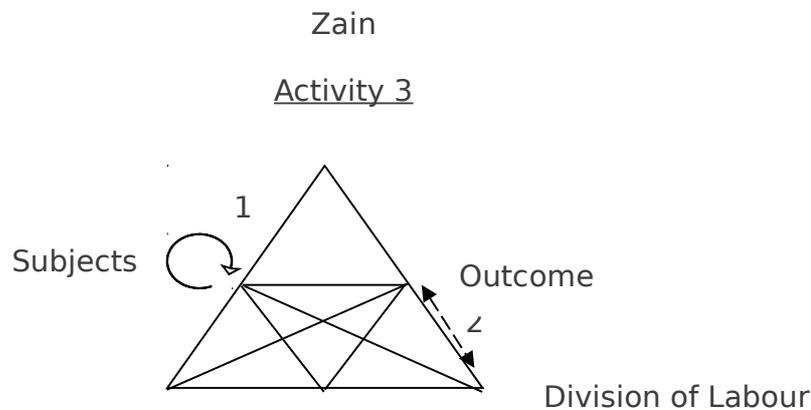
Table 53: Contradictions during the initiation stage

Company	Activity			
STC	Activity 4	4-Business Plans development	(a) Some initiatives are developing from more than a sector vs. the division of labour and the subjects of these initiatives. (b) The conflict in (a) also affects monthly timelines and budgets requirements.	Subjects Vs. Division of Labour Vs. Object (Secondary)  (a) Vs. Tools (Secondary)
Mobily	Activity 3	3-Developing the action Plans	-	
Zain	Activity 3	3-Strategy Execution Plan	(a) The small numbers of employees as well as sector VPs, does not allow setting all details of strategies into initiatives. (b) This conflict affects achieving the outcome of the activity.	Subjects (Primary)  (a) Vs. Division of Labour and outcome (secondary)

At STC, two secondary contradictions prevail. The first one is between subjects, division of labour and object which affects tools and generates the second contradiction. Mobily has no contradiction in this stage, whereas Zain has a contradiction within subjects, and between division of labour and the outcome.



Figure 71: Illustration of the contradictions in Zain during the initiation stage



A contradiction within subjects.  
2- A previous conflict affects dividing the work (division of labour) and achieving the outcome of the activity

At Zain, the contradiction here was a primary contradiction, which happened within the strategic planning group (subjects). This specific group of planning contains only three strategic experts and three more employees. The difficulty facing them was to review and reconcile between all the sectors of Zain (Table 50). In fact, this small number of employees in the strategic planning group created the conflicts and contradictions between them in order to conduct the whole work related to this activity. Therefore, the primary contradiction here created another conflict between the subjects and the divided work (division of labour), and this affected achievement of the detailed initiatives (outcome) of the activity.

As a general summary of the contradictions existent in the three companies during the initiation stage:

1. It is clear that the corporate planning department in STC played a role in resolving the apparent contradiction between the elements within the activity system in this stage.
2. Although this contradiction was resolved by the corporate planning department, this refers to:
  - There not being enough qualified administrative employees in the sectors who can deal with the development of the business plans in a proper way that align

and are compatible with the corporate strategy for the company.

- The number of employees at STC in the corporate planning department not being sufficient to discover the repetition of strategic initiatives earlier.
3. The contradictions that are not solved lead to further issues and challenges, which affect the future activities.
  4. Zain Company does not have sufficient strategic experts to cover and deal sufficiently with the purpose of this activity.
  5. This contradiction, which does not get solved, can lead to further issues that affect the achievement of the outcome.

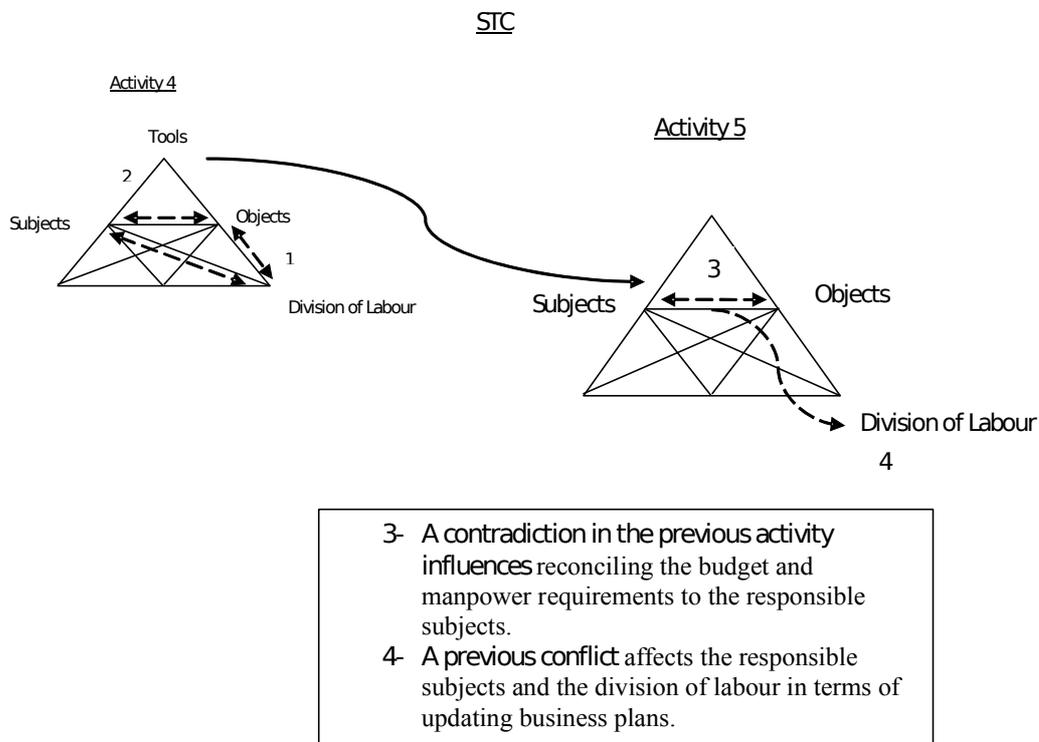
#### 6.4.3.2 Development Stage

During the development stages of the planning process, there were found to be two contradictions at STC, one at Mobily, and one at Zain. The next table and figures clarify these contradictions. The evidence (in the form of quotes and examples) obtained from the interviewees regarding these contradictions are also included in Table 51.

Table 54: Contradictions during the development stage

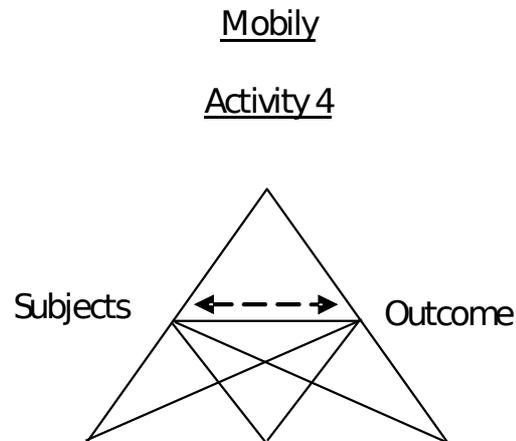
Company	Activity			
<b>STC</b>	Activity 5	5-Budgetary and manpower requirements development	(a) Reconciling budget and manpower requirements vs. the responsible subjects of HR, Finance, and Corporate Planning. (b) The previous conflict affects the responsible subjects and the division of labour in terms of updating business plans.	Object Vs. Subjects (Secondary)  (a) Vs. Division of Labour (Secondary)
<b>Mobily</b>	Activity 4	4- Conducting related cost-benefit analysis	(a) Uncompleted initiatives (affected by the market competition) cause delays in terms of Board approval.	Subjects Vs. Outcome (Secondary)
<b>Zain</b>	Activity 4	4- Establish resource allocation	(a) Conflict in terms of dividing the labour owing to the generality of the initiatives.	Subject vs. Division of Labour (secondary)

Figure 72: Illustration of the contradictions in STC during the development stage



At STC, the contradictions arose due to the previous contradiction within the previous activity. As mentioned previously, the contradiction between subjects and division of labour in activity 4 affected receiving monthly timelines and budgets requirements (tools). This delay thus influenced the reconciling of budget and manpower requirements to the responsible subjects of HR, finance, and the corporate planning department (Table 51). This contradiction (as shown in Figure 72) affected dividing the labour between subjects, which then affected updating the business plans and also presenting them to the Board.

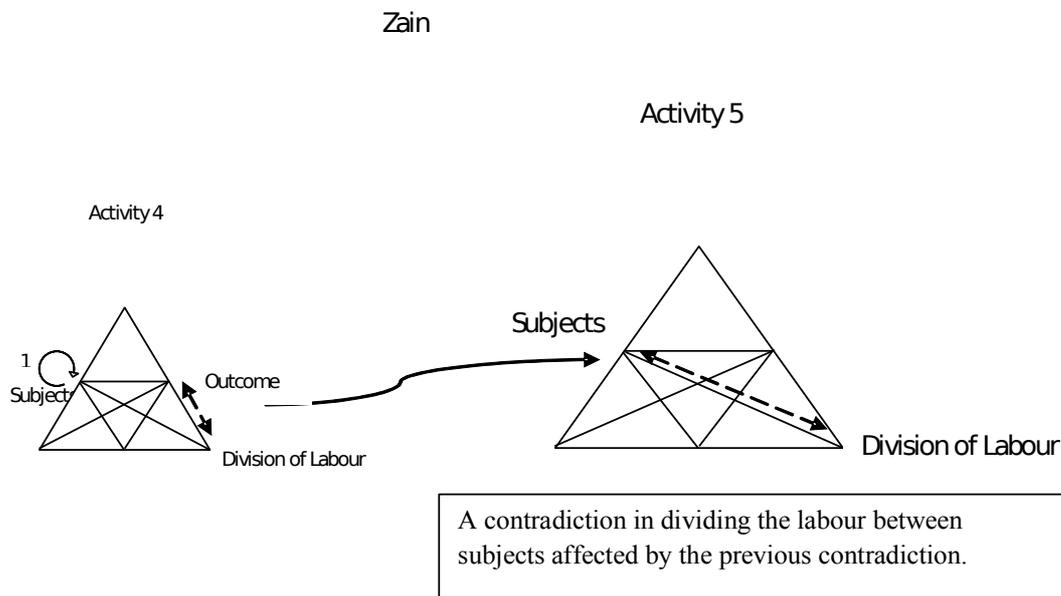
Figure 73: Illustration of the contradiction in Mobily during the development stage



A contradiction raised between the subjects and the outcome: the delay of preparation the budget requirements affected the planning team in gaining approval of the budget requirements.

At Mobily, a contradiction arose between the subjects and the outcome of this activity. In fact, some units at Mobily (i.e. marketing, operation, and technology units) tend to delay preparation of the budget requirements (due to the market conditions) (see Table 51 for more details), and this affected the planning team in gaining approval of the budget requirements.

Figure 74: Illustration of the contradiction in Zain during the development stage



At Zain, the secondary contradiction occurred between the division of labour and subjects (see Table 51) affected by the previous contradiction in the previous activity. The previous contradictions (due to the small numbers of employees in the planning group) affected here in terms of dividing the work between subjects to appropriately allocate resources.

As a general summary for the contradictions existent in the three companies during the development stage, it is noted that:

- 1- The main contradictions in all three companies during the developing stage are generated by the previous contradictions in the previous activities.
- 2- The contradictions that are created by a small number of planning employees at STC and Zain, cause new contradictions to occur in the subsequent activities.
- 3- The division of labour between the responsible subjects is the main difficulty being faced by the groups responsible for planning in the three companies due to their limited numbers to deal with the entire activity work.
- 4- The contradiction that does not get resolved could lead to further issues in the future activities.

### 6.4.3.3 Implementation Stage

During the implementation stage of the planning process, there were found to be three contradictions at STC, three at Mobily, and two at Zain. The next table and figures clarifies these contradictions. The evidence (i.e. in the form of quotes and examples) obtained from the interviewees regarding these contradictions are also included in Table 52.

Table 55: Contradictions during the implementation stage

Company	Activity			
STC	Activity 6 & 7	6-Program management	(a) Updating, deleting or exchanging various initiatives causes conflict between the subjects and the division of labour. (b) The number of employees in Corporate Programme and Performance Management is not adequate to be able to deliver monthly milestones and execution reports.	Division of Labour Vs. Subjects (Secondary)  Subjects (Primary)
		7-Performance management	Insufficient training sessions affects subjects to achieve the outcome	Subjects Vs. Outcome_ (Secondary)
Mobily	Activity 5 & 6	5-Monitoring Management	(a) Not enough training for the staff. (b) A lot of discussion meetings with staff to understand initiatives executions. (c) A great deal of corrective actions have been made to recover the scarcity of training	Subjects (Primary)  Subjects Vs. Division of Labour (Secondary)
		6- Evaluation Management	(a) Changing in the priority of implementing some initiatives due to the competition condition which affect the object of the activity.	Division of Labour Vs. Object (Secondary)
Zain	Activity 5	5- Execution and performance Review	(a) Misunderstanding the initiatives in an accurate way. (b) This conflict affects the division of labour.	Subjects (Primary)  Division of Labour Vs. Subjects (Secondary)

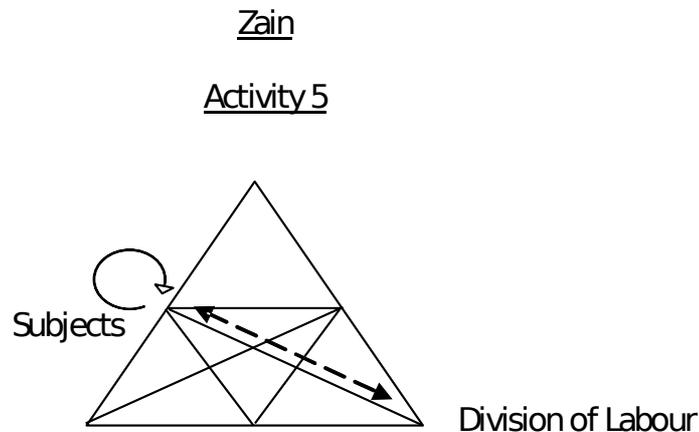
At STC, the implementation stage includes two activities, which are: (1) Program Management Activity, and (2) Performance Management Activity. Firstly, the secondary contradiction was created in the program management activity between the division of labour and the subjects as a result of:

- 1- Updating or deleting various initiatives, which caused the work to be divided again





Figure 77: Illustration of the contradictions in Zain during the implementation stage



- 1- A primary contradiction was within the staff (subjects).
- 2- A secondary contradiction was between subjects and division of labour.

At Zain, only one activity represents the implementation stage, namely the execution and performance activity. The contradiction (see Table 52) existent in this stage is a primary contradiction within the staff (subjects). Zain from its establishment is concerned that all the staff understand the company initiatives and absorb them in the right way, which then affects the conduction of those initiatives. However, it was noted that various employees (subjects) around the company conducted their work without sufficient understanding, due to their inadequate training. This was the main reason for the other contradiction between the subjects and their responsibilities (division of labour).

A general summary of the contradictions present in the three companies during the implementation stage follows:

1. All of the three companies have a limited numbers of employees in their planning departments, which affect the achievement of outcome of the activities.
2. There is a lack of qualified administrative staff to deal with the development of strategic initiatives during the subsequent activities in the planning process.
3. At Zain, it has been ascertained that only top management has knowledge concerning the corporate strategy, along with its goals, objectives and vision. Thus, staff on the

bottom levels are not well informed, and this tends to cause the development and implementation of strategic initiatives to go against the main approach.

4. Most of the training sessions prior to establishing new initiatives at STC and Mobily, are not sufficient for staff to have the required standard of knowledge in order to implement initiatives effectively.
5. The changes in the strategic initiatives, due to the market competition at Mobily affect the assignment of subjects responsible for the strategic initiatives.
6. Most of the contradictions in this stage are within subject (primary contradiction) and between subjects and the division of labour.
7. Contradictions that were not solved led to further issues and challenges, affecting the future activities.
8. Unresolved contradictions had a negative impact on future activities.
9. An activity can influence and interact with another activity.

#### **6.4.4 Mediated Actions**

As defined earlier in this chapter, mediated action is defined by the interplay between an agent (subject) and the mediating tool. It was decided to analyse the tools and the practitioners who use these tools to implement the activities during the three stages, i.e. during the initiation, development and implementation stages of the strategic planning process.

##### **6.4.4.1 Tools Used During the Three Stages of Strategic Initiatives**

As explained in section 6.4.1, the employment of tools is another characteristic of understanding how strategic planning activities influence the development and implementation of strategic initiatives. The next three tables describe the tools implemented during the three stages of initiation, development, and implementation of the strategic planning process.

Table 56: Tools used to implement the activities at the initiation stage

Company	Activity		Tool(s)
STC	Activity 4	4-Business Plans development	-Dashboard reports -KPI indicators, -SWOT analysis, scenario analysis -Monthly timelines and budgets requirements
Mobily	Activity 3	3-Developing the action Plans	-SWOT analysis -The draft of strategic plans for units, -Validated plans for units, -Business forecasts and execution plans
Zain	Activity 3	3-Strategy Execution Plan	-SWOT analysis -Execution plans

STC uses dashboard reports as a tool through its workshops of developing business plans. In addition, KPI indicators, SWOT analysis, scenario analysis for developing monthly timelines, and budgetary requirements are all represented tools, which help sector GMs in providing business forecasts for the year. This has been observed during the holding of workshops. However, Mobily uses many tools in order to deliver the objectives of this activity. SWOT analysis, the draft of strategic plans for units, validated plans for units, business forecasts and execution plans are all used in order to achieve the goals of the activity. It is clear that, throughout this step, Mobily relies mainly on the draft and validated plans to set strategic goals. These plans are used as a tool to mediate a strategic initiative at the unit level.

In Zain, SWOT analysis and execution plans are they key tools that help in detailing the strategy and corresponding initiatives in consideration of the sector's business. Holding workshops for sectors, as well as strategic planning groups, is a main step towards breaking down the strategy into proper initiatives for relevant sectors. A general meeting involving the Strategic Planning Group and the Board is important for the negotiation and assignment of selected strategies for key personnel. Small internal meetings within the sectoral level itself assist in simplifying and easing communication between employees within the sector. This helps in detailing the strategy and corresponding initiatives in consideration of the sector's business.

A general summary of the tools used in the three companies during the initiation stage follows:

- All of the three cases rely on SWOT analysis to initiate the new strategic initiatives.
- Monthly timeline and execution plans are used to determine and choose the proper

executed initiatives.

Table 57: Tools used to implement the activities at the development stage

Company	Activity		Tool(s)
<b>STC</b>	Activity 5	5-Budgetary and manpower requirements development	-Reconciling manpower and budgetary requests -Revising business plans -Budget presentation
<b>Mobily</b>	Activity 4	4- Conducting related cost-benefit analysis	-Budgetary and manpower requirements -Business forecasts -KPIs -Validated business plans -Presentation An example: Figure 51/Chapter 5
<b>Zain</b>	Activity 4	4- Establish resource allocation	-Monthly forecasts for the year -Presentations

During the development stage, STC reconciles manpower and budgetary requests, revises business plans, and presents the budgets to the boards of directors, and updates them if necessary. In Mobily, budgetary and manpower requirements, business forecasts, KPIs, validated business plans, and presentations, are used as tools to make achievements step-by-step until the finalisation of this activity. Figure 51 (in chapter 5) shows some of these tools used in this activity. In Zain, many more tools are also used in this activity. Besides workshops, in order to develop the budgetary and manpower requirements, monthly forecasts for the year are a tool, which help to deliver the objective of this activity. Subsequently, presentations are made to the Board during specific meetings.

A general summary of the tools used in the three companies during the development stage is given below. In all the three cases, the companies:

- Use 'revising business plans' as a tool to assist them in developing the budgetary and manpower requirement.
- Adopt 'monthly forecast' in order to help them to determine the requirement of the budgets and manpower.

Table 58: Tools used to implement the activities at the implementation stage

Company	Activity		Tool(s)
STC	Activity 6 & 7	6-Program management	-Corporate strategy sponsors, -Sponsors' execution management status report, - Strategy execution guidelines and templates -Strategic input and guidance An example: Figure 42/Chapter 5
		7-Performance management	-Updated KPI, KPI targets -Corporate performance reports -Corporate strategy execution report -Sectors initiative execution reports An example: Figure 45/Chapter 5
Mobily	Activity 5 & 6	5-Monitoring Management	-Strategy execution reports -Strategy execution templates An example: Figure 53/Chapter 5
		6- Evaluation management	-Strategy execution reports -Regular KPI targets -Strategic templates -Units' initiatives execution
Zain	Activity 5	5- Execution and performance review	-Strategy execution templates -Execution status reports An example: Figure 62/Chapter 5

During the performance of activity six at STC, program management activity, Corporate strategy sponsors, a sponsors' execution management status report, strategy execution guidelines and templates, and strategic input and guidance are all tools used. In performing activity seven at STC, performance management activity, updated KPI, KPI targets, corporate performance reports, a corporate strategy execution report, and sectors' initiative execution reports are used as tools to deliver its objective. Figures 42 & 45 (in chapter 5) show examples of templates used for these two activities at STC. In Mobily, strategy execution reports and strategy execution templates are used in monitoring management activity, and again strategy execution reports, regular KPI targets, strategic templates, and units' initiatives execution are used in the evaluation of this activity as well. Figure 53 (in chapter 5) is an example of what is used in this stage. In Zain, Strategy execution templates and execution status reports are used to deliver the objective of this activity. Figure 62 (in chapter 5) shows an example of a template used during this activity.

A general summary of the tools used in the three companies during the developing stage follows:

- Execution reports and templates are used during the implementation stage in order to

assist the companies in implementing and evaluating the conduct of their strategic initiatives.

- Two of the companies, namely STC and Mobily, rely on updating KPI targets as it helps in evaluating the performance of initiatives.

#### **6.4.4.2 Practitioners and their Role in the Three Stages of Strategic Initiatives**

This research also seeks to understand and explain the role of the actors involved in the strategic planning process who engage in the development and implementation of strategic initiatives by using activity theory. It is a useful framework for analysing strategic planning under the scope of understanding the contribution of the different actors and factors that underpin the social environments (the organisations) with which the managers interact (Hasan, 2002). At this point, the next three tables clarify the position of the practitioners involved in the strategic planning process during the three main stages, i.e. initiation, development, and implementation.

Table 59: The practitioners involved during the initiation stage

Company	Activity		Details of each activity	Practitioners
STC	Activity 4	4-Business plan development	Detailing strategies into initiatives for the year and identifying responsible GMs	VPs for Sectors/ Corporate Planning dept.
			Developing bottom up budgetary and manpower requirements associated with sector initiatives	VPs for Sectors/ Finance/ HR
			Developing forecasts on a monthly level for the year	
			Cascading GMs initiatives to Directors level	VPs for Sectors/ Performance Management
				VPs for Sectors
Mobily	Activity 3	3-Developing the action plans	-Cascading the general strategy into strategies.	Strategic Planning team/ VPs for units
			-Cascading the corporate scorecard into units goals, and Synthesising each department set of strategies	Strategic Planning team/ VPs for units
			-Detailing strategies into initiatives for the year and identifying responsible GMs	Strategic Planning team/ VPs for units
Zain	Activity 3	3-Strategy execution plan	Develop a proper deployment plan to implement these strategies including set up detailed initiatives.	Strategic Planning Group/Sectors
			-Assign selected strategies to key personnel	Strategic Planning Group/The Board
			-Ease the communication toward the lower level of the organisational hierarchy for implementation	Strategy and Development Department/Sectors

In STC, many different sectors engage in the implementation of this activity. However, each sub-activity is undertaken by a specific actor, and all the different sectors are on the level of VPs, i.e. all the practitioners involved in this activity are VPs at STC in a certain related sector as indicated in the table above. In Mobily, the strategic planning team, which consists of 6 employees from the planning management unit, are responsible for implementing this activity along with the VPs from the units (or sectors). In Zain, the strategic planning group, which consists mostly of the VP and some members of the strategic and development

*Hana Alotaibi*

department, VPs of sectors, and the Board, all represent the practitioners for this activity.

A general summary of the practitioners in the three companies involved during the initiation stage follows:

- Actors, which mostly comprises of VPs for sectors together with strategic groups in the three companies, play an important role in detailing strategies into initiatives. These actors (practitioners) play an important role in generating new ideas that affect a company's ability in terms of conceiving the market conditions including the competitors within the domain of the general strategy for each company.
- Only Zain involves the board in assigning selected strategies to key personnel, whereas STC and Mobily arrange for this activity through its VPs for sectors.

Table 60: The practitioners involved during the development stage

Company	Activity		Details of each activity	Practitioners
<b>STC</b>	Activity 5	5-Budgetary and manpower requirements development	<p>Reconciling bottom up with top down budget and manpower requirements</p> <p>Updating business plans if necessary</p> <p>Preparing and presenting budget and manpower presentation to the Board of Directors</p> <p>Updating business, budget, and manpower plans accordingly and presenting them to the Board of directors.</p>	<p>VPs of Finance/ HR/ Corporate Planning</p> <p>On Sectors level/ Finance</p> <p>VPs of Finance/ HR</p> <p>On sectors level/ Finance/ HR</p>
<b>Mobily</b>	Activity 4	4- Conducting related cost-benefit analysis	<p>Developing budgetary and manpower requirements</p> <p>-Detailing business forecasts on a monthly level for the year</p> <p>-Cascading GMs initiatives to Directors level</p> <p>Updating business plans if necessary, and updating business, budget, and manpower plans Accordingly.</p> <p>-Coordinating and reconciling budget and manpower requirements</p> <p>-Presenting budget and manpower prepared for approval through presentations to the Board of Directors</p>	<p>VPs of HR/ Units/Finance</p> <p>On units level/ finance</p> <p>On units level</p> <p>GMs of units/ HR/ Finance</p> <p>Strategic Planning Team/ VPs of HR/ Finance</p> <p>VPs of HR/ Finance</p>
<b>Zain</b>	Activity 4	4- Establish resource allocation	<p>Developing budgetary and manpower requirements</p> <p>Detailing business forecasts on a monthly level for the year.</p> <p>Presenting forecasts to the Board.</p>	<p>VPs of Sectors/ HR/ Strategic Planning Group</p> <p>On Sectors level/Strategy and Development Department</p> <p>VPs of Sectors/Strategy and Development Department</p>

The development stage involves three related activities in the three companies, namely (1) development of budgetary and manpower requirements in STC, (2) conduction of related

cost-benefit analysis in Mobily, and (3) establishment of resource allocation in Zain. In STC, the VPs of finance, HR, and the corporate planning department, are responsible in implementing the budgetary and manpower requirements. In addition, updating business plans or budget and manpower plans, if necessary, is conducted on a sectoral level involving the participation of VPs and GMs in each sector. In Mobily, this activity in general is conducted by the VPs of units, HR, and finance. The unit level involves detailing business forecasts on a monthly basis for the year, cascading GMs' initiatives to the director level, and updating business plans. Thus, it is conducted with a participation of VPs and GMs in each unit. In Zain, VPs are the practitioners in general, except that detailing business forecasts on a monthly basis is conducted on the sector level along with participation of VPs and GMs for each unit.

A general summary of the practitioners involved in the three companies during the development stage follows:

- The practitioners usually, are the VPs of sectors, except that the participation of GMs on sector level is apparent in detailing business forecast on a monthly level and in updating business plans when necessary.
- GMs play an important role in facilitating the development of initiatives, and their roles are involved in some sub-activities, such as detailing business forecasts for the year, and updating business plans.

Table 61: The practitioners involved during the implementation stage

Company	Activity	Details of each activity	Practitioners
STC	Activity 6 & 7	6-Program management	President
		Assigning sponsors for each of the corporate strategies, and Overseeing execution management process	
		Assign Task Force members and managing initiative execution, Approve Strategy and Initiative Milestones, and Presenting to Management Committee on a monthly basis	Sponsor and Task force/ Corporate Program and Performance Management
		Consolidating execution reports, supporting Management Committee and following up with	Corporate Program and Performance Management

			<p>Sponsor, and Management of Change Request process</p> <p>Reviewing execution performance, Making decisions on issues and initiating corrective actions to corporate strategy.</p>	<p>Management Committee</p>
		7-Performance management	<p>Confirming KPIs, obtaining KPI targets (monthly, quarterly, etc.)</p> <p>Producing bi-weekly, monthly, quarterly and annual reports, and Monitoring business evolution and corporate strategy execution Monitoring sectors performance and sectors strategies execution Monitoring initiatives execution</p>	<p>Corporate Program and Performance Management/ sectors</p> <p>Corporate Program and Performance Management</p> <p>Task Force/ Corporate Program and Performance Management</p>
<b>Mobily</b>	Activity 5 & 6	5-Monitoring management	<p>-Having the right staff in the right position with the right training</p> <p>-Managing initiatives execution -Getting approval for initiatives and milestones, and presenting them regularly to the Board of Directors.</p> <p>-If needed, appropriate, corrective actions should be identified and implemented</p>	<p>The president/ The Board of Directors</p> <p>All strategy units through the company/ Strategic Management Team/ strategic Management Department</p> <p>The Board of Directors</p>
		6- Evaluation management	<p>-Obtaining Monthly KPI targets, regularly (monthly, quarterly, annually) reports -Monitoring business evolution on corporate level, and units level -Reviewing that the general strategy is producing the necessary accomplishments in the expected time frame.</p> <p>-If needed, appropriate, corrective actions and decisions should be identified and implemented on issues. -Monitoring general strategy execution, unit's performance, units strategies execution, and initiatives execution</p>	<p>Strategic Planning Department/ Units</p> <p>Strategic Planning Department</p> <p>Strategic Planning Department/ Strategic Planning Team</p>
<b>Zain</b>	Activity 5	5- Execution and performance review	<p>Make constant review of the execution progress.</p> <p>-Monitoring initiatives execution.</p>	<p>Strategic Planning Group</p> <p>Strategy and development</p>

			<ul style="list-style-type: none"> <li>-Make decision for any deviations to plan (approval).</li> <li>-New decision may be required as the status of the strategies progressed</li> <li>-Presenting monthly milestones to the Board</li> </ul>	Department/ Sectors Strategic Planning Group/ Sectors Strategy and Development Department
--	--	--	--	---

In STC, the implementation stage of strategic initiatives comprised of two activities: (1) Program Management Activity, and (2) Performance Management Activity. The table above detailed the practitioners responsible for each of the sub-activities. It is now appropriate to define some of the new terms mentioned above, namely sponsor and task force members. A sponsor is one who is assigned responsibility by the president for handling a specific strategy. Task force members are those who are assigned responsibility by the VPs of sectors to establish work plans, cascade responsibilities at GM level and below, and to set up the project management office.

It is clear that the corporate programme, the performance management department, management committee, sponsor, and task force members, were the practitioners responsible for implementing these two activities, which represent the implementation stage of strategic initiatives. These practitioners (i.e. actors) play an important role in implementing strategic initiatives that influence internal variation.

In Mobily, the implementation stage of strategic initiatives comprised of two sub-activities, namely monitoring management and evaluation management. Details of the practitioners of these two activities were given in the table above. Although all strategy units throughout the company are involved in implementing these two activities, it is notable that the strategic planning department and the strategic planning team were the main practitioners involved in the monitoring and evaluation of the activities during the stage of implementation of the strategic initiatives.

In Zain, the implementation of strategic initiatives was carried out through a single activity, namely the execution and performance review. Details of the practitioners were given in the above table. In addition, the strategic planning group and the strategy and development department play the main role of reviewing the execution and performance activity.

*Hana Alotaibi*

A general summary of the practitioners involved in the three companies during the implementation stage follows:

- The practitioners responsible for implementing and monitoring the strategic initiatives are the departments responsible for the strategy in each company. These are the Program Management Department in STC, the Strategic Planning Department in Mobily, and the Strategy and Development Department in Zain.
- The Management Committee in STC, the Strategic Planning Team in Mobily, and the Strategic Planning Group in Zain, were involved in monitoring the execution and performance of initiatives.
- Sectors were involved in this activity through confirming KPI targets and monitoring the execution of initiatives.

## **6.5 Summary**

This chapter discussed the activities of the planning process as illustrated through three cases. It began with identifying the influence of strategic planning activities on the development and implementation of strategic initiatives. It was found that the influence is indirect in activities 1, 2, 3 for STC; activities 1, 2 for Mobily; and activities 1, 2 for Zain, and direct in activities 4, 5, 6, 7 for STC; 3, 4, 5, 6 for Mobily; and 3, 4, 5 for Zain. The data analysis process was introduced that was employed to identify the major themes. These consisted of five steps: (1) field coding, (2) reflection, (3) recoding, (4) compression, and (5) integration. Based on this analysis of the results, it was found that the directed activities influence the development and implementation of strategic initiatives through three main stages, i.e. during initiation, development, and implementation. In order to engage in a deeper investigation and analysis of these three stages, the details of the activities involved in each were presented, and the sequences and the contradictions were also analysed and discussed. As the research also encompassed the tools and practitioners, these were also identified, analysed and discussed for each of the three phases of initiation, development, and implementation. This chapter completes the presentation of all the important data analysis results. In the next chapter, these results are discussed further in the context of the current literature. It also analysed the cultural effects of the Saudi context on the examined tools.

# ***Chapter 7***

## ***Discussion***

## **7.1 Introduction**

In order to detail the contribution derived from this research further, this chapter discusses the previous outcomes in relation to the review of the literature. It consists of four sections. The discussion in the first section mainly focuses on the activities of the strategic planning process, first generally, then on those specific activities that influence the development and implementation of strategic initiatives. The second section of this chapter discusses the way in which such directed activities influence the development and implementation of strategic initiatives, in terms of the sequences of activities, and the contradictions that have been found between their components. The third section of this chapter discusses the mediating tools that are used, and the role of the practitioners in this influence is also discussed. Finally, the fourth section discusses important aspects of culture in relation to this study in terms of their impact on the findings.

## **7.2 Strategic Planning and Initiatives**

### ***7.2.1 Activities of the Strategic Planning Process***

This study is concerned with strategic planning activities and with how strategic planning influences the development and implementation of strategic initiatives. It explores the activities of the strategic planning process in three Saudi telecommunications companies. Broadly, activities are the day-to-day stuff of management. They are what managers do and what they manage, and what organisational actors engage in generally (Johnson et al., 2003).

The outcomes identified the activities involved during the strategic planning process in the three cases examined. All three of the companies implement strategic planning (7 activities are involved in STC, 6 activities in Mobily, and 5 activities in Zain) during the two general phases of (1) development and planning, and (2) execution and performance. The details of these activities were shown in the Event-State-Networks for the three companies (Figures 21, 47 and 56). These activities together with their details show that the first phase of the strategic planning process, development and planning phase, is concerned with developing and generating plans, whereas the second phase of the planning process, execution and performance phase, is concerned with implementing these plans. These outcomes support the view of Whittington (1996), who stated that strategy development is concerned with how to

plan and generate decisions, whereas strategy implementation focuses on how the decisions are then put into action. These outcomes were highlighted during the two phases of developing and planning, and execution and performance of the planning process. Both of these two phases in turn represent the four main phases of the strategic process, as found by Bailey et al. (2000), namely (1) preparation, (2) planning, (3) resource development, and (4) implementation.

The outcomes related to the activities during the planning process in the three companies showed that the major steps, i.e. activities, of strategic planning, are 7 activities in STC, 6 activities in Mobily, and 5 activities in Zain. Researchers differentiate between steps or phases in systems of strategic planning. Crowley & Domb (1997) for example, identified four major phases of strategic planning whereas Bryson (1995) described a ten-step planning process, and Goodstein et al. (1993) described a nine-step strategic formulation and planning process. Steiner (1997) also clarified many different systems that comprise of planning processes. Thus, strategic plans come in many different forms with complex subdivisions (Wallace, 2001). However, all of them, including the research outcomes, have common elements such as a set process, a product or service offered, identification of target markets, alternative approaches, and information management down to operational practices (Carter & Rausch 1989; Steiner, 1997; Wallace 2001). The strategic development process is thus based on four main phases, which are preparation, planning, resource development and implementation (Bailey et al., 2000).

All of the three companies investigated include in their planning process an analysis of the business environment by identifying the strengths, weaknesses, goals, objectives, threats and risk (referred to as Business analysis in STC & Mobily, and as Environment scanning in Zain). The strengths, weaknesses, goals and objectives of the organisation must be defined and analysed in order to select and transform the derived strategy into a plan (Armstrong, 1982; Reid, 1989; Grant, 2003). This essentially provides the link between the development and implementation phases of strategic planning, as described by Jarzabkowski & Balogun (2009).

Notably, activities that take place during the strategic planning process are not widely mentioned in the literature. Only Grant (2003) identified and described the characteristics of

*Hana Alotaibi*

these activities of strategic planning systems from a process perspective. His study found that the process of strategic planning has become more decentralised, more informal, its duration has reduced, and the strategies are less specific as far as resource allocation is concerned. In general, this was expressed as a response to the change from the highly formalised processes of the 1960s and 1970s towards the more reactive 'environmental' school of strategy development (Mintzberg, 2009).

However, this research took a practice perspective in order to explore how the activities of the planning process influence the development and implementation of strategic initiatives taking into consideration the actors who engage in this influence. In addition, Grant (2003) also identified a 'generic' strategic planning cycle, which comprises of nine activities. By comparing Grant's (2003) nine activities of the generic planning process with the outcomes, these could be extracted in the table below, which shows Grant's nine activities with the equivalent outcome activities in the three companies. These activities are sorted as shown, based on the type of activity, its purpose, and the expected outcome from it. The value of this knowledge lies in the fact that Saudi telecommunication companies implement strategic planning processes with the main steps as major oil companies.

Table 62: A comparison between Grant’s (2003) generic cycle system with the three cases

A Comparison between Grant’s (2003) Generic cycle system with the three cases			
Grant (2003)	STC	Mobily	Zain
1- Planning Guidelines Forecasts, Scenarios & assumptions Strategy Targets & directives	1-Business Analysis	1-Business Analysis	1-Environmental Scanning
2- Draft Business Plans	2-Corporate Strategy Review	2-Generating Strategies/ Action Steps	2-Developing Business Strategies
3- Discussion with Corporate	3-Corporate Strategy Cascading		
4- Revised Business Plans	4-Business Plans Development	3-Developing the Action Plans	3-Strategy Execution Plans
5- Annual Capital & Operating Budgets			
6- Corporate Plan	5-Budgetary and Manpower Requirement	4-Conducting related cost/ Benefits Analysis	4-Establish Resource Allocation
7- Approval by Board			
8- Annual Performance Target	6-Program Management	5-Monitoring Management	5-Execution and Performance Review
9- Performance Appraisal	7-Performance Management	6. Evaluation Management	

**7.2.2 Activities that Directly Influence the Development and Implementation of Strategic Initiatives**

This research concentrates on the activities engaged in during the strategic planning process that influence the development and implementation of strategic initiatives based on a practice perspective.

The planning process activities carried out at STC, Mobily and Zain show that corporate strategy planning cascades down into business planning (activity 3 to 4 in STC, activity 2 to 3 in Mobily, activity 2 to 3 in Zain). These in turn cascade down further into operational planning (activity 4 to 5 in STC, activity 3 to 4 in Mobily, activity 3 to 4 in Zain). This supports the view expressed in Johnson et al.'s (2008) study. The trend to distinguish between

corporate strategy and business strategy, as described by Andrews (1971), continues to subdivide planning with all forms of strategic planning into three different domains, namely corporate, business-unit and operational strategies (Johnson et al. 2008). This reflects Ansoff's original construction of corporate planning as a 'root method' for strategy implementation, where the implementation of strategy cascades out of the original premises of the strategic plan (Ansoff, 1965).

The outcomes in tables 46, 47 and 48 clarified the details of those activities that assisted in identifying which activities are related to the development and implementation of strategic initiatives, and it also helped to identify the three main stages of the development and implementation of strategic initiatives, which are initiation, development, and implementation. The outcomes provide evidence that the initiation stage of the development and implementation of strategic initiatives represents the activity of developing actions plans, the development stage represents the activity of developing budget and manpower requirements, and the implementation stage represents the activity of execution and performance (taking into consideration the difference in the names of the activities adopted by the three companies). These outcomes are in agreement with the opinion of Dennis Barnhart & Associates (2006), i.e. that the development of initiatives is based on market evidence and functional requirements. This refines the process of strategic planning by moving from undertaking external structural assessments of the market place, to examining more detailed internal structures of the organisation and its functional capabilities.

These outcomes establish the links between strategy and operations that were indicated by Kaplan & Norton (2008) in their particular loop, which comprises of five stages beginning with strategy development to formulate a statement, and then a translation of that statement into specific attainable objectives and initiatives (see Figure 6). The implementation of the strategy links the strategy to the operations. Both internal operational data and external data on the business environment and of competitor practices is continuously reviewed during the implementation. The outcomes of the research also support the view wherein the strategic initiatives become more important in the process of developing strategy (Floyd & Wooldridge, 2000; Keupp & Gassmann, 2009).

The outcomes of the influential activities of the planning process on the development and

implementation of strategic initiatives align with Lovas & Ghoshal's (2000) model of strategy as a 'guided evolution'. This model focuses on the co-evolution of human and social capital, and strategic initiatives. It provides a link between strategy content and strategy process because of its focus on strategic initiatives that require the organisation to obtain new resources and combine them with resources that it already possesses.

These findings of exploring the link between strategic planning activities and strategic initiatives confirm the value of understanding this link taking into consideration the influence of these activities on gaining the purposed outcomes of strategic initiatives. It means that strategic initiatives are generated and affected by the way in which strategic planning activities are implemented. These findings also shed light on the influence of each activity of the planning process in Saudi telecommunication companies to initiate, develop, and implement strategic initiatives through the founded results.

## **7.3 Sequences and Contradictions in Activities**

### ***7.3.1 The Sequence of Activities***

As expounded in section 5.4, understanding the connections between activity system components is important to addressing them as mutually constitutive (Whittington, 2002a; Jarzabkowski, 2005).

- The outcomes of this section pertaining to STC (Figure 67), show that the outcome of activity 4 (business plans) became the tools of activity 5 (revising business plans), and the outcome of activity 5 (approved corporate and business plans) became tools in activity 6 (sponsor execution management status reports), and the outcome of activity 6 (execution reports) became tools of activity 7 (corporate strategy execution reports).
- The outcomes from Mobily (Figure 68) shows that the outcome of activity 3 (business plans) became tools of activity 4 (validated business plans), the object of activity 4 (to provide execution-related reports), were used as tools in activity 5 (strategy execution reports), and the outcome of activity 5 (monitoring and execution reports) became tools of activity 6 (monitoring and execution reports).
- The outcomes from Zain (Figure 69) show that the outcome of activity 3 (detailed

initiatives) became tools in activity 4 (monthly forecasts for the year), and the outcome of activity 4 (approval business plans forecasts) became tools in activity 5 (strategy execution reports).

The above outcomes confirm that the element from an activity system can turn into another type of element in a different activity (Jarzabkowski, 2005). It also shows that an element that appears as a name in an activity can be used later in another form as a new element in a subsequent activity (Barab et al., 2002). This supports the view that one activity can influence and interact with another, as described by Barab et al. (2002). Therefore, the Saudi telecommunications companies need to concentrate on each sub-activity of the planning process as these are related with each other, and any conditions that may affect any sub-activity, definitely will affect the others.

### ***7.3.2 The Contradictions between the Activity Systems***

This research took activity theory as a theoretical lens to facilitate analysis of the activities of the organisations with the interaction of process, context and outcomes, as recommended by Blackler et al. (2000). This approach allows to undertake a more focused perspective on strategy planning because the emphasis is placed on the interactions which influence the activities and which in turn have an impact on the decision making (Canary, 2010). Activity theory introduces activity systems, as characterised by internal contradictions caused by tensions between their components (Barab et al., 2002; Yamagata-Lynch, 2003). In this context, contradictions constitute one of the main principles of activity theory (Kaptelinin, 1996), which was applied in analysing the research data. Such systems contain internal contradictions (Yamagata-Lynch, 2003; Cole & Engestrom, 1993). These contradictions are caused by tensions between the components within the system. When the conditions pertaining to one component contrast with the functioning of another component, a tension usually arises that could cause subjects or learners to be faced with contradictory situations. These in turn could impede the attainment of an objective. This situation is descriptive of many of the contradictions that were noted during the initiation and development stages at each of the three companies examined. For example, during the initiation stage, the lack of sufficiently qualified administrative staff in STC and Zain, capable of dealing with the development of the business plan in a proper way, that aligns with and is compatible with the

corporate strategy for the company, impedes the attainment of certain objectives. An example would be discovering the repetition of strategic initiatives, which were developed from more than one sector at STC, or reconciling the work between all sectors at Zain. These two examples support the view that each component interacts with and is influenced by another.

During the development stage in all three companies, it was also noted that the main contradictions are generated by contradictions occurring in the previous activities. This finding confirms the importance of solving any contradictions that appear between activity components to avoid any future influence. One example of this was at STC, wherein there was a contradiction between subjects and the division of labour in activity 4, which affected the receiving of monthly timelines and budget requirements (tools). The delay thus caused influenced the reconciliation of the budget and manpower requirements (object) to the responsible subjects of HR, finance, and the corporate planning department. This contradiction (vid. Figure 72) affected the dividing of labour between subjects, which in turn affected updating of the business plans and then presenting them to the Board. Another example of this was observed at Zain, wherein the previous contradictions in activity 4 (due to the small numbers of employees in the planning group) affected activity 5 in terms of dividing the work between subjects to appropriately allocated resources. In particular, the division of labour between the responsible subjects is the main difficulty being faced by the groups responsible for planning in all the three cases due to their limited numbers to deal with the activity work.

Contradictions can also be external in nature. In this case, one activity system constrains the operation of another activity system, as described by Jonassen & Rohrer-Murphy (1999), Barab et al. (2002) and Yamagata-Lynch (2003). These contradictions tend to cause activity systems to change and be developed (Jonassen, 2000; Barab et al., 2002), as activity systems tend to always adapt towards resolving contradictions and becoming more stable. An example of this during the initiation stage was at STC wherein the corporate planning department developed guidelines for sectors related to business plan development (activity 4). This helped in avoiding development of the same set of initiatives from more than one sector. Another example provided here is from Mobily during the implementation stage (vid. Figure 76). In fact, the staff began to conduct the work without sufficient training which created a

contradiction here between them (i.e. subjects) and their work (division of labour). Therefore, a great deal of corrective actions has to be made by sectors to recover the scarcity of trainings. These two provided examples confirm that an activity system adapts itself to resolve contradictions in order to become more stable (Jonassen, 2000; Barab et al., 2002).

Connectivism also recognises the dynamic nature of information, and the need to adapt so as to resolve the disharmony created by the change (Jonassen, 2000; Barab et al., 2002). Many of the contradictions noted during the implementation stage in the three companies fit this description. For example, the same above mentioned lacking of qualified administrative staff in all three cases (due to their small number at STC, or insufficient training at STC and Mobily) also affects the subsequent activities in the planning process. Also, the concentration of knowledge at the top management level and the lack of it among staff on the bottom levels at Zain tend to cause the development and implementation of strategic initiatives to work against the main approach. This suggests the need for strategy work to be carried out in distributed teams at different organisational levels with careful coordination, as suggested by Paroutis & Pettigrew (2007). An example where one activity system constrains the operation of another is when changes in the strategic initiatives at Mobily, due to the market competition, affect the assignment of subjects responsible for the strategic initiatives. Another problem is that unresolved contradictions lead to further issues and challenges that then negatively affect future activities.

## **7.4 Mediated Action**

Mediated action refers to human activity being mediated by tools, or by artefacts that are either physical or symbolic (e.g. a sign, model or theory). Mediated action is therefore defined by the interplay between an agent (subject) and the mediating tool. This creates a reciprocal effect between the subject and the mediating tool while the action is performed. Thus, although tools can bring about a change in the nature of human activity, in turn, they are also affected by human activity. This assumption is explained by distributed cognition, which is a key aspect of communities of practice and connectivism.

### **7.4.1 Tools Used during the Three Stages of Strategic Initiatives**

The outcomes on strategic planning tools provided evidence that the tools have an important

role in transforming valuable data into forms suitable for decision making and actions (Fleisher & Bensoussan, 2003). Such models and techniques help in integrating strategic planning with the core management process (Webster et al., 1989), and they are regarded as significant keys to successful planning (Gooderham, 1998) when customised for a particular situation (Schriefer, 1998).

The outcomes in this study revealed that in all three cases, the companies rely on SWOT analysis in the initiation stage of strategic planning. It was noted that the SWOT tool is commonly adopted to prevent routinised strategy (Jarratt & Stiles, 2010). This is also the case in Saudi Arabia, where Al Ghamdi (2005) noted companies also use variations of the SWOT analysis tool, as well as various other tools such as Portfolio analysis, analysis of critical success factors, Porter's five-force analysis, experience curve analysis, PIMS analysis, what if analysis, stakeholder analysis, value chain analysis, benchmarking, product life cycle analysis, cognitive mapping, and the Delphi technique of building expert consensus. A TOWS matrix (a revamped SWOT technique) and the Porter's Five Forces Model for example, are generally employed to facilitate the strategic linkage between a company's strengths and weaknesses, and the threats and opportunities in the marketplace (Ruocco & Proctor, 1994). A SWOT analysis is thus utilised to analyse the environmental factors, both internal and external, that impact on the performance of a business organisation in a variety of ways (Chia, 2004).

Moreover, it was found that the extent and way in which the SWOT analysis tool is used, is affected by the context in which it is used. Two particular points were noted in this regard. Firstly, the tool is commonly used during the initiation stage of the development and implementation of strategic initiatives, and is influenced by the Saudi context. This influence occurs through gaining a varied amount of required information on the strengths, weaknesses, opportunities and threats being faced, and the way it is gained either formally or informally. Regardless though, the tool is used to better understand the competitive market and to assist in commencing new strategic initiatives. Furthermore, the relative importance of the SWOT analysis is such that all other tools that may even be used during all three stages of the development and implementation of strategic initiatives, are considered as being dependent on the initial SWOT analysis and are not similarly reliant on or directly influenced by the

Saudi context. Of the three companies, STC was found to possess the most sophisticated technical and developmental capacity required for adopting new technologies, and this assists the company in simplifying its strategic process for beginning new strategic initiatives.

In addition to SWOT analysis, the companies investigated were also found to use monthly timeline and execution plans during the initiation stage to determine and select the proper executed initiatives. The specific tools used during the development stage are 'revising business plans' and devising 'monthly forecasts' to assist in developing the budgetary and manpower requirements, and holding 'presentations' for delivering work to the board of directors. This confirms the outcomes in the study by Koufopoulos & Chryssochoidis (2000) that even in an uncertain business environment, as is the Saudi telecommunication industry, the companies tend to use basic financial techniques instead of using sophisticated techniques in strategic planning. This confirms the value of using basic tools in the strategic planning process in Saudi telecommunication companies. During the implementation stage however, further tools were used, namely execution reports and templates for helping the companies to implement and evaluate the outcome of their strategic initiatives, and in the case of two companies (STC and Mobily), updating of KPI targets for evaluating the performance of the initiatives. These outcomes of using KPI indicators during the implementation stage support the view of Faure & Rouleau (2011), which is that the strategy implementation requires the artful reinterpretation of financial numbers by managers. This set out the importance of understanding the practitioner's role in the strategic planning process as is discussed in the section that follows.

#### ***7.4.2 Practitioners and their Role in the Three Stages of Strategic Initiatives***

During the stage of initiation, it was found that actors play an important role in detailing strategies as initiatives in all of the three companies, especially in terms of generating new ideas (Granovetter, 1985; Burt, 1992). These actors, who are individuals, mostly comprise of VPs for sectors with strategic groups, and they affect the company's ability to conceive of the market conditions before the competitors within the domain of the general strategy for each company (Hamel & Prahalad, 1996; Hurst et al., 1989). The importance of the role of actors during the conceptual stage was pointed out by Whittington (2003) and Jarzabkowski & Balogun (2009), and it is important because the actors bring with them a variety of skills,

views and interpretations with respect to the organisational activities and strategising. At Zain, the board is also involved in assigning selected strategies to key personnel during the initiation stage, so this ensures the right people are made responsible for the tasks. As Jarzabkowski & Balogun (2009) concluded, strategic planning should be a process of co-evolution in which diverse participants can contribute.

During the stage of development, it was found that generally, the VPs of sectors are the practitioners. However, the sector level GMs also participate in certain sub-activities, namely in detailing the business forecasts on a monthly basis for the year and in updating business plans. This is an important role in facilitating the development of strategic initiatives, as stated by Floyd & Wooldridge (1992), Burgelman (1994), Currie & Procter (2001), i.e. that middle managers play an important role in developing new ideas, in reshaping firm capabilities, and in affecting strategic renewal. The typical involvement of senior management in the business activities, albeit not daily, and the use of the information to either generate strategic knowledge or to inform on the long-term development of the company, was noted by De Geus (1988). This is contrary to the finding of Koufopoulos & Chrysochoidis (2000) who observed the role of the CEO to be more central and that of middle and lower management to not be fully participatory. Nonetheless, the involvement of managers is still acknowledged. The strategising method of boards was studied by Hendry et al. (2009) within a strategy as practice framework, as discussed in the literature review. It was remarked however, that this has its own problems, as the board usually have little if any interaction with daily organisational practices and therefore conducts a procedural practice around strategy instead. This was the case in the companies examined where the involvement of GMs was not on a daily basis, but they are not the only ones responsible, as the VPs of sectors are involved more closely, so this stage is adequately accommodated for. This revealed the VPs role during the development stage in Saudi telecommunications companies.

During the stage of implementation, it was found that in all of the three companies investigated, practitioners from the department of strategy sector in each company are responsible for monitoring and implementing strategic initiatives. This is the Program Management Department in STC, the Strategic Planning Department in Mobily, and the Strategy and Development Department in Zain. Thus, it is important to recognise the role of

strategy departments in Saudi telecommunication companies in implementing strategic initiatives. Balogun (2006), Balogun & Johnson (2005), Faure & Rouleau (2011) and Aldehayyat & Anchor (2010) among others also observed the crucial role of middle managers in implementing strategic change initiatives. In fact, it has been noted that the role of managers in strategic decision making is vital (Andersen, 2004). Furthermore, as Balogun & Johnson (2005) pointed out, strategy implementation requires the middle managers to interact, as well as an 'artful reinterpretation of financial numbers' (Faure & Rouleau, 2011). This would suggest the need for strategy directors, for both formulating and implementing strategies, as suggested by Angwin et al. (2009). However, the companies investigated seem to have accommodated this implementation stage very well by making entire specific departments responsible for implementing the strategic initiatives. In addition, the Management Committee in STC, the Strategic Planning Team in Mobily, and the Strategic Planning Group in Zain are involved in monitoring the execution and performance of these strategic initiatives, and sectors are also involved through confirming KPI targets and monitoring the execution of the strategic initiatives. This finding is crucial for ensuring the role of strategy groups in Saudi telecommunication companies in monitoring strategic initiatives.

## **7.5 Cultural Aspects**

### **7.5.1 Introduction**

The important contextual variable of culture was not examined in depth earlier in this study in terms of its potential impact although it was briefly highlighted in places where it was most significant. This section provides more detailed insight into this dimension to clarify the significance of culture in the context of this study. Culture deserves to be considered because it can make a substantial difference to the way strategic planning, development and implementation are either facilitated or hindered. Culture exerts an invisible control on the way people think and act (Hall, 1983). Every society has its own peculiar set of sociocultural, including political and religious characteristics that shape how people engage in business, how business processes are conducted and on decision-making. Saudi Arabia is by no means an exception, so the findings in this study could be brought into question as to their validity for certain sociocultural contexts. This section briefly explores the potential impact of culture

on strategic planning by first defining culture and identifying pertinent characteristics of Saudi culture, and then focusing on the tools used during the three stages of initiation, development and implementation.

### ***7.5.2 Definition of Culture***

Culture was defined by Hofstede (2001, p. 9) as “collective programming of the mind that distinguishes one group of people from another”, and by Ferraro & Cummings (2007) as that which shapes individuals within a group’s behavior as to beliefs, values, and modes of thinking such as notions of fairness. A similar detailed definition was given by Matsumoto (2000, p. 24), and Nakata & Huang (2002) identified several components relating to inner elements, cultural activities and cultural systems, the latter of which includes religion. In short, culture reflects a society and what actions people consider to be acceptable or unacceptable within it. As such, it is also inextricably linked with religion, and notably, Saudi Arabia is a highly religious country.

### ***7.5.3 Characteristics of Saudi Culture***

In describing Saudi culture, Hall's (1990) distinction between high and low context, and Hofstede's dimension of 'uncertainty avoidance', are used. In particular, communication style and the short/long-term orientation are discussed, and in addition, the religious theme is examined. An overview of religious life in Saudi Arabia is given in Appendix B2, and a political profile in Appendix B3.

#### ***7.5.3.1 Saudi Arabia's High Context Culture and Communication Style***

A major distinction between Arab cultures and Western culture generally is that Arab cultures are high context whereas the latter is typically a low context culture. This is based on Hall & Hall's (1990) classification of ten countries on the high to low context scale shown in Table 63 below, which reflects important differences in various cultural aspects including communication styles, as well as Hofstede's dimension of individualism and collectivism. The high context categorisation implies that during communication for example, Arabs tend not to be so explicit, as they embed actual meanings in their overt communications though not to the same level of extremity as the Japanese. This means that actual meanings usually

have to be deciphered by 'reading between the lines', as they are implicit instead. Whereas other high-context cultures may be accustomed to this style of communication, cross-cultural communications by Saudi companies with low-context cultures might prove challenging. Communications in low context cultures are more direct, open and precise (Gudykunst & Ting-Toomey, 1988). In interacting with Arab culture, it would be necessary for Westerners to exercise more patience than usual, be less stringent with schedules, and to give greater attention to establishing trust and close relationships (Deresky, 2002: 116).

Table 63: Ten selected high and low context cultures

High context cultures
Japan
Arab countries
Greece
Spain
Italy
England
France
North America
Scandinavian countries
German-speaking countries
Low context cultures

Source: Hall & Hall (1990)

Moreover, it could be argued that the highly contextual communication style hinders open communication, which is necessary for gathering ideas that could be useful for developing strategic initiatives. For example, the Arab approach is encapsulated in the oft-used phrase '*Bukra inshallah*' (Tomorrow, if Allah wills.). In a highly competitive business environment, it is often necessary to make quick decisions and take immediate action. Whilst the common Arab virtues of friendship and hospitality could help to maintain cordial business relations, the relaxed approach may not be suitable for developing and implementing strategic initiatives. This inhibits the potential for innovation, which was highlighted by Aldehayyat & Anchor (2010) as being an important focus of strategic planning nowadays, and which was described by Brews & Purohit (2007) as being encouraged by the generative form of planning

(see 2.2.6).

### **7.5.3.2 Saudi Arabia's High Uncertainty Avoidance**

There are some more features of Saudi culture too that could be considered as not being conducive for effective strategic planning from a Western perspective. Among these is uncertainty avoidance. Attitude towards uncertainty is one of Hofstede's cultural dimensions and is of relevance to this study. Whereas in Western culture, there would be greater readiness to tackle uncertainty, Arabs would generally feel less comfortable in unstructured situations, and are inclined to be more emotional, so these would be added elements in planning. That is, 'uncertainty avoidance' is typically high in Arab culture. This construct refers to the degree to which people feel either threatened or try to avoid uncertain and ambiguous situations (Mooij, 2009).

However, this is not necessarily a problem as it could also be beneficial in the longer term. In Western culture, although risks are more likely to be taken, the motivation is often for short-term gains. The greater inclination towards stability and longer-term thinking present in Arab culture is more in line with the direction and scope of strategy, as understood by Johnson et al. (2008). Many long-term strategic goals were identified in section 2.2.6 and linked to having good communication practices, employee relations, sound financial management, and so on. Evidence of long-term strategic thinking was evident in the primary research, for example, when Interviewee B mentioned Zain's setting of objectives for five year periods (see 5.8.3.1).

### **7.5.3.3 Saudi Arabia's Highly Religious Society**

The religion of Islam exerts a powerful influence in Saudi society, and the two most prominent cities of religious significance (i.e. Makkah and Madinah) are located within the kingdom. Understanding Islam is therefore essential in order to understand Saudi culture including such aspects as etiquette, manners, and the way business is conducted. Religion undoubtedly impacts on all three stages of the strategic planning process, especially on practitioners. It was not unexpected therefore to find religion being mentioned by interviewees at all three companies as having an impact on the strategic planning process. Examples are given in Table 64 below.

Table 64: Comments by interviewees that mentioned religion

STC	Mobily	Zain
<p>Interviewee F:                      “Business analysis activity, for example, is unique in S.A. Analysis should be scheduled in accordance with the religious holidays of Ramadan and Hajj, and we also take these as an important element in the market when we determine our corporate strategy to initiate new offers.”</p>	<p>Interviewee B:                      ““It is normal to make advance appointments for Ramadan and Hajj times in which we have new offers and initiatives each year for the visitors and pilgrims. We may cause delays in schedule in order to consider these before stating our strategy.”</p>	<p>Interviewee E:                      “Strategic planning practices in Saudi Arabia are heavily influenced by religion holidays and events such as Ramadan and Hajj times. We prepare for these events from long time and consider these conditions in preparing for our strategy.”</p>

From the above quotes, it is notable that religion especially impacts with respect to religious holidays and events, as these provide opportunities for telecommunication companies to offer special products and services. In this regard, the impact is mainly on the first activity of the strategic planning process in which the market is scanned, such as when conducting SWOT analyses. Overall though, it does not appear that religion bears a direct influence on the way the actual tools are used during the three initiation, development and implementation stages of the strategic planning process.

#### ***7.5.4 Other Underlying Influences of Saudi Culture on Saudi Business Processes***

##### **7.5.4.1 Social Interactions**

Although the way approaches and tools are used by Saudi companies are not dissimilar to the way they are used in Western culture, it is the way in which they are taken forward through development and implementation that tends to be most influenced by cultural aspects. This is shaped, for example, by the quality of the interactions and flows of information and communication, the extent of openness to ideas, the extent of contribution, cooperation and collaboration, and so on. In practice, a particular culture may have some static features, but it is also shaped dynamically. This section explores these more dynamic underlying aspects of culture. The communication aspect was addressed earlier in section 7.5.2.1.

*Hana Alotaibi*

An examination of culture by Seel (2000) from the perspective of complexity theory viewed organisational culture as emerging from continuous meanings, negotiations and proprieties between the organisation's members and its environment. Change arises from the interactions between different 'agents' in a system. This concurs with Jarzabkowski & Spee's (2009) point that sociopolitical interactions constitute the main element of strategy as a practice perspective. Such interactions contribute to overall organisational strategy (Mantere, 2005) through its impact on decision-making (Canary, 2010). Arab culture is rich in this regard because as pointed out earlier in this section, strong relationships are commonly forged.

An important exception though is cross-gender interaction, which is highly restricted in Saudi culture due to strict gender segregation. This naturally restrains the potential for even more useful interactions that could benefit strategic planning. It was noted in section 5.4 that the Saudi telecommunication companies do employ both men and women, and that mixed meetings and workshops are also held, but these only allow for limited and controlled formal interactions. Informal interactions are highly restricted as male and female employees work in segregated sections and are not permitted to intermingle. This restriction is also evident from the fact that the observations made in this study were confined to the women only sections, and limited access to mixed gatherings was only availed during formal meetings, workshops and interviews. As a consequence of these restrictions therefore, this study's findings on the influence of practitioner activities on the development and implementation of strategic initiatives largely reflect experiences in women only sections. As for observations of informal interactions, these pertain entirely to female interactions amongst each other.

#### **7.5.4.2 Information Sources**

Importantly however, Saudi society is not closed to outside influences at least as far as business processes is concerned. It was noted, for example, that Interviewee C remarked on how valuable information is sourced from outside the kingdom and the effect of this in the following words:

*'We collect the important and futuristic information about our domain internationally through new studies, publications, statistics from the International Telecommunication Union (ITU) and also through our clients from consultant*

Hana Alotaibi

*companies in Europe and America. In fact, the communications and acquaintance to other cultures expand our vision and also make us striving to be the better in our Saudi market.'*

At the same, internal relations with other Saudi departments is also fostered, both formally and informally. This was apparent from the following remarks by Interviewee G:

*'Please do not forget that STC was a governmental ministry. This has helped us to gain more and more information about other competitors, about the whole market, any new competitor, any new changes in such services prices. I do not want to say that we still 'demonstrate' on the Communications and Information Technology Commission, but we have good contacts with them. This relation makes us to play a strong leader role in the market for the other telecommunications companies.'*

It is clear that interrelations with other institutions is taken advantage of, and as Interviewee B stated for Mobily and Interviewee D for Zain, Saudi companies also enjoy good relations with companies located outside the kingdom.

Interviewee B stated:

*'We have our own relationship with the main company of Mobily. I mean in the UAE. We still depend on our corporative communication with the main company in investigation the market. We and they have common advantages to demonstrate and expand our market in the whole region.'*

Interviewee D stated:

*'We get our main data for the Saudi market from our experts in the planning group. However, we rely on real and analytical information for the Gulf market from the main company of Zain. I can say that our bold lines for the strategy should be in the same way with the main company in Kuwait.'*

It was found that in both of the above cases, Saudi telecommunication companies enjoy strong communication links with their foreign parent companies, and that this results in extensive cooperation and coordination between them. It is thus established that Saudi culture is receptive to the free flow of information within the business environment, at least in this

regard.

## **7.6 Summary**

This chapter discussed the research outcomes in relation to the current literature. The discussion was carried out in four sections. The outcomes of the first section highlighted the activities of the strategic planning process in general, and then on those specific activities that influence the development and implementation of strategic initiatives. It was found that activities 1, 2 and 3 of STC, 1 and 2 of Mobily, and 1 and 2 of Zain, indirectly influence the development and implementation of strategic initiatives. Further, it found that activities 4, 5, 6 and 7 of STC, 3, 4, 5 and 6 of Mobily, and 3, 4 and 5 of Zain, directly influence the development and implementation of strategic initiatives. At the same time, these 'directed' influential activities together represent all three stages of the development and implementation of strategic initiatives, i.e. of initiation, development, and implementation. These three stages represent the activity of developing action plans, developing budget and manpower requirements, and execution and performance respectively. In particular, all three companies were found to:

- Implement strategic planning during the two general phases of development and planning, in which plans are developed and generated, and execution and performance, in which the plans are then implemented.
- Include in their planning process an analysis of the business environment by identifying the strengths, weaknesses, goals, objectives, threats and risk.

Moreover, the planning process activities show that corporate strategy planning cascades down into business planning. This is not unlike how the strategic planning process is implemented by major oil companies in the kingdom that establish links between strategy and operations. These findings show definite links between strategic planning activities and strategic initiatives, which confirm the importance of understanding this influence. This is important given the highly competitive and unpredictable global business environment, and the need for companies to adopt effective strategic planning techniques to remain competitive. It is therefore necessary to take into consideration the influence of these activities in attaining the proposed outcomes of the strategic initiatives given that the

*Hana Alotaibi*

initiatives are generated and affected by how the strategic planning activities are implemented.

The outcomes in the second section explained how these specific directed activities influence the development and implementation of strategic initiatives, in terms of the sequences of activities, and the contradictions that have been found between their components. The outcomes here confirmed that one activity can influence and interact with another, and that the element from an activity system can turn into another type of element in a different activity. It also showed that an element that appeared as a name in one activity can be used later in another form as a new element in a subsequent activity.

This section further developed a discussion on the contradictions that exist between activity components in the three cases through the three stages of initiation, development, and implementation. Contradictions constitute one of the main principles of activity theory, and they are caused by tensions between different components within the system, hence the need to identify them. It was shown that there were a lack of sufficiently qualified administrative staff at STC and Zain capable of dealing with the development of the business plans in a proper way, such as repetition of strategic initiatives, which were developed from more than a sector in STC, or for reconciling the work between all sectors at Zain. This subsequently affected the attainment of certain objectives. The discussion on the contradictions showed that during the development stage in all three companies, they were generated by the previous contradictions in the previous activities, hence the importance of resolving any contradictions as early as possible before they become more serious in later stages. In addition, the division of labour between the responsible subjects was the main difficulty being faced by the groups responsible for planning in all three cases due to their limited numbers to deal with the activity work. In particular, studying and analysing these contradictions within activity systems in the strategic planning process helped in shedding light on how to resolve these contradictions in order to be more stable. At the same time, unresolved contradictions lead to further issues and challenges which negatively impact on the future activities. However, contradictions can also be external in nature, and as recognised in connectivism, information is by nature dynamic, hence the need to adapt to resolve disharmonies created by such changes.

The third section was concerned with the use of mediating tools and the role of practitioners. The research provided solid evidence on the practitioners involved in the strategic planning process and their role in the three stages, and on the tools used during these stages of strategic initiatives. It was found that actors, who are mostly VPs for sectors, with strategic groups, play an important role in the initiation stage, which is concerned with detailing strategies as initiatives in all of the three companies, especially in terms of generating new ideas, which is crucial for innovation to drive a company forward. During the development stage, VPs of sectors with participation of GMs were identified as the practitioners who are responsible for detailing the business forecasts on a monthly basis for the year, and in updating business plans. The involvement of GMs in this stage was not on a daily basis, and they were not the only ones responsible, as the VPs of sectors were also closely involved. In addition, it was found that the practitioners during the implementation stage of the strategic planning process were from the department of strategy sector in each of the three companies, and that they are responsible for monitoring and implementing the strategic initiatives. In STC, this was the planning committee, in Mobily, the strategic planning team, and in Zain, the strategic planning group, that were involved in monitoring the execution and performance activity. The companies seem to have accommodated this implementation stage very well by making entire specific departments responsible for implementing the strategic initiatives. This finding is crucial for ensuring the role of strategy groups in Saudi telecommunication companies in monitoring strategic initiatives.

The research also further developed a discussion on the tools used during the three stages of strategic initiatives. It was noted that the SWOT tool was commonly adopted in all three cases during the initiation stage of strategic initiatives, as was the use of monthly timelines and execution plans to determine and select the proper execution initiatives. During the development stage, revising business plans, and devising monthly forecasts were used as tools to assist in developing the budgetary and manpower requirements. However, during the implementation stage, additional tools were used, namely execution reports and templates, for helping the companies to implement and evaluate the outcome of their strategic initiatives. In the case of two companies, namely STC and Mobily, updating of KPI targets were also used for evaluating the performance of the initiatives.

The above findings establish the importance of certain activities in terms of their influence on the development and implementation of strategic initiatives. In common were the first activities of each of the three companies in terms of indirect influence, and another common activity was found to be performance related management. The first set of activities encompass the development and planning phases and the second set of activities encompass the planning and execution phases. The findings also established the nature of the activities in being able to influence and interact with each other, the existence and the consequences of contradictions, and the important role of practitioners. As for a common tool, SWOT analysis was used by all three of the companies, and other popular tools were monthly timelines and execution plans. The findings of the three companies are therefore generally in line with what was revealed in the literature review. In particular, similarities were drawn with Grant's nine activities of the generic planning process and the way major oil companies implement strategic planning processes.

The final fourth section discussed some important and relevant underlying cultural aspects of Saudi society, their influence on the scope and potential for strategic planning, and their impact on the study's findings. The section was introduced by first defining culture and establishing its importance.

The characteristics of Saudi culture considered above; as having greater importance and relevance to the business context, were its high context nature, tendency for high uncertainty avoidance, and its highly religious background. This included identifying and discussing the prevalent communication style, and evidence of long-term strategic thinking. It was pointed out that Arabs are not always so explicit in their communications, that actual meanings are often hidden, and scheduling is more relaxed as compared to low context cultures such as Western culture. The importance attached to establishing trust and close relationships was also highlighted. These aforementioned characteristics make these important factors in cross-cultural interactions and communications, and their repercussions for developing and implementing strategic initiatives were also discussed. Similarly, it was pointed out that attitude towards uncertainty also restricts the extent to which risk or unstructured situations are dealt with, but that on the other hand, greater preference for stability and the propensity to engage in long-term strategic thinking are positive inclinations.

*Hana Alotaibi*

Any discussion of Saudi culture would not be complete without referring to its highly religious orientation, and this was evident in the way religion was mentioned by interviewees from all three telecommunication companies. Religion is of central importance to Saudi society, as all other actions, including business engagements revolve around it. For example, many strategic initiatives are linked to religious holidays and events, although as far as tools used in strategic planning is concerned, it was apparent that religion bears no direct influence on the way those tools are used.

Further underlying influences of Saudi culture on Saudi business processes was discussed through exploring the phenomenon of social interactions and the way information sources are obtained. Whilst same gender relationships usually take on the form of strong cordiality, hospitality, and friendliness, which can benefit the formation of strategic partnerships, mixed gender interactions are strictly controlled and rarely take place in informal contexts outside the family unit. This cultural aspect in particular has significant implications for the free flow of information and ideas, and therefore limits the potential for strategic initiatives to arise. Despite this obvious limitation however, comments made by interviewees established that openness of the Saudi telecommunication companies investigated to obtaining valuable information from foreign sources, external parent companies, and through enjoying good relations with them. Evidence of extensive cooperation and coordination bodes well for information and communication to flow freely and thereby help to feed strategic thinking.

# ***Chapter 8***

## ***Conclusion***

## 8.1 Introduction

This chapter completes the dissertation by drawing conclusions from the research. It begins with restating the research aim and key outcomes, and this is followed by a summary of the theoretical, methodological, and practical contributions. In addition, the research implications are drawn, its limitations are identified, and a direction for further research is also provided.

## 8.2 Restatement of the Research Aim and Key Outcomes

This research focuses on the link between strategic planning activities, and the development and implementation of strategic initiatives. It explores the activities and participants involved in the strategic planning process, which contribute to the process of development and implementation of strategic initiatives in Saudi telecommunication companies. This research, based on a strategy as a practice perspective, focuses on the actions of the actors (Jarzabkowski & Balogun, 2009), their strategising, and on the tools involved to create the activities (Jarzabkowski & Seidl, 2008) that lead to the development and implementation of strategic initiatives during the strategic planning process. Accordingly, the following main research question was developed:

*How do strategic planning activities influence the development and implementation of strategic initiatives in Saudi telecommunication companies?*

Two secondary questions were then developed to further pursue the answer to this general question, which were stated as follows:

1. What activities are engaged in during the strategic planning process, what do they involve, and how do they influence the development and implementation of strategic initiatives in Saudi telecommunication companies?
2. Who are the main practitioners, and what are their roles in this process?

In order to address this question, detailed interviews, observation and document analyses were carried out. The purpose of this study was mainly focused on the activities engaged in during the strategic planning process, first generally, then on those specific activities that were found to influence the development and implementation of strategic initiatives in Saudi telecommunication companies. This research used Miles & Huberman (1994), and Eisenhardt's (1989) approach because it aimed to use exploration and discovery research, and

it also relied on available data (Patton, 2002). Three cases were explored, all of which are major Saudi telecommunication companies. The primary data was collected from observations and interviews with participants involved in the strategic planning process in the three Saudi telecommunication companies (i.e. STC, Mobily and Zain).

Importantly, there are three organisations which represent the mobile telecommunication sector in Saudi Arabia: (1) Saudi Telecom Company (STC), (2) Mobily, and (3) Zain. Saudi Telecom Company (STC) is Saudi Arabia's leading national provider of telecommunication services in the Kingdom. It was incorporated in 1998, and it has succeeded in gaining 20 million customers. The Etihad Etisalat Company (Mobily) from the UAE is its second largest telecom company, and it is considered to be the fastest growing telecom operator in Saudi Arabia. It has more than 15 million subscribers, which were gained since its establishment in August, 2004. The third company, Zain, is of Kuwaiti origin. It launched itself and entered the Saudi market in 2008, and it quickly became the third service provider, having succeeded in achieving around 6 million subscribers. All of the three companies are significant players in the Saudi telecommunication market, which is considered to have reached a perfect status. At the same time, each one of them has a unique background in terms of its history, and it operates within a unique set of conditions that impinge upon its strategy, success, number of customers and market share. This diversity enriches the research contribution through describing the entire diverse Saudi telecommunications market.

This research used activity theory (Blackler, 1993; Engestrom, 1987; Jarzabkowski, 2003) as its theoretical lens. It proposed to explore the strategic planning process over time (Vygotsky, 1978; Jarzabkowski, 2003), and accordingly their influence on the development and implementation of strategic initiatives. The data was collected and analysed, and the activities of the strategic planning process in the three cases were identified. The first outcome of this research was the devising of The Event-State Network diagrams illustrating the Strategic Planning Process with detailed activities for the three cases, which are shown in Figures 21, 47 and 56. It is clear that there are some similarities in the conduction of the strategic planning process in the three companies despite the existence of a few differences as well. All three companies implement strategic planning on two general phases: (1) development and planning phase, and (2) execution and performance phase. However, each company was

found to have adopted different steps and have different priorities in each phase, and accordingly in each activity.

Based on the activity theory framework, an activity model for each activity was then identified. The investigated data assisted in identifying those specific activities that influence the development and implementation of strategic initiatives. These were then divided into two main types: (1) indirectly influential activities, and (2) directly influential activities, which were shown in Figures 64, 65 and 66. It was found that activities 1, 2, and 3 of STC; 1, and 2 of Mobily, and 1, and 2 of Zain, indirectly influence the development and implementation of strategic initiatives. Furthermore, it was found that activities 4, 5, 6, and 7 of STC; 3, 4, 5, and 6 of Mobily, and 3, 4, and 5 of Zain, directly influence the development and implementation of strategic initiatives. The details of the activities and the reasons behind this division were also given. In addition, the influential activities, which directly relate to the research purpose, were presented under three themes: (1) initiation, (2) development, and (3) implementation. These represent the three stages in the development and implementation of strategic initiatives.

Since this research applied activity theory as a theoretical lens under the strategy as a practice perspective, the sequences of the directly influential activities, and the contradictions between their components, were also discussed. The outcomes here confirmed that one activity can influence and interact with another, and that an element from one particular activity system can turn into another type of element in another different activity. It also showed that an element that appears as a name in an activity can be used later in another form as a new element in a subsequent activity. This section further developed a discussion on the contradictions that are existent between activity components in the three cases through the three stages, i.e. initiation, development, and implementation. It also showed that there was a lack of sufficiently qualified administrative staff at STC and Zain capable of dealing with the development of the business plans in a proper way, such as through repetition of strategic initiatives that were developed from more than a sector at STC, or by reconciling the work between all sectors at Zain. This subsequently affected the attainment of certain objectives. The discussion on the contradictions showed that they were generated by the previous contradictions in the previous activities. In addition, the division of labour between the

responsible subjects was the main difficulty being faced by the groups responsible for planning in all three cases due to their limited numbers to deal with the activity work. In particular, the study and analysis of these contradictions within activity systems in the strategic planning process helped in shedding light on how to resolve these contradictions so as to become more stable. In addition, it became apparent that unresolved contradictions lead to further issues and challenges which negatively affect future activities.

This research continued with an analysis and discussion of the data by describing the tools and the practitioners who use them in order to specifically answer the second research question. The discussion was undertaken under the three aforementioned themes, i.e. initiation, development, and implementation. It was found that actors, mostly VPs for sectors, with strategic groups, play an important role in the initiation stage, which is concerned with detailing strategies as initiatives in all three companies. During the development stage, VPs of sectors, together with participation of GMs, were identified as the practitioners who are responsible for detailing the business forecast on a monthly basis for the year, and in updating business plans. That is, the involvement of GMs in this stage was not on a daily basis, and they were not the only ones responsible, as the VPs of sectors were involved more closely. In addition, it was found that the practitioners during the implementation stage of the strategic planning process were from the department of strategy sector in each company, and they were responsible for the monitoring and implementation of strategic initiatives. The planning committee at STC, the strategic planning team at Mobily, and the strategic planning group at Zain were involved in monitoring the execution and performance activity.

Finally, the research also identified the tools used in the three stages of strategic initiatives. It was noted that the SWOT tool is commonly used during the initiation stage of strategic initiatives, and that monthly timelines and execution plans to determine and select the proper execution initiatives are also used. During the development stage, the revising of business plans, and the devising of monthly forecasts were used as tools to assist in the specification of budgetary and manpower requirements. However, during the implementation stage, further tools were used, namely execution reports and templates for helping the companies to implement and evaluate the outcome of their strategic initiatives.

### **8.3 Summary of Theoretical, Methodological, and Practical**

## **Contributions**

### ***8.3.1 Theoretical Contributions***

This research has the potential to be a pioneering and important research in the business environment due to the limited number of previous research on strategic planning from a practice perspective in terms of the aggregation of activities, classes of practitioners, and the processes/praxis examined. An attempt was made to contribute to the strategic planning and strategic initiative literature by identifying the activities of the strategic planning process, and how these influence the development and implementation of strategic initiatives. In fact, the use of strategic planning is also for identifying new products and project initiatives (Ansoff, 1965; Berg, 1965; Bower, 1970; Ouchi, 1980). Strategic initiatives are seen as increasingly essential to the process of developing strategies (Floyd & Wooldridge, 2000; Keupp & Gassmann, 2009). Therefore, this research links between Strategic Planning and Strategic Initiatives by describing how strategic planning activities influence the development and implementation of strategic initiatives. It focused on a new area of strategy as a practice, particularly on influences of strategic planning upon the process of development, and on the implementation of strategic initiatives.

By considering the activities involved in the strategic planning process from a practice perspective, the present empirical research deepens our understanding of the activities involved in the strategic planning process. Firstly, the research answered the question about the activities of the strategic planning process. It then developed Grant's (2003) discussion on the characteristics of strategic planning systems in an unpredictable environment, and identified the activities involved in the strategic planning process in general. This led to identifying those specific activities that influence the development and implementation of strategic initiatives. Identifying those activities together with their details assisted in determining three stages that represent the development and implementation of strategic initiatives within the strategic planning process.

Secondly, the research also provides empirical support for the way in which those activities influence the development and implementation of strategic initiatives. Taking a practice perspective helped in exploring the activities of the strategic planning process by taking into

consideration the sequences of activities and the contradictions that exist between the activity components (Barab et al., 2002; Yamagata-Lynch, 2003) in order to address them as mutually constitutive (Whittington, 2002a; Jarzabkowski, 2005). In addition, studying and analysing these contradictions within activity systems in the strategic planning process helped in shedding light on how to resolve these contradictions in order to become more stable. At the same time, unresolved contradictions lead to further issues and challenges which negatively affect future activities.

Thirdly, taking a practice perspective does not concern itself with what an organisation has, but with what actors do (Johnson et al., 2003; Whittington, 2006; Jarzabkowski & Seidl, 2008). Actors play an important role in this concept because they have different views and interpretations on the activities and strategies (Jarzabkowski & Balogun, 2009). This research, from a practice perspective, focused on the 'actions of the actors' (Jarzabkowski & Balogun, 2009). This helped to answer the question about the actors involved in the strategic planning process, who are involved in the development and implementation of strategic initiatives. It emphasises the role of the individual focusing on strategists engaged in the real work of strategising (Hendry, 2000; Whittington, 1996, 2002, 2003). It focuses on actors who are involved in the development and implementation of strategic initiatives, and the tools involved in creating the activities (Jarzabkowski & Seidl, 2008) that lead to the development and implementation of strategic initiatives during the strategic planning process.

### ***8.3.2 Methodological Contribution***

This study purposed to discover the activities that contribute to strategic planning, and their influence on the development and implementation of strategic initiatives. This research highlights three points as methodological contributions. Firstly, most strategic planning research uses a quantitative approach, which subsequently fails to capture the richness and complexity of a firm's planning practices (Grant, 2003). Therefore, a qualitative study enabled describing of the inside of the strategising process and the activities for organisations (Pettigrew, 1992; Patton, 2002).

Secondly, this research contributes to the strategic planning process by adopting the activity theory framework in order to analyse activities and to explore those specific activities that

influence the development and implementation of strategic initiatives. In particular, adopting an activity theory framework helped to explore the strategic planning process over time (Vygotsky, 1978; Jarzabkowski, 2003). It is a useful framework for analysing these reciprocal strategy processes along with understanding dynamic processes over time (Jarzabkowski & Balogun, 2009). Based on this activity theory framework, the data was also analysed using both Engestrom's (1987) activity theory model and Mwanza's (2001) Eight Step Model so as to gain an in-depth understanding of how the activities involved in strategic planning practices influence the development and implementation of strategic initiatives. It was found that activities 1, 2, and 3 of STC; 1, and 2 of Mobily, and 1, and 2 of Zain indirectly influence the development and implementation of strategic initiatives, and that activities 4, 5, 6, and 7 of STC; 3, 4, 5, and 6 of Mobily, and 3, 4, and 5 of Zain, directly influence the development and implementation of strategic initiatives. At the same time, these 'directed' influential activities together represent three stages of the development and implementation of strategic initiatives. The three stages are (1) initiation, (2) development, and (3) implementation.

Thirdly, the focus was to study practice-in-use as a mediator of action, and to examine its consequences for the strategy and the actors who use them (Jarzabkowski, 2004). It investigated the practice of strategic planning activities in influencing the development and implementation of strategic initiatives through going beyond studying the relation between such concepts to addressing them as mutually constitutive (Whittington, 2002a; Jarzabkowski, 2005), and further, with how the elements of each activity connect with each other, and the contradictions that are caused by tensions between activity components. At the same time, adopting an activity theory framework allowed to choose the principles suitable for analysing each activity through relying upon the research purposes (Blackler, 1993; Jarzabkowski, 2003). Therefore, this research contributes to the two sides of strategy as a practice and activity theory by adopting two principles of activity theory, namely contradictions and mediated actions, both of which together satisfy the meaning of the two sides. The two principles helped in analysing the data under a strategy as a practice perspective in order to explain how these specific activities influence the development and implementation of strategic initiatives, with respect to the sequences of activities, the contradictions that have been found between their components, and the actors who are involved in this process with their used tools.

### **8.3.3 Practical Contribution**

This study makes a practical contribution to the Saudi context. It extends our understanding of the Saudi telecommunications environment with respect to the strategic planning activities that are engaged in from a practice perspective. This research was applied on three telecommunications companies that represent the entire Saudi telecommunications market. In fact, it was noted that there was a scarcity of research on strategic planning and strategic initiatives in the Arabian Gulf region, and in Saudi Arabia in particular (AlGamdi, 2005), and that most Saudi empirical research is concerned with the tools and techniques of strategic planning instead. Therefore, this study contributes to the Saudi as well as the wider Arabian context by being applied on the Saudi telecommunications market.

This research also contributes to enrich the case study methodology by being extended to the Saudi context. With the global development of case study methods, many issues have to be considered in order to effectively carry out case studies in the Saudi cultural setting. It was evident during this research that the cultural environment in which the research was carried out had a significant bearing on how the research was undertaken in terms of what was permissible and what was restricted. By extension, this also has implications for the applicability of the research findings. Nonetheless, this study still made practical contributions in developing understanding of how strategic initiatives are developed and implemented in the Saudi sociocultural context.

In the Saudi context, the significant difficulties of conducting case studies rest in three areas, which are negotiating access, gaining trust during data collection, and conducting data analysis and presentation in a bilingual setting. For negotiating access to companies, third parties were sought who previously had had a relationship with senior managers in the strategy departments, who were then persuaded to be introduced. Since Saudi society values relationships highly, it did not prove difficult at all to establish trust in this way. Due to these reasons, access was easily obtained to the three companies, albeit in their female only departments. The reason for this restriction is that Saudi culture is highly conservative. It places restrictions on men and women working together in the same place. In fact, there are separate sections for men and women employees, although they may hold mixed meetings and workshops. Importantly, this restriction did not allow any observations to be made within

*Hana Alotaibi*

the men only sections in any of the three companies. All the observations that were made were therefore limited to attending meetings, workshops, or making interviews, and further observations within informal settings were only made in the female department.

On the other hand, due to the high value placed on bonding in same gender relationships, strong relationships were built with women employees, so off-the-job activities were also participated in during break time, such as through chatting with the employees, and having lunch together. These activities helped to develop relationships based on trust with the women employees. Thus, they were prepared to talk more openly during the interviews, and they even facilitated connecting with the men employees for making interview appointments or attending meetings. This strategy proved to be successful. From this aspect, the study identified issues that were especially important in the Saudi context, and provided practical suggestions for other researchers who intend to conduct their own case studies in the Saudi context. The difficulties experienced during the field work have significant lessons for researchers who intend to carry out their own empirical studies within the same highly conservative Saudi environment.

Firstly, it is to be noted that the competition between the three companies can influence the likelihood of gaining access for negotiation. STC and Zain accepted that this research will be conducted on all of the three companies, but this access was threatened in Mobily when a senior manager knew of the other two companies involved in this field research. Secondly, the power status of the researcher's key contact person might change over time, and this can influence the access for negotiation. This happened at Zain when the key contact person was experiencing a career crisis, and access had to be renegotiated, but the request to continue with the field work was refused.

Thirdly, the researcher should be cautious of any involvement with 'political games' during the field work. While data was being collected from STC, the key contact person (Manager E) had serious conflicts with another manager (Manager D). The researcher was thus perceived as 'Manager E's man' by the majority of the organisation's members because manager E was the key contact person. Thus, the requests for interview were rejected by the managers who were sympathetic to manager D. Although the situation began to improve after successfully conducting interviews with manager D, the inadvertent involvement in this

conflict still resulted in the loss of potentially more interviews at STC. A highly politicised research environment therefore requires the researcher to select key contact persons very carefully, and to also choose interviewees from opposing internal political parties so as to enhance the reliability of the data collected.

The data analysis process also proved to be a reflexive learning process. The presentation of this process is especially meaningful for less experienced researchers who want to know more about how to improve their data analysis skills while doing the research. At the outset of the research, Miles & Huberman's (1994) approach was employed. This approach worked quite well during the data collection process because it emphasised the technical side of data analysis and was easier to use. However, when the task of data analysis proceeded to the post-field analysis stage, making sense out of the huge amount of data using Miles & Huberman's (1994) method alone was found to be difficult. More literature was therefore reviewed on qualitative data analysis and the expectation was to find the logic between data and meanings. Finally, Yin's (1994) arguments were integrated on within-case and cross-case data analysis methods into Miles & Huberman (1994), and Eisenhardt's (1989) method in order to make better sense of the data. So case-oriented strategies (Yin, 1994; Miles & Huberman, 1994) were incorporated in studying each case in depth, and then in identifying types or families in this research as activities with certain shared configurations. Case-oriented strategies helped to examine contradictions, synthesise interpretations, and to build general interpretations of different cases. It is also used to look for themes that cut across cases. While comparing the three cases, a meta-matrix was used (Eisenhardt, 1989) in order to permit a systematic comparison across cases. This integration in the data analysis process proved to be highly effective.

Furthermore, specially tailored data analysis procedures were also designed and created when faced with different analysis tasks. The Event-State networks (see chapter 5) for the three cases were devised so as to identify the activities engaged in during the strategic planning process, and the three themes of initiation, development, and implementation (see chapter 6) were distinguished to facilitate the identification of specific activities linked to the strategic planning process, i.e. which influence the development and implementation of strategic initiatives. The effectiveness of the data analysis procedures was judged according to two

standards based on the logic and being convenient to use. Certainly, the design of data analysis procedures was also based on the exploration of the relevant literature.

## **8.4 Research Implications**

This study provides practical advice for Saudi telecommunications companies in respect of developing suitable strategic initiatives. The implications drawn can help them to reveal the potential of their strategic planning activities for shaping the established procedures, and improving and conducting their strategic initiatives. Firstly, it is important for the companies as well as the practitioners of the planning process to focus mainly on activities concerned with ‘developing business plans’, as it is the basic step in establishing initiatives. The companies need to especially concentrate on specific activities, such as how to detail the corporate strategy to devise effective strategies and transform these into initiatives, and to identify who the responsible subjects will be for overseeing the conduction of these initiatives. These two aforementioned points are highlighted because it was observed that it was in relation to these that many of the contradictions existed, which impeded their implementation. The practitioners need to recognise the influence of such activity of the planning process on strategic initiatives.

Secondly, it is important for companies to focus on dealing with any contradictions that appear during the implementation of the strategic planning process in its early stages. This is because it was found that some existent contradictions arose due to previous contradictions in previous activities. This confirms that contradictions can influence subsequent activities. The companies as well as the practitioners involved in the planning process need to take into consideration the effect of any impeded activity on implementing the subsequent activities. Thirdly, companies (especially HR departments) need to focus on improving their executed staff. It was found that there are a lack of sufficiently qualified administrative staff at STC and Zain capable of dealing with the development of the business plans in a proper way such as repetition of strategic initiatives, which were developed from more than a sector in STC, or reconciling the work between all sectors at Zain. This subsequently affected the attainment of certain objectives.

Fourthly, it is necessary for companies (Strategy department, strategy group, HR, and related sectors) to play a crucial role in dividing the work between responsible subjects. It was found

that the main difficulty being faced by the groups responsible for planning in all three cases was the division of work between them. This was attributed to their limited numbers to deal with the activity work. Companies need to work on increasing the responsible subjects in the planning groups to deal with this difficulty effectively. It is also important for companies to improve their rules and restrictions regarding the divided work between subjects to facilitate their daily work. As STC resolved a contradiction that appeared between the subjects and their division of work during the initiation stage of strategic initiatives, guidelines were developed for sectors related to the development of business plans. This helped in avoiding developing the same set of initiatives from more than one sector.

Finally, this study suggests the need for strategy work to be carried out in distributed teams at different organisational levels through careful coordination. In fact, the concentration of knowledge at the top management level, and the lack of it among staff on the bottom levels, tends to cause the development and implementation of strategic initiatives to work against the main approach. Thus, improving the knowledge about new initiatives between individuals will help companies to satisfy their planned objectives in strategic initiatives. This role could be adopted also by researchers and experts of the planning process who can influence and increase the importance of the knowledge between staff within Saudi telecommunication companies.

## **8.5 Research Limitations**

The research limitations were firstly reflected in the area of the research design. Although the research was carried out in Saudi telecommunications companies, there were still certain limitations due to women not being able to have access to the main companies' locations. As indicated previously, the highly conservative Saudi society prevents women from accessing the men only departments in any company. Although alternative solutions were negotiated as best as possible, this was the main difficulty faced. This limited access affected the observations as it restricted the conduction of interviews and attending of meetings and workshops largely to women employees in their own female departments. Moreover, this difficulty indicates that the findings, although extensive, and especially those concerning practitioners or actors and the role they play in the development and implementation of strategic initiatives, may not adequately reflect the perspective of male managers and

employees of the three companies. This shows the importance of considering the cultural context in which any phenomenon takes place, and business strategy related research is no exception.

Another research limitation was evident during the data analysis. Guided by the research questions, the fieldwork was conducted in Arabic as it is the actual language used in the business environment. The interviews were also originally done in Arabic. Since the plan was to use N-Vivo software for analysing the data, all interview transcripts were translated daily into English in order to avoid missing any meanings and to understand the field data in its original context. This was due to the difficulties that may have been faced if using Arabic in N-Vivo software. Thus, all field data was analysed in English, and the codes used were all in English. The presentation of the field data was also in English. Although an attempt was made to avoid missing pertinent information conveyed in the meanings, there is still a probable loss of meaning in this analysis and in the presentation process to a minor degree due to the problem of translation.

This research took a practice perspective as an approach to analyse and interpret the data. However, the difficulty faced was to consider all different forms of ‘practices’ to study such as traditions, norms, values, and tools (Jarzabkowski, 2004). Therefore, it was decided to focus on ‘tools’ as one form of practice within the practice perspective in the research.

It is also possible that there might be alternative explanations for the reason behind the repeated contradiction between subjects and their divided work. As Eisenhardt (1989) argued, the analysis of a case study is not good at recognising ‘proportions’ in explanation. Even if there is no constraint from the theoretical framework, the data analysis of a case study is by nature weak in ‘weighting’ the influence of different factors. For example, most of the contradictions that occurred during the implementation stage of strategic initiatives were within subjects, and between them, and the division of labour. However, it was difficult to know what the reasons were behind each contradiction in all situations. Although this issue was probed as carefully as possible during her interviews, more accurate comparisons of the influence of different factors are still needed. More work is required to further deepen the understanding of this repeated contradiction.

## **8.6 Directions for Future Research**

The current study has opened other potential directions for further academic research, one of which is regarding other forms of practices that need to be focused on. As this research studied 'tools' as an element which represent one form of practices involved in strategic planning, there is a need to focus on other forms of practices as well, such as traditions, norms, rules and routines (Jarzabkowski, 2004), and on their influence by practitioners within the strategic planning process on strategic initiatives. In other words, the insight gained in this research on the influence of strategic planning activities on strategic initiatives from a practice perspective could be enriched further by taking into account the sociocultural context in more depth. In the case of Saudi Arabia, this would be necessary to better understand the role of practitioners due to the peculiarities of Saudi culture that were outlined in section 7.5.

More studies on the strategic planning process from a practice perspective are required to study each stage of strategic initiatives separately, i.e. initiation, development, and implementation, with all its conditions, details, practitioners, and practises by focusing on the influence of specific actions on strategic initiatives.

This research was applied on the Saudi telecommunications market, and it only focused on the influence of strategic planning activities on the development and implementation of strategic initiatives. The research outcomes cannot therefore be applied to international telecommunications companies, which have different cultures and business environments, and the further research topic should expand the scope of this study. It is necessary to carry out more empirical research in the context of other cultures and countries. This will extend our understanding of the influence of multi-level strategic initiatives in other business environments.

# ***References***

## Texts

- Adam. (2011). Zain Group SWOT analysis. Free SWOT Analysis. Available at: <http://www.freeswotanalysis.com/telecommunication-companies-swot-analysis/242-zain-group-swot-analysis.html> (accessed June 2012).
- Aldehayyat, J. S. & Anchor, J. R. (2010). Strategic planning tools and techniques in Jordan: awareness and use, *Strategic Change*, vol. 17, pp. 281-293.
- Alexander, L. D. (1991). Strategy implementation: Nature of the problem, *International Review of Strategic Management*, vol. 2 , no. 1, pp. 73-96.
- Al-Farsy, F. (1986). Saudi Arabia: a case study in development. London, UK, KPI.
- Al Ghamdi S. M. (2005). The use of strategic planning tools and techniques in Saudi Arabia: An Empirical study. *International Journal of Management*, vol. 22 no. 3.
- Al-Garni, Saeed A. (1997). The role of strategic planning in improving public organizations' performance. University of Colorado at Denver Thesis. Ann Arbor, Michigan: UMI.
- Ammari, Siba Sami. (2011). Zain Group announces record full-year financial results for 2010. AMEinfo. Available at <http://www.ameinfo.com/258226.html> (accessed June 2012).
- Alvesson, M. & H. Willmott. (1995). Strategic management as domination and emancipation: From planning and process to communication and praxis. In C. Stubbart and P. Shrivastava (eds.) *Advances in strategic management – Challenges from outside the mainstream*. Greenwich: JAI Press, pp. 85-112.
- Andersen, T. J. (2004). Integrating decentralized strategy making and strategic planning processes in dynamic environments. *Journal of Management Studies*, vol. 41, no. 8, pp. 1271-1299.
- Anderson, A. R. & Atkins, M. H. (2001). Business strategies for entrepreneurial small firms. *Strategic Change*, vol. 10, pp. 311-324.
- Anderson, D. L. (2009). Organization development: The process of leading organizational change. California, Sage Publications Inc.
- Andrews, K. (1971). *The concept of corporate strategy*. Homewood, IL, Dow Jones-Irwin.
- Angwin, Duncan; Paroutis, Sotirios & Mitson, Sarah. (2009). Connecting up strategy: Are senior strategy directors (SSDs) a missing link? *California Management Review*, vol. 51, no. 3, pp. 74-94.
- Ansoff, H. I. (1965). *Corporate Strategy: An Analytical Approach to Business Policy for Growth and Expansion*. New York, McGraw Hill.
- Ansoff, H. I. (1979). *Strategic management*. London: The MacMillan Press Ltd.
- Armstrong, J. S. (1982). The value of formal planning for strategic decisions: Review of empirical research, *Strategic Management Journal*, vol. 3, pp. 197-211.
- Armstrong, M. (2001). *A Handbook of Management Techniques*, 3<sup>rd</sup> ed. London, Kogan Page.
- Balogun. (2006). Managing change: Steering a course between intended strategies and unanticipated outcomes. *Long Range Planning*, vol. 39 pp. 29-49.
- Balogun, J. & Hailey, Hope V. (1999). *Exploring Strategic Change*. London, Prentice Hall.
- Bailey, A.; Johnson, G. & Daniels, K. (2000). Validation of a multi-dimensional measure of strategy development processes. *British Journal of Management*, vol. 11, no. 2, pp. 151.
- Balogun, J. & Johnson, G. (2003), *Organizational Restructuring: The Impact of Middle Manager Sensemaking*, A

- paper presented at EGOS Colloquium, Copenhagen, Denmark.
- Balogun, J. & Johnson, G. (2005). From intended strategies to unintended outcomes: The impact of change recipient sensemaking. *Organization Studies*, vol. 26, no. 11, pp. 1573-1601.
- Balogun, J.; Jarzabkowski, P. & Vaara, E. (2011). A struggle over voice: A critical discursive approach to strategic change in MNCs. *Journal of International Business*, vol. 42, no. 765.
- Barab, S. A.; Barnett, M.; Yamagata-Lynch, L.; Squire, K. & Keating, T. (2002). Using activity theory to understand the contradictions characterizing a technology-rich introductory astronomy course. *Mind, Culture, and Activity*, vol. 9, no. 2, pp. 76–107.
- Barkham, R.; Gudgin, G.; Hart, M. & Hanvey, E. (1996). *The determinants of small firm growth - An Inter-Regional Study in the UK: 1986-90*. London, Jessica Kingsley.
- Barnes, B. (2000). *Understanding Agency: Social Theory and Responsible Action*. London: Sage.
- Barnett, W. P. & Burgelman, R. A. (1996). Evolutionary perspectives on strategy. *Strategic Management Journal*, vol.17, special issue, pp. 5-20.
- Becker, G. S. (1993). Human capital: A theoretical and empirical analysis with special reference to education. 3<sup>rd</sup> edition. The University of Chicago Press.
- Becker, M. C. (2004). Organizational routines: A review of the literature. *Industrial and Corporate Change*, vol.13 , no. 4, pp. 643-677.
- Berg, N. (1965). Strategic planning in conglomerate companies. *Harvard Business Review*, vol. 43, no.3, pp. 79-92.
- Bhattacharyya, Dipak. (2011). *Performance management systems and strategies*. Pearson Education India.
- Birkinshaw, J. (1997). Entrepreneurship in multinational corporations: The characteristics of subsidiary initiatives. *Strategic Management Journal*, vol. 18, no. 3, pp. 207-229.
- Blackler, F. (1993). Knowledge and the theory of organisations: Organisations as activity systems and the reframing of management. *Journal of Management Studies*, vol. 30, no.6, pp. 863-884.
- Blackler, F. (1995). Knowledge, Knowledge Work and Organizations: An Overview and Interpretation. *Organization Studies*, vol. 16, pp. 1021-1046.
- Blackler, F.; Crump, N. & McDonald, S. (2000). Organizing processes in complex activity networks. *Organization*, vol. 7, pp. 277–300.
- Bohman, J. (1999). Practical reason and cultural constraint: agency in Bourdieu’s theory of practice. In R. Shusterman (Ed.), *Bourdieu: A Critical Reader*. Oxford: Blackwell, pp. 128-152.
- Bonn, I & Christodoulou, C. (1996). From strategic planning to strategic management. *Long Range Planning*, vol. 24, no.4, pp. 543–551.
- Bourdieu, P. (1990). *The Logic of Practice*. Cambridge, UK: Polity Press.
- Bower, J. L. (1970). *Managing the resource allocation process*. Boston, MS Harvard University Press.
- Boyd, B. K. (1991). Strategic planning and financial performance: a meta-analysis. *Journal of Management Studies*, vol. 28, pp. 353–374.
- Bradford & Duncan. (2000). *Simplified strategic planning*. London, Chandler House.
- Bracker, J. S.; Keats, B. W. & Pearson, J. N. (1988). Planning and financial performance among small firms in a growth industry. *Strategic Management Journal*, vol. 55, no. 9, pp. 591.
- Brass, D. (1984). Being in the right place: a structural analysis of individual difference in an organization. *Administrative Science Quarterly*, vol. 29, pp. 518–39.

- Brews P. J. & Hunt, M. (1999). Learning to plan and planning to learn: Resolving the planning school / Learning school debate. *Strategic Management Journal*, vol. 20, no. 10, pp. 889-914.
- Brews, P. & Purohit, D. (2007). Strategic planning in unstable environments. *Long Range Planning*, vol. 40, issue 1, pp. 64-83.
- Brown, J. S. & Duguid, P. (1991). Organizational learning and communities-of practice: Towards a unified view of working, learning and innovation. *Organization Science*, vol. 2, pp. 40-57.
- Brown, J. S. & Duguid, P. (2000). *The social life of information*. Boston, Harvard University Press.
- Brown, J. S. & Duguid, P. (2001). Knowledge and organization: A social practice perspective. *Organization Science*, vol. 12, no. 2, pp. 198–213.
- Bryman, A. & Bell, E. (2007). *Business research methods*. 2<sup>nd</sup> edition. Oxford University Press.
- Bryson, J. (1995). *Strategic planning for public and nonprofit organizations*. San Francisco, CA: Jossey-Bass.
- Bryson, John M.; Anderson, Sharon Roe & Alston, Farnum K. (2011). *Implementing and sustaining your strategic plan: A workbook for public and nonprofit organizations*. John Wiley & Sons.
- Burgelman, R. A. (1983a). A model of the interaction of strategic behavior, corporate context and the concept of strategy. *Academy of Management Review*, vol. 8, pp. 61-70.
- Burgelman, R. A. (1983b). A process model of internal corporate venturing in the diversified major firm, *Administrative Science Quarterly*, vol. 28, pp. 223-244.
- Burgelman, R. A. (1991). Intraorganisational ecology of strategy making and organizational adaptation: Theory and field research. *Organization Science*, vol. 2, no. 3, pp. 239-262.
- Burgelman, R. A. (1994). Fading memories: a process theory of strategic business exit in dynamic environments. *Administrative Science Quarterly*, vol. 39, pp 24–56.
- Burgelman, R. A. (1996). A process model of strategic business exit: Implication for an evolutionary perspective on strategy. *Strategic Management Journal*, vol. 17, pp. 193-214.
- Burns, B. (2000). *Managing change: A strategic approach to organisational dynamics*. Harlow, Pearson Educational Limited.
- Burrell, G. & Morgan, G. (1979). *Sociological paradigm and organizational analysis*. London, Heineman.
- Burt, R. (1992). The social structure of competition. In Nitin, N. & Eccles, R. (Eds). *Networks in Organizations: Structure, Form and Action*. Boston, MA: Harvard Business School Press, pp. 57–91.
- Campbell, T. (1997). Technology, multimedia, and qualitative research in education. *Journal of Research on Computing in Education*, vol. 30, no. 2, pp. 122-133.
- Canary, H. E. (2010). Structuring activity theory: An integrative approach to policy knowledge. *Communication Theory*, vol. 20, no.1, pp. 21-49.
- Carter, H. R. & Rausch, E. (1989). *Management in the fire service*, 2nd edition. Boston, MA: National Fire Protection Association.
- Cassell, C.; Buehring, A.; Symon, G. & Johnson, P. (2006). Qualitative methods in management research: An introduction to the themed issue. *Managerial Decision*, vol. 44, no. 2, pp. 161-166.
- Chandler, A. D. (1962). *Strategy and structure: Chapters in the history of the American industrial enterprise*. Cambridge, MA, MIT Press.
- Cantwell, J. & Molero, J. (2003). *Multinational enterprises, innovative strategies and systems of innovation*. London, Routledge.
- Chia, R. (2004). Strategy-as-practice: reflections on the research agenda. *European Management Review*, vol. 1, pp.

- Chia, R. & MacKay, R. (2007). Post-processual challenges for the emerging strategy-as-practice perspective: discovering strategy in the logic of practice. *Human Relations*, vol. 60, no.1, pp. 217-242.
- Clarke, C. (1997). The strategic planning society: the first 30 years. *Long Range Planning*, vol. 30, no. 3, pp. 327–333.
- Clark, P. (2000). *Organisations in Action: Competition between Contexts*. London, UK: Routledge.
- Clont, J. (1992). The concept of reliability as it pertains to data from qualitative studies. Paper Presented at the annual meeting of the South West Educational Research Association. Houston, TX, USA.
- Cohen, W. M. & Levinthal, D. A. (1990). Absorptive capacity: A new perspective on learning and innovation. *Administrative Science Quarterly*, vol.35, no. 1, pp. 128-152.
- Cohen, M. & Bacdayan, P. (1994). Organizational routines are stored as procedural memory: Evidence from laboratory study. *Organization Science*, vol. 5, no. 4, pp. 554-568.
- Cohen, L. & Manion, L. (1994). *Research methods in education*. London, Routledge.
- Cole, M. (1996). *Cultural psychology*. Cambridge, MA: Harvard University Press.
- Cole, M. & Engestrom, Y. (1993). A cultural historical approach to distributed cognition. In G. Salomon, (Ed.) *Distributed cognitions*. Cambridge, Cambridge University Press.
- Coleman J. S. (1990). *Foundations of social theory*. Cambridge, MA: Harvard University Press.
- Cook, K. S. & Emerson, R. M. (1978). Power, equity, and commitment in exchange networks: theory and experimental results. *American Sociological Review*, vol.43, pp. 712–39.
- Creswell, J. W. & Miller, D. L. (2000). Determining validity in qualitative inquiry. *Theory into Practice*, vol. 39, no. 3, pp. 124-131.
- Crowley, M. & Domb, E. (1997). *Beyond strategic vision: Effective corporate action with hoshin planning*, Butterworth- Hienemann publishing.
- Cruz–Neto, G. G.; Gomes, A. S. & de Castro, J. B. (2005). Mapping activity theory diagrams into I\* organizational models. *Journal of Computer Science and Technology*, vol. 5, no. 2 , pp. 57–63.
- Currie, G. (1999). The influence of middle managers in the business planning process: a case study in the UK NHS. *British Journal of Management*, vol. 10, pp.141–55.
- Currie, G. & Procter, S. (2001). Exploring the relationship between HR and middle managers. *Human Resource Management Journal*, vol.11, no. 3, pp. 53–69.
- De Geus, Arie P. (1988). Planning as learning. *Harvard Business Review*, vol. 66, no. 2, pp. 70-74.
- Dean, J. W. & Sharfman, M. P. (1996). Does decision process matter? A study of strategic decision making effectiveness. *Academy of Management Journal*, vol.39, no.2, pp. 368- 396.
- Dennis Barnhart & Associate. 2006. Report for Best practice of Strategic planning. Available at: <http://www.cairf.org/research/bpstrategic.pdf> [Accessed: 15<sup>th</sup> Jan 2010].
- Denzin, N. (1989). *The research art: a theoretical introduction to sociological methods*, 3<sup>rd</sup> edition. Chicago, Aldine.
- Deresky, Helen. 2002. Understanding the role of culture. Ch. 3 in *Global Management: Strategic and Interpersonal*. Prentice Hall.
- Diaper, D. (2008). Reactionary reactions to altering activity theory. *Interacting with Computers*, vol. 20, no. 4, pp. 260–266.
- Dixon, J. (1996). Total quality management in ISO 9000 registered organizations: An empirical examination of the

- critical characteristics associated with levels of financial performance. PhD diss., Florida State University, USA.
- Donaldson, Thomas & Preston, Lee E. (1995). The stakeholder theory of the corporation: Concepts, evidence, and implications. *The Academy of Management Review*, vol. 20, no. 1, pp. 65-91.
- Doz, Y. L. (1996). The evolution of cooperation in strategic alliances: Initial conditions or learning processes. *Strategic Management Journal*, vol.17 (Special Issue), pp. 55-84.
- Dutton, J. E. & Duncan, R. B. (1987). The influence of the strategic planning process on strategic change. *Strategic Management Journal*, vol. 8 , no. 2, pp. 103-116.
- Dutton, J. E., Ashford, S. J., O'Neill, R. M., Hayes, E., & Wierba, E. E. (1997). Reading the wind: How middle managers assess the context for selling issues to top managers. *Strategic Management Journal*, vol. 18, pp. 407-425.
- Dutton, J. E.; Ashford, S. J.; O'Neill, R. M. & Lawrence, K. A. (2001). Moves that matter: issue selling and organizational change. *Academy of Management Journal*, vol. 44, no. 3, pp. 716–36.
- Easterby-Smith, M. (1991). *Management research: An introduction*. London, Sage Publications.
- Easterby-Smith, M.; Thorpe, R. & Lowe, A. (1991). *Management research: An introduction*. London, Sage Publications.
- Easterby-Smith, M.; Thorpe, R. Lowe, A. (2002). *Management research: An introduction*, 2<sup>nd</sup> edition. London, Sage Publications.
- Eisenhardt, K. M. (1989). Building theories from case study research. *Academy of Management Review*, vol. 14, no. 4, pp. 532-550.
- Elbanna, S. (2007). The nature and practice of strategic planning in Egypt. *Strategic Change*, vol. 16, pp. 227-243.
- Engestrom, Y. (1987). *Learning by expanding: An activity - Theoretical approach to development research*. Helsinki, Orienta-Konsultit Oy, Finland.
- Engestrom, Y. (1999). Innovative learning in work teams: analysing cycles of knowledge creation in practice. In Y. Engestrom et al. (Eds.). *Perspectives on activity theory*. Cambridge University Press, pp. 377-406.
- Engestrom, Y., Engestrom, R., & Suntio, A. (2002). Can a School Community Learn to Master its Own Future? An Activity-Theoretical Study of Expansive Learning Among Middle School Teachers. In G. Wells & G. Claxton (Eds.) *Learning for Life in the 21st Century: Sociocultural Perspectives on the Future of Education*. London: Blackwell (in press).
- Fauré, B. & Rouleau, L. (2011). The Strategic competence of accountants and middle managers in budget making. *Accounting, Organization and Society*, vol. 36, pp. 167-182.
- Feldman, M. S. (2000), Organizational routines as a source of continuous change. *Organization Science*, vol. 11 , no. 6, pp. 611-629.
- Feldman, M. S. & Rafaeli, A. (2002). Organizational routines as sources of connections and understandings. *Journal of Management Studies*, vol. 39, no. 3, pp. 309-331.
- Feldman, M. S. & Pentland, B. T. (2003). Reconceptualizing organisational routines as a source of flexibility and change. *Administrative Science Quarterly*, vol. 48, no. 1, pp. 94-124.
- Fleisher, G., & Bensoussan, B. (2003). *Strategic and competitive analysis*. New Jersey, Prentice Hall.
- Fletcher, A. et al. (2003). Mapping stakeholder perceptions for a third sector organization. *Journal of Intellectual Capital*, vol. 4, no. 4, pp. 505–527.
- Flick, U. (2009). *An introduction to qualitative research*. London, Sage Publications.
- Floyd, S. W. & Lane, P. J. (2000). Strategizing throughout the organization: Managing role conflict in strategic

- renewal. *Academy of Management Review*, vol. 25, no. 1, pp. 154-177.
- Floyd, S. W., & Wooldridge, B. (1992). Middle management involvement in strategy and its association with strategic type. *Strategic Management Journal*, vol. 13, pp. 153-167.
- Floyd, S. W. & Wooldridge, B. (2000). *Building strategy from the middle: Reconceptualizing strategy process*. Thousand Oaks, CA, Sage Publications.
- Foot, K. A. (2001). Cultural-historical activity theory as practical theory: Illuminating the development of a conflict monitoring network. *Communication Theory*, vol. 11, no. 1, pp. 56-83.
- Forcht, K. & Cochram, K. (1999). Using data mining and data warehousing techniques. *Industrial Management & Data System*, vol. 99, no. 5, pp. 189-196.
- Foucault, M. (1980). *Power/Knowledge: Selected Interviews and Other Writings, 1972-1977*. Edited by C. Gordon, Brighton: Harvester Press.
- Fox-Wolfgramm, S. (1997). Towards developing a methodology for doing qualitative research: The dynamic-comparative case study method. *Scandinavian Journal of Management Studies*, vol. 13, issue 4, pp. 439-455.
- Freeman, L. (1979). Centrality in social networks: conceptual clarification. *Social Networks*, vol. 1, pp. 215–39.
- Galford, R. (1998). Why doesn't this HR department get any respect? *Harvard Business Review*, March-April, 1998.
- Ghauri, P. & Gronhaug, K. (2002). *Research methods in business studies: a Practical Guide*, 2<sup>nd</sup> edition. Financial Times Prentice Hall.
- Gill, J. & Johnson, P. (2002). *Research methods for managers*, 3<sup>rd</sup> edition. London, Sage Publications.
- Gooderham, G. (1998). Debunking the myths of strategic planning. *CMA Magazine*, vol. 4, no. 72, pp. 24-26.
- Gourlay, S. (2006). Conceptualizing knowledge creation: a critique of Nonaka's theory. *Journal of Management Studies*, vol. 43, pp. 1415–36.
- Goodstein, L. et al. (1993). *Applied strategic planning*. New York, McGraw-Hill, Inc.
- Granovetter, M. (1985). Economic action and social structure: the problem of embeddedness. *American Journal of Sociology*, vol. 91, pp. 481–510.
- Grant, R. M. (1996). Toward a knowledge-based view of the firm. *Strategic management Journal*, vol. 17, pp. 109-122.
- Grant, R. (2003). Strategic planning in a turbulent environment: evidence from the oil majors. *Strategic Management Journal*, vol. 24, pp. 491–517.
- Gudykunst, W. B. & Ting-Toomey, S. (1988). *Culture and interpersonal communication*. Newbury Park, CA: Sage.
- Gummesson, E. (2000). *Qualitative methods in management research*. Second edition. Thousand Oaks, Sage Publications.
- Haines, S. G. (2004). *ABCs of strategic management: an executive briefing and plan-to-plan day on strategic management in the 21st century*. New York, HarperCollins.
- Hall, E. (1983). The dance of life: the other dimension of time. New York: Doubleday. In Nishimura, Shoji; Nevgi, Anne & Tella, Seppo. 2008. Communication style and cultural features in high/low context communication cultures: a case study of Finland, Japan and India. *Proceedings of a Subject-Didactic Symposium in Helsinki*, part 2, held on 2nd February, 2008, pp. 783-796.
- Hall, E. & Hall, M. (1990). *Understanding cultural differences: Germans, French and Americans*. Yarmouth: Intercultural Press.
- Hamel G. & Prahalad C.K. (1989). Strategic intent. *Harvard Business Review*, May/June, 63/76.

- Hamel, G. & C. K. Prahalad. (1994). *Competing for the Future*. Boston, MA, Harvard Business School Press.
- Hamel, G. & Prahalad, C. K. (1996). Competing in the new economy: Managing out of bounds. *Strategic Management Journal*, vol. 17, pp. 237-242.
- Hammersley, Martyn; Gomm, Roger & Foster, Peter. (2000). Case Study and Theory. Ch. 12 in: Gomm, Roger, Martyn Hammersley & Peter Foster (Eds.). *Case study method: Key issues, key texts*. London, Sage Publications.
- Hardy, C. (1996). Understanding Power: Bringing About Strategic Change. *British Journal of Management*, vol. 7, Special Issue, pp. 3-16.
- Hartley, J.; Cassell, C. & Symon, G. (2004). *Essential guide to qualitative methods in organisational*. London, SAGE Publications Ltd.
- Hasan, H. (2002). Relating knowledge management to business strategy by means of an activity theory framework. Australia, University of Wollongong.
- Henderson, R. M. & Clark, K. B. (1990). Architectural innovation: The reconfiguration of existing product technologies and the failure of established firms. *Administrative Science Quarterly*, vol. 35, pp. 9–30.
- Hendricks, K. & Singhal, V. (1999). Don't count TQM out. *Quality Progress*, vol. 32, no. 4, pp. 35–42.
- Hendry, J. (2000). Strategic decision making, discourse, and strategy as social practice. *Journal of Management Studies*, vol. 37, no. 7, pp. 955-977.
- Hendry, K.; Kiel, G. & Nicholson, G. (2009). *How boards strategise: A strategy as practice view*. Long Range Planning.
- Henry, A. (2007). Understanding strategic management. New York, *Oxford University Press*, p. 6.
- Hoepfl, M. (1997). Choosing qualitative research: A primer for technology education researchers. *Journal of Technology Education*, vol. 9, no.1, pp. 47-63.
- Hofer, C. W. & Schendel, D. (1978). *Strategy formulation: Analytical concepts*. St Paul, MN: West Publishing.
- Huff, J. O.; Huff, A. S. & Thomas, H. (1992). Strategic renewal and the interaction of cumulative stress and inertia. *Strategic Management Journal*, vol. 13, pp. 55-75.
- Hurst, D.; Rush, J. & White, R. (1989). Top management teams and organizational renewal. *Strategic Management Journal*, vol. 10, pp. 87-105.
- Huselid, M.; Jackson, S. & Schuler, R. (1997). Technical and strategic human resource management effectiveness as determinants of firm performance. *Academy of Management Journal*, vol. 40, no. 1, pp. 171-188.
- Hussey, D. (2001). Creative strategic thinking and the analytical process: Critical factors for strategic success. *Strategic Change*, vol. 10, no. 4, pp. 201-213.
- Jarratt, D. & Stiles, D. (2010). How are methodologies and tools framing managers' strategizing practice in competitive strategy development? *British Journal of Management*, vol. 21, no. 1, pp. 28-43.
- Jarzabkowski, P. (2003). Strategic practices: An activity theory perspective on continuity and change. *Journal of Management Studies*, vol. 40, pp. 23-55.
- Jarzabkowski, P. (2004). Strategy as Practice: Recursiveness, Adaptation, and Practices-in-Use. *Organization Studies*, vol. 25, no. 4, pp. 529–560.
- Jarzabkowski, P. (2005). *Strategy as practice: An activity-based approach*. London, UK: Sage Publications.
- Jarzabkowski, P. (2008). Shaping strategy as a structuration process, *Academy of Management Journal*, vol. 51, pp. 621–50.
- Jarzabkowski, P., Balogun, J. & Seidl, D. (2007), Strategizing: the challenges of a practice perspective. *Human Relations*, vol. 60, pp. 5–27.

- Jarzabkowski, Paula A. & Wilson, David, C. (2002). Top teams and strategy in a UK university. *Journal of Management Studies*, vol. 39, no. 3, pp. 355-381.
- Jarzabkowski, P. & Seidl, D. (2008). The role of strategy meetings in the social practice of strategy. *Organization Studies*, vol. 29, no. 11, pp. 1391-1426.
- Jarzabkowski, P. & Spee, A. P. (2009), Strategy-as-practice: a review and future directions for the field. *International Journal of Management Reviews*, vol. 11, no.1, pp. 69-95.
- Jarzabkowski, P. & Balogun, J. (2009), The practice and process of delivering integration through strategic planning. *Journal of Management Studies*, vol. 46, no. 8, pp. 1255-1288.
- Johnson, G.; Melin, L. & Whittington, R. (2003). Micro strategy and strategizing: Towards an activity based view. *Journal of Management Studies*, vol. 40, no.1, pp. 3-23.
- Johnson, G. (1987). *Strategic change and the management process*. Oxford, Blackwell.
- Johnson, G. (1988). Rethinking incrementalism. *Strategic Management Journal*, vol. 9, pp. 75-91.
- Johnson, G. (1990). Managing strategic change: the role of symbolic action. *British Journal of Management*, vol. 1, pp. 183-200.
- Johnson, G.; Scholes, H. K. & Whittington, R. (2005). *Exploring corporate strategy*. 7<sup>th</sup> edition. Harlow, UK, Pearson Education.
- Johnson, G., Scholes, K. & Whittington, R. (2008). *Exploring Corporate Strategy: Text & Cases*. 8th ed. Prentice Hall, London
- Jonassen, D. H. (2000). Revisiting activity theory as a framework for designing student-centered learning environments. In Jonassen, D. H. & Land, S. M. (Eds.). *Theoretical foundations of learning environments*, pp. 89-121. Mahwah, NJ: Lawrence Erlbaum Associates.
- Jonassen, D. H. & Rohrer-Murphy, L. (1999). Activity theory as a framework for designing constructivist learning Environments. *Educational Technology Research on Development*, vol. 47, no. 1, pp. 61-79.
- Jorgensen, D. L. (1989). *Participant observation: a methodology for human studies*. Thousand Oaks, CA, Sage Publications.
- Kanter, R. M. (1982). The middle manager as innovator. *Harvard Business Review*, vol. 60, July-August issue, pp. 95-105.
- Kanter, R. M. (1983). *The change masters*. New York, Simon & Schuster.
- Kanter, R. (1988). When a thousand flowers bloom: structural, collective and social conditions for innovation in organizations. In Staw, B. & Cummings, L. (Eds). *Research in Organizations*. Greenwich, CT, JAI Press, pp. 169-211.
- Kaplan, Robert S. & Norton, David P. (2008). Mastering the management system. *Harvard Business Review*, January 2008 edition.
- Kaptelinin, V. (1996). Activity theory: implications for human-computer interaction. In Nardi, B.A. (Ed). *Context and Consciousness: Activity theory and human-computer interaction*. Cambridge, MA, MIT Press.
- Ketokivi, M. & Castañer, X. (2004). Strategic planning as an integrative device. *Administrative Science Quarterly*, vol. 49, pp. 337-68.
- Keupp, M. & Gassmann, O. (2009). International innovation and strategic initiatives: A research agenda. *International Business and Finance*, vol. 23, pp. 193-205.
- Kidder, L. H. & Judd, C. M. (1986). *Research methods in social relations*, 5th edition. New York: Holt, Rinehart & Winston.

- Kim, Jiyul. (2009). *Cultural dimensions of strategy and policy*. Strategy Studies Institute.
- King, Gary, Robert O. Keohane & Sidney Verba. (1994). *Designing Social Inquiry: Scientific Inference in Qualitative Research*. Princeton, NJ: Princeton University Press.
- King, N. (2004). Using interviews in qualitative research. In Cassell, C. & Symon, G. (Eds). *Essential Guide to qualitative methods in organizational research*. London, Sage Publications.
- Knights, D. & Morgan, G. (1991). Corporate Strategy, Organisations and Subjectivity. *Organisation Studies*, vol. 12, pp. 251-273.
- Koufopoulos, D. N. & Chrysochoidis, G. M. (2000). The effects of an uncertain country environment upon leadership and strategic planning practices. *Strategic Change*, vol. 9, pp. 379-395.
- Koufopoulos, D. & Morgan, N. (1994). Competitive pressures force Greek entrepreneurs to plan. *Long Range Planning*, vol. 27, no.4, pp. 112-124.
- Kuhlthau, Carol C. (1993). *Seeking meaning: A process approach to library and information services*. Norwood, NJ, Ablex Publishing Corp.
- Kukalis, S. (1991). Determinants of strategic planning systems in large organizations: A Contingency Approach. *Journal of Management Studies*, vol. 28, pp. 143-160.
- Kumar, D. (2010). *Enterprise growth strategy: Vision, planning, execution*. Farnham, Gower.
- Kuutti K. (1996). Activity theory as a potential framework for human-computer interaction research. In Nardi (Ed.). *Context and consciousness: activity theory and human-Computer interaction*, pp. 17-44. Cambridge, MIT Press.
- Lave, J. & Wenger, E. (1991). *Situated Learning: Legitimate Peripheral Participation*. Cambridge, UK: Cambridge University Press.
- Leavy, Brian & Wilson, David. (1994). *Strategy and Leadership*. London: Routledge.
- Lechner, C. (2005). *A primer to strategy process research*. Goettingen, Cuvillier Verlag.
- Lechner, C. & Floyd, S. W. (2007). Searching, processing, codifying and practising - Key learning activities in exploratory initiatives. *Long Range Planning*, vol. 40, no. 1, pp. 9-29.
- Leontiev, A. N. (1981). The problem of activity in psychology. In Wertsch, J. (Ed). *The concept of activity in Soviet psychology*. Armonk, NY, Sharpe.
- Levin, D. M. (1988). *The opening of vision: Nihilism and the postmodern situation*. London: Routledge.
- Lincoln, Y. S. & Guba, E. G. (1985). *Naturalistic inquiry*. Beverly Hills, CA, Sage Publications.
- Lindsay, W. M. & Rue, L. W. (1980). Impact of organization environment on the long-range planning process: A contingency view. *Academy of Management Journal*, vol. 23, pp. 385-404.
- Lisinski, M. & Saruckij, M. (2006). Principles of the application of strategic planning methods. *Journal of Business Economics and Management*, vol. 7, no. 2, pp. 37-43.
- Lorange, Peter. (1993). *Strategic planning and control: Issues in the strategy process*. Oxford, Blackwell.
- Lounsbury, M. & Crumley, E. (2007). New practice creation: an institutional perspective on innovation. *Organization Studies*, vol. 28, no. 7, pp. 993-1012.
- Lovas, B. & Ghoshal, S. (2000). Strategy as guided evolution. *Strategic Management Journal*, vol. 21, pp. 875-896.
- Lowendahl, B. & Revange, O. (1998). Challenges to existing strategy theory in a post industrial society. *Strategic Management Journal*, vol. 19, pp. 755-773.
- Lowendahl, B. & Revang, O. (2004). Achieving results in an after modern context: thoughts on the role of strategising and organising. *European Management Review*, vol. 1 no. 1, pp. 49-54.

- Lyles, M. & Lenz, R.T. (1982). Managing the planning process: A field study of the human side of planning, *Strategic Management Journal*, vol. 3, no. 2, pp. 105-118.
- Lyles, M. A. (1990). A research agenda for strategic management in 1990s. *Journal of Management Studies*, vol. 27, pp. 363-75.
- Mantere, S. (2005). Strategic practices as enablers and disablers of championing activity. Recipient of the SO! What Award for the best paper in 2005. *Strategic Organization*, vol. 3, no. 2, pp. 157-184.
- Mantere, S. & Vaara, E. (2008). On the problem of participation in strategy: a critical discursive Perspective. *Organisation Science*, vol. 19, pp. 341-58.
- Mantere, S. (2005). Strategic practices as enablers and disablers of championing Activity. *Strategic Organization*, vol. 3, no. 2, pp. 157-184.
- Martens, R.; Matthyssensa P. & Vandenbempt, K. (2011). Market strategy renewal as a dynamic incremental process. *Journal of Business Research*, Article in Press.
- Markides, C. (1995). *Diversification, re-focusing and economic performance*. Cambridge, MA, MIT Press.
- Martinsuo, M. (1999). *Promotion of values in a multinational enterprise*. Report no. 10. Espoo, Helsinki University of Technology, Department of Industrial Engineering and Management.
- Masor, J. (1996). *Qualitative researching*. 1<sup>st</sup> edition. London, SAGE Publications.
- Mathison, S. (1988). Why triangulate? *Educational Researcher*, vol. 17, no. 2, pp. 13-17.
- McGrath, G.; MacMillan, I. C. & Venkataraman, S. (1995). Defining and developing competence: A strategic process paradigm. *Strategic Management Journal*, vol. 16, pp. 251-275.
- McGrath, R. G. (2001). Exploratory learning, innovative capacity and managerial oversight. *Academy of Management Journal*, vol. 44, no. 1, pp. 118-131.
- Mehra, A., Kilduff, M. & Brass, D. (2001). The social networks of high and low self-monitors: implications for workplace performance. *Administrative Science Quarterly*, vol. 46, pp. 121-46.
- Merriam, S. B. (1998). *Qualitative research and case study applications in education*. San Francisco, Jossey-Bass.
- Miles, M. & Hubermann, A. (1994). *An expanded sourcebook Qualitative Data Analysis*. London, Sage Publications.
- Mill, J. S. (1872/1973). System of logic (8th ed). In J. M. Robson (Ed.). *Collected works of John Stuart Mill* (Vols. 7, & 8). Toronto, Canada: University of Toronto Press
- Miller, D. (1983). The correlates of entrepreneurship in three types of firms. *Management Science*, vol. 29, pp. 770-791.
- Miller, C. C. & Cardinal, L. B. (1994). Strategic planning and firm performance: a synthesis of more than two decades of research. *Academy of Management Journal*, vol. 37, pp. 1649-65.
- Mintzberg, H. (1978). Patterns in strategy formation, *Management Science*, vol. 24, pp. 934-948.
- Mintzberg, H. & Quinn, J. B. (1991). *The strategy process. Concepts, contexts, cases*. Second edition. Englewood Cliffs, NJ, Prentice Hall.
- Mintzberg, H. (1994). *The rise and fall of strategic planning*. New York, Free Press.
- Mintzberg, H. (2009). *Managing*. San Francisco, CA: Berrett Koehler and Pearson.
- Mintzberg, H.; Ahlstrand, B. & Lampel, J. (1998). *Strategy safari: A guided tour through the wilds of strategic management*. New York, The Free Press.
- Mooij, Dr Mariede De. (2009). Cross-cultural communication in a globalised world. Available at:

- <http://www.fco.gov.uk/en/about-the-fco/publications/publications/pd-publication/cross-cultural> (accessed May 2013).
- Morrison, M. & Terziovski, M. (2001). Quality management practices and the link to potential learning outcomes within the Australian retail sector. *Learning Organization*, vol. 4, no. 8, pp. 176-185.
- Mwanza, D. (2001). Where theory meets practice: a case for an activity theory based methodology to guide computer system design. In M. Hirose (Ed.). *Proceedings of INTERACT' 2001*, Oxford, UK: IOS Press.
- Nelson, R. & Winter, S. (1982). *An evolutionary theory of economic change*. Cambridge, MA, Harvard University Press.
- Nonaka, I. (1994). A dynamic theory of organizational knowledge creation. *Organization Science*, vol. 5, no. 1, pp. 14-37.
- Nutt, P. C. (1977). An experimental comparison of the effectiveness of three planning methods. *Management Science*, vol. 23, pp. 499-511.
- Nutt, P. C. (1986). The tactics of implementation. *Academy of Management Journal*, vol. 29, pp. 230-261.
- Nutt, P. C. (1987). Identifying and Appraising How Managers Install Strategy. *Strategic Management Journal*, vol. 8, no. 1, p. 1.
- Nutt, P. C. (1989). Selecting Tactics To Implement Strategic Plans. *Strategic Management Journal*, vol. 10, no. 2, pp. 145-145.
- Nutt, P. C. (2004). Expanding the search for alternatives during strategic decision-making. *The Academy of Management Executive*, vol. 18, no. 4, pp. 13-28.
- Nutt, P. C. (2008). Investigating the Success of Decision Making Processes. *The Journal of Management Studies*, vol. 45, no. 2, pp. 425.
- Ocasio, W. & Joseph J. (2006). Rise and fall or transformation? The evolution of strategic planning at the general electric company, 1940e. *Long Range Planning*, vol. 41, pp. 248-272.
- Okioga, Charles Kombo. (2012). Strategies which are key to the success of the corporate institution in Kenya. A case of selected corporate institutions in Kenya. *European Journal of Business and Management*, vol. 4, no. 15, pp. 31-43.
- O'Regan, N. & Ghobadian, A. (2007). Formal strategic planning: annual rain dance or wheel of success? *Strategic Change*, vol. 16, issue 1-2, pp. 11-22.
- Ouchi, William. (1980). Markets, bureaucracies, and clans. *Administrative Science Quarterly*, vol. 25, pp. 129-141.
- Pappas J. M. & Wooldridge, B. (2007). Middle managers' divergent strategic activity: An investigation of multiple measures of network centrality. *Journal of Management Studies*, vol. 44, no. 3, pp. 23-80.
- Paroutis, Sotirios & Pettigrew, Andrew. (2007). Strategizing in the multi-business firm: Strategy teams at multiple levels and over time. *Human Relations*, vol. 60, no. 1, pp. 99-135.
- Patton, M. Q. (2002). *Qualitative research and evaluation methods*. London, Sage Publications.
- Pennypacker, James S. & Ritchie, Paul. (2005). The four Ps of strategy execution: Integrating portfolio, program, project, and performance management. *2005 PMI Global Congress Proceedings*, held in Toronto, Canada.
- Pettigrew, A. M. (1992). The character and significance of strategy process research. *Academy of Management Review*, vol. 13, pp. 5-16.
- Pettigrew, A. M.; Thomas, H. & Whittington, R. (2006). *Strategy and management*. Sage Publication Ltd.
- Pfeffer, J. & Salancik, G. (1978). *The external control of organizations: A resource dependence perspective*. New York, Harper and Row.

- Poister, Theodore H. (2003). *Measuring performance in public and nonprofit organizations*. John Wiley & Sons.
- Porter, Michael E. (1980). *Competitive strategy: techniques for analysing industries and firms*. New York, Free Press.
- Porter, Michael E. (1996). What is strategy? *Harvard Business Review*, Nov-Dec., pp. 61-78.
- Porter, Michael E. (2008). The five competitive forces that shape strategy. *Harvard Business Review*, vol. 19, no. 4, pp. 95-106.
- Quinn J. (1980). *Strategies for change: Logical incrementalism*. Homewood, IL, Irwin.
- Ramanujam, V.; Venkatraman, N. & Camillus, J. (1986). Multi-objective assessment of effectiveness of strategic planning: a discriminant analysis approach. *Academy of Management Review*, vol.29, no. 2, pp. 347-372.
- Rasche, Andreas. (2008). *The paradoxical foundation of strategic management*. Heidelberg, Physica-Verlag.
- Rasche, Andreas & Robert C. H. Chia. (2009). Researching strategy practices: a genealogical social theory perspective. *Organization Studies*, vol. 30, no. 7, pp. 713-734.
- Reckwitz, Andreas. (2002). Toward a theory of social practices: a development in culturalist theorizing. *European Journal of Social Theory*, vol. 5, no. 2, pp. 243-63.
- Regnér, P. (2003). Strategy creation in the periphery: Inductive versus deductive strategy making. *Journal of Management Studies*, vol. 40, no. 1, pp. 57-82.
- Reid, D. M. (1989). Operationalizing strategic planning. *Strategic Management Journal*, vol. 10, no. 6, pp. 553-567.
- Rigby D. (2001). Management tools and techniques: A survey. *California Management Review*, vol. 43, no. 2, pp. 139-160.
- Righeimer, John P. (N.d.). Aligning human resources and strategic plans. Maverick Energy. Available at: [http://www.maverickec.com/index\\_files/Aligning HR Strategy epulse.pdf](http://www.maverickec.com/index_files/Aligning HR Strategy epulse.pdf) (accessed June 2012).
- Roberts, M. & Silvester, K. (1996). Why ABC failed and how it may yet succeed. *Journal of Cost Management*, vol. 10, no. 2, pp. 23-35.
- Robson, C. (2002). *Real world research*. Blackwell Publishers.
- Roper, S. (1997). Product innovation and small business growth: A comparison of the strategies of UK, German and Irish firms. *Small Business Economics*, vol. 9, no. 6, pp. 523-537.
- Rumelt, R. (1974). *Strategy, structure and profitability*. Boston, MA, Harvard Business School Press.
- Rumelt, Richard P. (1982). Diversification strategy and profitability. *Strategic Management Journal*, vol. 3, no. 4, pp. 359-369.
- Ruocco, P. & Proctor, T. (1994). Strategic planning in practice: A creative approach. *Marketing Intelligence & Planning*, vol. 12, no. 9, pp. 24-29.
- Samra-Fredericks, D. (2003). Strategizing as lived experience and strategists' everyday efforts to shape strategic direction. *Journal of Management Studies*, vol. 40, no. 1, pp. 57-82.
- Saunders, M.; Lewis, P. & Thornhill, A. (2007). *Research methods for business students*. Essex, Prentice Hall.
- Schatzki et al. (2001). Introduction: Practice theory. In Theodore R.; Schatzki, Karin Knorr-Cetina, & Eike von Savigny. (Ed's). *The practice turn in contemporary theory*, pp. 1-14. London, Routledge.
- Schmid, T. (2005). The strategist as pragmatist: Empirical insights into the practice of managing strategic initiatives and renewal in large firms. Institute of Management (IfB), University of St. Gallen, Switzerland.
- Schmidt, M. & Hollensen S. (2006). *Marketing research. An international approach*. London, Prentice Hall.

- Schneider, Susan C. & Meyer, Arnaud De. (1989). Interpreting and responding to strategic issues: the impact of national culture. *European Institute of Business Administration*. No. 89/61, A11.
- Schreyögg, G. H. & Steinmann, H. (1987). Strategic control - A new perspective. *Academy of Management Review* vol. 12, pp. 91-103.
- Schriefer, A. (1998). The future: Trends, discontinuities, and opportunities. *Strategy and Leadership*, vol. 26, no. 1, pp. 26-32.
- Seale, Clive. (1999). Quality in qualitative research. *Qualitative Inquiry*, vol. 5, no. 4, pp. 465-478. Sage Publications, Inc.
- Sears, David. (2003). *Successful talent strategies: Achieving superior business results through market-focused staffing*. AMACOM Div. American Management Association.
- Seel, Richard. (2000). Culture and complexity: new insights on organisational change. *Culture & Complexity – Organisations & People*, vol. 7, no. 2, pp. 2-9.
- Selznick, P. (1957). *Leadership in administration*. New York, Harper & Row.
- Sharfman, M. P. & Dean, J. W. (1997). Flexibility in strategic decision making: Informational and institutional perspectives. *Journal of Management Studies*, vol. 34, pp. 191-218.
- Sinha, D. K. (1990). The contribution of formal planning to decisions. *Strategic Management Journal*, vol. 11, no. 6, pp. 479-492.
- Spender, J.C. (1996). Making Knowledge the Basis of a Dynamic Theory of the Firm. *Strategic Management Journal*, vol. 17, pp. 45-62.
- Spender, J. C. & Grinyer, P. H. (1996). Organisational Renewal: Deinstitutionalization and Loosely Coupled Systems. *International Studies of Management and Organization*, vol. 26, pp. 17-40.
- Stake, R. E. (2000). Case studies. In N. K. Denzin & Y. S. Lincoln. (Eds.). *Handbook of qualitative research*, Second edition, pp. 435-454. Thousand Oaks, CA: Sage Publications, Inc.
- Steiner, George A. (1997). *Strategic planning: What every manager must know*. New York, Free Press.
- Strauss, A. & Corbin, J. (1990). *Basics of qualitative research: techniques and procedures for developing grounded theory*. Thousand Oaks, CA. USA: Sage Publications, Inc.
- Staw, B. & Ross, J. (1987). Knowing when to pull the plug. *Harvard Business Review*, vol. 65, no. 2, pp. 68-74.
- Storey, D. (1994). *Understanding the small business sector*. London, Routledge.
- Taylor, B. (1997). The return of strategic planning once more with feeling. *Long Range Planning*, vol. 30, no.3, pp. 334-344.
- Tsoukas, H. & Chia, R. (2002). On organisational becoming: rethinking organisational change. *Organisation Science*, vol. 13, no. 5, pp. 567-582.
- Turner, Stephen. (1994). *The social theory of practices*. Chicago, University of Chicago Press.
- Tushman, M. L. & O'Reilly, C. A. (1996). Ambidextrous organizations: managing evolutionary and revolutionary change. *California Management Review*, vol. 38, no.4, pp. 8-30.
- Vancil, R. F. & Lorange, P. (1975). Strategic planning in diversified companies. *Harvard Business Review*, vol. 53, no. 1, pp. 81-90.
- Vygotsky, L. (1978). *Mind in society: The development of higher psychological processes*. Cambridge, MA: Harvard University Press.
- Wallace, M. P. (2001). A strategic formulation process for strategic planning. Available at: [www.usfa.dhs.gov/pdf/efop/efo33499.pdf](http://www.usfa.dhs.gov/pdf/efop/efo33499.pdf) [last accessed 25th July 2011].

- Walsh, J. P. (1995). Managerial and organizational cognition: Notes from a trip down memory lane. *Organization Science*, vol. 6, pp. 280-321.
- Walter, Frank & Bruch, Heike. (2010). Structural impacts on the occurrence and effectiveness of transformational leadership: An empirical study at the organizational level of analysis. *The Leadership Quarterly*, vol. 21, no. 5, pp. 765-782.
- Webster, J. L.; Reif, W. E. & Bracker, J. S. (1989). The manager's guide to strategic planning tools and techniques, *Planning Review*, vol. 17, pp. 4-13.
- Weick, K. E. (1987). Substitutes for corporate strategy. In D. J. Teece (Ed.). *The competitive challenge - Strategies for industrial innovation and renewal*, pp. 221-33. Cambridge, MA: Ballinger.
- Wells, S. (2006). *Choosing the future, the power of strategic thinking*. Butterworth-Heinemann.
- Whittington, R. (1996). Strategy as practice. *Long range planning*, vol. 29, no. 5, pp. 731-735.
- Whittington, R. (2001). *What is strategy - and does it matter?* 2nd edition. London, Thomson Learning.
- Whittington, R. (2002a). Practice perspectives on strategy: Unifying and developing a field. *Academy of Management Conference Proceedings*, Denver, CO.
- Whittington, R. (2002b). *Corporate structure: From policy to practice, Handbook of strategy and management*. California, Sage Publications.
- Whittington, R. (2003). The work of strategizing and organizing: For a practice perspective. *Strategic Organization*, vol.1, no.1, pp. 119-127.
- Whittington, R. (2006). Completing the practice turn in strategy research. *Organisation Studies*, vol. 27, no. 5, pp. 613-634.
- Whittington, R. & Caillaud, L. (2008). The crafts of strategy. *Long Range Planning*, vol. 41, pp. 241-7.
- Whitworth, Alan & Cheatham, Christopher. (1988). Appraisal of the Yonki Dam hydroelectric project. *Project Appraisal*, vol. 3, no. 1, March, pp. 13-20.
- Williamson. O. E. (1991). Strategizing, economizing, and economic organization. *Strategic Management Journal*, vol. 12, pp. 75-94.
- Witcher, Barry J. & Chau, Vinh Sum. (2010). *Strategic management: Principles and practice*. Cengage Learning EMEA.
- Wooldridge, B. & Floyd, S. W. (1990). The strategy process, middle management involvement, and organizational performance. *Strategic Management Journal*, vol. 11, pp. 231-241.
- Yamagata-Lynch, L. C. & Smaldino, S. (2007). Using activity theory to evaluate and improve K-12 school and university partnerships. *Evaluation and Program Planning*, vol. 30, no. 4, pp. 364-380.
- Yin, R. (1994). *Case study research: Design and methods*, 2nd edition. Beverly Hills, CA: Sage Publishing.
- Yin, R. K. (2003). *Case study research design and method*, 3rd edition. USA, Sage Publications.
- Zahra, S. A.; Nielsen, A. P. & Bogner, W. C. (1999). Corporate entrepreneurship, knowledge and competence development. *Entrepreneurship: Theory & Practice*, vol. 23, no. 3, pp. 169-189.
- Zollo, M. & Winter, S. G. (2002). Deliberate learning and the evolution of dynamic capabilities. *Organization Science*, vol. 13, no. 3, pp. 339- 351.

## Websites

### **Government Departments/Commissions/Ministries**

Central Department of Statistics & Information. (2010). Kingdom of Saudi Arabia. <http://www.cdsi.gov.sa/english>.

Communication and Information Technology Commission. (2010). Annual report, 2010. Kingdom of Saudi Arabia. <http://www.citc.gov.sa/english/Pages/default.aspx>.

Ministry of Communications and Information Technology. (2012). Saudi Arabia. <http://www.mcit.gov.sa/english>.

Ministry of Foreign Affairs. (2008). Kingdom of Saudi Arabia. <http://www.mofa.gov.sa/sites/mofaen/Pages/Default.aspx>.

Ministry of Planning. (2012). Kingdom of Saudi Arabia. <http://www.mep.gov.sa>.

### **Telecommunication Companies**

Etihad Etisalat Company. (2012). Kingdom of Saudi Arabia. See Mobily.

Mobily. (2012). Mobily Company. Kingdom of Saudi Arabia. <http://www.mobily.com.sa/wps/portal/personal/?resetPortlet=true>.

Mobily Annual Report, (2009). Available at: <http://www.mobily.com.sa/wps/portal/about/investor-relations/annual-report>.

Interim Fact Sheet. (2010) Available at: <http://www.mobily.com.sa/wps/portal/about/investor-relations/financial-information>.

STC. (2012). <http://www.stc.com.sa>.

STC Annual Report. (2010). Available at: [www.scribd.com/doc/90961344/STC-Annual-Report-2010-Eng](http://www.scribd.com/doc/90961344/STC-Annual-Report-2010-Eng)

Zain. (2012). [www.zain.com](http://www.zain.com).

### **Other**

Elaph. (2008). [www.elaph.com](http://www.elaph.com).

# ***Appendices***

## **Appendix A: Research Questions and Guide**

### ***A1: Research questions for the interviews***

#### **Introduction**

1. What are the strategy, goals, vision, and mission of the company?
2. What are the main business activities?
3. What are the current offered products and services?
4. Do you have any plans to add new products or services? If so, what are they and when? And why? Do these new products and services contribute to stay competitive?
5. What is your target market?
6. Describe the company environment of the 'Saudi telecommunication sector'.
7. Do you have strong competitive companies? If so, specify these. What does the competition involve?
8. What is the company order amongst the three Saudi telecommunication company?
9. What are the companies' strengths, opportunities, threats, and weaknesses?
10. Who are the current and previous CEOs?

#### **FOR STRATEGIC PLANNING PROCESS**

11. What are the previous strategies of the company? Can the current strategy be distinguished from the previous one? If so, explain.
12. What are the main factors which affect the company in making its strategy? Do these involve the future goals/ competition/coordination between other goals?
13. How does your strategic planning work? What are the key activities and who is involved in this?
14. What is the core feature for implementing strategic planning 'in relation to traditionally implementing'?
15. Is the practice of strategic planning considered as scenario mechanism or changeable?
16. How is the strategy formed? Who is involved in strategy formulation?
17. Do you think that strategy making in this company adopts centralisation or decentralisation?
18. Does the company take extensiveness in strategy as an element in preparing for a new strategy?
19. Which is the main department in terms of implementing the strategy?
20. What is the strategy's duration?

21. What are the strategic activities involved?
22. What are the stages of practising strategic planning in the company? Specify the responsible person/department for each stage.
23. What are the frequently used tools for implementing the strategy?
24. Do you think that everyday activities in practising strategic planning are important? What are your thoughts on the effects of participation and communication on strategic planning practices?
25. How can employees practice strategic planning?
26. Are there special roles for each employee in terms of practising strategic planning? If so, clarify.
27. Does the company keep the strategy without making any changes during the implementation process?
28. If there is any need to change, who determine this change 'responsibly'? When does the company adopt such changes?
29. Do you think these changes are important?
30. Do these changes relate to the structure or practice of strategic planning?
31. Do you think the activities of implementation of the strategy are frequent?

#### **FOR STRATEGIC INITIATIVES**

32. When does the company decide to add new products or services?
33. What are the motives when adopting new changes?
34. What are the new offered products and services in this company?
35. What are the features of these products and services? What are their distinctions of other products and services in the whole market?
36. When does the company decide to adopt new strategies, or present new products and services?
37. What is the reaction from the customer/employee for these new products and services?
38. In general, what are the market reactions of these products and services?
39. Are there any special reactions from any competitive company? If so, explain these.
40. What are the involved strategic activities when ensuring the success of these new products and services?
41. How can the employees implement these new strategic activities?
42. Does the company provide training for the employees before launching any new products and services? If so, explain (and provide examples where possible).
43. Are the trainings enough for the employees? Does the company need to add any new training? If so, in what sector and why?

44. Does the company experience difficulties when establishing new products or services? If so, what are these difficulties, and how could the company eliminate them?
45. Is the company affected by any roles from the government 'liberalisation and deregulation'? If so, explain.
46. What are the governmental reactions to any new offers?
47. What are the sustainable efforts from the company in terms of maintaining and increasing its success?

***A2: Research questions for the observations***

1. How was the strategy created?
2. What are the objectives of the strategy?
3. Who is involved in the strategy formulation/implementation?
4. What are the stages of practising the strategy, and how are these carried out?
5. How do the employees practice strategic planning?
6. What are the activity features of strategic planning practising?
7. Do all members agree on the strategy and in their roles?
8. How do the members interact in terms of practising strategic planning?
9. How do the members interact amongst each other, and between high and low levels?
10. Are there any delays in implementing strategic planning? If so, from whom and at what stage?
11. What are the effects of the internal/external environment in terms of practising strategic planning?
12. What are the stages of initiating a new strategy?
13. What are the members' roles in initiating a new strategy?
14. Do the members agree on implementing new initiatives? What are their reactions?
15. How do the members implement new strategic initiatives?

**A3: Research Guide for Carrying Out the Observations**

Table 65: Guide to carrying out observations

<b>What to observe</b>		
Program/Activity/Project/Event	Organisational Dimension	Non-verbal Communication
1-Context and Setting	1-Centralised/ Decentralised decision making	1-Employees' action -Wanting attention and involvement
2- Goals	2- Routines/ non-routine of work decisions	2- Employee's facial expression
3- Inputs	3- Leadership	3- Body language - Hostility, disapproval, support
4- People involved	4- Communication pattern	
5- Implementation	5- Organisational culture -Languages, symbols	
6- Processes - Activities Programs Practices	6- Organisational Structure: - Reporting lines, hierarchies, and the way that the work flows through the Business	
7- Impact	7- Authority patterns	
8- Outcomes New product and services development New business practices	8- Rewards/ Punishment; Incentives/ Disincentives	
9-Strength	9- Competition/Cooperation	
10- Weaknesses	10- Decision Making	
11- Barriers	11- Change	
12- People's view	12- Practices	
13- Speed		

(Source: Adapted from Patton, 2002)

## Appendix B: Background Information about Saudi Arabia

### B1: Maps of the Kingdom of Saudi Arabia



Source : <http://www.worldatlas.com/webimage/countrys/asia/sa.htm>

## ***B2: Location and Historical Overview***

The KSA is located in South-West Asia, with Iraq, Jordan and Kuwait at its northernmost border; the Arabian Gulf, Bahrain, Qatar and United Arab Emirates to the East; the Sultanate of Oman and the Yemen Republic at the southernmost border, and the Red Sea to the West. KSA occupies a total area of 2.25 million square kilometres, which is a large proportion (almost 80%) of the Arabian Peninsula (Ministry of Planning, 2012).

With respect to its history, the Peninsula was the birthplace of the Prophet Muhammad (pbuh), the founder of the monotheistic religion of Islam, and during the hundred years following his death in 632 AD, Islam spread eastwards to India and westwards towards Spain. Saudi Arabia lies at the heart of the Islamic world, and contains the sites of the two holy mosques in Makkah and Madinah. The KSA is also recognised as being at the heart of the prayer and devotion exhibited by all Muslims across the globe.

At this point, it is pertinent to a brief overview of Islam. This religion, whose followers are called Muslims, holds that there is only one God (Allah), and that Muhammad was His final prophet. In the present day, there is a huge population of Muslims, in excess of one billion from a range of different cultures and races. The history and subsequent growth of the KSA specifically, and the Arabian Peninsula as a whole, has been significantly affected by Islam. Notably, throughout the seventh and eighth centuries, a neutralisation and unification of Islam took place, which resulted in the interests and loyalties of Peninsula Arabs and Central Asian and Atlantic Ocean Muslims to initially come into conflict, as noted by Al-Farsy (1986). The vast empire of the Muslims was ruled under the guidance of the Holy Qur'an functioning as its constitution, and the Shariah (Islamic law) forming the foundation of its legal system. It can be stated that not only were people's lives guided by Islam, but also the political and economic functions and policies.

The geographical focus of this paper is on the Saudi state, which was formed from Ad-Dir'iyah in the central Arabian Peninsula in approximately 1744. Muhammad bin Saud, a local ruler at the time, joined forces with Muhammad bin Abdal-Wahhab, an Islamic reformer, who together subsequently established a new political entity. Following their cooperative struggle, an agreement was made between the two to get 'the Arab of the peninsula back to the true faith of the Islamic religion' (Al-Farsy, 1986). Accordingly, for the next century and a half, the bin Saud family experienced significant increases and decreases in its wealth, with Saudi rulers competing with Arabian tribes, Egypt, and the Ottoman Empire, all seeking to achieve control of the peninsula.

The Saudi state as it exists today was founded by the late King Abdul Aziz Al-Saud who, at the beginning of the 20<sup>th</sup> Century, in 1902, recaptured the ancestral capital of the Al-Saud dynasty, i.e. Riyadh, from its rival family — the Al-Risheeds. Abdul Aziz then continued with his conquests, pacified Nejd at the heart of Saudi Arabia, Al-Hasa in the east, and Hijaz in the south, during the period 1913–1926. Six years later, in 1932, the Kingdom of Saudi Arabia was formed following the unification of these different regions.

## ***B3: Political Profile of Saudi Arabia***

The Saudi Arabian government's central institution is the monarchy. In its basic law, which was implemented in 1992, it was declared that the country would remain a monarchy governed by

King Abdul Aziz Al-Saud's sons and grandsons. It was further stated that the country's constitution is the Holy Qur'an, notably governed on the foundation of Shari'ah law. Importantly, since the middle of the 20<sup>th</sup> Century, the responsibility of devising and supervising the adoption of defence, economic, educational, financial, and internal and external policies, as well as general affairs of the state, have been shouldered by the Council of Ministers, as appointed by and answerable to the monarch (Al-Farsy, 1986). This council comprises of a prime minister, two deputy prime ministers (first and second), 27 ministers, five ministers of state, and a number of major autonomous organisational heads and advisers.

In a further attempt to ensure progress in the reformation of the KSA, in 1992, King Fahad delivered a royal decree, which marked the creation of a national Consultative Council — sometimes referred to as Majlis Al-Shoura — with various members appointed with advisory powers to oversee and provide advice on any matter deemed to be of public interest. Later, in mid-1997, the Consultative Council's membership was expanded, subsequently comprising of 90 members — a 50% increase from its previous 60 members. Again, in May 2001, the Council membership was increased a further 33%, totalling 120 members. With this in mind, alongside the fact that a number of members had not been reappointed, it can be seen why membership had significantly changed during each of the expansions. As a result of these developments, the Council's role has been similarly expanding with the gaining of experience. Accordingly, new legislations may be proposed by the members, with the government's policies — both domestic and foreign — that are able to be reviewed by such individuals. However, it is to be noted that any government actions not approved or authorised by the Council are then considered by the king, who has an overseeing position in terms of state affairs. Furthermore, the power and authority to appoint and dismiss Council members and ministers rests with the king, who notably, is also able to dissolve or restructure the Council, and appoint new members at any time.

It is recognised that KSA's legislation — which needs to ensure compatibility with Shari'ah law — is reviewed by the Majlis Al-Shoura, and subsequently established by the Council and Ministers, and ratified through royal decree. Moreover, a system of religious courts is responsible for justice in the country, beginning with expeditious courts that slowly progress up a hierarchical framework, ultimately reaching the peak of the Shari'ah courts with the Commission on Judicial Supervision (Al-Farsy, 1986). Notably, the system judges are assigned by the king following the Supreme Judicial Council's recommendations, the independence of which is ensured through law. Also, the uppermost position of Court of Appeal is maintained by the king, who alone has the power to pardon.

#### ***B4: Population of Saudi Arabia***

The Central Department of Statistics and Information announced the initial results of the 2010 census, which revealed the total Saudi population to be 27,136,977 million. Subsequently, there was found to be 18,707,576 million citizens within Saudi Arabia, and a further 8,429,401 million of non-Saudi origin. Of the Saudi national population in 2010, 9,527,173 million were male and 9,180,403 were female (Central Department of Statistics & Information, 2010).

#### ***B5: Significance of Saudi Arabia***

Saudi Arabia is recognised as being one of the most important countries in the world. This status owes to its significance in terms of the economy, especially oil wealth, and due to religion.

### **Religious Significance**

Saudi Arabia is viewed as being one of the most important countries in the context of the Islamic world owing to the fact that it is the Islamic religion's birth land, and was home to the Prophet Muhammad (pbuh). Furthermore, the country is also home to the two holy mosques in Makkah and Madinah, which are visited by Muslims across the globe. They are required to visit such places on at least one occasion during their lifetime with the aim of performing the pilgrimage, called the *Hajj*, which is recognised as one of the five pillars of Islam. Furthermore, Saudi Arabia as a country, is the host land of the Muslim World League and an active member of the Organisation of the Islamic Conference (OIC). Accordingly, it has sought to play a central role in overcoming a number of obstacles, not only associated with Islam in particular, but also those associated with various Muslim and non-Muslim countries of the world in general. In this regard, it is pertinent to highlight that the IDB (Islamic Development Bank), located in Jeddah, conducts a significant socio-economic role in the development of member countries through granting various projects in the Islamic world —such as charity works, and the building of colleges, hospitals, schools and universities — along with funding (Alfarsy, 2001).

### **Economic Significance**

Besides being the single largest producer of oil in the world, Saudi Arabia is also acknowledged as a leader in the Organisation of the Petroleum Exporting Countries (OPEC) (Alfarsy, 2001). As highlighted in the operations and activities report issued in 2005 by Aramco — which is recognised as the largest oil organisation in the world — Saudi Arabia has 25% of the world's oil reserves, and is in a position to export approximately 12 million barrels on a daily basis. Furthermore, as has been highlighted by the Saudi Arabian Ministry of Foreign Affairs (2006), and was predicted by the EIA (Environment Investment Agency), Saudi Arabia produces almost 11 million barrels of oil per day, including natural gas liquids, crude oil, and other liquid oil. In addition, it is further noted by the Oil and Gas Journal that the natural gas reserves of the country are predicted to be approximately 235 trillion cubic feet, with the country positioned as fourth in the world for the volume of gas reserves (Ministry of Foreign Affairs, 2008).

## Appendix C: Confirmation Emails Regarding the Illustration of the Companies' Strategic Planning

### C1: Confirmation Email from Mobily

From: ysalawi@Mobily.com.sa  
To: hjalotaibi@hotmail.com  
Date: Sat, 11 March 2011, 09:38:16 +0300  
Subject: Re: بحث استراتيجي

الباحثة/ هناء العتيبي.....

. اعتماداً على الرسومات الخاصة بالتخطيط الاستراتيجي التي قمت بإعدادها، فإنني أؤكد بأنها تمثل الخطوات والمراحل الأساسية لعملية التخطيط الاستراتيجي. أشكر لك بذل الجهد والتنسيق في جمع كل هذه المعلومات، كما أود التنويه بأنه تم تعديل بعض الملاحظات في اخر نشاط من الأنشطة كما هو مرفق لكم بالاميل.

كل التحايا،



مدير عام التخطيط الإستراتيجي  
يحيى عواجي صلوي

[From: Hana Alotaibi [mailto:hjalotaibi@hotmail.com  
Sent: Tuesday, March 08, 2011 03:50 ص  
To: YAHYA A. HAMDI  
Subject: بحث استراتيجي

سعادة مدير عام التخطيط الاستراتيجي الأستاذ/ يحيى عواجي صلوي..... المحترم

السلام عليكم ورحمة الله وبركاته،،،

أتقدم لكم بجزيل الشكر ووافر الامتنان لرقيكم الكريم ولتعاونكم في المشاركة في هذا البحث الذي سوف يكون فقط لأغراض البحث العلمي ولن يتم استخدام أي معلومات خارج نطاق البحث العلمي.

بالنسبة لخطوات التخطيط الاستراتيجي، فقد تم اعداد نموذج يمثل خطوات التخطيط الاستراتيجي بناء على ما تم جمعه من معلومات من خلال المقابلات والمستندات الخاصة بالشركة.

يرجى الاطلاع على النموذج وابداء مريياتكم حيال ذلك.

أكرر الشكر الجزيل لكم، ودمتم بحفظ الله ورعايته،،،

أ.هنا العتيبي

ماجستير ادارة اعمال

محاضرة في كلية العلوم الادارية والمالية، جامعة الطائف

طالبة دكتوراه، جامعة ساوثهامبتون، بريطانيا

جوال: 909418498-7-0044 /0504388098

ايميل:

[H.ALOTAIBI@SOTON.AC.UK](mailto:H.ALOTAIBI@SOTON.AC.UK)

[HJALOTAIBI@HOTMAIL.COM](mailto:HJALOTAIBI@HOTMAIL.COM)

The information in this email may contain confidential material and it is intended solely for the addresses. Access to this email by anyone else is unauthorized. If you are not the intended recipient, please delete the email and destroy any copies of it, any disclosure, copying, distribution is prohibited and may be considered unlawful. Contents of this email and any attachments may be altered, Statement and opinions expressed in this email are those of the sender, and do not necessarily reflect those of Mobily Company.

قد يحتوي هذا البريد الالكتروني على معلومات سرية موجهة إلى الأشخاص المرسله لهم فقط ولا يصرح لأي شخص آخر الاطلاع عليها، وفي حال استلام هذا البريد الالكتروني بشكل خاطئ فإنه يجب حذفه وإبلاغ المرسل بشكل مباشر. وأي تسريب لتلك المعلومات أو نسخها أو نشرها يعد أمراً مخالفاً وقد يؤدي إلى المسائلة القانونية، كما أن الآراء المذكورة بهذا البريد تمثل رأي مرسلها ولا تعبر بالضرورة عن رأي شركة اتحاد الاتصالات موبايلي.

The information in this email may contain confidential material and it is intended solely for the addresses. Access to this email by anyone else is unauthorized. If you are not the intended recipient, please delete the email and destroy any copies of it, any disclosure, copying, distribution is prohibited and may be considered unlawful. Contents of this email and any attachments may be altered, Statement and opinions expressed in this email are those of the sender, and do not necessarily reflect those of Mobily Company.

قد يحتوي هذا البريد الالكتروني على معلومات سرية موجهة إلى الأشخاص المرسله لهم فقط ولا يصرح لأي شخص آخر الاطلاع عليها، وفي حال استلام هذا البريد الالكتروني بشكل خاطئ فإنه يجب حذفه وإبلاغ المرسل بشكل مباشر. وأي تسريب لتلك المعلومات أو نسخها أو نشرها يعد أمراً مخالفاً وقد يؤدي إلى المسائلة القانونية، كما أن الآراء المذكورة بهذا البريد تمثل رأي مرسلها ولا تعبر بالضرورة عن رأي شركة اتحاد الاتصالات موبايلي.

Translation of the above email:

A Reply Email from: Gm of Strategic Planning at Mobily:

Dear Hana,

Based on the figures of strategic planning you have prepared, I can confirm you that they represent the steps and the main steps of the strategic planning process. Thank you for your efforts for gathering all these information, and I notify you that I revised some notes in the last activity as is attached in the email.

Regards,

GM of Strategic Planning

*Hana Alotaibi*

An Email from the researcher to the GM of strategic Planning-Mobily

Dear Mr. Salawi,

I would like to thank you for your corporation to participate in this scientific research.

For strategic planning steps, a figure was prepared which represents strategic planning process based on the gathered information from the interviews and the company documents. Please review this figure and i am awaiting your opinion in that.

Thank you again,

Best wishes,

Hana Alotaibi

PhD researcher, The University of Southampton, UK

Tel: 0504388098/ 0044-7-909418498

E-mail:

H.ALOTAIBI@SOTON.AC.UK

HJALOTAIBI@HOTMAIL.COM

## C2: Confirmation Email from Zain

From: Hani A. Al-Nasser (hani.nasser@sa.zain.com)  
Sent: Tuesday, April 12, 2011 7:29:56 AM  
To: hjalotaibi@hotmail.com (hjalotaibi@hotmail.com)  
Cc: Abdullah Aldamer (abdullah.aldamer@sa.zain.com);

Dear Hana Alotaibi,

Thank you for your contact, and your effort to develop a figure. I am happy to confirm that it represents the actual stages of the planning process.

Good luck for you in your research.

Regards,

**Hani A. Al-Nasser**



*Strategic Partnership Manager*

*Strategy & Business  
Development*

*Zain - Kingdom of Saudi Arabia*

*eMail: [Hani.Nasser@sa.zain.com](mailto:Hani.Nasser@sa.zain.com)*

---

[From: Hana Alotaibi [mailto:hjalotaibi@hotmail.com]

Sent: Saturday, April 09, 2011 07:50 ص

To: Hani Alnasser

Subject: RE بحث استراتيجي

سعادة مدير تطوير الاستراتيجيات والاعمال الأستاذ/ هاني الناصر..... المحترم

السلام عليكم ورحمة الله وبركاته،،،

أتقدم لكم بجزيل الشكر ووافر الامتنان لرفيكم الكريم ولتعاونكم في المشاركة في هذا البحث الذي سوف يكون فقط لأغراض البحث العلمي ولن يتم استخدام أي معلومات خارج نطاق البحث العلمي.

بالنسبة لخطوات التخطيط الاستراتيجي، فقد تم اعداد نموذج يمثل خطوات التخطيط الاستراتيجي بناء على ما تم جمعه من معلومات من خلال المقابلات والمستندات الخاصة بالشركة.

يرجى الاطلاع على النموذج وابداء ملاحظاتكم حيال ذلك.

أكرر الشكر الجزيل لكم، ودمتم بحفظ الله ورعايته،،،

أ.هناء العتيبي  
ماجستير ادارة اعمال  
محاضرة في كلية العلوم الادارية والمالية، جامعة الطائف  
طالبة دكتوراه، جامعة ساوثهامبتون، بريطانيا  
جوال: 909418498-7-0044 /0504388098  
ايميل:  
[H.ALOTAIBI@SOTON.AC.UK](mailto:H.ALOTAIBI@SOTON.AC.UK)  
[HJALOTAIBI@HOTMAIL.COM](mailto:HJALOTAIBI@HOTMAIL.COM)

---

Disclaimer

This communication is intended for the above named person and is confidential and / or legally privileged. Any opinion(s) expressed in this communication are not necessarily those of Zain. If it has come to you in error you must take no action based upon it, nor must you print it, copy it, forward it, or show it to anyone. Please delete and destroy the e-mail and any attachments and inform the sender immediately. Thank you.

Zain is not responsible for the political, religious, racial or partisan opinion in any correspondence conducted by its domain users. Therefore, any such opinion expressed, whether explicitly or implicitly, in any said correspondence is not to be interpreted as that of Zain.

Zain may monitor all incoming and outgoing e-mails in line with Zain business practice. Although Zain has taken steps to ensure that e-mails and attachments are free from any virus, we advise that, in keeping with best business practice, the recipient must ensure they are actually virus free.

## Appendix D: Examples of Research Instruments

### *D1: Example of an Observation Diary*

Table 66: Example of an observation diary

Observation Diary	
Case: STC	Date: 25 / 10 / 2010
<p><b>1. Major Observation Events</b>            Attending the first meeting with a GM and two directors of strategy with other 4 directors from different units of the company.</p> <p><b>2. Observation Results</b>            The meeting environment depended on the conversations and presentations which were prepared from participant units. The general atmosphere of the meeting was very active and competitive. Each Manager from different units was trying to present some new initiatives to adopt, and their justifications for that.            The discussion was beneficial for the whole units. The decisions were made after they had enough discussions to clarify the whole issues of adopting each initiative, especially in relation with the strategy objectives. Therefore, some initiatives were transferred to other units to adopt.            The GM focused all the time on the related initiatives with STC vision for the next three years.</p> <p><b>3. Further Observation Direction:</b> It was necessary to have copies of the PowerPoint presentations that were presented in the meeting so these were requested, as well as to hold interviews with other units that engage with strategy and initiatives.</p>	

**D2: Example of a Contact Summary Sheet**

Table 67: Contact summary sheet

Contact Summary Sheet	
Contact Type: Visit or Phone: Visit Contact Name: Aref Al Qahtani Contact's position: Strategic Planning Director	Site: Strategy Management Office- STC Date: 22-09-2010 Time: 2.30 p.m
<p>1. What are the main issues or themes that struck you in this contact? The strategic process in STC as a group is totally different from STC as a Saudi company, so I need to have my interviews with the GMs in STC Saudi. Besides, all units of STC are participated in preparing for the strategy, so I can have some interviews with different managers from other units.</p> <p>2. Summarise the information you got (or fail to get) on each of the target questions you had for this contact? The researcher asked: -What is the company order amongst the three Saudi telecommunication company? The answer was: This is secretive even if anyone can know!! The researcher also asked: -What is the main department for setting the company strategy? The answer was: we have two department for that: Strategy Development Dept., and Strategy for Business Planning Dept., and all these two department are engaging to consolidate with other units in preparing new initiatives.</p> <p>3. Is there anything else that struck you as salient, interesting, illuminating or important in this contact? In general, the business environment in STC is very silent. It is a practical and serious environment.</p> <p>4. What new (or remaining) target questions do you have in considering the next contact with this site? I have to consider asking deeper in the activities of generating initiatives. The Strategic Development director is my appropriate interviewee.</p>	

(Source: Adapted from Milles & Huberman, 1994)

**D3: Example of a Documentary Summary Form**

Table 68: Documentary summary form

Documentary Summary Form	
Site: STC Company Date received: 23-09-2010	Document: a report file about STC success in privatization.
<p>Name or description of document: STC Success Journey from Privatization to Excellence.</p> <p>2. Event or contact, if any, with which the document is associated: N/A.</p> <p>3. Significance or importance of the document? A detailed introduction of STC's success journey from privatization to excellence, with detailed information about strategic planning process including the initiatives and activities.</p> <p>4. Brief summary of contents:</p> <ul style="list-style-type: none"> <li>• STC Journey: From Privatization to Excellence</li> <li>• Excellence in Implementation of Strategic Planning Process               <ul style="list-style-type: none"> <li>– Strategic and Business Planning Process Overview                   <ul style="list-style-type: none"> <li>• <b>Strategy Management Approach</b></li> <li>• <b>Evolution of Planning Process</b></li> <li>• <b>Sectors Business Planning Approach</b></li> <li>• <b>Strategy Development Approach</b></li> <li>• <b>Business Analysis Approach</b></li> <li>• <b>Corporate Strategy Review Approach</b></li> <li>• <b>Corporate Strategy Development Approach</b></li> <li>• <b>Corporate Scorecard Development</b></li> <li>• <b>Corporate Strategy Cascading Approach</b></li> <li>• <b>Execution Plans Development Approach</b></li> <li>• <b>Budgetary and Manpower Requirements : Development Approach</b></li> <li>• <b>Strategic Planning Cycle 2008</b></li> </ul> </li> <li>– Execution and Performance management Process Overview                   <ul style="list-style-type: none"> <li>• <b>Execution Management Approach</b></li> <li>• <b>Program Management Approach</b></li> <li>• <b>Performance Management Approach</b></li> </ul> </li> </ul> </li> <li>• STC FORWARD Strategy Overview</li> </ul> <p>If document is central or crucial to a particular contact N/A.</p>	

(Source: Adapted from: Milles & Huberman, 1994)