UNIVERSITY OF SOUTHAMPTON

Faculty of Business and Law
School of Management

STRATEGIC PLANNING PRACTICES

An Empirical Study in the Indonesian Banking Industry

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by

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ABSTRACT

Strategic planning has been used extensively both in the private as well as in the public sector to improve the performance of organisations. This study examines the strategic planning practices carried out in the high-performing banking industry in the Indonesian context. Although the importance of strategic planning, organisational context, and organisational performance has been acknowledged in academic and practitioner literature, only limited studies examine the strategic planning practices and their interrelationship with organisational context, and organisational performance. To the best of the researcher's knowledge, this is the first study to analyse the issue in the case of Indonesia.

A qualitative research approach was adopted as the framework for this study. This study seeks to explore and document the strategic planning practices (changes) in the high-performing banking industry and the role of organisational context to facilitate strategic planning. The data collection method employed in-depth semi-structured and unstructured interviews of both key informants (managers, heads of planning departments, and planning members) as well as non-planning members in each identified organisation. Documents were analysed to validate and add to the interview data. The research was carried out between May 2011 and February 2012 for the first period of data collection and during September 2012 to the end of October 2012 for the second period of data collection in six high-performing banks in Indonesia.

The six banks were selected because of their engagement in strategic planning and their high performance status. Research reports from a panel of industry experts were used to first define a bank as high performing in the first instance, and then to select the six highest performing banks for the study. The field data were collected and then analysed using the six steps suggested by Creswell (2009). A systematic approach as recommended by Braun and Clarke (2013), Saunders et al. (2009), and Yin (2009), and Opperman et al. (2013) was also utilised for identifying, analysing, and describing patterns and themes across a dataset to enrich steps suggested by Creswell to strengthen and sharpen the data analysis in this case study.

This study has provided valuable findings regarding the strategic planning practices in the Indonesian banking industry: key findings include the fact that all six banks in this study have accomplished all the common strategic planning activities presented in this study, the fundamental role of the CEOs in strategic planning has been proven, and managers' commitment to and involvement in the strategic planning process (particularly managers in the division of strategic planning and planning members) has been identified, among other relevant findings.

This study then presented a number of research agenda that need to be dealt with such as: First, future research can replicate this study by investigating across industries including private, government, non-profit organisation, and small medium enterprises to observe whether comparable results can be reached. Second, further research that investigating strategic planning practices across countries is needed. Third, formal strategic planning systems in which flexibility was limited had led the banks to high organisational performance. Therefore, further empirical research is needed that seek to compare each planning approach against organisational performance in relatively stable business environments.

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Ridwan, MS: "Activity theory and its application in strategy research." European Business Research Conference 2012 (27-28 August, 2012, Rome, Italy):
Ridwan, MS; & Marti, JV: "Strategic planning, organisational context and performance in Indonesian regional banks." Annual Paris Business and Social Science Research Conference (4-5 July 2012).

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CHAPTER ONE

THE RATIONALE FOR THE STUDY

1.1. Introduction

Strategic management is the leading focus of top corporate leaders; indeed, the reason why strategic management has become so truly important is that there has been a huge escalation in business complexity and uncertainty in recent years (Lamb, 1984). For almost 50 years strategic planning has been a standard feature of management thinking and practice in the business world, and for more than 25 years it has become the standard practice of large numbers of public and non-profit organisations (Bryson, 2004). The first and perhaps most obvious benefit of strategic planning is the promotion of strategic thinking, acting, and learning (Van der Heijden, 1996). Strategic planning makes an organisation more proactive than reactive in shaping its future, it helps organisation formulate the better strategies by adopting more systematic, logical, and rational approaches to determine strategic choice. By a rational model of strategic planning process, the organisation (strategic planners) investigates the industry and competition trends, make forecasting models and scenario analyses, identify business threats and opportunities, as well as make creative programmes. Hill and Jones (1992) explained that in such a model, a company goes through a number of well-defined steps in order to formulate intended strategies that align organisational strengths and weaknesses with environmental opportunities and threats. According to Athiyaman and Robertson (1995) strategic planning is commonly used by organisations to respond to and manage change and it has evolved in response to increasing rates of change in the business environment. Philipps (1996) argued that in addition to strategic planning being essential to the survival of the firm, it can also contribute positively to a firm’s performance. Strategic planning can help leaders and managers of public and non-profit organisations think and act strategically (Bryson, 2004). Strategic planning allows organisations to respond fast in a dynamic environment, to find more alternatives, and to develop new techniques and it is a key to survival, improved decision making, improved profits, and escaping of mistakes (Gup, 1980).

From a relatively modest beginning, business policy and strategic planning have played increasingly important roles in developing formal alternatives for improving organisational performance (Shrader, Taylor and Dalton, 1984**).** Several studies found a positive link between formal planning and a firm's performance. Ansoff, Brandenburg, Porter and Radosevich (1970) are among the scholars who concluded that strategic planning was associated with financial performance. Their study revealed that firms which planned their strategies also planned their execution. On the other side, firms which employed strategies opportunistically carried out only limited or no implementation planning. Subsequently, planners performed significantly better than non-planners in terms of financial performance. Steiner (1979) also reported that long-range planning facilitated growth. Business Week (April 28, 1975) reported that that "Accurate planning has never been more necessary than in today's fast-changing economic environment".

Mixed evidence about the relationship between strategic planning and organisational performance, however, has extended the debate about its effectiveness as a tool of strategic management into an ongoing discourse (Obeng and Ugboro, 2008). Likewise, the empirical studies investigating a direct relationship between strategic planning and performance have attracted criticism, including the use of a bi-variate methodology (Rudd, Greenley, Beatson and Lings, 2008). Schwenk and Shrader (1993, in Rudd et al., 2008) stated that while this relationship is of importance to organisations practicing strategic planning, the critics suggest that other factors will impact on the relationship between strategic planning and performance. O'Regan and Ghobadian (2002) argued that strategic planning often fails due to problems or barriers encountered at the implementation stage. There is a gap between planning process including implementation and the extent to which organisational context (culture and decision approach) supports or distracts from planning process (Rowley and Sherman, 2002).

Mintzberg (2000) stated that organisations should have the right planning process and realise that a strategic plan is an organic living document. The purpose of ‘process’ is the formulation and implementation of strategies that work, thus attaining the company’s short-term and long-term missions (Pearce and Robinson, 2011). The firms adopt a more flexible planning system as the level of environmental complexity increases (Kukalis,1991). As Porter (1996) stated, firms must be flexible to respond quickly to competitive and market changes. Through flexibility, organisations are better prepared to cope with environmental turbulence, enhancing the influence of their strategic planning on performance (Rudd et al., 2008).

1.2. Significance of the Research

How organisations develop strategy has been one of the most hotly debated issues in strategic management (Grant, 2010, 2013). Strategy is the outcome of top managers engaging in deliberate, rational analysis (Chandler, 1962); (Steiner, 1979); (Weihrich (1982:55). However, Quinn (1980); Mintzberg and Waters, JA (1985), and Mintzberg (2000) argue that most successful strategy appear through adaptation to environments (emergence) and does not develop on the foundation of a major plan but have a tendency to appear in organisations over time. Nutt (2008) notes that decisions are rarely based on optimal rationality alone, given the political processes that occur in all organisations. The other scholars in the field, Johnson et al. (2012); Grant (2010, 2013); Hill and Jones (2007); and Dobson and Starkey (1998) contend that the two views are not mutually exclusive. Intended strategies (rational approach) can often be successful, particularly in stable markets where there are few shocks, but it is sensible to be open as well to the possibilities of emergence. Inflexible plans, they say further, can obstruct learning and prevent the grabbing of opportunities.

The other research indicates that formal planning systems do help managers improve their strategic decisions. Miller and Cardinal’s (1994) study that examined the results of 26 formerly published studies, arrived at the conclusion that generally strategic planning has a positive effect on enterprise performance. Another study investigated planning practices in 635 companies (Brews and Hunt, 1999) revealed that formal planning methodologies and emergent strategies both shape part of an upright strategy formulation process, particularly in an unstable environment. In a such environment according to Mintzberg (2000), however, strategic planning poses a constraint on the flexibility of an organisation to adapt to its rapidly changing and uncertain environment (Mintzberg, 2000). Standing in different stance, Akhter (2003) and Roney (2003) argue that it is environmental uncertainty that makes strategic planning an imperative for organisations that operate in hypercompetitive markets.

Further, in practice both in the private sector and the non-profit orgnisations, some maintain that strategic planning may not be effective in various organisations because there was split between formulation and implementation (Mintzberg, 2000); (Mintzberg et al., 2009); and Whittington (2006). As long presented by Chandler (1962) that strategy formulation and control are the major task of the top manager, while strategy implementation is the responsibility of the operational managers. In addition, research on planning processes take into account different characteristics, such as the connection between environmental characteristics and planning systems (Kukalis, 1991), Rudd et al. (2008); Planning as system’s thinking model (Haines, 2005); the characteristics of strategic planning systems (Grant, 2003); the affect of the strategic planning process on strategic change (Liedtka, 2000); and the relations of planning practices and financial/organisational performance (Ansoff, Brandenburg, Shrader, Taylor and Dalton, 1984), Porter and Radosevich (1970), (Brews & Hunt, 1999).

A recent study summarising the responses of more than 200 company executives reveals that there has been a growing companywide focus on and appreciation for the worth of strategic management activities (Pearche and Robinson, 2011). The findings from this study show that practicing managers have devoted increasing consideration to the need for numerous and extensive involvement in the formulation and implementation stage of the process of strategic management. Some organisations succeed by undertaking a planning process that systematically discusses mission and goals, explores the competitive environment, analyses strategic alternatives, and coordinates actions of implementation to achieve the goals of the organisation. Other organisations conducting strategic planning, however, fail to acquire high performance as targeted during the planning process. It is not enough to plan; as posited by Kotler and Murphy (1983), Steiner (1979), and Minzberg (2000), organisations need to recognise that the strategic plan is an organic living document, have the correct planning strategic process, and employ the process to plan the right outcome. A successful planning process centres on the belief that a firm's mission can be best attained through a systematic and comprehensive evaluation of both its internal capabilities and its external environment, the choice of long-term objectives and strategies, and operating objectives, which must be put into action, monitored, and controlled (Pearce and Robinson, 2011). The efforts to link strategic planning with performance will foster understanding of the influences of strategic planning on organisational performance under different situations, and will generate a consistent conceptualisation of strategic planning characteristics and their connections to varying firm and environmental characteristics (Kukalis, 1991).

However, as discussed earlier, mixed evidence about the relationship between strategic planning and organisational performance makes the debate about its effectiveness as a tool of strategic management an ongoing one (Obeng and Ugboro, 2008). Rowley and Sherman (2002) noted that a gap is apparent between the strategic planning process and the extent to which the organisation's context supports the planning process. The lack of understanding about the dynamics of the strategic planning process, the organisational context that facilitates a sucessful strategic planning process, mixed evidence about the relationship between strategic planning and organisational performance, and long debate between formal rational planning system and emergent approach generates critical gaps in the field, and shows the need for research to find out knowledge to assist in filling the gap.

Although the importance of strategic planning, organisational context, and organisational performance has been acknowledged in academic and practitioner literature, only limited studies examine the strategic planning practices and their interrelationship to organisational context, and organisational performance. To date, in the Indonesian context, no studies in the area of strategic planning practices, organisational context and organisational performance have been conducted for either the private sector or the public and non-profit organisation sectors. To the best of the researcher's knowledge, this is the first study to analyse the issue in the case of Indonesia.

This study is an extension of the previous study (Wagner, 2006) who studied conversation on strategic planning in the three Colleges in USA. The current study, as noted earlier, examined the strategic planning practices in six banks in the Indonesian context and saught to review much more strands of literature on strategic management and planning to provide much more robust foundation to analyse strategic planning practices in the highly Indonesian banking industry.

The objectives of this study is to contribute to this gap in the literature by examining the strategic planning practices applied in the high-performing banking industry in the Indonesian context to understand the activities/elements of the planning process and relationship between activities/elements built in to the strategic planning process and the organisational context, as well as the connection between strategic planning practices and organisational performance. Exploring the strategic planning practices and relationship between these areas is essential in order to develop a more far-reaching portrait of this relation and improve the understanding of the fundamental characteristics of successful strategic planning practices. This study also sought to clarify long debate between rational planning and emergent approach by providing an new empirical basis in the context of Indonesia. It attempted to enrich research on the managerial practices by shedding light on strategic planning practices in the Indonesian banking industry; and could be a ground-breaking and vital study because, as described earlier, that this is the first study to analyse the issue in the case of Indonesia. This study extends the ability to utilize empirical methods to explore strategic planning practices in the Indonesian context, and adopts formal rational strategic planning approach (design school) as theoretical lense.

The banking industry was selected for this study due to the fact that the banking industry represents an ideal case of an established industry in the relatively stable business environment.

1.3. The Research Questions

This study focused on the strategic planning practices and the link with organisational context and performance. It explored the elements of planning process and the connection with culture and decision making, and organisational performance. This study addressed two research questions:

1. To what extent are strategic planning processes applied in the high-performing banking industry in the Indonesian context?
2. To what extent will organisational context (culture and decision approaches) contribute to facilitating successful strategic planning practices in the high-performing banking industry in the Indonesian context?

1.4. The Research Aims and Research Methodology

The examination of the linkage between planning, organisational context, and performance is essential to help manager and staff understand the planning characteristics and circumstances that enhance the possibility that strategic planning and implementation will increase organisational performance. For this, the research aims are follows:

1. To examine the extent to which strategic planning processes applied in the high-performing banking industry in the Indonesian context?
2. To investigate the role of organisational context (culture and decision approaches) in facilitating successful strategic planning practices in the high-performing banking industry in the Indonesian context.

In order to examine how strategic planning was practiced in the Indonesian banking industry and how the organisational context facilitates successful strategic planning to lead to the high performance, a philosophical ideas- positivist paradigm (Creswell, 2009); **(**Myers, 2013); and (Collin and Hussey, 2014) was adopted. A case study qualitative approach was utilized because this study dealt with the detailed understanding of organisational processes, experiences, actions and values, and focused on the description of the setting being investigated (Becker, 1968; Creswell, 2009; Eisenhardt, 1989; Yin, 2005). Multiple case study was employed because the evidence from multiple cases is often considered more compelling, and the overall study is therefore regarded as being more robust (Herriott and Firestone, 1983 in Yin, 2009). In addition, in-depth semi-structured and unstructured interviews were utilized to gather data; and documents were analysed to validate and add to the interview data. Finally, Braun and Clarke (2013), Cresswell (2009), Miles & Huberman (1994), Saunders et al. (2009), and Yin (2009) methods were utilised for identifying, analysing, and describing patterns and themes across a dataset.

1.5. Indonesian Country Overview

According to the Encyclopedia of Nations (2002) Indonesia is an archipelago extending along the equator between the Southeast Asian mainland and Papua New Guinea, with which it shares an island. The country has a land area of 1,919,440 square kilometres (741,096 square miles). A further 3.2 million square kilometres (1,235,520 miles) of ocean is inside Indonesia's borders. With 17,000 islands (11,000 of them inhabited), Indonesia's coastline extends 54,716 kilometres (34,000 miles). The country supervises vital shipping lanes from the Indian Ocean to the Pacific Ocean;, specifically the Strait of Malacca lying between the western Indonesian island of Sumatra and Malaysia. Indonesia has zone on some of the world's largest islands, including New Guinea, Borneo, Sumatra, and Sulawesi. According to the Indonesian census in 2000the there were 203,456,005 Indonesians (although most outside sources estimate 210 million), making Indonesia the world's fourth most populated country. An estimated birth rate of 22.6 per 1000 people and death rate of 6.31 per 1,000 means that the population is increasing at an annual rate of 1.63%. Indonesia has hundreds of ethnic groups, with the two largest - Javanese (45%) and Sundanese (14%) – living on the island of Java. One of the most tightly populated places in the world, Java is home to more than 110 million people. Other ethnic groups consist of Madurese and coastal Malays, who each make up 7.5% of the population, and various other ethnic clusters accounting for 26%. Indonesian Chinese, whose descendants mostly came to the Dutch East Indies as employees, are a small but economically significant minority with 2% of the population but a majority of the wealth. Java and Bali are often referred to as the inner Islands, with the other less tightly populated ones known as the outer Islands. Indonesia has five formally recognised religions: Muslim (88%), Protestant (5%%), Roman Catholic (3%), Hindu (2%), and Buddhist (1%), as well as various traditional religions. More Muslims reside in Indonesia than in any other country. The formal language is Bahasa Indonesia which is taught in all schools. Some Indonesians speak Bahasa Indonesia as a second language. There are some 250 local languages and many more dialects from (www.nationenclycopedia.com).

For farming, the main crop is rice. Secondary crops, known as palawija comprise soybeans, corn, and peanuts. In mountainous areas highland vegetables are grown, including potatoes, cabbage, and carrots. The main fruiting crops include bananas, mangos, papaya, oranges, and pineapples. Forest and woodlands cover 62% of the country, making Indonesia the most forested region in the world after the Amazon. Fish is a foremost source of animal protein in the typical Indonesian diet. For manufacturing, factory-made goods such as textiles, clothing, footwear, cement, and chemical fertilisers are a main part of Indonesia's international trade, with textiles being the greatest export, as well as other labour-exhaustive products such as garments, furniture, and shoes. Vital minerals and metals are mined; these are tin, nickel, bauxite, copper, coal, goal, and silver. In addition, the role of oil and gas in Indonesian's economy is central, particularly following the OPEC oil price hikes in 1974. As a consequence, the share of government revenues originating from this sector grew from 19.7%in1969 to 48.4% in 1975 and even touched 80% in 1981. However, by 1999 the economy was more varied and had a convincing manufacturing sector, with oil and gas accounting for just 20% of whole exports from (www.nationenclycopedia.com).

1.6. Banking Industry in Indonesia

1.6.1. Historical background

The growth of a contemporary banking system in Indonesia can be traced to the mid-1800s, when Indonesia was a Dutch colony renowned as the Dutch East Indies (Bennett, 1995;1996). Banks were founded to aid Dutch firms with the financing of their trading accomplishments. In 1946, the progressive government founded Indonesia's first state-owned bank, Bank Negara, as part of the Independence progress. Bank Negara was the country's central bank as well as its primary commercial bank. Over the subsequent two decades, the Indonesian government nationalised a sum of Dutch-owned banks in the country and united them into Bank Negara. Growth of the banking system during this period was very limited, however, due to the uncompromising economic and political instability that the country was facing at that time. Consequently, it is not unexpected that the development of the banking system was not a main concern for the government (Bennet, 1995;1996). Furthermore, Barnett (1995;1996) depicted that following the formation of the Suharto government in 1967, Indonesia moved into a period of improved economic growth and political stability. This era of relative stability led to the introduction of a sum of structural economic reforms, comprising those in the banking system. The most essential early banking reform was the declaration of the fundamental banking law in 1967. This law and the supplementary regulations and decrees demanded for its implementation formed the supervisory framework for the banking industry. The Indonesian government, then, changed Bank Negara as the country's central bank to the newly founded Bank Indonesia in 1968. Bank Indonesia was set up strictly as a central bank and, unlike Bank Negara when it held that position, was not allowed to operate commercial banking functions. In addition to being charged with the broad development and control of the banking industry, Bank Indonesia arranged interest levels for both loans and deposits and inspected the lending activities of state-owned banks by setting credit maximums for each organisation.

In addition, Bennett (1995; 1996) stated that the Indonesian government also endorsed a series of laws that withdrew the previous integration of the nationalised banks into Bank Negara. This caused the formation of seven separate state-owned banks, including bank Negara Indonesia. Each of the seven state-owned banks was founded and ruled by its own separate regulation and was liable for the development of a particular sector of the national economy. The basic banking law also arranged foreign banks with limited access to the Indonesian banking market. Prior to the ratification of the basic banking law there were no foreign banks operating in the country; the last such bank having ended operations in 1964. In 1970, the Indonesian government enacted a prohibition on new foreign bank branches which continued for the next 18 years. The basic banking law also allowed the formation of a number of private profit-making banks in the country. The majority of the private banks, however, were small in contrast with their state-owned counterparts. For example, although the number of private commercial banks had grown to around 70 by 1984, in a group they controlled less than one-fourth of the quantity of total financial assets of the seven state-owned banks. The system generated by the banking re-organisation during the late 1960s, therefore, was highly regulated, with interest rates, credit ceilings, and firm market entry barriers required by Bank Indonesia. The system was also dominated by a small quantity of state-owned organisations. These factors made the banking system an inefficient allocator of funds for the rapidly expanding Indonesian economy. During the late 1970s and early 1980s, Bank Indonesia set interest levels on deposits at an unnaturally low point to keep the cost of capital low for the state-owned banks. Consequently, a great deal of private capital continued outside of the banking system, and the state-owned banks were funded mainly by liquidity credits from the government. Additionally, the Indonesian government exploited state-owned banks mostly as mediums to finance the government's economic development purposes. Therefore, government directives, rather than market rules, distributed credit from the state-owned banks (Bennett, 1995;1996).

More recently, Abdullah and Santosa (2012) describe that the evolution of the banking industry may be divided into three periods: 1970-1983, 1983-88, and 1988-97. The periodisation itself can be ascribed to the features of the banking business, which moved from a suffering financial situation resulting from dense regulation and restriction, to a more optimistic environment due to deregulatory measures accepted by the government. In the period 1970-1983, the economy profited from the sudden increase in the price of oil, as the government budget relied heavily on the income from oil and gas. In the period 1983-1988, following the drop in oil prices at the beginning of the 1980s, the government could no longer support resources at subsidised interest rates. Therefore, it introduced a number of reform bundles, comprising one covering monetary and banking policy in 1983. In the period 1988-1997, the government proceeded to roll out a sequence of reform packages. These were intended at improving the effectiveness of banks as financial mediators, and the stability of the banking system. Prior to the acceptance of this series of reform bundles, the banking industry had been very limited and the financial market, in general, deprived. The domination of state banks also begun to deteriorate due to, *inter alia*, the abolition of the standard for state companies to locate deposits with state banks and to borrow from them (Abdullah and Santosa, 2012). In addition, Abdullah and Santosa (2012) describe that after the execution of those reform packages, applications for new bank authorisations were rising, submitted largely by groups of enterprises. The fast growth of banks and branches inspired banks to be more determined in tapping the deposit market, without a obvious view of to whom they would lend. Private banks purposely started to lend their money widely to related corporations without rigorous credit analysis. These practices resulted in a high level of non-performing loans (NPLs), which was the source of the worst banking crisis in Indonesian history. To deal with the banking crisis, in 1999 the government introduced the banking restructuring programme, which led to considerable changes in the banking reorganisation industry in Indonesia. The government also established the Indonesian Bank Restructuring Agency (IBRA) at the end of January 1998 to confirm customer claims under the blanket guarantee scheme, to determine assets from banks taken over, to divest possession of recapitalised banks, and so on.

1.6.2. The structure of the banking system

The number of bank in Indonesia had dropped from 239 to 153 comprising five state banks, 38 private national foreign exchange banks, 45 private national non-foreign exchange banks, 26 regional banks, 29 joint banks and 10 foreign banks. By the end of 1999, the highest 20 banks, which encompassed five state banks, accounted for almost 80% of total assets, loans and deposits. The remaining 20% share was held by 133 small banks. Since the governing authority (central bank of Indonesia) treats all banks in the same way, big banks with nationwide branch networks have competitive advantages. However, when the crisis hit, these large banks were hurt the most while small banks were commonly unaffected. For the most part, the problem banks were large banks with extensive networks which were greatly exposed to credit and market risks. One may then conclude that the forthcoming structure of the banking system may encompass a small number of large banks with extensive networks and small unit banks at the regional and locality level. However, the central bank of Indonesia has no plan to interfere by in a straight line reducing the number of banks. As an alternative, BI will only impose strict conditions on forming new banks and unlocking branches, in addition to imposing the exit policy rule for bankrupt banks (Abdullah and Santoso, 2012).

In addition, based on statistics, as many of the highest 10 banks control 63.5% of the national market share of banking assets.Total assets of the largest 10 banks is Rp 1.714 trillion. The bank with the greatest financial assets is still owned by PT Bank Mandiri Tbk, which controls assets worth 13.76% share of total banking assets in Indonesia. Bank Rakyat Indonesia (BRI) is ranked second and Bank Central Asia (BCA) is ranked third based on the greatest volume of assets. Configuration of the government shares are listed in the public domain as much as 66.7% and 33.3%. There are 121 commercial banks in Indonesia - four state-owned banks and 117 private banks. Two of the state-owned banks have Islamic banking units. Of the 26 government regional banks, 15 have Islamic banking units, while of 86 private national banks, seven have an Islamic banking unit, and there are five Islamic commercial banks.

The Indonesian financial sector has long been troubled by heavy debt and by various bad loans generated on the basis of corruption and cronyism. In the financial crisis of the 1990s, more than two thirds of bank loans were deemed to be difficult to recover, and the number of banks dropped from 238 to 162. Many enduring banks are technically insolvent or are limited by very low sums of capital. By 2000, banks had gradually begun lending again, but largely to consumers rather than businesses. Deregulation in 1998 unlocked the banking, securities and insurance businesses to more foreign investment. In 1999, the central bank, Bank Indonesia, was given complete autonomy from government intervention. Bank Indonesia still operates to keep the value of the rupiah and maintain inflation under control.

1.7. Organisation of the Study

This study comprises six chapters. Chapter 1 has introduced the rationale for the study. The next chapter (Chapter 2) reviews the relevant literature pertaining to the research topic. The literature review examines the main work in strategic management and strategic planning, culture, and decision approaches, as well as organisational performance. The third chapter presents the research methodology. The fourth chapter reports the research findings. Chapter five discusses the findings, and the last chapter concludes the thesis, identifies contributions of this study, and makes recommendation for future study.

CHAPTER TWO

LITERATURE REVIEW

2.1. Overview

This chapter reviews the relevant literature to explore the conceptual foundations of strategic planning; these foundations consist of strategy, strategic management, strategic management process, intended and emergent strategies, The upper Echelon Theory, Logical Incrementalism, Whittington's Four Generic Approaches to Strategy, Mintzberg's 10 schools on strategic decision making (SDM), strategy development, and strategy execution. A review then follows of the history of strategic planning, some definitions of strategic planning, conceptual scheme for strategic planning, pillars of strategic planning, models of strategic planning, review of strategic planning elements, and so on. Finally, the conceptual foundations of organisational culture including Managerial Myopia and Dominant logic; and decision making are described, and the linking of strategic planning and corporate performance is discussed.

2.2. Strategy and the Strategic Management Process

2.2.1. Defining strategy

In its broadest sense, strategy is the means by which individuals or organisations attain their goals (Grant, 2010:16). Johnson, Whittington and Scholes (2012:2; 2011:3) define strategy as "a long-term direction of an organisation." This definition suggests a more widespread outlook than some other prominent definitions. One of the leading strategy theorists, Alfred Chandler, for example, defines strategy as "the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out those goals," (1962:13). Chandler highlights a logical flow from the determination of goals and objectives to the allocation of resources to achieve them. Campbell et al. (2002) note, the strength of Chandler's definition lies in the fact that it incorporates the three essential components of strategy. The first is the determination of the basic long-term goals where it refers to the conceptualisation of coherent and achievable strategic objectives. The second is the adoption of courses of action taken to ensure the success of the objectives that have been previously established. The third component of Chandler's definition relates to the allocation of resources, where it is possible to be cost-related with the actions required to attain the objectives. Further, Chandler subscribes to the outlook that strategy is as much about defining goals and objectives as it is about making available the means for attaining them (Cole, 2001). Strategy means, therefore, a specific action, typically accompanied by the development of resources, to attain an objective determined in strategic planning (Galbraith and Nathanson, 1978). In other words, Chandler adopts rational approach in developing strategy. By such a rational process organisation sets the long term goals of the organisation as a foundation of an intentional series of actions that organisation decides to take including resources allocation to achieve them.

The other leading strategy theorist, Michael E. Porter (1987;1980;1996) emphasises difference and competition. Strategy for Porter is about being unique (different) as Porter points out; "competitive strategy is about being different. It means deliberately choosing a different set of activities to deliver a unique mix of value" (1996: 64). In other words, Porter highlights strategy as competitive advantage. It means that products and services offered by a firm must provide a unique values to the customers. McGee et al. (2005) infer that Porter singles out the themes of being different and attaining strategic unity in organisational strategy, while Grant (1991) notes that Porter focuses upon the relation between strategy and the external environment such as in his analysis of industry structure and competitive positioning. Similarly, according to Johnson et al. (2011; 2012), Porter concentrates on competition, difference, and deliberate choices.

In contrast, Minztberg (2000) uses the word 'pattern' to allow for the fact that strategies do not always follow a deliberately chosen and logical plan, but can appear in more *ad hoc* ways. For Minzberg and Waters (1985), strategy is an emergent process which is best understood as a pattern in a stream of decisions. McGee et al. (2005), quoting Minzberg and Water (1985), say that strategy is what emerges from actions rather than something designed in advance or in anticipation of a future perspective. Each *definition* of strategy contains the main *elements* of strategy; However, Johnson et al.'s (2011) definition of strategy has two advantages. First, the long-term direction of an organisation can embrace both "deliberate, logical strategy and more incremental, emergent patterns of strategy (p. 27). Second, long-term direction can incorporate strategies that highlight difference and competition, and various strategies that realise the functions of cooperation. The point of view of the recent researcher is strategy is made by a rational process (deliberately) based on the long term goal of the organisation particularly in stable environment, while in turbulent environment, strategy tends to emerge incrementally as a result of experimentation and learning.

Henderson (1979) described strategy as a dynamic concept involving sequence, timing, and competitive reaction - more than simply a posture or a pattern. Quinn considered strategy in a more process-oriented manner. In his influential book S*trategies for Change: Logical Incrementalism* (1980) he defines strategy as "the pattern or plan that integrates an organisation's major goals, policies, and action sequences into a cohesive whole." It means that strategy is a part of course that integrates strategy development and strategy execution into an interconnected whole. Further, Quinn~~,~~ notes, a well-formulated strategy helps to organise and allocate an organisation's resources into a distinctive and feasible posture based on its relative internal competencies and deficiencies, and anticipated changes in the environment. Andrews (1980) describes strategy as

> the pattern of decisions in a company that determines and reveals its objectives, purposes, or goals, produces the principal policies and plans for achieving those goals, and defines the range of business the company is to pursue, the kind of economic and human organization it is or intends to be, and the nature of the economic and non economic contribution it intends to make to its shareholders, employees, customers, and communities... (in Mintzberg, Quinn, and Ghosal:1999: p.51).

Like Chandler, Andrews also maintains that the strategic decision is concerned with the long-term development of the firm. The essence of the definition of strategy according to Andrews is 'pattern'. Bruce and Langdon (2000) suggest that the strategic decision that contributes to this pattern is one that is effective over the long term and which commits a major part of its resources to the expected outcomes. The interdependence of purposes, policies, and planned action is critical to the distinctiveness of a particular strategy and its opportunity to detect competitive advantage. Strategy allows an organisation to ensure that day-to-day decisions fit in with the long-standing interests of an organisation: without a strategy, decisions completed today could have a negative influence on future results (Bruce and Langdon, 2000). In other words, it is essential that daily activities reflext the long term goals of the organisation.

Saloner, Shepard and Podolny, (2001) pointed out that to be an effective guide for decision making, a strategy must have components that clearly describe the firm's goals and the direction it will follow to achieve them. First, it should consist of an obvious set of long-term goals. Second, it should identify the scope of the firm such as the sorts of products the firm will offer, the markets it will engage in, and the broad areas of activity it will undertake. Third, a strategy should have a clear direction on how to attain a competitive advantage. Lastly, the strategy must make clear its capacity to attain a competitive advantage in its related environment. Kaplan and Norton (2001) caution that strategy does not (or should not) stand alone as a management process; rather it should take place along a continuum that begins, in the broadest sense, with the mission of the organisation. Strategy, argue Kaplan and Norton, is one stage in a logical continuum that pushes an organisation from a high-level mission statement to the work carried out by frontline and back-office employees. In this matter, the recent researcher would like to argue that an effective strategy is a strategy that develops very competitive products where organisation has ability to make the best strategic choice to win the competition in the very competitive market in order to achieve the long tem goal and mission of the organisation. For this, it is imperative that strategy is a part of integrated process that occurs along range of strategy formulation and strategy implementation.

2.2.2. Strategic management

Strategic management relates more to the managerial aspect of strategy (Fitzroy et al., 2012). Johnson, Whittington and Scholes (2009:14) state that the term ‘strategic management’ highlights the importance of managers with regard to strategy. Strategies do not emerge by themselves; strategy involves people, particularly the managers who decide and execute it. Strategic management is concerned with “complexity arising out of ambiguous and no-routine situations with organisation-wide rather than operation-specific implication.” They further state that strategic management can be thought of as having three major components: understanding the strategic position of an organisation, making strategic choices for the future, and managing strategy in action. The first and second components relate to the strategy development (strategy formulation) and the last component refers to the strategy execution. In other words, the vital role of strategic management is how to asses the current situation of the firm both internal and external situation, develop strategies and implement them.

David (2005) asserts that “strategic management can be defined as the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives” (p.5). As a science, strategic management may be observed as assembling the pieces of a collection; the skill lies in organising the pieces in a properly creative manner (Finlay, 2000). David’s (2005) definition suggests that strategic management focuses on integrating management, marketing, finance/accounting, production/ operations, research and development, and computer information systems to accomplish organisational success. Still, according to David, the purpose of strategic management itself is to exploit and generate new numerous opportunities for tomorrow. These opportunities clearly are an important basis for the firm to develop strategies to attain the superior performance of the firm.

Among other scholars in the field, Wheelen and Hunger (2000: 345) describe strategic management as “set of managerial decisions and actions that determines the long-run performance of a corporation.” This definition encompasses environmental scanning (internal and external), strategy formulation and implementation, and evaluation and control. Further, Hill and Jones (2007:320) outline strategy as “a set of related actions that managers take to increase their company’s performance.” Attaining superior performance relative to competitors is the final challenge. If a company’s strategies result in superior performance, it is thought to have a competitive advantage. Similar to Hill and Jones’ definition, Pearce and Robinson (2011:120) define strategic management as “the set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company’s objectives.” It includes a broad range of critical tasks including the company’s mission formulation, environmental analysis (both external and internal), and objectives- and strategy-setting, among others.

The view that strategic management is an ongoing process that relates more to the managerial aspect including development and execution of strategy is held by Fitzroy, Hulbert and Ghobadian (2012). They assert that strategic management is about managing the whole process, including implementation and generating resources; they also posit that a strategy for the future will usually involve additional capabilities, and only a holistic view will be sufficient. They further claim that, in an ever-changing world, any strategy may rapidly become obsolete, so strategic management must be ongoing, constantly developing new and diverse strategies. More recently, Coulter (2013:5) described strategic management as “a process of analysing the current situation, developing appropriate strategies, putting those strategies into action, and evaluating and changing those strategies as needed.” This includes *analysing* the environment, and *formulating* and *implementing* strategy. The last activity of strategic management is *evaluating* strategy.

Common to definitions of strategic management above is the notion that strategy is focused on managerial decisions and actions, attaining goals or objectives, environment analysis, allocation resources, and organisational performance.

2.2.3. The strategic management process

A process is the flow of information through interconnected phases of analysis toward the accomplishment of an aim, where the final aim of the process is formulating and implementing strategies to achieve the mission and objectives of the organisation (Pearce and Robinson, 2011). Similarly, Coulter (2010; 2013) states that a process involves chronological and interconnected activities leading to some outcome(s) where environment analysis, strategy formulation, strategy implementation, and strategy evaluation as the unified activities result in a set of strategies to achieve the aim of organisation. Similarly, Barney and Hesterly (2008) contend that the strategic management process is a set of analyses and choices that can improve the likelihood that a company will choose a good strategy; that is, a strategy that creates competitive advantages. According to Volberda et al. (2011), the strategic management process is a rational approach that organisations utilise to achieve strategic competitiveness and gain above-average profit.

Dess, Lumpkin and Eisner (2010; 2012) identify three ongoing processes that are essential to strategic management: analyses, decisions, and actions. In practice, these three processes - often referred to as strategy analysis, strategy formulation, and strategy implementation - are extremely inter-reliant and do not occur one after the other in a chronological manner in most firms. Similarly, Saloner, Shepard and Podolny (2001:381) define the strategy process as “how a firm’s managers develop, implement, and change its strategy.” Firms deal with different internal and external conditions, and their strategy process reflect these variations. Every firm has some series of routines for making the decisions that are key to its overall direction. Some have detailed strategic planning processes. Others depend on a small group of senior managers to create these decisions without any well-defined planning process. Still others adhere to no strict planning sequence, reacting instead to the rhythm of market changes. In spite of the broad deviation in strategy process, any successful process will embrace certain basic components, such as the formulation of a strategy with obvious goals, scope, competitive advantage, and logic (Saloner et al., 2001).

Glaister (1985) posits that the strategic management process is applicable to diverse organisations, both profit- and non-profit-making. While the strategic management process is pertinent to all kinds of organisations, this does not mean that all the tools and techniques of strategic analysis are equally applicable to both groups of organisations. Nevertheless, reflecting Saloner and colleagues, Glaister contends that the process includes three basic aspects - strategy formulation, strategy implementation and strategy evaluation - and that the essential principles behind the strategic management process are pertinent to both sets of organisations (Glaister, 1985 in Hill and Glaister, 1995). This view is supported by David (2005), who suggests that the strategic management process encompasses three stages: strategy formulation, strategy implementation, and strategy evaluation.

Thompson et al. (2010) present that the managerial process of crafting and executing a firm's strategy contains five interconnected and integrated parts: first, developing a strategic vision of where the business needs to head and what its future product/market/customer concentrate should be; second, establishing objectives and using them as standard for measuring the business' performance and progress; third, making a strategy to attain the objectives and spur the business along the strategic direction that management has planned; fourth, executing the selected strategy efficiently and effectively, and fifth, evaluating performance and making remedial adjustments in the business's long-term direction, objectives, strategy, or implementation in light of real experience, changing circumstances, new ideas, and new opportunities. Wheelen and Hunger (2000) present four basic models of the strategic management process: environment scanning, strategy formulation, strategy implementation, and evaluation and control.

The above discussion clearly suggests that making and implementing strategy lie at the heart and soul of managing a business organisation. Viewing strategic management as a process in which managers formulate and implement strategies, however, has a number of important implications (Pearce and Robinson. 2011). First, a change in any part will influence the other parts. The changes in the external environment may influence a firm's strategy. Second, strategy formulation and implementation are chronological. The process starts with the development or reevaluation of the organisation's mission; followed sequentially by strategic choice, definition of long-term objectives, design of the grand strategy, definition of short-term objectives, design of operating strategies, institutionalisation of the strategy, and review and evaluation. Third, there is the need for ongoing feedback at each stage of the process. The last implication is the necessity to regard it as a dynamic system. Managers should recognise that the elements of any strategic process are constantly developing. The term 'dynamic' illustrates the constantly changing conditions that influence interconnected and interdependent strategic activities. Since change is constant, the dynamics of a strategic process must be monitored continuously for considerable shifts in any of its elements as a safeguard against implementing an outdated strategy. Therefore, as a continuous process, Freeman (1984) stated that strategic management must be applied throughout the year not just during the annual planning meetings. The implications above bring to mind that it is critical for managers to observe and amend constantly aspects of strategic process. Change is contant and fast in which aspects of strategic process are continuously developing. A shift in any aspect will affect the other aspects particularly external environment in which a firm has no control to it. For this, strategies developed and implemented reflect the dynamics of the strategic process.

Quinn (1980) suggests that effective formal strategies contain three fundamental elements, namely (a) the most important goals (or objectives) to be achieved, (b) the most important policies guiding or limiting action, and (c) the major action series (or programs) that are to achieve the defined goals within the limits set. Bryson (2004:17) says that the rational planning model "begins with goals; policies, programs, and actions are then deduced to achieve those goals." Furthermore, the strategic management process (strategy formulation, implementation, and evaluation activities) take place at three hierarchical levels *Corporate-level* strategy is concerned with an organisation's overall span; *business-level* strategy relates to how to compete; and *operational strategy* relates to how resources, processes and people deliver corporate-and business-level strategies (Bourgeois, 1996; Johnson et al., 2012; 2011;). Managers at these levels should be keenly involved in strategic management activities (Pearce and Robinson, 2011). Chandler (1962) explains that strategy formulation and control are the major task of the top manager, while strategy implementation is the responsibility of the operational managers. In his famous work, *'Management Tasks, Responsibilities, and Practices,* Drucker (1974:611) posits that the main task of strategic management is thinking by way of the overall mission of a business:

> …that is, of asking the question, what is our business? This leads to the setting of objectives, the development of strategies, and making of today's decisions for tomorrow's results. This clearly must be done by a part of the organization that can see the entire business; that can balance objectives and the needs of today against the needs of tomorrow; and that can allocate resources of men and money to key results.

Managers are the key player in the strategy-making process; Kay (1993) contends that the first task of managers (strategist) is to describe, understand, and analyse the environment. The second stage is to determine strategy in the light of that analysis. The third phase is that of implementation (Joice and Woods, 1996). In Jones and Hill's (2013) view, it is individual managers who must take responsibility for formulating strategies, to achieving a competitive advantage and for putting those strategies into practice. Early on in the strategy-making process, a firm's senior managers must struggle with the matter of what direction the company should take and what changes in the company's product/market/customer/ technology concentrate would enhance its market position and future prospects (Thompson et al., 2010). Further, similar to Pearce and Robinson (2011) and Jones and Hill (2013), Kluyver (2000) suggests that there are three main levels of management: corporate, business, and functional. At each progressively lower level, strategic activities were presented as more detailed, short-term, and action-oriented with lower risks, but with less opportunities for powerful effect.

Wheelen and Hunger (2010) assert that business firms utilise all three types of strategy concurrently and this hierarchy of strategy is a layer of one strategy within another so that they complete and support one another. Thompson et al. (2010) present a slightly different hierarchy of a company's strategy-making process, although the substance is the same. They say that in diversified, multi-business firms, the strategy-making task consists of four unique levels of strategy. The first is corporate strategy at the top hierarchy. In this hierarchy, senior corporate executives usually have overall responsibility for developing corporate strategy and for choosing among whatever suggested from the company below. They also set objectives and formulate strategies that span the activities and functional areas of these businesses. The second hierarchy, business strategy, relates to the actions and approaches taken to generate successful performance in one specific line of business. The third hierarchy, functional-area strategy, supports and extends the 'hows' of business-level strategy. The main role of a functional strategy is to support the firm's whole business strategy and competitive approach. Lastly, at the bottom of the strategy-making hierarchy, operating strategy concerns the somewhat narrow strategic initiatives and approaches for managing main operating units. The main responsibility for operating strategies is commonly assigned to frontline managers, subject to review and approval by senior managers (Wheelen and Hunger, 2010). Based on the discussions above, the recent researcher would like to argue that strategic management process is a series of action that interrelated each others taking place in a sequential way and at hierarchical levels involving the formulation of mission and goal of the organisation, environment analysis, strategy formulation, strategy execution and strategy evaluation to achieve the purposes of the firm. Here, the role of the managers is central to guide and guarantee that strategy formulation and strategy execution is in order and integrated each other. In turn, it leads firm to achieve strategic competitiveness and acquire the superior performance of the firm. For this, it is important to criticize what Chandler (1962) says that the top manager focuses on strategy formulation and control, while strategy execution is the task of the operational managers. As the recent researcher has argued that strategy development and strategy execution is inteconnected in which the role of top manager (executive) is vital. Successful strategic outcomes as contended by Hrebiniak (2009) are best accomplished when those responsible for execution are also part of the planning or execution process. For this, it is imperative for manager to consider about execution even as they are devising plans.

2.2.4. Intended and emergent strategies

How organisations formulate strategy has been one of the most hotly debated issues in strategic management (Grant, 2010). According to Grant (2010), strategy is the outcome of managers engaging in deliberate, rational analysis. However, strategy may also appear through adaptation to environments (emergence). Mintzberg (2005) argues that viewing the strategic management process as one in which analysis is followed by optimal decisions and their subsequent thorough implementation neither explains the strategic management process precisely nor sets down ideal practices. He observes the business environment as far from predictable, thus limiting the ability for analysis. Further, Nutt (2008) notes that decisions are rarely based on optimal rationality alone, given the political processes that take place in all organisations. In other words, Mintzberg tends to view strategic process as emergent process rather than rational approach. Nutt views strategic process as the result of the political processes around the organisation. Mintzberg then, proposed an alternative model of development strategy. According to this model, the realised strategy of any firm is a combination of deliberate and emergent strategies. In Mintzberg's view, many planned strategies are not implemented due to unpredicted changes in the environment. Emergent strategies are the unplanned responses to unforeseen circumstances. Emerget strategies are very valuable especially in the turbulet environment where firm has no control to the very fast changes and chaotic circumstances. Strategies take place as the result of the deliberations of top management is called as deliberate/intended strategy, whereas strategies do not develop on the foundation of a major plan but have a tendency to appear in organisations over time is called as emergent strategy (Johnson et al., 2011). Good managers will desire to take advantage of a new opportunity given by the environment; these opportunities emerge from independent action by individual managers within the organisation and are not the outcome of a formal top-down planning system. To be effective, emergent strategies suggest that learning process and exploration are vital. Further, Mintzberg states that emergent strategies are frequently successful and may be more suitable than intended strategies. Kukalis (1991) argues that the firms adopt a more flexible planning system as the level of environmental complexity increases, and Rudd et al. (2008) suggest that, through flexibility, organisations are better prepared to cope with environmental turbulence, enhancing the influence of their strategic planning on performance.

Furthermore, Grant (2010) maintains that in strategy-making – whether formal or informal, deliberate or emergent - systematic analysis is a fundamental input into the strategy process. Without analysis, strategic decisions are vulnerable to power battles, individual fads, and wishful thinking. Concepts, theories, and analytic tools are counterparts not substitutes for experience, commitment and creativity. Their role, Grant argues, is to provide frameworks for managing discussion, processing information and opinions and encouraging consensus. In other words, regardless of approach adopted, systematic and rational analysis is focal as a foundation to guide decision making process. Theories and concepts provide insights to enrich the strategy process and improve the quality of decision making so that strategies crafted are much more rich and accountable. Johnson et al. (2012) argue that the two views are not mutually exclusive. Intended strategies can often be successful, particularly in stable markets where there are few shocks, but it is sensible to be open as well to the possibilities of emergence. Inflexible plans can obstruct learning and prevent the grabbing of opportunities. The researcher's standing position here is that intended and emergent strategy are important and as argued by Grant (2010) and Johnson et al. (2012), Hill and Jones (2007) that in practice, the strategies of most corporations are probably a mixture of the intended (planned) and the emergent. Both approaches are complementary each other and have facets of thruth. In stable and dynamic circumtances, rational approach (intended strategy) is more apropriate, while emergent strategy will work the best in turbulent and chaotic environment. For this, it is worthy to note what Burgelman and Grove (1996) say that it is very important for management to acknowledge the process of emergence and to interfere when appropriate, dispensing with poor emergent strategies but encouraging potentially good ones. To do so, according to Hill and Jones (2007), managers must be able to assess the worth of emergent strategies. The capability of managers to think strategically is vital. Although emergent strategies come up from within the organisation with no prior planning - that is, without going through the stages in a sequential manner- as described in the formal planning systems - top management still has to assess them. Such evaluation involves comparing each emergent strategy with the company's goals, external environmental opportunities and threats, and internal strengths and weaknesses. The aim is to evaluate whether the emergent strategy matches the company's needs and capabilities (Hill and Jones, 2007). It means that top management should also provide a convincing explanation of the reason for existence and the aims of the organisation which it is important as a base while organisation adopts and explores emergent strategies.

In spite of criticisms, research indicates that formal planning systems do help managers improve their strategic decisions. Miller and Cardinal's (1994) study (discussed above) as presented in the earlier section of this study, that examined the results of 26 formerly published studies, arrived at the conclusion that generally strategic planning has a positive effect on enterprise performance. Another study of strategic planning in 635 companies (Brews and Hunt, 1999) revealed that formal planning methodologies and emergent strategies both shape part of an upright strategy formulation process, particularly in an unstable environment. Further, Dobson and Starkey (1998) stated that a good strategic management process essentially includes components of each perspective; there is no one best-fit approach. The planning approach can perform in a steady, predictable environment. Its critics argue that "such environments are becoming increasingly scarce, events make the plan redundant, creativity is buried beneath the weight and protocols of planning and communication rules," (Dobson and Starkey, 1998:2). The second approach highlights speed of reaction and flexibility to allow the firm to perform best in an environment that is fast-changing and for the most part unpredictable. The essence of strategy, according to this view, is adaptability and incrementalism. This approach has been critiqued "for failing to give an adequate sense of where the organization is going and what its mission is," (Dobson and Starkey, 1998: 2) because, as argued by (Weihrich (1982:55), "any organisation-whether, military, product-oriented, service-oriented or even governmental- to remain effective, must use a rational approach toward anticipating, responding, to and even altering the future environment."

2.2.5. The upper Echelon theory

This theory presented by Hambrick and Mason (1984) declares that organisational outcomes- strategic choices and performance levels- are partly predicted by managerial qualifications characteristics. It highlights on the foremost coalition of the organisation, especially its top managers where organisational outcomes are considered as manifestations of the values and cognitive sources of authoritative players in the organisation. According to the authors, examination into the upper echelons may endow three main benefits. First, for the scholar, it may offer considerably more power to foresee organisational outcomes than existing theories afford. A second benefit possibly will come to those in charge for choosing and developing upper levels executives. For instance, light may be throw away on the inclinations of organisations headed by older executives, those with proper management education, or those whose notable career emphasis has been in a specific functional area. A third benefit possibly will enlarge to the strategist who is trying to envisage a competitor's actions and counteractions. In the other words, the upper echelon theory highlights the vital role of the managerial background as predictor of the organisational performance. The view taken in this theory is top executives make a difference. The characteristics of upper echelons as discussed by Hambrick and Mason (1984) include as follows:

1. Age, for example, young managers will be more motivated to engage in risky strategies than older managers.
2. Functional tracks, that is, each member of a firm's dominant coalition, particularly the chief executive takes to him or her job a tendency that typically has cultivated from experience in some main functional area.
3. Other career experiences, for example, the related transformations may indicate the situation as much as the experience of the decision maker. Executives who have devoted their whole careers in one organisation can be thought to have somewhat inadequate outlooks.
4. Formal education, point out to some degree a person's knowledge and skill basis. Education functions to some extent as an indicator of a person's values, cognitive preferences, and so on.
5. Socioeconomic roots, for example: executives come from middle class families, or came from more traditional upp
6. er class background, or come from relatively humble origins, and so on.

7. Financial position, refers to total income that top managers get from the company through salaries, bonuses, options, dividends, and so on.
8. Group heterogeneity, refers to the sum of dispersion, or heterogeneity, within a managerial group.

The outlook of Hambrick and Mason above emphasizing on the dominant coalition of the organisation, especially its top managers is in line with ample previous work on strategy and organization theory. Much previous work on this topic has thought that decisions manifest the inclinations and choices of the most influential actors in an organisation (Hikcson et al., 1971; Pfeffer, 1981 as quoted by Mitsuhashi and Greve (2004). Andrews (1971); Tilles (1970) as quoted by Hambrick (1981) similarly concluded from their studies that strategy derives from the top of the organisation, and a main task for the chief executive is to make the strategy clear to subordinates so that it can be effectively executed. In other words once developing strategy, top managers guarantee that strategy is implemented well. However, Bower, 1970; Allison, 1971 (as quoted by Hambrick, 1981); Mintzberg (1973) asserted that strategy is not always obvious or deliberately developed at the top of the organisation.

More recently, theory and evidence, for example, the work of Mitsuhashi and Greve (2004) have indicated that the strategic decisions that originate strategic change encompass political struggles. For this, organisational power distributions may assist to foresee changes in corporate strategy. They say further, there are two gaps in the research about the connection between organisational power and strategic change. First, one can discern two main facets of power structures in top management squads, which might be named the horizontal and vertical dimensions (Bacharach and Lawler, 1980; Blau, 1977; Erzioni, 1961 as quoted by Mitsuhashi and Greve, 2004). The horizontal dimensions portrays power distributions across subunits (e.g. functional departments) in organisations, whereas the vertical dimension underlines internal levels resulting from individual power differences between executives in top management squads. They both criticized that previous research has centered on either one or the other of these dimensions that results in a scarcity of work examining the influences of vertical and horizontal power distribution concurrently. Second gap is that researchers have often not envisaged strategic change in isolation, but rather studied how power held by managers affects organisational performance. It seems interesting and would benefit that the future study about strategic planning practices will considers the above discussed themes to enrich and sharpen the results of the existing research on the topic. The Hambrick and Mason's upper Echelon theory that discusses and links managerial backgrounds and organisational outcomes provides a more robust foundation to predict organisational outcomes and a profound understanding of the strategic planning practices particularly in terms of the understanding the characteristics of top managers as the main figures in developing and implementing strategic planning. It strengthens the rational analytic approach of strategy development in terms of the role and involvement of top managers are central.

2.2.6. Bounded rationality/Logical incrementalism

This approach presented by Quinn (1980) asserts that strategic change processes are usually fragmented, evolutionary and instinctive. The development of strategy by experimentation and learning from fractional commitments rather than through global formulations of whole strategies. Strategic decisions do not lend themselves to accumulation into a single immense decision where all aspects can be treated relatively concurrently in order to arrive at a full optimum (Quinn, 1978 in Wit and Meyer, 2004). In other words, effective strategies tend to arise from a series of strategic subsystems, each of which hits a particular class of strategic issue in a systematic way, but which combines incrementally and opportunistically into a interrelated pattern that becomes the firm's strategy (Quinn and Voyer in Mintzberg et al., 1999). Quinn (1978) suggests that although its emergent characteristics, logical incrementalism can be a conscious, decisive, proactive, executive practice to get better information existing for decisions and form people's psychological identification with the development of strategy. As a result, Quin says further, Logical incrementalisms maintains that strategy can be deliberate and intended, whilst depending on organisational subsystems to detect what is taking place in the environment and to test ideas through investigation. Similar to Quinn, Mintzberg and Water (1985) maintain that few strategies were entirely deliberate and or emergent, but generally a combination between deliberate and emergent strategy. In other words, the diverse processes of strategy development is complementary each other. As depicted by Johnson et al. (2011) that strategy development processes are not mutually exclusive: organisations have various processes. While environment is stable, deliberate strategy is appropriate strategy. Meanwhile, emergent strategy is appropriate while environment is turbulent.

In the logical incrementalism approach, according to Johnson et al. (2014), there are three key characteristics of strategy development

1. Environmental uncertainty where managers realise that they cannot do away with the uncertainty of their environment by relying on analyses of historical data or predicting how it will change. Rather, they try to be sensitive to environmental signals by encouraging constant environmental scanning throughout the organisation.
2. General goals. There may be a reluctance to detailed objectives too early, as this might stifle ideas and inhibit innovation and experimentation. For this, more broad rather than specific goals may be desired, with managers seeking to shift towards them incrementally.
3. Experimentation. Managers seek to cultivate strong, safe, but flexible, main business. They then develop on the experience obtained in that business to update decisions both about its development and experimentation with side bet enterprises.

   The characteristics of logical incrementalism above indicate that environmental thoughtfulness and continuous environmental investigation are essential for managers as a base for developing appropriate partial strategies. To encourage innovation, broad objectives is imperative at the first, then managers move to detailed objectives incrementally. The other important points are experimentation and learning where commitments to options of incremental strategies involve staff at numerous levels, such as: product development, market penetration, market development, and so on; and are not the exclusive responsibility of top management. Based on the experience of managers obtained from developing and managing the core business, it is requirement for managers to share ideas and knowhow to the staff involved. Logical imprementalism is committed to a process of investigation and learning as said by Quinn (1978) in his study of how strategies developed in multinational business: ‘it is the development of strategy by experimentation and learning from partial commitments rather than through global formulation of total strategies’ (as quoted in Johnson et al., 2014).

2.2.7.Whittington's Four Generic Approaches to Strategy

In his book (2001), Whittington introduces the four basic conceptions of strategy, which each has completely different implications for how to set out about doing strategy. They are as follows:

1. The classical approach.

   It is the oldest and the most prominent, counts on the rational planning procedures dominant in the text books. This approach views profit maximisation as the genuine outcome of strategy making. Strategy, here, is a rational process of deliberate estimate and analysis, planned to make the most of long term advantage. For the Classicists, good planning is what it grabs to understand internal and external circumstances. Strategy matters in that rational analysis and objective decisions generate the discrepancy between long run achievement and not a success. One of the most prominent figures of the classical approach, Alfred Chandler, sees strategy as "the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out those goals," (1962:13). Following the classical perspective, Volberda et al. (2011) depict that organisations utilise a rational approach to achieve strategic competitiveness and gain above-average profit. The main characteristics of the classical approach: the attachment to rational analysis, the split-up of conception from implementation, and the liability to profit maximisation (Whittington, 2001). Hannan and Freeman (1988) and Williamson (1991) criticise that strategy in the classical view of rational future oriented planning is a lot inappropriate (as quoted by Whittington, 2001). They said that the environment is usually too volatile to anticipate effectively. For this, It is not only that long term existence cannot be planned for; it also warrants that only those companies that somehow do hit upon profit maximising strategies will continue to exist. Successful strategies only occur as 'the process of natural selection delivers its judgement,' (p.3). All managers can do is make sure that they match as efficiently as possible to the environmental pressures of the day. In other words, strategic fit is essential for the survival of organisation.

Morgan et al., (2007) also criticise the view of the classical approach and suggest that excellent execution in the absence of sound strategy, is no better than excellent strategy with poor execution. Therefore, as suggested by Wheelen and Hunger (2000) that strategy formulation and strategy implementation should be thought as two sides of the same coin. Poor implementation has been responsible for a number of strategic failures. In other words, to be successful, the precise strategy is not everything. Strategy development and implementation are interconnected phases of the planning process and complimentary each other.

2, The Evolutionary approach.

Businesses are like the species of biological evolution: competitive manners heartlessly select out the fittest for survival; the others are incapable to change themselves rapidly enough to defend against extinction. From the evolutionary perspective, then, it is the market, not managers, which creates the important choices. In other words, this approach is less convinced about top management's capability to plan and take steps rationally. Rather than depending on managers, this approach requires markets to acquire profit maximisation. Managers necessitate not be rational optimisers because 'evolution is nature's cost benefit analysis' (Einhom and Hogarth, 1988:114 as quoted by Whittington, 2001). Evolutionary theorists frequently make an explicit analogous between economic competition and the natural law of the jungle. As said by Henderson (1989) that competition is not an issue of separate calculation but a continuous struggle for survival in an over-populated, intense and cloudy jungle. Thus, this approach suggest an evolutionary theory of the firm that reduced managerial strategy and highlighted environmental fit. The most suitable strategies within a given market arise as competitive processes permit the relatively better performers to survive and succeed, while the weaker performers are overwhelmingly forced out of the ecological niche. As said by Hannan (1997) that only the most fit to survive in a process of turbulent competition. Milton Friedman (1953) suggests that it hardly matters if managers do not rationally yield exploit so long as competitive markets warrant that only those who do somehow attain the profit maximising standing will stay alive over the long run (as quoted by Whittington, 2001). In brief, this approach emphasises on competitive practice of natural selection in which market forces select the prevalent strategies within a certain circumstance, and not managers as prescribed by the classical approach. In other words, the evolutionary approach very highlights on the fit model of strategy making.

Hamel and Phahalad (1994), however, In their 1994 seminal work, *Competing for the Future*, have critiqued the 'fit model' of strategy making for the reason that it can lead to a mindset in which management concentrates too much on the level of fit between the current resources of a firm and recent environmental opportunities, and not adequately on building new resources and capabilities to generate and exploit upcoming opportunities.

3.The Processual approach.

According to this approach, long range planning is essentially useless, but they are fewer pessimistic about the destiny of businesses that do not somehow elevate environmental fit. For them, the processes of both organisations and markets are hardly perfect enough for either the strategizing of classical theory or the survivalism of the evolutionists. The plan is unavoidable to get forgotten as environments change. According to Mintzberg (1994), in practice, strategy develops more from a pragmatic process of butchering, learning, and negotiation than from a rational sequences of comprehensive jumps forward. Failure to plan and perform the perfect strategic plan is hardly going to bring any serious competitive difficulty. The foundations of processual approach revealed two themes: the cognitive limits on rational action and the micro politics of organisations. First theme, rational economic man is an fiction: in practice people are merely boundedly rational. People are not able to consider more than a bit of factors at a time. The result is that environmental examining, data analyses and estimated comparisons of strategic choices advocated by classical theorists of strategy have a tendency to be faulty and inadequate. Mintzberg (2005) notes that the business environment as far from predictable, thus limiting the ability for analysis. Therefore, many planned strategies are not implemented due to unpredicted changes in the environment. Emergent strategies are the unplanned responses to unforeseen circumstances. Good managers will desire to take advantage of a new opportunity given by the environment; these opportunities emerge from independent action by individual managers within the organisation and are not the outcome of a formal top-down planning system. In the Mintzberg's view (2005), emergent strategies are frequently successful and may be more suitable than intended strategies.

The second theme, the micro politics of organisation was founded by the recognition of the individual interests in a firm. Firms are not come together in improving a single value, such as profit. Rather, they are coalitions of individuals each of whom takes their own personal objectives and reasoning biases to the organisation. Organisational members negotiate between each other to come to a set of a shared goals relatively acceptable to them all in which the bargaining process engages both many negotiations and policy side payments in response for agreement. In the current researcher's view, strategic decision making is as the result of combination between rational approach and reconciliation as contended by Nutt (2008) that decisions are rarely based on optimal rationality alone, given the political processes that take place in all organisations.

4. The Systemic approach.

In the view of this approach, strategy does matter, but not extremely in the meaning that Classicists think. Systemic theorists are much less suspicious than processualists about people's capacity to perceive and perform rational plans of action, and much more confident than evolutionists about their capability to define their strategies in insolence of market forces. The systemic view suggests that the objectives and practices of strategy rely on the specific social system in which strategy making happens. Strategists often differ from the profit-maximising rule quite intentionally. Their social surroundings may give them other interests than revenue - professional pride, managerial authority, or national patriotism maybe. Competitive burdens do not warrant that only evolutionary profit maximizers continue to exist: markets can be manoeuvred and societies have other standards for supporting companies than just financial performance. The systemic approach, therefore, believes that strategy indicates the certain social systems in which strategists take part, outlining for them the interests and in which they perform and the rules by which they can endure. Class and country create a difference to strategy. In other words, strategy happens in social and cultural contect in which strategic planners divise strategies.

As a result, each approach discussed above has implications for alternative interpretations of understanding strategy processes. They are:

Classical approach count on the rational planning method which it is the means to reach profitability as the main goal of business. Managers employ deliberate, rational analysis to devise strategy to reach the long term goals of the firm. In other words, Classicists view strategy as a rational process of long term strategic planning to assure the future. For this, strategy should be formal, explicit, its objectives definite profit maximization with focus to internal (plans) employing analytical processes.

As classical approach, Evolutionary approaches view profit maximization as the natural outcome of strategy making. However, evolutionary approaches view strategy as rising from processes directed by chance, uncertainty, and conservatism. In the view of evolutionists, the future is far too unpredictable to plan. For this, the best strategy is to focus on maximizing likelihood of survival today. In such strategy, the most valuable approach may be to experiment with as many diverse small initiatives as possible, to wait and see which prosper and which fail, and then to develop on the succeses at the same time as heartlessly removing the failures.

Processual approach views strategy best as an emergent process of learning and adaptation. Processualists too disbelieve the value of rational long term planning.

The last, systemic approach contend that forms of strategy are hugely embedded in specific social systems, and their processes and objectives may be entirely rational in line with the criteria of the locally major groups.

In brief, evolutionary approaches support the processualists in seeing strategy as rising from processes managed by chance, uncertainty, and conservatism. On the other hand, Classical and systemic theorists do have the same opinion that strategy can be intentional (deliberate).

2.2.8. Mintzberg's 10 schools on strategic decision making (SDM)

In their 2009 book, *Strategy Safari,* Mintzberg, Ahlstrand and Lampel group strategy formation into ten schools of thought; which in turn fall into three groupings, where the first three schools tend to be prescriptive in nature. The *design* school (the first of these introduced in the 1960s), which is the basic framework on which the other two are built, focuses on strategy formation as a process of informal design (process of conception) and stated that the Chief Executive Officer (CEO) is the architect of strategy. The design school represents the most influential view of the strategy formation process. The second school (introduced in (1960/1970), the *planning* school, sees strategy formation as a more detached and systematic process of formal planning. In this school, the CEO was to remain the architect of strategy, but in practice, this architect was not meant to design the strategic plans so much as to approve them. The third, *prescriptive,* school (1980) focuses on the selection of strategic positions in the economic market place.

Meanwhile, the six schools that followed these three have been less concerned with prescribing ideal strategic behaviour than with describing what strategies do, and tend to consider specific aspects of the process of strategy formation. The *entrepreneurial* school, for example, focuses on the process in terms of the creation of a vision by the leader. Accordingly, the *cognitive* school tries to use and develop the messages of cognitive psychology to enter the strategist's mind. The *learning* school believes that strategies must emerge in small steps as the world is too complex to allow strategies to be developed all in at once as clear plans. Similar to this is the *power* school which treats strategy formation as a process of negotiation. In contrast to this is another school of thought that considers the strategy-making process to be rooted in the *culture* of the organisation, and finally, the proponents of the *environmental* school that believe strategy formation is a reactive process in which the initiatives lies with its external context. The final group, the school of *thought of combination* combines the others. In seeking to be integrative, people in this school cluster the various elements of the beast (Minztberg et al., 2009) – the strategy making process, the content of strategies, organisational structures and their context. The other approach taken by this school describes the process as one of transformation which incorporates much of the huge prescriptive literature and practice on strategic change.

Further, it seems inappropriate to manage strategy at such agregated levels. There are two key sides of this school; the first describes states of the organisation and its surrounding context as *configurations*; while the second describes the strategy-making process as *transformation*. In other words, transformation is an inevitable consequence of configuration. There is a time for coherence and a time for change.

Brews and Hunt’s study (1999) revealed that analysis of the planning practices of 656 firms shows that formal planning and incrementalism both form part of ‘good’ strategic planning, particularly in unstable environments. Some researchers claim that formal strategic planning provides structure for decision making and helping small business managers take a long-term view, and, in general, benefits small firms (Schwenk and Shrader, 1993). Another study, by Dwyer et al., (2003) suggested that strategic planning is one of the key business areas for facilitating change management. Although strategic planning has attracted heavy criticism from many researchers since the 1980s, Bain & Companies’ annual survey of business techniques consistently identifies strategic planning as the most accepted and widely used of any management tool (Grant, 2003).

Furthermore, Robert M Grant’s in-depth case studies of the planning systems of eight of the world’s largest oil companies identified fundamental changes in the nature and role of strategic planning since the end of the 1970s. The study argued a process of planned emergence in which strategic planning systems provided a mechanism for coordinating decentralised strategy formulation within a structure of demanding performance targets and clear corporate guidelines (Grant, 2003:491-517). As stated by Brews and Hunt (1999), a debate between Mintzberg and Ansoff, two prominent strategy academicians considers a question vital to the theory and practice of strategy. What types of planning should firms utilise in their strategy formation behaviours? Ansoff (1965) flying the planning school flag, contends that formal planning is beneficial in both stable and unstable environments. Meanwhile Mintzberg (2009) articulating the learning school view, favours logical incrementalism, particularly in unstable environments.

The implications of Mintzberg's 10 schools on strategic decision making (SDM) for alternative interpretations of understanding strategy processes are follows:

- The Design School views strategy formation more as a process of informal design, basically one of conception. This school gets genuinely formal leadership, rooting strategy formation in the mental processes of the chief executive. In other words, CEO is the architect of strategy. Strategy in this school is viewed as the match between qualifications and chance that locate a firm in its circumstance. For this, to design strategy, firm tries to asses its strengths and weaknesses in light of the opportunities and threats in the environment where firm operates.
- The Planning School considers strategy making as a more detached and systematic process of formal planning. The main messages of this planning school are formal procedure, official training, formal analysis, and a lot of numbers. In other words, the spirit of this school is the more formalized approach of planning. SWOT model, split it into precisely set down steps, articulate each of these with a lot of checklists and techniques, and giving particular consideration to the setting of objectives on the front end and the elaboration of budgets and operational plans on the back end are the basic strategic planning model of the planning school.
- The Positioning School focuses on the selection of strategic positions in the economic marketplace. This school sees strategy formation as an analytical process. With its

emphasis on analysis and calculation, this school has decreased its role from formulation of strategy to the performing of strategies analyses in support of that process , not to be it. Strategy making is far richer and more complicated and more dynamic process than the rather orderly and static one portrayed in this school. This school also has included content to the planning school while changing the role of planner to that of analyst.

- The Entrepreneural School describes the process in terms of the creation of vision by the great leader. This school considers strategy formation as a visionary process. In other words, this school views strategy formation is not only as exclusive process on the single leader but it has also emphasized the most natural of mental states and processes directed by vision.

- The Cognitive School seeks to use the message of cognitive psychology to enter the strategist's mind. Strategy formation is considered as a mental process that occurs in the mind of the strategist.

- The Learning School sees that strategies must emerge in small steps, as an organisation adapts, or learns. This school recognize the organisation's capability to experiment where a particular action can be taken, feedback is welcome, and the process can keep on untill the organisation unites on the pattern that becomes its strategy. In the view of this school, therefore, strategic decision making is as an emergent process that put emphasis on learning.

- The Power School treats strategy formation as a process of negosiation whether by conflicting groups within an organisation or by organisation themselves as they challenge their external environments. For this, considering power and politics is essential in strategic decision making process particularly during periods of major change.

- The Cultural School considers strategy formation as a collective process. In other words, strategy is rooted in collective intentions that is manifested in the patterns by which resources of the organisation are protected and utilized for competitive advantage. As a result, strategy is best described as deliberate.

- The Environmental School believe that strategy formation is as a reactive process in which the initiative lies not inside the organisation, but with its external context. In other words, the environment is seen as the main factor in the strategy making process. Accordingly organisation tries to understand the pressures forced on organisations. The more stable the external environment, the more formalised the internal structure. The implication for strategic decision making is that the stable environments prefer more planning.

- The Configuration School combines the others. People in this school seek to be integrative, cluster the numerous elements of strategy formation into distinct stages.

This school views strategy formation as a process of transformation and offers the likelihood of reconciliation, one way to put together the messages of the other schools.

2.2.9. The strategy development/strategy formulation

In his 1979 famous work entitled *On Corporate Strategy* Bruce Henderson from the Boston Consulting Group writes that since the beginning of business, all companies have designed and followed some types of strategy (in Lamb, 1984). Naturally, both the plans and the strategy have been intuitive or traditional. However, the rising speed of change is forcing management to make their strategies explicit and often to alter them. Strategy as such is attracting more and more consideration. Henderson further notes that there are many ways of thinking about strategy development. In a static sense it can be considered in terms of strengths and weaknesses. However, business is an ongoing process. More valuable concepts of corporate strategy link the firm to its competitors in terms of a competitive system in equilibrium. In other words, the connection between strategy and environment, particularly competitors, is vital according to Porter (1979), who suggested that competitive forces shape strategy. Further, Henderson argues that any approach to strategy quickly encounters an objectives depends upon prejudgment of the potential success of the strategy utilised. However, a firm cannot establish the strategy until the objectives are identified. Strategy development is, therefore, a reiterative process requiring art as well as science.

Similarly, Bowman and Asch (1996) and Frynas and Mellahi (2011) point out that in developing strategies, the task of the decision maker is based on what a corporation can do to take advantage of opportunities and deal with threats in the external business environment. Successful strategy, then, is about matching the resources and activities of a corporation to the external environment - both the macro environment and the industry environment in which it operates (strategic fit). As stated by Galbraith and Kazanjian (1986), organisations which do not possess a minimum level of ‘strategic fit’ are guaranteed to fail (cited in Frynas and Mellahi, 2011).

Porter (1979) stated that competitive forces shape strategy. The essence of strategy formulation according to Porter is coping with competition. Once the corporate strategist has analysed the forces influencing competition in his industry and their underlying causes, he can identify his company’s strengths and weaknesses. Then, the strategist can develop strategies. Similarly, Kay (1993) asserts that the very important tasks of managers (strategists) concerned with strategy development include first describing, understanding, and analysing the environment. The second task is to determine strategy in the light of that analysis (quoted by Joice and Woods, 1996). The managerial process of crafting a firm’s strategy contains three interconnected and integrated parts: First, developing a strategic vision of where the business needs to head and what its future product/market/ customer concentrate should be; second, establishing objectives and using them as standard for measuring the business’ performance and progress; and third, compiling a strategy to attain the objectives and move the business along in the strategic direction that management has planned (Thompson et al., 2010). Similarly, Wheelen and Hunger (2000) suggest that strategy formulation involves developing a firm’s mission, objectives, strategies, and policies.

Writing in 1980, Kenneth Andrews presented that the major sub-activities of strategy formulation as a logical activity involve identifying opportunities and threats in the corporation’s environment and attaching some estimate or risk to the apparent alternatives (in Mintzberg, Quinn and Ghoshal, 1999). Before a choice can be made, the corporation’s strengths and weaknesses should be assessed, together with the available resources. In other words, the strategic alternative is outcomes from matching opportunity and corporate capability at an agreeable level of risk. Further, Jones and Hill (2013) assert that strategy formulation is concerned with the task of selecting strategies. Strategies can be formulated once the organisation has determined its mission (Bennett, 1999). The first step in the process, according to Bennett (1999), is to perform a situation analysis to determine where the company is; the markets it is operating in; its internal strengths and weaknesses, and the environmental threats and opportunities that it deals with. A range of factors can influence the selection of strategies including market opportunities, macroeconomic constraints, resources, culture of the organisation, and so on.

Similarly, Hitt, Ireland and Hoskisson (2005) contend that for all kinds of strategy (corporate-level and business-level), corporations acquire the information and knowledge required to make choices as they analyse external environmental opportunities and threats as well as discover and evaluate their internal resources, capabilities, and core competencies. Every company requires a business-level strategy which can be considered as the firm's main strategy- the strategy that must be formed to explain how the company will compete. Hitt and colleagues further posit that each strategy the company utilises specifies the desired outcomes and how they are to be attained. The essential objective of using each strategy is to generate value for stakeholders.

An effectively formulated strategy, Hitt et al. (2005) argue, organises, integrates, and allocates the company's resources, capabilities, and competencies so that it will be appropriately aligned with its external environment. An appropriately developed strategy also rationalises the firm's strategic intent and strategic mission along with the actions taken to reach them. Information about a multitude of variables, including markets, customers, technology, worldwide finance, and the changing world economy, must be gathered and analysed to appropriately form and apply strategies. The main issues the firm must deal with when choosing a business-level strategy are what goods or services to offer customers, how to make them, and how to distribute them to the market place. Once created, the business-level strategy reflects where and how the company has an advantage over its competitors. Meanwhile, when a firm elects to diversify beyond a single industry and to operate its business in a number of industries, it employs a corporate-level strategy of diversification. A diversified firm has two levels of strategy: business and corporate. Defined formally, corporate-level strategy identifies actions the firm takes to obtain a competitive advantage by selecting and managing a cluster of different businesses competing in some industries and product markets.

In addition, for strategic management (planning) to work, it is essential that top-level managers plan not just in the circumstances of the present competitive environment but also in the circumstances of the forthcoming competitive environment (Hill and Jones, 2007). To try to predict what that future will look like, Hill and Jones (2007) suggest that managers can utilise scenario-planning techniques to plan for diverse possible futures. They can also engage operating managers in the planning, and seek to form the future competitive environment by highlighting strategic intent. Hill and Jones (2007) further state that the formal strategic management model has been illustrated as the best-fit model of strategy making. This is because it endeavours to attain a fit between the internal resources and capabilities of a corporation and external opportunities and threats in the industry environment. According to Grant (2010), the notion of strategic fit links the firm and its external environment. For a strategy to succeed, it must be consistent with the organisation's external environment, and with its internal environment such as its goals and values, resources and capabilities, and structure and systems.

In their 1994 seminal work, *Competing for the Future*, Hamel and Phahalad have critiqued the 'fit model' of strategy making for the reason that it can lead to a mindset in which management concentrates too much on the level of fit between the current resources of a firm and recent environmental opportunities, and not adequately on building new resources and capabilities to generate and exploit upcoming opportunities. Hamel and Prahalad (1984) suggest that strategies formulated with only the present in mind tend to be more involved in today's problems than concerned with tomorrow's opportunities. Consequently, it is questionable whether firms that rely entirely on the fit approach to strategy formulation are able to build and sustain a competitive advantage. Strategic intent includes an active management process, which involves

> focusing the organization's attention on the essence of winning; motivating people by communicating the value of the target; leaving room for individual and team contributions; sustaining enthusiasm by providing new operational definitions as circumstances change; and using intent consistently to guide resource allocations (Hamel and Prahalad, 1989:64).

In practice as Hamel and Prahalad (1989) observe, the two approaches to strategy formulation are not mutually exclusive; and according to Hill and Jones (2002) all the elements of strategic management process and are essential. The difference between strategic fit and strategic intent, then, may just be one of emphasis. Strategic intent is more internally concentrated and is concerned with building new resources and capabilities. Strategic fit focuses more on matching current resources and capabilities to the external environment.

In addition, Hill and Jones (2007) articulate that a significant mistake that some firms have made in building their strategic planning process has been to consider planning as an entirely top management responsibility. This 'ivory tower' approach can result in strategic plans that are formulated by top managers who have little understanding of recent operating realities. Thus, ivory tower planning pays no attention to the valuable strategic role of autonomous action by lower-level managers and chance. Correcting the ivory tower approach to planning requires, argue Hill and Jones, acknowledging that successful strategic planning includes managers at all levels of the firm. Much of the best planning can and should be completed by business and functional managers who are closest to the reality; in other words, planning should be decentralised. The responsibility of corporate-level planners should be that of facilitators who assist business and functional managers to perform the planning by setting the broad strategic goals of the firm and providing the resources needed to identify the strategies that might be required to achieve those goals. Further, they both say, it is not enough to engage lower-level managers in the strategic planning process; however, they also need to comprehend that the decision-making process is fair or the strategy selected might fail for lack of support among those who must execute it at the operating level.

Another scholar in the field, Francis (1994) proposes an approach containing six attributes for successful strategy development; when all six exist the business is able to compile its strategy in an effective way. These approaches are:

1. Organisational support to give authorisation for people to dedicate their energies to strategising with conviction that it will create a difference.
2. A prepared strategic framework to make a complex task attainable. An effective team process to put together many people's input and notions.
3. Properly developed strategic skills so team members can donate to the process.
4. A complete database to give suitable raw material for strategic debates.
5. Creativity, intuition and 'gut feel' to provide the subtle human factor.

The step-by-step structured approach, according to Francis (1994), has proven to be an effective way of connecting these six components. It provides a discipline which guarantees that the strategy development will be completed with excellence. Once you begin you need to end. Stopping halfway can be demoralising, even hazardous, because insight is developed without outcome. The author points out a further four key characteristics of positive team conditions for strategy development: first, all show by their actions that strategic thinking is vital and are willing to devote a great dealof time to the process. Second, team members demonstrate themselves to be open to new notions and are non-defensive. Third, everyone is ready to contribute fully and frankly. Fourth, the following values should be honoured: analysis, argument, challenge, decisiveness, discussion, innovative thinking, listening, honesty, alternative exploration, carefulness and respect for divergence.

In developing a strategy to cope with the unknowable and based on historical cases from business and the military fields, Quinn (1980) suggests that effective strategies should at least include certain other critical factors and structural components. The first component is *clear, decisive objectives*; whereby all efforts are aimed toward clearly understood, decisive, and achievable overall goals. The second involves *maintaining the initiative*: Does the strategy maintain freedom of action and increase commitment? Does it set the pace and establish the course of actions rather than reacting to them? Thirdly, *concentration* is required: Does the strategy focus superior power at the place and time possible to be influential? Has the strategy defined exactly what will make the firm superior in power in relation to its rivals? The fourth component is *flexibility*: Has the strategy intentionally built in resource buffers and scopes for flexibility and manoeuvre? The fifth is *coordinated and committed leadership*: Does the strategy afford responsible, dedicated leadership for each of its main goals? Sixth, *surprise*: Has the strategy made use of speed, confidentiality, and intelligence to strike exposed or unprepared rival at sudden times? The seventh component relates to *security:* Does the strategy make safe resource bases and all vital operating points for the company?

Rumelt (1980) maintains that strategy can neither be formulated nor adjusted to changing situations without a process of strategy assessment. He then suggests the common principles of strategy assessment in which a strategy that fails to meet one or more of these standards is strongly distrusted. They are first, *consistency*: The strategy must not present equally inconsistent goals and policies; second, *consonance*: The strategy must stand for an adaptive response to the external environment and to the crucial changes taking place within it; third, *advantage*: The strategy must present for the invention and/or continuance of a competitive advantage in the chosen area of activity; and fourth, *feasibility:* The strategy must neither overburden existing resources nor generate unknowable sub-problems (cited in Mintzberg et al., 2003).

In addition, Johnson, Whittington, and Schoeles (2011; 2012) propose a three-part model of exploring strategy that includes issues of context, content, and process equally: understanding the strategic position of an organisation (context); assessing strategic choices for the future (content), and managing strategy into action (process).

Strategic position is concerned with the effect on strategy of the external environment, the organisation's strategic capability (resources and competences), the organisation's goals and the organisation's culture. Strategic choices involve the alternatives for strategy in terms of both the directions in which strategy might shift and the methods by which strategy might be engaged. The last issue, strategy in action, relates to how selected strategies are actually put into practice (strategy implementation).

Arguing in a similar way, David (2005) contends that strategy formulation consists of developing a vision and mission, detecting a firm's external opportunities and threats, identifying internal strengths and weaknesses, setting up long-term objectives, creating alternative strategies, and selecting distinct strategies to pursue. Thompson et al. (2010) suggest that the managerial process of crafting a firm's strategy contains three interrelated and integrated roles: first, developing a strategic vision of where the business needs to head and what its future product/market/customer concentrate should be; second, establishing objectives and using them as standard for measuring the business' performance and progress; and third, drawing up a strategy to attain the objectives and move the business in the strategic direction planned by management.
Further, Wheelen and Hunger (2000:107) posit that strategy formulation is concerned with developing an organisation's mission, objectives, strategies, and policies. Strategy formulation begins with situation analysis; that is, "the process of finding a strategic fit between external opportunities and internal strengths while working around external threats and internal weaknesses." Knowing the internal environment's strengths and weaknesses is a vital component in strategy formulation, for it is here that the planning team identifies its lifelines into an uncertain world (Argenti, 1989). Argenti (1989) says further, that in terms of the threats and opportunities of the external environment- which are usually beyond the control of the firm - the organisation will record the trends and events present in the environment which it (the organisation) feels might have the foremost consequences on its performance. Pitt and Koufopoulus (2012) state that no firm functions in isolation; rather, firms interact with the external world, most clearly with their customers, their suppliers, employees, and other external stakeholders including bankers, competitors and would-be competitors.

Common to discussions of strategy development above is the notion that strategy development involves developing a vision and mission, finding out a firm's external opportunities and threats, discovering internal strengths and weaknesses, establishing long-term objectives, building alternative strategies, and choicing well-defined strategies to pursue in which those processes are interconnected and integrated each other. In order to effectively develop strategy, It is vital that organisation properly manages resources, capabiities, and competencies of the organisation to appropriately match with the external environment of the organisation. However, as said by Hamel and Prahalad (1984) that strategies formulated with only the present in mind (strategic fit) tend to be more involved in today's problems than concerned with tomorrow's opportunities. In the point of view of current researcher, the two approaches to strategy development (formulation) are complimentary each other and all the facets of strategic management process are critical. Strategic intent is more internally focused and is involved with building new resources and capabilities, whereas strategic fit concentrates more on matching current resources and capabilities to the external environment. Further, it is important to note that strategy development is not wholly top management task who have little understanding of current operating realities. Therefore, it is vital to involve managers at all levels in the strategy development.

Following the views of Henderson, Porter, Johnson et al., and others above, it is very clear that competition matters, of course, and is at the heart of corporate success and failure. For this, firm and strategists devote most of their attention to it. The current researcher, however, would like to argue that by merely focusing on competition, firms have lost a large number of opportunities in the uncontested market space since fims and strategists have disregarded markets where there is insignificant or no competition. W. Chankim and Renee Mauborgne in their monumental book (2004; 2015) 'Blue Ocean Strategy' and their article in Harvad Business Review (October, 2004) contend that the business universe comprises two divergent kinds of space: red and blue oceans. Red oceans stand for all industries present today- the known market space. In read oceans, industry boundaries are identified and accepted, and the competitive regulations of the game are well understood. Here firms try to outperform their rivals in order to grasp a greater part of existing demand. As the space gets increasingly crowded, prospects for profits and growth are diminished. Meanwhile, blue oceans stand for all the industries not in existence today- the unknown markets space, innocent by competition. In blue oceans, demand is created rather than contested. Therefore, in the view of the recent researcher, in developing strategy, it is indispensable that firms consider and focus too in the uncontested markets, besides in the existing markets where firm has competitive advantage.

2.2.10. The strategy execution

Strategy implementation is the aggregate total of the activities and choices needed for the execution of a strategic plan. Wheelen and Hunger (2000) state; "It is the process by which strategies and policies are put into action through the development of programs, budgets, and procedures" (p. 183). Strategy execution involves a system-wide approach that consistently directs the organisation to do the right things and to do those things right (Morgan, Levitt and Malek, 2007). Such an approach helps identify, devise, and prioritise the needed project investments so that everyone understands what they must do and how they should act together with others to implement strategy. It also revisits the investment decisions on a regular basis to guarantee they stay on track. Further, Morgan et al. (2007) say, success in implementation, - regardless of how well the organisation chooses a portfolio of strategic programmes and projects, - in the end depends on two things: whether the designed objectives for each programme and project stay relevant and reasonable, given dynamic changes in the organisation's competitive environment, and whether each of the strategic programmes and projects is managed well enough to attain the objectives that validate it at the time it was selected for investment. Excellent execution in the absence of sound strategy, is no better than excellent strategy with poor execution (Morgan et al., 2007). As stated by Wheelen and Hunger (2000), strategy formulation and strategy implementation, therefore, should be thought as two sides of the same coin. Poor implementation has been responsible for a number of strategic failures.

Furthermore, a 1998 study of 275 portfolio managers as cited by Kaplan and Norton (2001) reported that the capability to execute strategy was more important than the quality of the strategy itself. These managers mentioned strategy implementation as the most essential factor shaping management and corporate valuations. Further, Kaplan and Norton cited a 1999 Fortune cover story of leading CEO failures that concluded that the emphasis placed on strategy and vision shaped a wrong belief that the right strategy was all that was needed to be successful. The real problem, according to Kaplan and Norton is not bad strategy but bad execution. They also argue that one problem why organisations have difficulty executing well-formulated strategies is that strategies - the distinctive and sustainable ways by which organisations generate value - are changing but the tools for measuring strategies have not kept up.

Kaplan and Norton (2001) then introduced the balance scorecard. The balance scorecard approach engaged measures of financial performance, the substantial indicators, but supported these with measures on the drivers, the lead indicators of future financial performance. Further, they say that the organisation uses the balance scorecard to create a strategy-focused-organisation. Five common principles of a strategy-focused organisation are proposed:

Principle 1: Translate the strategy to operational terms. It concerns strategy map and balanced scorecards. By translating strategy into the logical architecture of a strategy map and balance scorecard, organisations create a common reference point for their units and employees.

Principle 2: Align the organisation to the strategy. This suggests that for organisational performance to become more than the sum of its parts, individual strategies must be connected and integrated.

Principle 3: Make strategy everyone’s everyday job. This requires that all employees understand the strategy and perform their day-to-day business in a way that becomes a factor in the success of that strategy. This is not top-down direction; rather it is top-down communication. This principle is the movement of strategy from the senior executive team to everyone in the organisation. In other words, it turns strategy from the boardroom to the backroom and thus to the front lines of daily operations and customer service.

Principle 4: Make strategy a continual process. This principle suggests that process combines the management of tactics (financial budgets and monthly reviews) and the management of strategy into a sound and continual process.

Principle 5: Mobilise change through executive leadership. This principle posits that the single most significant condition for success is the ownership and active involvement of the executive team. Strategy implementation requires repeated attention and focus on the change initiatives and performance against targeted outcomes. If those at the top are not vigorous leaders of the process, change will not happen, strategy will not be implemented, and the opportunity for step-forward performance will be lost.

In their work *Executing your Strategy*, Morgan, Levitt, and Malek (2007) posit that there senior management cannot complete a strategic transformation without becoming intensely engaged in project management, the organisational systems that surround it, and the behaviours and terms necessary to lead it. In some cases, particularly for completely new or transformative strategies, the senior executives themselves must become the project leaders. The only actions and activities that serve to implement strategy are the projects and programmes that will take the organisation from its recent state to its desired future state. In his 1996 seminal work entitled *What is Strategy?,* Porter points out that the essence of strategy is in the activities – choosing to carry out activities differently or to carry out different activities than competitors. Otherwise, a strategy is nothing more than a marketing slogan that will not withstand competition. Activities or processes are shaped and changed through projects, so a strategy that requires new processes or activities requires projects to plan and execute them.

More recently, Lawrence Hrebiniak (2009:37) writes:

> Execution is a process. It is not the result of a single decision or action. It is the result of a series of integrated decisions or actions over time. This helps explain why sound execution confers competitive advantage. Firms will try to benchmark a successful

> execution of strategy. However, if execution involves a series of internally consistent, integrated activities, activity systems, or processes, imitation will be extremely difficult, if not impossible.

According to Hrebiniak, execution is a process that requires great attention to make it work. Managers who hunt for a quick solution to execution problems will definitely fail in attempts at making strategy work. Further, he argues that even though, in reality, there may be separation of strategy formulation and execution tasks, the two are extremely interdependent. Strategy making influences execution; the execution of strategy, in turn, influences changes to strategy and planning over time. This connection between planning and doing suggests two crucial points to keep in mind: first, successful strategic outcomes are best reached when those responsible for implementation are also part of the planning or execution process. Second, strategic success requires a 'simultaneous' view of planning and doing. Managers must be thinking about implementation even as they are formulating plans - implementation is not something to 'worry about later.' Implementation matters must be anticipated but as part of the 'big picture' of managing planning and doing. Hrebiniak, then, proposes a model or guidelines for successful execution:

1. Strategy is the primary driver. It means that it all starts with strategy. Execution cannot take place until one has something to execute. Bad strategy begets poor implementation and poor outcomes, so it is vital to focus first on a sensible strategy. Strategy identifies the arena (customers, market, product, and so on) in which the implementation game is played.
2. Managing change. Strategy implementation often engages change. Knowing how to manage the implementation process and related changes over time is essential for implementation success.
3. The power structure. Implementation programmes that oppose the power of an organisation are doomed to failure.
4. Coordination and information sharing. Knowing how to attain coordination and information sharing in complicated organisations is essential to execution success.
5. Clear responsibility and accountability. Without clear responsibility and accountability, implementation programmes will run nowhere.

6. The right culture. Organisations must cultivate execution-supportive cultures such as a culture of achievement, discipline, and ownership.
7. Leadership. Leadership must be execution biased. It must drive the organisation to implementation success and motivate ownership of and commitment to the implementation process.
8. Controls, feedback, and adaptation. Making strategy work demands feedback about organisational performance and then utilising that information to modify strategy, objectives, and the execution process itself.

In addition, Syrett (2007) argues that successful strategy execution depends on two factors: first, a focus on the right strategic goals, led and championed by senior managers, that blend an organisation behind the strategy, establish the measures and milestones of success, and ensure that resources are allocated effectively; and second, the freedom granted to all elements of the organisation to be creative in discovering new and innovative ways of carrying out these goals. Strategy implementation requires a company to set up annual objectives, formulate policies, motivate staff, and allocate resources so that planned strategies can be implemented. Strategy evaluation is the final phase in strategic management. Managers need to know immediately when specific strategies are not working well; and strategy evaluation is the main means for acquiring this information.

Thompson et al. (2010) discuss how the managerial process of executing a firm's strategy contains two interconnected and integrated parts: first, executing the selected strategy efficiently and effectively; and second, evaluating performance and making remedial adjustments in the business's long-term direction (in terms of objectives, strategy, implementation in light of real experience, changing circumstances, new ideas, and new chances). Further, Wheelen and Hunger (2000) assert that the managers of divisions and functional areas work with their colleague managers to develop programmes, budgets, and procedures for the execution of strategy. They also work to attain synergy among the divisions and functional parts in order to create and maintain an organisation's distinctive competence. The authors also refer to a recent approach to strategy implementation utilised to improve operations – this is called reengineering. It is the radical redesign of business to maximise gains in costs, service or time. This approach is an effective way to implement a turnaround strategy.

The above discussions suggest that strategy development and execution are interconnected. Strategy development affects strategy execution; the execution of strategy, in turn, influences changes to strategy and planning over time. For this, strategy formulation and strategy execution should be thought as two sides of the same coin. Poor implementation has been responsible for a number of strategic failures. Exceptional execution in the absence of sensible strategy, is no better than exceptional strategy with poor execution. Therefore, it is critical that those responsible for implementation are also part of the planning or execution process; and the managerial process of strategy execution should contain two interrelated and integrated parts: executing the selected strategy efficiently and effectively and assessing performance and making corrective adjustments in the business's long-term course. For this, it is esential that those at the top management are enthusiastic leaders of the process or change will not happen, and strategy will not be implemented, and the opportunity for attaining desired performance will be lost.

2.3. Strategic Planning

2.3.1. Intuitive-anticipatory and formal planning system approach

Strategic planning is interlinked with the entire fabric of management; it is not something separate and distinct from the process of management (Steiner,1979). It is a function and concern of managers at all levels in an organisation. To take a broad view, according to Steiner (1979), there are two types of management: that which is completed at the highest of an organisational structure is *strategic* management; everything else is *operational* management. He states that, "Strategic planning is a backbone support to strategic management" (p.4), although, of course, strategic planning is not the wholeness of strategic management; it is a main process involved in the running of strategic management, and is central to helping managers satisfy their strategic management roles. Just as strategic management is absolutely concerned with operational management, so strategic planning is linked with operations; but as with strategic management, the focus of strategic planning is on strategy more than operations. Further, according to Steiner there are two different ways for a manager to formulate forward-looking strategic plans. The first, the *intuitive-anticipatory* approach, has several features, but the main one is that it is more of a thought process than a concrete activity, and may not result in a written set of plans. Commonly it has a reasonably short time horizon and reaction time and ‘it is based upon the past experience, the gut feel, the judgment, and the reflective thinking of a manager,’ (Steiner, 1979: 9). In contrast, the *formal planning* system is structured and developed on the basis of a set of procedures. It is obvious in the sense that people understand what is going on. Regularly, operations manuals are prepared to describe who is going to do what and when, and what will occur with the information. It is based on research and engages the participation of many people. Support for the decision making in the process is regularly documented and the result of the whole effort is a written set of plans. Both approaches, as said by Steiner (1979), can and should complement one another. A formal system can and should facilitate managers to sharpen their intuitive – anticipatory ideas within the planning process. At the very least, a formal system can and should give managers more time for reflective thinking.

Furthermore, Steiner argues that the formal planning system cannot be really effective unless managers at all levels apply their judgements and intuition to the planning process. Nor, conversely, will formal planning be effective if top managers refuse it in support of their own intuition. As Mintzberg (1994) states, to be effective, any organisation has to combine analysis and intuition in its strategy making as well as other processes. Similarly, Grant (2010) contends that, as a rational planning system, the roles of intuition, creativity, and spontaneity are essential for successful strategies. Further, Steiner describes that managers, in reality, do stick to diverse thought processes in decision making. The blueprint of a formal planning system must understand and indicate these divergences if the system is to perform successfully.

2.3.2. Some definitions of strategic planning

Strategic planning literature provides a wide range of definitions, concepts, theories, and models of strategic planning. One of the seminal works in strategic planning by Anthony (1965:24), defined strategic planning as “the process of deciding on objectives of the organisation, on changes in these objectives, on the resources used to attain these objectives, and on the policies that are to govern the acquisition, use, and disposition of these resources.” Here, strategic planning is a process to formulate strategic plans and policies transforming the character or direction of the organisation. Further, Anthony explains that in an industrial firm this process comprises planning that influences the objectives of the firms, all types of policies, market and distribution channels, the acquisition and disposition of the main facilities, new permanent capital sources, divisions, subsidiaries’ organisation structure, and research and development of new product lines.

Another seminal study is Steiner’s 1979 work describing strategic planning from several points of view, each of which is needed in understanding strategic planning. First, strategic planning relates to the futurity of current decisions. It means that strategic planning should involve observing the causality effect of decisions that a manager will make; and if a better decision is arrived at, the original one can be readily changed. Strategic planning means “designing a desired future and identifying ways to bring it about” (Steiner, 1979:14). Second, strategic planning is a process. It starts from the setting of organisational aims, designs strategies and policies to attain them, and establishes detailed plans to make sure that designed strategies and policies are implemented. However, it should be understood too as a continuous process since the changes and turbulence in the business environment are continuous. Third, strategic planning is a philosophy, a way of life. It needs dedication to acting on the basis of future contemplation and to plan continuously and systematically as integral of management process; “Strategic planning is more of a thought process, an intellectual exercise, than a prescribed set of processes, procedures, structures, or techniques” (p.14).

Fourth, strategic planning is a structure. It connects three main types of plans; these are strategic plans, medium-range programmes, and short-range budgets and operating plans. In a firm with decentralised divisions there may be this type of connection in each division's plans and a different connection between strategic plans made at divisional plans and headquarters. The concept of a structure is reflected too in this definition proposed by Steiner (1979):

> strategic planning is the systematic and more or less formalised effort of a company to establish basic company purposes, objectives, policies, and strategies and to develop detailed plans to implement policies and strategies to achieve objectives and basic company purposes (p.15).

The other seminal work is that of Lorange (1980), which describes strategic planning as "the process of deciding on objectives of the organisation, on changes in these objectives, on the resources used to attain these objectives, and on the policies that are to govern the acquisition, use, and disposition of these resources" (p.24). Further, Lorange (2010) states that the aim of strategic planning is obvious: to be a management tool to aid in the strategic decision-making process of an organisation. If an activity runs under the strategic planning label but does not help in the strategic decision-making of the organisation, it is not strategic planning even though there are a range of appropriate planning components involved in the activity, such as detailed five-year plan documents. In addition, Shrader, Taylor and Dalton (1984) viewed planning in a broad, descriptive sense and define it as a profile of decisions and predispositions of the dominant coalition with respect to environment, context, and structure.

Dyson (1990:3) defines strategic planning as "a management process involving consultation, negotiation, and analysis which is aimed at ensuring effective strategic decision making." A main part of the strategic planning process is to guarantee the initiation and formulation of strategic options, and because a strategic option when implemented will have durable effects and be difficult to change, the planning process, therefore, must be concerned with assessing options before action is taken and be concerned with the future effect of the planned decisions.

Bryson (1995:4-5) describes 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”. To deliver the best results, strategic planning requires broad yet effective information gathering, development and exploration of strategic alternatives, and an emphasis on future implications of present decisions. Heines (1995:3) describes strategic planning as “a dynamic, backward-thinking process by the collective leadership of the team, department or organisation.” The ideal future vision and core strategies are defined as a foundation for annual operating plans and budgets. Then a team or department involved in the strategic planning process will attempt to drive the achievement and measurement of this vision.

The last and perhaps the most comprehensive and descriptive definition was provided by Peter Drucker (1959:240). He defined strategic planning (long range planning) as:

> The continues process of making present entrepreneurial (risk taking) decisions systematically and with the best possible knowledge of their futurity, organising systematically the efforts needed to carry out these decisions, and measuring the results of these decisions against the expectations through organised, systematic feed-back.

Ansoff (1965) referred to Drucker’s definition in three parts: one, making present decisions systematically; two, organising programmes for their implementation; and three, measuring the actual performance of these decisions (the programmes). The linkage of Drucker’s definition to Ansoff’s work (Corporate strategy) is their entire concern with “making present entrepreneurial decisions” (Ansoff, 1965 p.185). To extend his results to Drucker’s definition of strategic planning, Ansoff created a document called the *strategic budget* to systematically organise the attempts make to execute the decision.

In addition, according to Drucker (1959), it is easier to define long-range planning by what it is not rather than by what it is, namely: first, it is not ‘forecasting.’ It is not engineering the future and any effort to do so is thoughtless: human beings can neither foresee nor control the future. Second, it does not cope with future decisions; instead it copes with the futurity of present decisions. Decisions occur only in the present. The question that confronts the long-range planner is not what we should do tomorrow; it is what we have to do prepared for an ambiguous tomorrow. Third, long-range planning is not an effort to exclude risk. It is not even an effort to minimise risk. Indeed any such effort can only run to illogical and unlimited risk and to certain failure.

Common to definitions of strategic planning above is the notion that strategic planning is concerned with the deciding process on organisational objectives, devising strategies and policies to reach them, and making detailed plans to guarantee that designed strategies and policies are executed, and measuring the achievement of the organisation. In other words, in essence, strategic planning tries to make analytically current decisions, manage programmes and policies for their execution, and assess the real performance of these decisions.

2.3.3. A brief history of strategic planning

The notion of strategy has a long history. It has existed for thousands of years as a way of thinking about survival and of attaining success through leadership in war or politics. In the time of the ancient Greek civilization, the term ‘strategy’ was used to illustrate a senior military commander-in-chief or a topmost magistrate (Segal and Horn, 2004). However, the concept of strategy did not derive from the Greeks. Sun Tzu’s classic, *The Art of War*, written circa 500 BC, is viewed as the first tract on strategy (Grant, 2010). Lorange and Vancil (1977) portray that strategic planning as a form of human mental activity is not new; what was new was the attempt by managers in large firms to reinforce strategic planning in the early 1960s. Similar to Segal and Horn (2004); Lorange and Vancil (1977) and Grant (2010), Dooris, Kelley and Trainer (2002) contend that strategic planning is definitely not new when considered in the setting of human thought and behaviour. To the contrary, since strategic planning represents vital features of Homo Sapiens, it is by definition as old as humankind. Conversely, when one views strategic planning as a well-thought-out management discipline and practice, it is barely out of its infancy.

Furthermore, according to Grant (2010) Segal and Horn (2004), and Barker and Smith (1997), the roots of strategy and planning concepts can be traced to military applications in which the literature on strategy dates from classic writings of Sun-tzue (Art of war, 6th Century BC) and later, writings of Carl von Clausewitz (on war) in the 19th Century. The term ‘strategy’ derives from the Greek word ‘strategia’, meaning generalship (Grant, 2010). Similarly, Coulter (2013), and Galbraith and Nathanson (1977) explained that strategy can be viewed in historical decisions and actions used by military organisations and that the word strategy itself comes from the Greek word ‘strategos,’ or military commander. That is why, according to Anthony (1965), the word strategic suggests a close relationship with strategy as used in military parlance in which military leaders and researchers have done much thinking about strategic principles. Business management should be able to benefit from what the military leaders and researchers have studied and published. Further, Anthony stated that of the 14 well-known planning principles proposed by Harold Koontz in 1964, nine planning principles have a relationship to the military principles.

Strategy can be understood as “the what is to be done and planning as the how to do it” (Barker and Smith, 1997:289). Drucker (1974) noted that in the early 1920s for the first time Du Pont and Sloan developed systematic approaches to business objectives, to business strategy, and to strategic planning. Impetus was given to strategic planning in the post-World War II period in which many who had been involved in the US armed forces had returned to civilian life and applied the concepts of strategy and planning to firm and industry. Long-range planning evolved and, as argued by Ansoff and McDonnell (1990:247), in the 1950s, “long range planning was the firm’s response to the pressures of rapid growth, size, and complexity” which firms were no longer likely to rely on budgeting in facing their future competitive challenges, growth and expansion needs.

Strategic planning emerged as a distinct methodology for a time between the 1950s and the 1970s (Dooris, Kelley and Trainer, 2002). Segal and Horn (2004) note that the use of concept ‘strategy’ in relation to organisations, and the utilisation of the theme of strategic management (usually in the context of business firms and corporations) has only arisen since the twentieth century. Further, Lorange and Vancil (1977) write that, in the early 1960s, managers in large firms attempted to formalise strategic planning and to focus it on influencing the strategic directions of their organisations. In the 1960s, business policy and strategic planning played increasingly important roles in developing formal alternatives to increase firms’ performance, and this period saw a proliferation of major works (Shrader et al., 1984). Steiner (1979) asserts that strategic planning with its modern design characteristics was first introduced in profit oriented companies in the mid-1950s by large companies under the rubric of a long-range planning system. Since then, according to Steiner, formal strategic planning has matured; virtually all large firms throughout the world have adopted a strategic planning system, and a number of smaller firms are adopting the example of the larger firms. Mintzberg (1994) notes that strategic planning arrived on the scene in the mid-1960s when corporate leaders embraced it as the one best way to devise and implement strategies that would enhance the competitiveness of each business unit.

By the 1960s, the business policy course at Harvard Business School was highlighting the need to fit a firm’s strengths and weaknesses against apparent opportunities and threats: this approach has become famous known as the SWOT framework (Susan and Horn, 2004). The 1960s was a period of steady economic growth and general prosperity in the United States and during this period there were many attractive opportunities for growth; subsequently corporate executives realised that they had to choose sometimes to diversify through acquisition and to expand to international market (Steiner, 1979). These strategic moves compound the managerial complexity of large enterprises, and new management tools were obviously needed to help corporate executives overcome an increasing complexity of strategic decisions. Formal long-range planning was invaluable to these corporate executives and its main virtue was that “it focused on the right set of issues” (Steiner, 1979: p.vii). During the five years of 1968-1972, according to Steiner (1979), the rapid development of strategic planning systems was established. Hundreds of executives and scores of academicians focused on learning about the design of strategic planning systems. Further, Susan and Horn (2004) note that the majority of large US companies had formal planning departments, as did many large Europeans companies. Although these companies made substantial use of the notions and frameworks developed by management academics, they increasingly turned to management consulting firms. The contribution of these consulting firms -for example, BCG and McKinsey, two best-known strategy consulting firms - to the development of strategic thinking throughout the 1960s and 1970s was extensive.

Some scholars link the emergence of strategic planning to the chaotic environment of the 1970s when, with the energy crisis and other unforeseen events, organisations hurried to find a more appropriate planning system (Rosenberg and Schewe, 1985). Susan and Horn (2004) note that a shift of the strategic role of corporate planning happened during the 1970s. What had initially been an emphasis on strategy as planning, governed by corporate planning departments that concentrated on long-range planning and using mostly quantitative analysis procedures as the base for strategic decision-making, unexpectedly began to break down. Ghemawat (2002:50) illustrates this phase in the late 1970s as 'leading to stale-mates as more than one competitor pursued the same generic success factor.' Further, the concepts of competition and competitiveness subsequently grew in significance. At first, in the 1980s, the very well-known books of Michael E. Porter (1980, 1985) that highlighted the external environment of the corporation, seek to give explanation particularly about the analysis of industry structures to find out the levels of industry attractiveness and comparative levels of potential industry profitability. However, as Susan and Horn (2004) presented, after a decade of strategic management concentrated on industry structure and market positioning as the main drivers of performance and potential profitability of companies, a new perspective on strategy came forward in the 1990s. It is the approach known as the 'resource-based' view (RBV) of strategy (Grant, 1991; Prahalad and Hamel, 1990). Further, from 1990 onwards, and emerging from the RBV perspective, the emphasis for strategic management shifted once more from the external competitive environment to the internal analysis of the company, as the basis for building strategies and discovering sources of competitive advantage. Firms in the same industry may pursue different strategies and attain varied performance levels, as a result of comparable resources but differing competencies or capabilities. The resource-based view (RBV) provides a compelling explanation for heterogeneity. Thus, this conferred an important role on management in generating appropriate processes for capability-building within their organisations (Susan and Horn, 2004).

Finally, as said by Dooris, Kelley and Trainer (2002), many would claim that searching for the birthstone of strategic planning is chimerical since planning is an evolutionary course. Certain dating stones can be traced, but strategic planning owns no single event of origin. What is obvious, however, is that the more recent decades have been a prosperous period for strategic planning- “a development in which higher education has shared” (Dooris et al., 2002: 6). The concept of strategic planning has progressed over time and from its early stages of application in companies has extended to all areas of society encompassing government and public sector, small medium enterprises as well as higher education (Barker and Smith,1997).

2.3.4. Conceptual scheme for strategic planning

Lorange and Vancil (1977) propose a conceptual scheme for strategic planning based on two assertions. The first comprises a three-level hierarchy of strategic planning tasks reflecting the division of labour among management. - the At the first level, the *corporate level*, concern of the top executive will be “the development and implementation of a corporate strategy and plan for the overall balance of business activities, that is, a corporate or portfolio plan” (Lorange and Vancil, 1977:1). At the *division level*, the manager of division will be responsible for development of a strategy and plan for the particular business, and at the *functional level*, the department manager will strive to develop particular action programmes to execute the plans for his division.

The second assertion is that the planning process should concentrate on strategic and often long-term decisions through a process of gradually narrowing down strategic choices. Specifically, slow organisational commitment can be achieved by having the suitable executive participate in three cycles of planning. The first planning cycle involves setting objectives that determine overall portfolio objectives, suitable charters, and objectives for each division. The programming cycle concentrates on the development of particular plans for each organisational unit, and the budgeting cycle appears at detailed and shorter-term budget options consistent with the strategic direction in which the company wants to move. This “three by three scheme”- a three-level hierarchy and three cycles - according to Lorange and Vancil (1977) offers a valuable starting point for the design of a strategic planning system providing adaptation to environmental opportunities and threats facing a company, as well as integration and consistency among the long-term activities of the company.

2.3.5. Pillars of strategic planning

Designing a strategic plan for a firm requires matching the system’s characteristics to the firm’s situational context. It is a broadly accepted approach that the system design should be contingent on the specific situational context of each specific firm (Lorange and Vancil, 1977). Every planning process should be designed to fit the needs of the specific setting; no method can simply be applied off the shelf as the the start and end points are dissimilar (Norris,1991). A given formal planning strategic system, therefore, should be tailored to the particular corporate strategy, the organisational structure of the company, and management style. As a result of this, there will be no generally applicable application of a formal strategic planning system. However, according to Lorange (1980), there are at least five pillars that support the success of a formal strategic planning process:

First, one of the purposes of top management is that they create use of the formal strategic planning process as a support to design strategic choices.

Second, the whole of purpose of conducting a formal strategic planning process must be totally comprehended at all the levels of the organisation.

Third, there must be at least a minimum of usual conditions concerning with the standardisation of contents, formats, deadlines, methods, and so on of the formal strategic planning system.

Fourth, the formal strategic planning system must be assimilated with the other management systems of firm, such as organisation's management information system.
Fifth, line managers must centrally engaged in the process of formal strategic planning.

Further, Lorange and Vancil (1977) and Lorange (1980) pinpointed six issues that must be considered in the design of a strategic planning system:

First, communication of goals for corporate performance. A usual problem in the design of a formal planning system happens when second level managers wish corporate guideline in order to concentrate the preparation of their strategic plans. Ascertaining how goals should be communicate and how particular they should be is an important design issue for the planning system.
Second, the goal setting process. A main issue in the goal setting process is whether the division goals are established by corporate management or by the division manager himself. This issue sometimes result in a dichotomy "Top-down" goal setting or "bottom-up" goal setting. As a practical manner, Lorange and Vancil (1977:142) points out "both corporate and divisional management must agree upon divisional goals."
Third, environmental scanning. Designing the system to concentrate explicit attempt on the task of environmental scanning will help to ensure that the planning effort also meets its adaptive mission as one of the main functions of a strategic planning system.
Fourth, subordinate managers' focus. What should be the focus of the second-level managers intricate in a corporate strategic planning effort? What tasks will the division manager, the functional manager, and top management perform? It is very important to consider these questions in terms of whether plans should be reasonably more quantitative or qualitative; more concerned with financial detail or with extensive strategic analysis.
Fifth, role of the corporate planner. It must be underlined that strategic planning is a line-management function. A inevitable route to failure is to have plans generated by staff planners and then delivered to line managers. The planner is one of the players of

characters intricate and needs to have a clear understanding of what his appropriate role is if the process is to perform effectively.

Sixth, linking of planning and budgeting. Theoretically at least, each step in the planning process should be connected to the steps that preceded it. In financial terms, this connection may be quite unequivocal; a division's profit projection arranged in the first planning cycle may successively become the profit commitment for next year's operating budget. A stretched linkage between planning and budgeting shows that reasonably more strategic commitments have been made at a prior stage.

2.3.6. Models of strategic planning

Strategic planning has broadly evolved in both the private and public organisations and there have been many insightful works, including a number of valuable strategic planning models that support the benefit of strategic planning in both sectors. Trainer (2004) points out that the value of a model is as a logic chart to guide the process. A model not only assists with clarity but also focuses attention on the most significant planning activities and processes. Webster et al. (2009) posit that models and techniques of strategic planning assist in integrating strategic planning into the main management process. While they are tailored for a specific situation (Schriefer, 1998), they are thought as major means to successful planning (Gooderham, 1998). As stated by Ramanujam et al. (1986), it is vital, therefore, that managers refer to the literature on models and techniques of strategic planning in which organisations employ strategic planning processes in order to help them identify and cope with strategic decisions. Following are some of the most commonly used models in the strategic planning:

I. The Harvard Policy Model

As early as the 1960s, Harvard University developed a model for organisations called the "Harvard Policy Model" find a "best fit" between a business' mission and its environment where its main claim was that organisations need to undergo strategic planning exercises in order to remain competitive because the environment around them is constantly changing (Kenvilley, 2005; Mintzberg,1994). Mintzberg prefers to call this the Design School Model. The major contribution of this model is the development of techniques that enable an organisation to analyse its strengths, weaknesses, opportunities and threats (SWOT) in its environment, in order to develop its strategy.

Mintzberg (1994) describes the premises of the Design School:

- Strategy formation should be a controlled, conscious process of thought
- Responsibility for the process must rest with the chief executive officer
- The model of strategy formation must be kept simple and informal
- Strategies should be unique
- Strategies must come out of the design process fully developed
- The strategies should be made explicit
- Strategies must be implemented.

In other words, Harvard Model highlights strategic planning as rational model which the main responsibility of planning process is on the chief executive oficer. Strategies as a result of planning process should be distinctive and made clearly to execute well.

II. Steiner's Model

Steiner is considered one of the leading strategic planning theorists particularly for the private sector. Steiner's Model (figure 4) is based heavily on the experience of many firms with formal strategic planning. In his seminal work *Strategic planning. What every manager must know,* Steiner (1979) presents his conceptual model of structure and process of systematic corporate planning which highlights three major phases: planning premises, formulating plans, and implementation and review. The *planning premises* are divided into two types: the plan to plan and substantive information required in formulating and implementing plans. Based on the foregoing premises, the strategic planning process then continues to formulate master and programme strategies. Master strategies are basic missions, purposes, objectives, and policies and the programme strategies involve "the acquisition, use, and disposition of resources for specific projects, such as building a new plant in a foreign country" (p.20). Once operating plans are established, they should be implemented where this process includes all aspects of managerial activities. Plans also should be reviewed and evaluated as they make a major contribution to the improvement of further strategic planning. Barker and Smith (1997) argue that Steiner's Model considers the external environment and provides for review and assessment of plans, with a constant feedback between and among the different components of the model. Evaluation of past performance and evaluation of main outside and inside interests are key factors in the strategic planning process. Steiner's model suggests that strategic planning starts from plan to plan (pre-planning). It then continues to scan environment as a basis to formulate plans. Based on the preceding assertion then planning process continues to establish missions and objectives of the organisation, policies and programmes. Planning process subsequently sets operating strategies and implement them, as well as evaluates the actual performance. Interestingly, review and feedback in Steiner's model occurs continuously between and among the different elements of the model.from the very early step- plan to plan to the implementation step. It is important, so that, management can take the correction action as early as possible if needed at the each stage of the planning process.

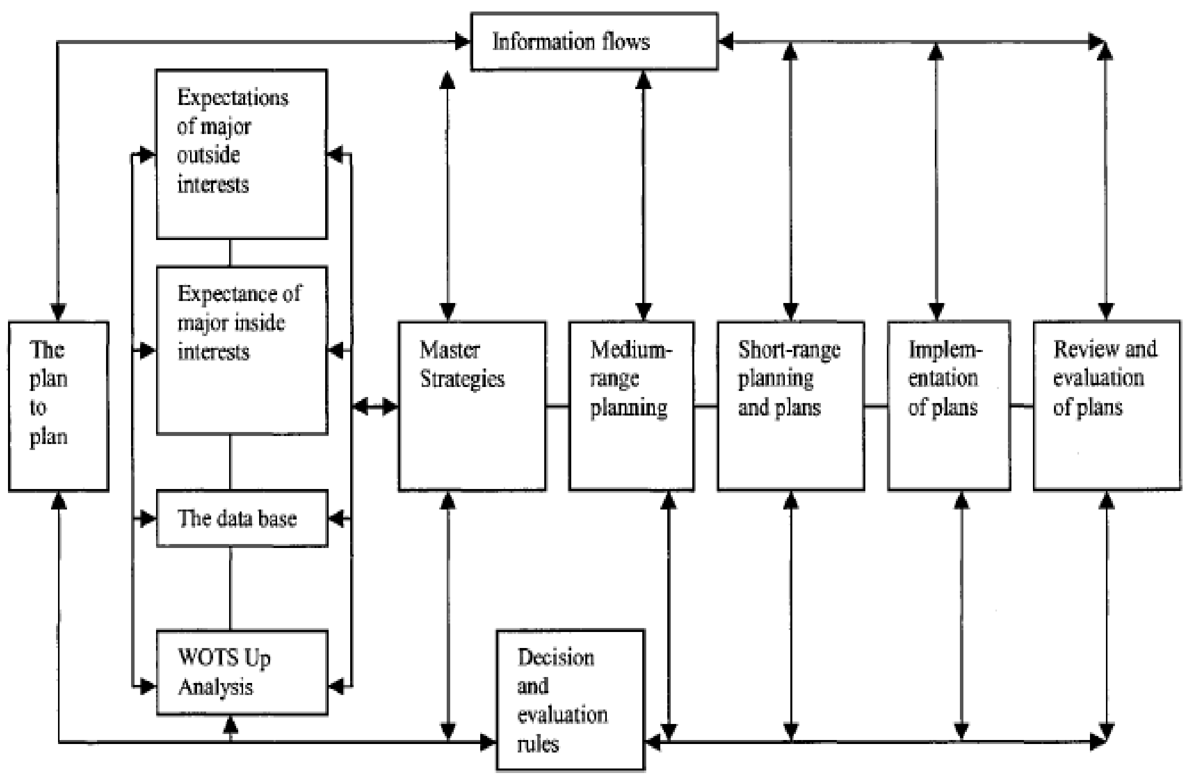

Figure 1: Strategic Planning Model (Steiner,1979)

III. Bryson's Model

This model is referred to as the ten-step strategy change cycle; it is an orderly, deliberative, and participative process. It is designed "to organize participation, create ideas for strategic interventions, build a winning coalition, and implement strategies" (Bryson, 2004:32). The model comprises ten strategic planning processes:

- Initiate and agree upon a strategic planning process
- Identify organisational mandates
- Clarify organisational mission and values
- Assess the organisation's external and internal environments to identify strengths
- Weaknesses, opportunities, and threats
- Identify the strategic issues facing the organisation
- Formulate strategies to manage these issues
- Review and adopt the strategic plan or plans
- Establish an effective organizational vision
- Develop an effective implementation process
- Reassess strategies and the strategic planning process (Bryson, 2004:32-34)

- Further, Bryson contends that the cycle of strategy change may be considered as a process strategy where the major activities in the process are managed by a leadership group but the other members formulate and are responsible for much of the content of individual strategies. In Bryson's Model, the ten-step strategic planning processes should lead to actions, results, evaluation, and learning. Implementation and evaluation should be an integral and continues process. The strategy change cycle aims to increase strategic thinking, acting, and learning to connect strategy formulation with implementation well. In the Bryson's model, it looks that agreement and authorization from the organisation are esential to start and conduct strategic planning process. Once the issues above have been clear, strategic planning process prolongs to elucidate missions and values of the organisation which are vital to guide the journey of the succeeding planning process. Subsequently, planning process investigates environment both external and internal environment and discover the strategic issues dealing with the organisation. It is obvious that the appropriate understanding of the environment and strategic issues of the organisation provides a foundation of developing strategic and operational plans. Afterwards, it is important to present the vision of the organisation of how strategic and operating plans will be implemented in order to guarantee that implementation process is on the right tract. Finally, once establishing an effective execution process as the last step of planning process, Bryson's model suggests evaluation and feedback of strategies and planning process based on the actual performance and the subsequent strategic planning process.

IV. Lorange's Model

In his model Lorange proposes five stages to identify environmental opportunities and threats, to narrow down strategic options, and to monitor progress of the chosen strategic options. These are discussed below.

Stage one: Objectives setting.

This identifies primarily relevant strategic alternatives and is a critical phase of the strategic planning process in that "it should set the innovative and creative tone that should be a major characteristic of good planning" (Lorange,1978; 2010:22). Above all, at this stage, the strategic planning process should facilitate a clearer outlook towards the organisation's environmental opportunities and threats; too often it fails to take advantage of the environment, but becomes a mechanistic, extrapolative dominance process instead.

Further, Lorange proposes four major aspects of the objectives-setting process: 1) assessing the rationale for the strategic direction of the organisation and its business to take benefit of environmental opportunities and threats both at the corporate and at the divisional business levels: 2) the comparison of the organisation's tentative criteria for objectives performance with outside performance criteria. This should be an indicator of whether the firm's performance as a whole is outstanding or lagging behind; 3) to make more concrete and to communicate a set of underlying assumptions and constraints of appropriate corporate strategy, and 4) the role of the top executive officer (CEO) and his key line managers.

Stage two: Strategic programming

This stage is to achieve the chosen objectives: where the organisation intends to go and how to get there. The implementation of the process of strategic programming particularly takes place at the functional level, with a focus on long-term programme development to attain internal growth.

Stage three: Budgeting

This stage is closely linked to the strategic programming stage. The budgeting stage reflects a detailed operation activity pattern for the following year which should match with the longer-term strategic programmes. The aim of the budgeting stage is particularly to develop a pattern of activities for short-term execution of the strategic programmes. It facilitates coordination and integration, particularly of the activities of strategy implementation, in an efficient manner.

Stage four: Monitoring

This is concerned with the measurement of progress towards the accomplishment of objectives. It also relates to the accomplishment of strategic programmes towards operating budget completion.

Stage five: Managerial incentives

Management incentives are an integral phase of strategic planning. Here, the notion of incentives is broader than managerial bonus payments There are three kinds of managerial incentives: 1) monetary rewards will consist of stock or bonus options; 2) non-monetary incentives will consist of job assignments and job promotions, and 3) behavioural incentives might be feedback review, criticism or individual praise.

In the Lorange's model, objectives setting serves a base for the following stages of the planning process and as the strategic direction of the organisation and its business to capture benefit of environmental chances. In the objectives setting process, it is imperative to build standard of performance to asses the actual performance of the firm. Objective setting also provides the framework and direction for developing corporate strategy and the roles of CEO and line managers during planning process. In other words, corporate strategy that are developed are function of the objectives of the firm which the responsibility of CEO and managers, then, is to set strategy programming at functional level. Afterwards, the Lorange's model suggests that functional strategy is translated and put into action in the budgeting process (short-term programmes) for the next year. For this, it is essential that budgeting process as a detailed operation endeavour blueprint for the next year should reflect the higher and longer-term strategic programmes.

The next steps of the Lorange's model are monitoring to measure the progress towards the achievement of objectives; and managerial incentives as rewards to the managers and staff of the organisation for their outstanding achievement.

V. Weihrich's Model

According to Weihrich (1982), the planning process can be built, at least conceptually, covering the following framework:

1. Recognition of the numerous organisational inputs, particularly the goal inputs of the aspirants to the company
2. Preparation of the company profile
3. Identification of the current external environment
4. Preparation of a prediction with forecast of the future environment
5. Preparation of a resource assessment, highlighting the company's internal weaknesses and strengths
6. Development of alternative strategies, policies and other actions
7. Assessment and choice of strategies
8. Consistency examination
9. Preparation of contingency (unforeseen event) plans

The Weihrich's model above considers that aspirations and inputs of the stakeholders of the corporate are important as inputs for the development of the organisation. Next, the organisation needs to set up synopsis outlining the profile of the organisation including vision, mission, and the objectives of the organisation. The Weihrich's model also involves examination of the internal and external environment of the organisation, and prediction of the upcoming environment. Such examination and prediction are critical as a foundation to develop strategies, policies, and actions to attain the objectives of the organisation; and then select the best strategies to be implemented. Control, in the Weihrich's model, is imperative as a feedback for the organisation and management in order to stay on the track and consistent with the the basic purposes of the organisation. The last in the Weihrich's model is prepare the contingency strategies and plans to respond the unpredicted event. In other words, flexibility of planning is necessary particularly in the turbulent circumstances.

VI. Haines's Model

Also called the System's Thinking Model (Figure 2), Haines (2005) points out that strategic planning will start with the output (outcomes, desired results or goals), since organisation should be proactive in determining and creating the ideal future of the organisation. Four of the five elements of Haines' model relate to the four phases of the strategic planning framework; the fifth element is understood "as the dynamic and ever changing environment within which the system operates," (Haines, 2005: 8). The four phases are: Phase A: Output - determines the ideal future success of organisation; Phase B: Feedback loop - measures key success factors of organisation; Phase C: Inputs of assessments of current state of organisation to develop core strategies to reach the organisation ideal vision, and Phase D: Throughput - this comprises a series of specific actions to ensure successful implementation of organisation plan. Haines' strategic planning model consists of ten steps:

Step 1. Plan to plan. In this step, doubt will take company honest and make sure that strategic planning that company do has a practical benefit and pay off.

Step 2. Ideal future vision of organisation. It is a step to start strategic planning where it focuses on formulating the dreams of the organisation.

Step 3. Key success factors are successful quantifiable outcome measures in "achieving any team, department, or organisation's vision, mission, and core values on a year-by-year basis" (p.39).

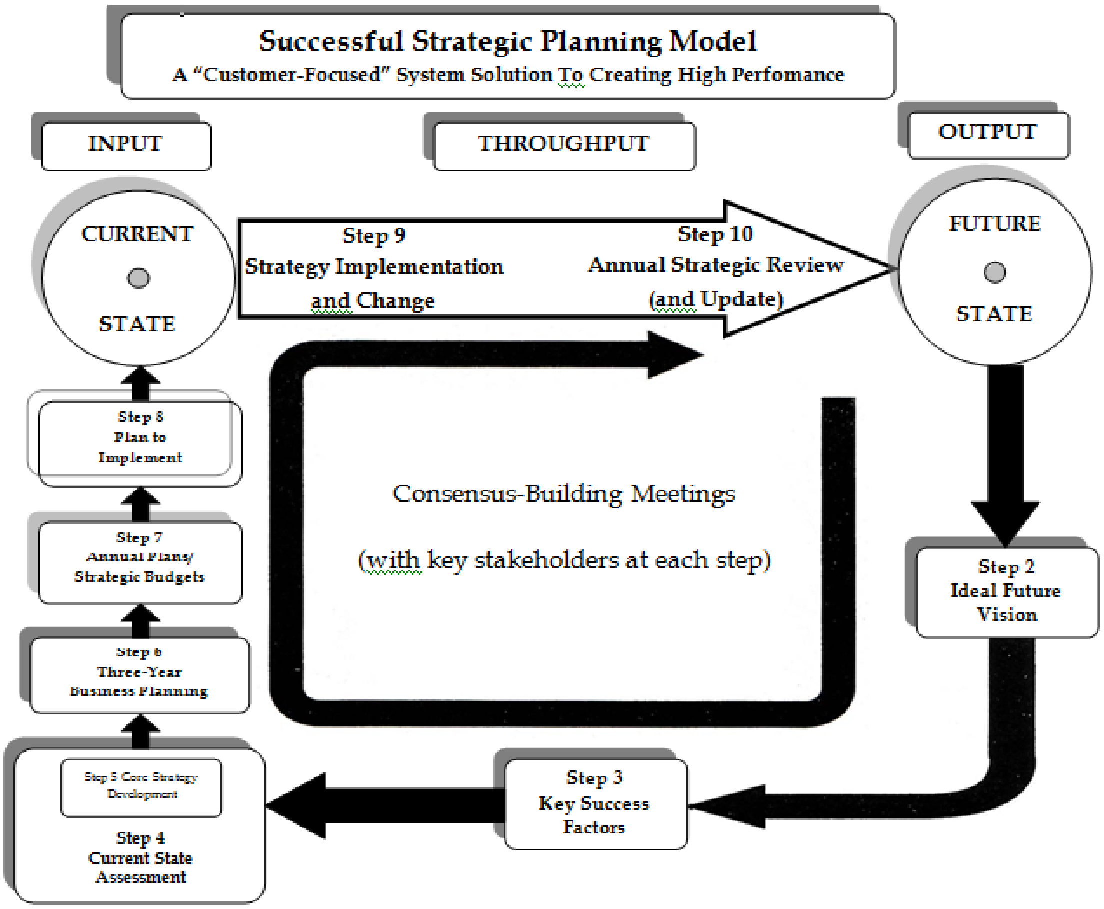

Figure 2: Strategic Planning Model (Haines,1995)

Step 4. Current state assessment. In this stage, the organisation conducts an analysis of organisational internal strengths and weaknesses and external opportunities and threats. Organisation then also examines the gaps between this analysis and the firm's vision for strategic and action consequences.

Step 5: Core strategy development bridges the gap between ideal future vision and current state of the organisation. Here, the company needs a focused set of strategies as the main tools to achieve the ideal future vision of the organisation. These strategies will be the firm principles and priorities used by every member of the organisation as a framework to set annual goals and actions of organisational, department, branch, and individual.

Step 6: Three-year business planning applies to large companies with multiple strategic business units where under the overall strategic plan context, the company needs to establish three-year business plans.

Step 7: Annual plans and strategic budgets. In this step, the organisation prioritises the tasks of the organisation for the year and then provides the resources needed to implement the organisation's core strategies.

Step 8: Plan to implement. This phase is the starting point of successful implementation and focuses on the educating and organising process to manage the strategic plan implementation. Hence, this stage deals change.

Step 9: Strategy implementation and change. To succeed, "a strategic plan must be transformed into hundreds of positive individual plans and efforts, with a rewards and recognition system" (p. 69).

Step 10: Annual strategic review. It has two goals. The first is to assess the position of how well of the strategic plan and implementation of the organisation has been achieved. This annual strategic review has three main components: To respond to environmental changes; to update annual action priorities for each core strategy for the following year; and to update the leadership steering committee's plan of organisation for success and the organisation's system for managing change.

As discussed above, in the Heines's model, strategic planning process starts from plan to plan focusing on exploring the desired outcome of the planning process. In other words, plan to plan serves to guarantee that strategic planning that organisation do has a concrete benefit and pay off. The next step, organisation formulate the future ideal vision of the organisation as a base for the following stages of planning process. It then is translated into quantifiable outcomes measures to assess the achievement of the department, managers, and staff, and organisation in the light of vision mission and purposes of the organisation. Afterwards, as the other models that have been discussed previously, planning process of Heines's model then develops corporate strategies for long term (corporate strategy), middle term (business strategy), and short term (operational strategy/annual plan), implement them, and control and feedback.

VII. Ansoff's Model

According to Ansoff and McDonnall (1990), in strategic planning the future is not hoped to be a development over the past, nor is it assumed to be ekstrapolable. Hence, an analysis of the organisation's prospects is undertaken as the first step which "identifies trends, threats, opportunities, and singular 'breakthrough' events, which may change the historical trends," (Ansoff and McDonnell, 1990:14-15). The second step is a competitive analysis that identifies the improvement in the organisation's performance which can be obtained from improvement in the competitive strategies in each business area of the company. The competitive analysis indicates which business areas are more attractive and promising than other areas. Hence, the third step is a process that is called a strategic portfolio analysis. In this analysis, the companies' prospects in the respective business areas are compared, priorities are set, and future strategic resources are distributed among the business areas. The next step is to set up two sets of goals: the short-term performance goals and strategic goals. The first guides the operating units of the companies in their continuing profit-making activity. The latter generates the future profit potential of the company.

In the Ansoff's model, strategic planning starts from analysis of the firm's prospects based on swot analysis. Planning process then continue to competitive analysis to investigate the which business areas are more attractive and shows potential than other areas. Based on competitive analysis, firm then develop strategies, allocate resources to he particular business areas. Interestingly, in the Ansoff's model, the goals formulation doesn't serve as a foundation of strategy development as in the other planning models. The goals in Ansoff's model just serve as a base to guide operating units to increase the current and the potential profit of the firm. It looks that Ansoff's model very emphasize to prediction on the prospects of the firm and competitive analysis as a foundation to develop and implement strategies. In the current researcher's opinion, goal setting is essential to provide a base for stategy development, implementation, and control and feedback. The main aim of strategy development is to achieve the goal of the organisation.

VIII. The Generative Model

This is an alternative model of strategic planning that seeks to connect strategic planning processes both with new sights of the competitive advantage sources and with the numerous theoretical lenses used to understand strategic change (Liedtka, 2000). This model differentiates between two distinct but interconnected elements of the strategic planning process, namely: one, cognitive level and two, behavioural level. At the cognitive level, the strategic planning process employs strategic thinking to design a future, working in a virtual world. Meanwhile, at the behavioural level, these designs become reality as the organisation programs them into the improvement of new routines and capabilities intended at attaining the kinds of outcomes that an ideal future envisions. The learning process that emerges from this process is then channelled back into the making of a new or refined plan. Further, Liedka describes that in this model the process is continuously in motion, as the gap between today's reality and tomorrow's intent is broadened, and subsequently narrowed, through the interaction of the new possibilities that the organisation envisions in its virtual world and the new capabilities that it develops in its actual world.

The generative's model highlights strategic thinking to devise the future of the organisation, then organisation programs them into the enhancement of new routines and capabilities aimed to reach the kinds of outcomes that an ideal future imagine. learning process appear during the strategic planning process that constantly in motion. It looks tha generative's model is not comprehensive and detailed. It just emphasize ideal future, programs to reach it and learning process.

IX. Barker and Smith's Model

This model (figure 3) includes the inherent components of strategic planning: mission statement, internal strengths and weaknesses, external threats and opportunities, goals, and a hierarchy of plans to support these goals (Barker and Smith, 1997). It also provides for evaluation and feedback starting at the lowest level in the organisation. Barker and Smith's Model conveys responsibilities of different element of the organisation and exhibits interaction between the elements. More importantly it provides for evaluation of the outcomes of the plans to decide if the goals have been met. The model does not suggest an authoritative procedure (top down), but shows relationship. The left portion of the model shows that each element assesses how the responsibilities have been completed and provides feedback to the next higher component.

As most of other models discussed above, Baker’s model involves mission formulation, swoth analysis. goals, strategy development and implementation, as well as feedback. Interestingly, Baker’s model mention explicitly hierarchy of planning to hold up the achievement of the goals.

X. Grant’s Model

According to Grant (2003), the major stages of the strategic planning process among the oil major companies general to all the companies are the following:

<u>Planning guidelines</u>

The starting point for the yearly strategic planning phase is an announcement by the corporate headquarters of guidelines and assumptions to be used by the businesses in preparing their business-level strategic plans. These guidelines and assumptions consist of two main components: first, a view of the external environment; and second, corporate management provides overall direction to the planning process concerning with priorities, guidelines, and expectations.

<u>Draft business plans</u>

Strategic plans are designed from the bottom up: the individual businesses take the initiative in designing their strategic plans.

<u>Discussion with corporate HQ</u>

The draft business plans are presented to the corporate headquarters. A meeting is held between senior corporate and senior divisional management, after some early analysis by the corporate planning staff.

<u>Revised business plans</u>

In the light of the discussions, the draft business plans are then modified

<u>Annual capital and operating budgets</u>

The strategic planning process is closely linked with the annual budgeting process. The first year's strategic plan typically provides the basis for the next year of the capital expenditure budget and operating budget.

Corporate plan

The corporate plan results from the aggregation of the business plans, which is carried out by the corporate planning department.

Board approval

The last formality of the strategic planning formulation is approval of the corporate and business plans by the boards of directors.

Performance targets

A limited number of key financial and strategic targets are extracted from the corporate and business plans to provide the basis for performance monitoring and appraisal. Targets are connected to the life of the plan with a more detailed emphasis on the performance targets for the coming year.

Performance appraisal

The performance plans provide the foundation for corporate-level appraisal of business-level performance. Besides ongoing performance monitoring, a main event is the yearly meeting between the top management team and divisional senior managers to discuss each business's performance during the previous year, in addition to ongoing performance monitoring.

As Steiner's and Heine's models that start from plan to plan to prepare and guide planning process, Grant's model starts from planning guidlines that serves to prepare planning process. In Grant's model, however, planning guidlines includes an investigation of the external environment, besides it serves to give whole direction to the planning process regarding priorities, guidelines, and expectations. Grant's model also talks explicitly that strategic plans are designed from the bottom up where the individual businesses take the initiative in designing their strategic plans. It is interesting since almost all planning models start developing strategy at the highest level, that is, corporate strategy. It then cascades to the lower levels untill operation strategy and budgeting process to put strategies into action. In other words, as revealed by Grant, the corporate plan results from the aggregation of the business plans, which is carried out by the corporate planning department.

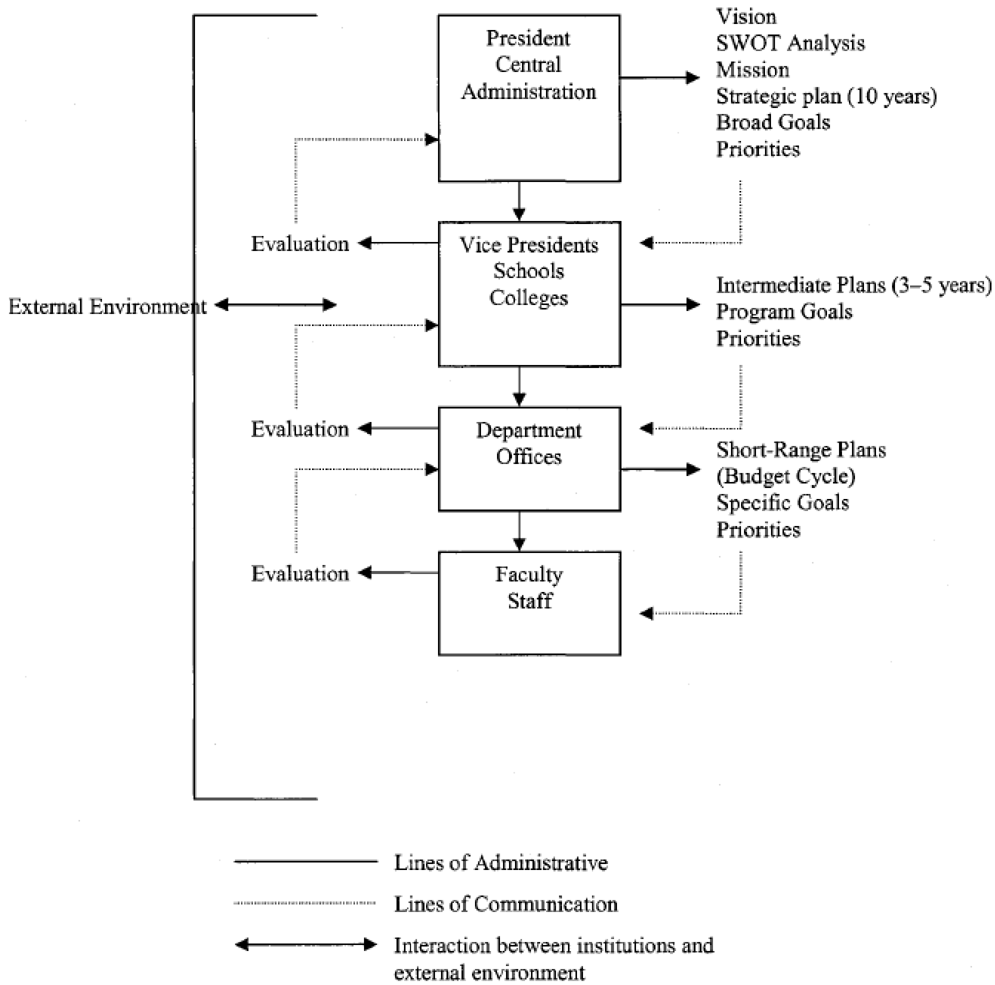

Figure 3: Strategic Planning Model (Barker and Smith, 1997)

X1. *Wagner's model*

It derives from his PhD thesis (2006) at University of Minnesota, USA that studied planning conversation in three Colleges in USA. This model (figure 4) using qualitative approach explores the relationship between planning, organisational context, and performance. It identifies fundamentals dimensions of successful strategic planning initiatives and shows the need for the organisation to utilize strategic planning process. It also investigates the connection between planning dimensions, organisatioal culture, and decision making, and organisational performance. Although there are no published articles in a respected journal from his thesis, it is a good example of interpretive case study. The results of his study were identifying dimensions of planning, organisational cultures and decision making. It showed that strategic change is one of the outcomes of stategic planning process.

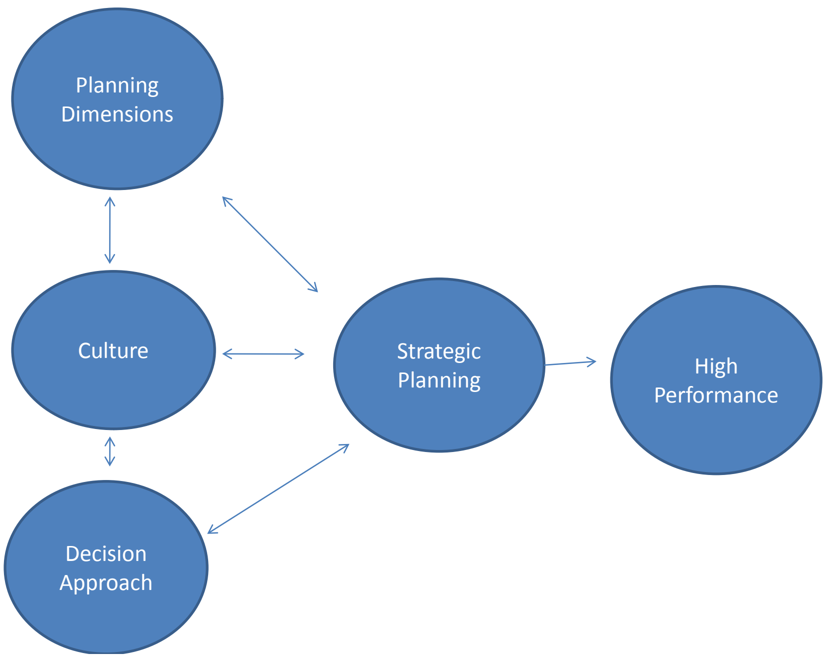

Figure 4: Wagner's Model (2006)

2.3.7. The review of strategic planning elements

This section tries to review each construct of the research model (figure 5).

- CEO Involvement in planning process

  The importance of CEO participation in the strategic planning process is presented by Abell and Hammond (1974), Bryson (2004), Raid (1989), and Steiner (1979) who suggest that CEO involvement in the strategic planning process is essential. Writing in 1980, Lorange also states that It is essential that the CEO and board of directors pay full attention to strategic planning since strategic planning system is a critical process for top management. Similarly, Keller (1993) points out that It is the director with department heads who should decide on both the organisation's strategy and its executing tactics. Any planning process that does not incorporate leaders who are open to participation and empowerment of others, as well as open to personal encouragement, will encounter critical problems with implementation (Haines, 1995). Mintzberg (2000), however takes a different stance about the role of the top management in corporate planning. He states that "planning, in its own pitfall, can undermine the very commitment it so urgently demands" (2000:157). It is the director, department heads who should decide on both the organisation's strategy and its executing tactics.

- Clear and measurable objectives

Writing in 1986, Rue and Holland (1986) discuss that objective-setting is a statement of what is to be achieved; and a critical phase of the strategic planning process in that it should put the innovative and creative nature that should be a main characteristic of good planning (Lorange,1978). Steiner states (1979) that objectives must support the company's basic purposes and mission. Greenly (1989) states that determining organisational objectives is the second step in planning direction and the higher level objectives provide a base for lower levels. Richards (1986) connects stages of objectives to stages within the organisational structure, specific managerial job titles, and the strategies which are found at different stages in the structure. Greenly further posits that objectives are also found at other levels in a company, while the larger and the more complicated the structure, the greater the potential for a broad range of objectives in order to adapt the aims of the various business areas. Urwick (1952), an early writer on objectives states that "unless purposes (objectives) are specified then individuals find difficulty in co-operating," (as cited by Greenley,1989:168).

Mintzberg (2000) criticised assumptions of strategic planning that objectives are determined by the top management for the whole organisation, which in turn brings to mind the process of formulating strategy, cascade down the structural hierarchy, as devices of motivation and control (that is, to give incentives and tools to assess performance). In other words, objective setting is a very important phase of strategic planning process and reflects what is to be reached. It should be based on the basic aims of the orgnisation and provide a base for the lower level. Objectives also should be specific to guide individual within organisation to do the organisational agenda to achieve the aims of the organisation.

- Commitment to take action

  In addition, it is critical that organisations have the commitment to take action. Without such commitment, intended strategies remain dreams rather than becoming reality (Bryson,2004). According to Bryson (2004), designing a strategic plan can create significant value. Steiner (1979) suggests that the coordination of functional plans in the strategic planning process will indicate how resources are to be organised if strategies are to be implemented. Owen (1982), suggests that “measures of performance” and “milestones, or progress measurement points” should be established to guarantee successful implementation (as cited by Thompson and Martin, 2005:635). Kaplan and Norton (1996) observe that strategic plans were often not translated into measures that managers and staff could comprehend and utilise in their day-to-day work. Kaplan and Norton (1996) state further that although many researchers on strategy have supported implementation as a separate stage after formulating strategy, others have presented alternative outlooks of the implementation process. Hrebiniak and Joyce (1984) suggest that the execution process is directed by two values: *bounded rationality* and *minimum intervention*. In the former, managers will perform in a rational way but will cut down the whole task to a series of small stages in order to make it more manageable (in the book of Wit and Meyer, 1994). Quin, Senge, and Others (1992) concluded that “implementation needs to be considered not just as single event with fixed and rigid plans but rather as series of implementation activities whose outcome will shape and guide the strategy. The full strategy will not be known in advance but will emerge out of the implementation" (as quoted by Lynch, 2000:pp. 765-766).

- Communication

Eden and Ackermann (1998) said that communicating the decided strategy throughout the organisation is a vital part of the successful strategic change. Haines (1995) suggests that the organisation needs to run an organisation-wide managers' meeting to hear directly from the CEO and other members of the planning team and to arrange divisional/departmental all-employee gatherings to raise questions and concerns regarding the plan. Similarly, Quinn (1980) wrote that enterprises build an open and opportunistically-tuned communication system to encourage more open, data-rich communications about overall directions, opportunities, and threats. Two-way transfer of information of planning both input and output of planning would ensure all managerial endeavours at the entire levels of management (Greenley, 1989). As Lynch (2000) says, in small organisations, it may be unnecessary to take in the elaborate communication of decided strategies. However, in larger enterprises, it is vital for four reasons:

1. To guarantee that everyone has understood
2. To allow any misperception or vagueness to be resolved
3. To communicate the thoughts, assumptions, contingencies and probably the options made during the strategy decision stage

To make sure that the enterprise is appropriately co-ordinated.

Jarzabkowsky and Balogun (2009) and Mintzberg (1994) contend that two features of strategic planning - participation and communication - will increase viability of planning as an integrative mechanism. Participation in strategic planning will affect different groups' commitment to a common goal; communication of planning goals minimises goal ambiguity as employees know what the organisation is trying to achieve. Ketoviki and Castaner (2004), building upon these two integrative effects of strategic planning, find an additional association between communication and participation that increases integration effects while both are used.

- Environmental analysis

In addition, relating to understanding of the environment, strategists agree that it is a fundamental aspect of the development of corporate strategy (Lynch, 2000). Environmental scanning refers to “an analysis of data, past, present, and future, that provides a base for pursuing the strategic planning process” (Steiner, 1989:122). To investigate an organisation’s environment, numerous analytical procedures can be carried out. Lorange and Vancil (1977) say that one of the main functions of a strategic planning system is to assist adaptation of the long-term attempts of the company to changes in the environment. Designing the system to emphasis explicit endeavour on the task of environmental scanning will assist to ensure that the planning effort also meets its adaptive mission. Lynch states (2000) that to examine an organisation’s environment (external), “particular basic analytic should be undertaken” (105). There are eight key stages in environmental analysis in which the first two stages are concerned with all organisations; and the remaining six stages mostly relate to a specific industry. They are as follows:

1. Scrutiny of the nature of the environment
   Techniques:
   Change: fast or slow?
   Repetitive or surprising future?
   Forecast able or unpredictable?
   Complex or simple?
2. Factors influencing many organisations.
   Techniques: PEST analysis and scenario
3. Analysis of growth.
   Technique: Industry life cycle
4. Aspects specific to the industry: what delivers success?
   Technique: Key factors for success analysis

5. Aspects specific to the competitive balance of power in the industry.
   Technique: Five forces Analysis
6. Aspects specific to co-operation in the industry.
   Technique: Four links analysis
7. Aspects specific to immediate competitors.
   Techniques: Competitor analysis and product portfolio analysis
8. Customer analysis.
   Technique: Market and segmentation studies (Lynch,2000:106)

Meanwhile, internal audit of the internal environment aims to understand the overall capabilities of the organisation, which contains resources, the competence of the individual company operations, and the capability of individual managers (Greenley, 1989). The emphasis of this understanding is the discovery of organisational strengths and weaknesses. Steiner (1979) explains that the appraisal of past performance and current and future environmental elements (internal and external) is an essential stage in the planning process. Arguing in a similar way, Rue and Holland (1989) present that environment analysis is critical since the environment can boost or reduce an organisation's ability to achieve its required levels of performance. The importance of environment analysis is also suggested by Porter (1979); Henderson (1979); Hill and Jones (2007); Grant (2010); and Johnson, Whittington, and Schoeles (2011; 2012) who suggest that the connection between strategy and environment is essential; environment forces shape strategy: Keller (1993) asserts that a strategy is based on estimates about the market and external conditions such as the economy's strength, demographics, prevailing political environment, among other factors. For this, scholars from Harvard university have developed of techniques that enable an organisation to analyse its strengths, weaknesses, opportunities and threats (SWOT) in its environment (Mintzberg, 1984). The outcome of this analysis provide a base to develop strategies of the firm as also asserted by Porter and Henderson that competitive forces shape strategy. Similarly, Bowman and Asch (1996) and

Frynas and Mellahi (2011) point out that successful strategy is about matching the resources and activities of a corporation to the external environment - both the macro environment and the industry environment in which it operates (strategic fit). Therefore, the recent researcher would like to note that environment analysis is a must, of course, and a strategy to be successful must be coherent with the external and internal environment of the firm. As also said by Galbraith and Kazanjian (1986), organisations which do not possess a minimum level of ‘strategic fit’ are guaranteed to fail (cited in Frynas and Mellahi, 2011).

- Feedback and evaluation

  In addition, strategic controls (feedback and evaluation) are a very valuable and vital part of the strategic management process. Without them, things could simply get out of control (Rue and Holland, 1989). Greenley (1989) says that the control process (feedback and evaluation) is concerned with endeavouring to guarantee that ‘things don’t go wrong’ throughout implementation. The control process provides information for understanding the process; and it is the initiator of further managerial action. Rue and Holland (1989) further state that strategic control is concerned with hunting down the strategy once it has been executed, identifying any problem or potential things, and making needed adjustments. Steiner (1979) depicts that the whole organisation of the enterprise must be suitable to the tasks, size, and direction of the company. Key tasks and sequence of steps to be completed to implement plans must be decided and communicated. To coordinate attempts and guide individual activity, suitable systems must be created and installed. The whole management information system must be designed to ensure that managers have the knowledge desired to evaluate whether individual performance is consistent with plans and, if not, what should be done about the problem (the matter). In other words, control here allows for decisions to amend future plans as a result of present performance, as well as permitting corrective action to be taken in present operational strategies (Greenley,1989). For the most part, by feedback and evaluation, managers guarantee that resources are gained and used effectively and efficiently in the achievement of the organisation's objectives (Anthony, 1965).

- Flexibility of planning

Furthermore, Thompson and Martin (2010) maintain that formal strategic planning systems are most valuable in stable conditions. In such systems, they both argue, environmental opportunities and threats are the prediction, and then strategies are planned and executed. Strategies which are suitable, reasonable and desirable are most likely to assist the organisation to reach its mission and objectives. Formal strategic planning systems suggest determined actions for reaching stated and required objectives. Planning systems are valuable for multifaceted and/or diversified companies with a larger number of businesses that require integrating. Here, head office can assign the detailed planning to each division, offering guidance and ensuring that the plans can be coordinated into a workable total package. As an alternative, the planning system can be supervised centrally in order to set up priorities for resource allocation. Thompson and Martin (2010) also note that while the environment is more unstable and less predictable, strategic achievement needs flexibility, and the capability to learn about new opportunities and initiate proper changes continuously. Quinn's logical incrementalism (1980) argues that in dynamic and turbulent environments, detailed formal planning is understood to be problematic. Quinn emphasises evolution and flexibility of strategies showing that "effective strategies tended to emerge from a series of strategic formulation subsystem. .... Optimal strategies within each subsystem tended to demand incrementalism and opportunism in their formulation" (pp. 16-17). Thus, it is rational to not depend on detailed plans, but instead to plan broad-ranging strategies within an obviously defined mission and purpose (Thompson and Martin, 2005). According to this approach, managers will meet frequently, both formally and informally, to review progress and changing trends. They will design new options of action and try them out: a form of 'real-time planning.'

Organisations test out somewhat small changes and extend with this approach rather than go for main changes. Thompson and Martin (2005) further posit that in the visionary and entrepreneurial leadership approach, major strategic changes will be determined without long formal analysis. Usually, such changes will indicate powerful, entrepreneurial leadership and be visionary and sporadic. Further, Genus (1995) asserts that constant and unpredictable external change function to limit the use of the linear approach to managing strategic development. Instead, organisations that retain and cultivate their flexibility are able to deal more easily with environmental uncertainty. The importance of flexibility in planning process also asserted by Keller (1993) who argues that stategic planning is not the fabrication of a blue print. Therefore, it is important that strategic planning engages constant adjustments to shifting conditions, with a main strategy in mind. Similarly, Steiner (1979) asserts, strategic planning is not an effort to blue-print the future. It should be adaptable in order to take benefit of knowledge concerning the changing environment. Therefore, it is essential that organisations review their strategic plans regularly.

About a century ago, Henri Fayol, one of planning's earliest and best known proponents, noted that the very purpose of planning is not to encourage flexibility but to reduce it, that is, to establish clear direction within which resources can be committed in a coordinated way (Mintzberg,2000). Newman (1951 in Mintzberg, 2000) stated that "the establishment of advanced plans tends to make administration inflexible; the more detailed and widespread the plans the greater the inflexibility (p. 173)." Arguing in a similar way, Mintzberg (2000) contended that planning itself tends to raise a basic inflexibility in organisations, and so a resistance to important change. However, as Steiner said, "plans are commitments, or should be, and thus they limit choice. They tend to reduce initiative in a range of alternatives beyond the plans. This should not be a serious limitation, but should be noted" (1979:46). Further, Steiner (1979) observes that planning systems will possibly not be effective when they are greatly ritualistic and formal, when line managers seek to delegate the task to staff, when managers give lip service to planning but create their decisions without reference to plans, or when managers focus all their concentration on short-term problems and ignore thinking about the future.

- Hierarchical planning

In addition, relating to planning hierarchy, Lorange (1980) says that strategic planning has three levels: one, *corporate level*: portfolio strategy, where the primary strategic task will be to develop a favourable portfolio strategy for the diverse business activities and will be concerned primarily with strategic resource flows to and from the various business and providing a strategy for improving the quality of the portfolio; second, *division level*: business strategy, where the strategic task is to determine how the particular business can succeed, and third, *functional level*: strategic programs. Namely, strategic tasks faced by the various functional managers such as marketing, operational within a business where here the task is to contribute to the strategic success of the business by focusing on the particular strategic variables in their specific domain.

Furthermore, Norris and Poulton (1991) point out that planning should occur at all levels of the organisation. Planning behaviour is a basic responsibility of all managers, administrators, and academic leaders. Thompson and Strickland (1998) assert that in diversified enterprises, strategies are formulated at four separate organisational levels; 1) strategy for the enterprise and all of its business as a whole (corporate strategy); 2) strategy for each separate business the corporation has differentiated into business strategy; 3) strategy for each particular functional unit within a business (functional strategy), and 4) more limited strategies for basic operating units (operating strategy). Mintzberg (2000) describes how, in the comprehensive model, there are four planning hierarchies - corporate management, business management, functional management, and operating management. However, he criticises the fact that “these four hierarchies so delineated … although any hierarchy of structural units could be substituted (p.69). Minztberg also presents that in the comprehensive model, each management level has distinct hierarchies in terms of objectives, strategies, budgets, and programmes. Thompson and Strickland (1998) mention three distinct and different hierarchies for each management level. They are: overall corporate scope and strategic vision for corporate level; business level strategic vision and mission; functional area missions for functional level; and operating unit missions for operating level. Meanwhile, for objectives and strategy, each level has its own distinct objectives and strategies.

- Linking of goals to budgets

In addition, Stettinius et al. (2005) assert that budget or annual plan is one of the basic means through which strategies are executed (Stettinius et al., 2005). Budgeting is more likely to serve overall organisation purposes when environmental assessments, strategic issue identification, and strategy formulation precede rather than follow it (Bryson, 2004:245). Further, Stettinius and colleagues maintain that budget contains the strategic, operating, and financial prospects for the coming year and is related to the coordination and control of internal flows of capitals. Budget is an outcome of the planning process and the organisation should set control and accountability into the budget. It also engages all levels of management in the budget process. As a result of the strategic planning process, the budget will be linked to both the business plan and the strategic plan. Enormous components of the budget such as action plans for the initiatives aimed to reach strategic goals, sales plan, capital budget, financial statement, and so forth will be contrasted with the goals of the corporate and/or the business unit.

Haines (1995) suggests cascading the strategic plan down to yearly plans and budgets and finally to individual performance assessments. It means that there would always be links between objectives, annual plans and budget since both the strategic plan and annual plans, as well as the budget, resulted from the hierarchical strategic planning process and were therefore interconnected with each other. However, the planning literature presents somewhat different views relating to budget and annual plan. Stettinius et al. (2005) stated that annual planning and budget are at the same point. Another view (Bryson, 2004; Heines, 1995) holds that good strategic budgeting needs to follow annual planning; budget does not lead annual planning as it will enable organisation to attain a more focused allocation of resources based on the strategic plan.

Thompson and Strickland (1998) explain that it is essential that the strategy implementers are intensely involved in the budgeting process, intimately reviewing the programmes and budget proposals of strategy-crucial organisation units. Too little funding reduces progress and inhibits the ability of organisational units to perform their pieces of the strategic plan. Too much funding misuses organisational resources and diminishes financial performance. Implementers must also be keen to shift resources from one part of what to another to encourage new strategic initiatives and priorities. A change in strategy almost always requires budget reallocation.

- Managers involvement and others

in addition, on the involvement of managers, Bryson (2004) says that it extremely important because of their vital role in translating policies and decisions into operations. Steiner (1979) points out that strategic planning is a function and responsibility of all managers at all levels in an organisation. CEOs need the collaboration of all manager and staff in effective planning. In large decentralised firms, the substantive knowledge of managers and staff about their own operations is commonly far greater than that of top managers. Bryson (2004) declares that the involvement of managers is extremely important because of their fundamental role in transforming policies and decisions into operations. Middle managers are expected to allow the effect of any managerial changes; thus it is very important to involve in all aspects of the process. Further, Bolagun et al. (2003) contend that the making and transmission of a strategic change cannot only be associated with top managers' actions towards internal members of organisation. At the early phases of strategic change, as said by Rouleau (2005), meaning surrounding change must also be clarified for outside actors and shared with them. Dutton et al. 1997) depict that middle managers are frequently closer to external stakeholders, particularly customers, than are top managers. As managers in the frontline of change, they have to portray to the people from the outside, in their own words and in numerous everyday situations, why the firm has determined to change its strategy and what new strategy of the firm is (Rouleau, 2005). Further, Bryson suggests that it is very important to involve frontline personnel or their representatives in strategic planning process for several reasons: first, they are in charge of daily use of the main technologies causing or affected by strategic change. Second, frontline personnel or technical core have views that could assist the key decision makers. Lastly, because of their technical knowledge or their day-to-day contact with customers, these personnel can actually impede strategic changes they do not support.

- Planning documents

Concerning planning documents, Steiner (1979) states that it is very important to guide implementation, and focus on necessary decisions, actions and responsible parties. He further posits that planning documents should always be referenced when decisions are being made. Planning systems will not be effective when "Managers give lip service to planning but make their decisions without reference to plan" (p.46). Meredith (1993) argues that the integration of the various planning efforts is essential to make successful planning easy to achieve. The organisation has to connect the various planning across the business units and departments. As said by Keller (1993), planning is not a compilation of departmental plans. It is for the entire organisation and for its long-term standing and excellence. Burkhart and Suzanne (1993) state that compiling a working document allows others to have a final input. In essence, the organisation is arranging to pass on possession of this plan from the strategic planning committee to the entire of the organisation's internal and external stakeholders. Further, Burkhart and Suzanne say, “the document you are about to prepare has all but written itself as the result of the steps you have previously completed in the strategic planning process.” The written strategic plan needs to be clearly read and understood. The thoughts and issues need to be outlined within a report so that the reader can easily understand the information displayed. The strategic plan restates the real vision of the future success of the organisation.

- Pre-planning

  Relating to pre-planning, Steiner says (1979) asserts that a specification of data required from the planning system should be provided during pre-planning, such as past performance and current situation of the bank, analysis of customers and markets, resources of the firm, competition, environmental setting, and others. Further, Steiner suggests that plan-to-plan/pre-planning provides the basic guides for organisational planning. Planning to plan may start with an evaluation of planning currently being undertaken in an organisation and a determination of whether more, and different, planning is necessary.

- Process must be clear to all involved

  Furthermore, it is essential to establish an understanding of what strategic planning would mean for the company in order to effectively tailor the process to the company, as well as its importance. It is also essential to build trust and the necessary commitment among all involved to move ahead (Bryson,2004:77). Steiner (1976) suggests that once the organisation has decided what it aims to attain from the planning process, it is critical that the details be cautiously thought through. The organisation should have a planning process guide that explains what is expected of those involved and to make the consolidation of plans easier. The organisation has to develop a clear understanding of the strategic planning process before it is actually carried out. Even, Keller (1983) contends, in some cases, the process is as important as the plan, and the right decision resulting from the planning processes is more important than a library full of plans. Therefore, the clarity of the planning process to all planning members involved is critical for the succesful of the stategic planning process.

- Strategy formulation

The role of strategy formulation is to create a set of strategies that will effectively connect the firm to its environment to achieve excellent performance (Steiner, 1979). The essence of strategy formulation according to Porter is coping with competition. Once the corporate strategist has analysed the forces influencing competition in his industry and their underlying causes, he can identify his company's strengths and weaknesses. The strategist, then, can develop strategies. Andrew (1987) states that as a starting point for the development of strategic options, it is important to link the organisation's mission and objectives with its strategic choices and ensuing activities as the interdependence of purposes, policies, and organised action is critical to the mainly of an individual strategy and its opportunity to identify competitive advantage" (as quoted in Lynch, 2003). Accordin g to Andrew, the rational analysis of potential outcomes for the organisation is an fundamental part of strategy development. A SWOT analysis of the organisation is a valuable way of summarising the recent status of the organisation.

Thompson and Strickland (1998) contend that strategy formulation is not simply a task for senior executives. In large companies, it engages senior executives, heads of business units, the heads of main functional areas, product managers, district and regional managers, and subordinate-level supervisors. There are a strategy for the firm and all of its business as a whole (corporate strategy), business strategy for each distinct business, functional strategy for each particular functional within a business, and operating strategy for basic operating units. Further, Steiner (2009) describes, once basic purposes, missions, and long-range planning objectives are confirmed, the conceptual series in strategic planning is then to develop programme strategies to attain them. The translation of strategic plans into current decisions occurs in two steps. The first step is "the preparation of medium-range functional plans and the second is the development from them of budgets and short-range tactical plans" (p.198).

Similarly, Haines (1995) depicts that once stock of current conditions has been taken, as well as the current position of the functioning of the organisation, key strategies are then formulated to close the disparity between the vision and the present organisation status, along with a set of priority actions for the following year. These main strategies become the organising framework to guide the remainder of the planning process - from the strategic plan to the yearly operational plan to the specific level of action and accountability. Vaz (2005) says that strategy formulation encompasses a range of steps including framing mission and objectives, SWOT analysis, gap analysis, framing alternative strategies, and choice of strategy. An effectively formulated strategy shoud organises, integrates, and allocates the company's resources, capabilities, and competencies and appropriately aligned with its external environment (Hitt et al., 2005); Bowman and Asch (1996) and Frynas and Mellahi (2011). Jones and Hill (2013) assert that strategy formulation is concerned with the task of selecting strategies. In other words, strategic fit is critical, that is, matching between the resources and activities of a firm to the external environment of the firm. However, as also has been discussed above, to formulate strategies, a firm should determine its mission (Bennett, 1999) and set the objectives first as said by Henderson (1979) that a firm cannot establish the strategy until the objectives are identified. Mission and objectives serve to provide a foundation for strategy formulation. Similarly, some scholars suggest, the managerial process of crafting a firm's strategy includes determining strategy in the light of the environment analysis (Kay, 1993 as quoted by Joice and Woods, 1996); developing a strategic vision, establishing objectives, compiling a strategy (Wheelen and Hunger (2000); and (Thompson et al., 2010), It means that the very important tasks of managers related to strategy formulation discussed above are significant for successful strategy formulation.

2.3.8. What strategic planning is not

In his 1993 seminal book *Academic strategy,* Keller points out that before the beginning strategic planning process, it is fundamental to recognise what strategic planning is not:

First, *it is not the fabrication of a blue print*. Rather, strategic planning engages constant adjustments to shifting conditions, with a main strategy in mind. It means that flexibility is essential in planning process since circumstances changes constantly.

Second, *it is not a set of platitudes*. Strategic planning means the formulation of concisely stated operational aims. It is detailed, not ambiguous and uninspiring. In other words, strategic planning should be clear, meticulous, and inspirational, so that, it is easy to be executed and able to be gauged.

Third, *it is not the individual vision of the director or board of trustees.* A strategy is based on estimates about the market and external conditions such as the economy's strength, demographics, prevailing political environment, among other factors. In other words, strategy is a result of rational process involving planning members such as CEO, managers, and other planning members.

Fourth, *it is not a compilation of departmental plans*. Strategic planning is for the entire organisation and for its long-term standing and excellence. A strategic plan is something more than a list of individual desires and hopes. It is the collective work meant to achieve the superior performance and long term aims of the organisation.

Fifth, *strategic decision-making is not undertaken by planners*. The role of the planner is to stimulate and help the line officers to plan with statistics, prognoses, institutional data, and so on. The organisation planner has two key roles: setting up the process of planning and preparing vital information that assists key officers create decisions that are informed and subtle to present and evolving realities. It is the director, department heads who should decide on both the organisation's strategy and its executing tactics.

In other words, CEO, line managers, and departement heads play main role in the developing and implementing strategies.

Sixth, *it is not a replacement of numbers for vital intangibles*. Data are utilised. Computers are used. Financial predictions are made. Models may be adopted and applied. However, these are initiated to improve judgments, analyses, and decisions, not to substitute for them. It means that planning process conducted with using advanced analysis tools is to improve analysis and decision process and not to replace them.

Seventh, *it is not a form of submission to market conditions and tendencies*. Formulating a strategy does not involve giving up all your organisation stands for. It means that strategy formulation is developed based on the strong future vision of the organisation and is not a form of surrender to the external circumstances (market condition).

Eighth *strategic planning is not something done on any early departure*. It is not ongoing, constant, not an activity done independently, away from the organisation. Specific sessions are needed during the formulation phase and when particular threats occur; but planning itself is integral, not irregular. It means that planning process should be devised and prepared well which planning itself, of course, is an integral part of the existence of the organisation. It is present not only for the survival of the organisation but particularly to lead the organiation to reach the superior performance.

Ninth, *it is not a way of excluding risks*. If anything, strategic planning boosts risk-taking. A strong strategy helps an organisation take more estimated risks, more risks with an aim, and when appropriate, necessary risks that increase the long-term capability and quality of an organisation. In business practices, revenue is paralel with risk. The higher revenue, the higher risk. Strategic planning is designed to assist organisation to face and respond these challenges and not to eliminate the risks.

Tenth, *it is not an effort to read tea leaves and beat the future*. Of course, the future is volatile, but it is not an arbitrary walk. Strategic planning is an endeavour to make this year's decisions more knowledgeable by looking forward and linking the decisions to a whole organisational strategy. It means that as a systematic and rational process, planning process provide a base for acquainted decision making to achieve the objectives of the organisation.

Similarly, Steiner (1993) also set out what strategic planning is not.

First, *strategic planning does not try to make future decisions*. Onward planning requires choices to be made among likely events in the future, but decisions can be made only in the present. Once made, these decisions may have long-term, unchangeable consequences. In other words, planning designed to make present decisions to face and respond the challenges in the future.

Second, *strategic planning is not predicting product sales*. Strategic planning goes beyond present predictions of present products and markets and asks much more fundamental questions relating to market position, objective and so on. Strategic planning particularly is concerned with the essential achievement in the future such as market leadership, product innovation, innovative business process, and so forth which all these to reach the superior performance of the organisation.

Third, *strategic planning is not an effort to blue-print the future*. It is not the development of a series of plans that are cast in bronze to be applied day after day without change into the long distant future. Most corporations review their strategic plans regularly, usually once a year. Strategic planning should be adaptable in order to take benefit of knowledge concerning the changing environment. In other words, flexibility is necessary in planning in order to adjust with the environment changes.

Fourth, *strategic planning is not certainly the arrangement of immense, detailed, and interconnected sets of plans*. In some large decentralised corporations the systems does produce a big volume of detailed plans, but the main conceptual nature of strategic planning adapts a broad variety of planning systems from the very simple to the very complex.

Fifth, *strategic planning is not an attempt to substitute managerial intuition and judgement*. This point was formulated by Steiner (1989) above but merits re-emphasis. It means that strategic planning just assists and enrich analysis to take decision and not to replace managerial intuition and judgement.

Sixth, *strategic planning is not a simple accumulation of functional plans or an extrapolation of present budgets*. It is really a systems to reach the aims of organisation in the changing environment. In other words, strategic planning is integrated system accross divisions and functional areas to achieve the long term aims of the organisation.

2.3.9. Main designed alternatives

Steiner (1979) proposed nine categories of alternatives in designing systems to fit specific organisational features.

First, *comprehensiveness of the system*. When first beginning formal planning a corporation might merely develop a list of major opportunities and threats and categorise strategies to exploit the opportunities and threats and identify strategies to take advantage of the opportunities and to avoid the threats.

Second, *depth of analysis.* When first beginning a planning system it is easy to overburden the management and staff with over-challenging data analysis. Yet for a lot of planning data inputs and appraisals the best judgements of managers may be adequate without thorough staff research, particularly for the first effort at formal planning.

Third, *level of formality systems* can be very formalised and ceremonial or they can be very informal. The larger a firm becomes, the more differentiated it is. Managers should continuously evaluate their systems to reveal whether formality is destroying originality.

Fourth, *linkage*. The recent budget numbers and those in other operating plans can be the equal as the amounts in the first year of a medium span detailed plan.

Fifth*, time horizons*. The universal planning phase for many years has been five years. In years past the more companies have extended their planning periods to 10 and seven years. In current years, under pressure from a more unstable environment, the planning period in many firms has been cut down to three years.

Sixth, *the corporate planner*. A firm has the choice of whether or not to engage a corporate staff planner. In some corporations, the CEO uses the line managers as staff to perform the planning and requires no other staff help. As corporations become larger and more complex, the CEO will find a need for staff help in performing their planning tasks.

Seventh, *getting the system started*. A sum of times it is not essential to begin the planning process. It can continue from various different points. However, sooner or later all phases as: The plan to plan, master strategies, tactical planning, implementation and evaluations of plans should be clearly or subtying culver in an good planning system.

Eighth, *participation of people*. One of the exceptional features of formal strategic planning is that a lot of people, line and staff, in an company takes part with whom and about what, the configuration of groups, the interconnections among groups, availability to sensitive information, and assignment of planning authority to staff, to cites few parts of choice.

Ninth, *the role of the chief executive officer*. As every CEO who has thought genuinely on his role in strategic planning recognises, there are a lot of complexities and sensitive connections intricate.

Furthermore, Norris and Poulton (1991) pointed out several attributes common to all planning activities. First, planning should occur at all levels of the organisation. Planning behaviour is a basic responsibility of all managers, administrators, and academic leaders. Planning also can range in complexity and scope from simple problem-solving activities, to complex strategic planning, to comprehensive strategic planning. Second, planner is neither the first nor the last planner on their organisation. Planner must be aware of the strengths, weaknesses, and perceptions of previous planning activities, both formal and informal. Third, planners should encourage planning-oriented behaviour on the part of institutional citizens. It is a way of functioning and viewing the world that believes in the value of planning. Fourth, planning must pay attention to the time frames, cycles, and sequences of institutional life. If not carefully related, the time frames of planning and institutional decision making can become totally disorganised. The budget cycle operates as a common linking element for budgetary and financial planning at different levels, but somehow planning involving academic, financial, physical, and human resource components must be linked and integrated carefully if effective planning is to occur.

2.3.10. The importance of strategic planning

Bryson (2004) portrays the reasons why organisations engage in strategic planning: First, organisations meet a lot of contradictory demands and organisations need explain what their concentration and priorities. Second, the rules are changing. Organisation needs to explain what organisations can do the best that matches with the changing feature. Third, there are many managerial innovations such as reengineering, rightsizing, downsizing, balanced scorecards and organisations need to pay attention how all of this managerial innovations can be headed in the correct direction. Fourth, there is serious deficit budget and organisations need to rethink the way they do business radically. Fifth, environments are changing, things do not look to be getting better although the best attempts have done. Sixth, the main issue is staring organisation in the face, and organisation needs solution. Seventh, organisations need to integrate and manage much better the services organisations provide with those of other organisations. Seventh, board of directors and CEO have requested the staff of organisation to set up a strategic plan. Eight, new leadership is coming and wish to prepare for it. Tenth, organisations use strategic planning to engage, educate, and revitalise the board and staff of organisations.

In addition, Miller (1994) presents that one of the purposes of strategic planning is to promote the process of adaptive thinking or thinking about how to attain and maintain firm-environment alignment. Adaptive thinking is valuable because it can help to create an internal environment that is not conducive to dysfunctional inertia. A second major purpose of strategic planning is to help managers control various parts of a firm (Lorange and Vancil, 1975; Miller, 1994). Such integration and control involves multiple parts of the firm contributing directly or indirectly to a unified strategic planning process and being held accountable for any incongruity with an existing plan. Similarly, Ardekani (1997) and Ardekani and Haug (1993) present that the primary planning role is to increase the abilities of the organisation to adapt to a changing environment, to allow organisations to respond proactively to threats and opportunities of their environments, and to provide a mechanism for reducing the uncertainties of the environment.

2.3.11. The deadly sins of reflexive planning behaviour

Keller (1983) cautions that it is necessary to avoid at all costs the following temptations while embarking on strategic planning:

First, do not attempt to implement, off the shelf, a planning process from another institution or from a textbook. Prescriptive models for planning or processes that worked at other institutions and are outlined in planning handbooks are good places to turn for ideas, but they should not be applied without careful analysis and adaptation to special needs and circumstances of the organisation. Conditions that make an approach effective in one setting may not be present in other setting.

Second, do not assume that all planning activities must be comprehensive, institution wide, and time consuming. It can be as simple or complex, and as abrupt or time consuming, as needs demands. Even robust, all-encompassing planning processes begin modestly. In time, one can move toward comprehensiveness, if conditions warrant, building on success.

Third, do not do six months reading and thinking before organisation do anything. It is often better to take half the time to do something 80 per cent as well than to strive for perfection. Precious opportunities will be missed, and a failure to generate planning products on a timely basis will erode what support planning has.

Third, do not form a planning committee as first act of the organisation. Many planning activities and processes at some point benefit from a formal committee, but the membership and charge of the committee must be carefully considered to meet the needs of your situation. The committee membership should reflect the nature of the issue and what it will take to implement recommendations.

Fourth, do not identity information needs that will take a year to complete or fulfil before you can move the processes forward and do not use data as a security blanket. Build on information that is currently available, even if retooling will ultimately be necessary, do not redefine everything.

Fifth, do not label what you are doing as something new, revolutionary, and wonderful. Planning is one of many instruments that are being used to deal with the ongoing management responsibilities and functions of your institution.

Sixth, do not characterise planning as being able to solve all of the institution’s problems.

Seventh, do not over emphasise the important of a final plan. In some cases, the process is as important as the plan, and the right decision resulting from the planning processes is more important than a library full of plans.

Eighth, do not claim that a single planning process or effort can capture all issues. In reality, planning that focuses on particular issues, placed in an appropriate context, is more successful than planning that tries to be all things to all issues.

Ninth, be careful about proclaiming that your planning process is the first step in an on going planning process. Continuity is critical, and many planning processes suffer from lack integration among successive planning efforts.

Tenth, do not assume that long-term plans are strategic or that any important issue is strategic. All strategic issues are important, but not all important issues are strategic.

Eleventh, do not assume that planning addresses only problem-solving needs. Planning can also be used to introduce ideas, concepts, and managerial approaches to the organisational community. Sometimes, these other uses of planning can be even more important than its problem-solving thrust. Do not encourage others to think of you as the institutional planner. The critical role is to entice line administrators and appropriate faculty members to exercise their responsibility to think strategically and plan for their respective units.

2.3.12. Long-range planning and strategic planning

Ansoff and McDonnell (1990) state that one basic difference between long-range planning and strategic planning is in viewing the future. In long-range planning (sometimes called corporate planning), “the future is expected to be predictable through extrapolation of the historical growth’ while in strategic planning, ‘the future is not necessarily expected to be an improvement over the past, nor is it assumed to be extrapolable” (pp:14-15). Hence, as the first step, the strategic planner needs to analyse the firm’s prospects, which identifies trends, opportunities, threats, and strengths which may change and shift the historical trends The second step is competitive analysis, where the strategic planner needs to analyse and identify the improvement of the organisation’s performance which can be obtained from improvements in the respective business areas of the company in terms of the competitive strategies.

The third step according to Ansoff and McDonnell (1990) is strategic portfolio analysis in which the strategic planner compares the prospects of the firm in the different business areas, establishing priorities, and allocating the future strategic resources among the business areas. The fourth step is diversification analysis where the deficiencies in the present portfolio are diagnosed and new business areas are identified . The next step is to set the near-term performance and strategic goals. Operating programmes and budgets guide and direct the firm's operating units in their continuing profit-making process, and strategic programmes result in the future profit potential of the firms. Further, Ansoff (1965) explains that in the process the differences between strategic planning and long-range planning (LRP) are follows: in long-range planning the goals are given details into action programmes, budgets and profit plans for each of the key units of the company. The programmes and budgets are next executed by these units" while strategic planning replaces extrapolation by an elaborate strategy analysis, balances the prospects against objectives to create a strategy.

2.3.13. Definition of elements of strategic planning

Based on the literature review and previous research, the definition of strategic planning practices and elements of strategic planning are explained as follows:

Strategic planning practices used in this study are meant as the practices of strategic planning that is performed by the organisations (banks) in their organisations to develop and implement strategy to achieve the vision, mission, and goals of the organisation.

CEO involvement in planning process; the extent to which the CEO stand ups for the strategic planning process and is concerned with communicating the necessity for planning to organisation (Abell and Hammond,1974; Ardekani, 1997; Barker and

Smith,1997; Bryson, 2004; Grant, 2003; Haines,1995; Johnson, Melin, and Whittington, 2003; Keller,1983; Kotler and Murphy, 1983; Lorange, 1978, 1980; Lorange and Vancil, 1977; Minztberg, 2000; Raid, 1989; Steiner, 1979, Wegner, 2006).

Clear and measurable objectives; the extent to which goals are well-defined and assessable (Cordeiro and Vaidya, 2002; Greenly,1989; Lorange, 1978; Mintzberg, 2000; Quinn, 1981; Richards,1986; Rue and Holland,1986; Steiner, 1979, Wegner, 2006).

Commitment to take action even if only small wins are achieved at first; the extent to which the organisation is devoted to taking action to achieve the strategic goals acquired from the strategic planning process (Bryson, 2004; Grant, 2003; Haines, 1995; Hrebiniak and Joyce, 1984; Hunger and Wheelen, 2003; Kaplan and Norton, 1996; Keller, 1983; Lorange and Vancil, 1997; Lynch, 2000; Meredith, 1993; Steiner, 1979; Thompson and Martin, 2005; Trainer, 2004, Wegner, 2006).

Communication; the extent to which the organisation pursues input, uses and gives out information throughout the planning process (Barker and Smith, 1997; Cordeiro and Vaidya, 2002; Eden and Ackermann, 1998; Grant, 2003; Greenley, 1989; Haines, 1995; Jarzabkowsky and Balogun, 2009; Keller, 1983; Kotler and Murphy, 1983; Lorange, 1978; Lynch, 2000; Meredith,1993; Mintzberg, 1994; Quinn, 1980; Steiner, 1979, Wegner, 2006).

Environmental scanning; the extent to which the organisation looks over the external environment for opportunities and threats and looks over the organisation's internal environment for strengths and weaknesses (Ansoff, 1965; Ardekani, 1997; Ardekani and Haug, 1993; Barker and Smith,1997; Grant, 2003; Greenley,1989; Hunger and Wheelen, 2003; Keller,1983; Kenvilley, 2005; Kotler and Murphy, 1983; Lynch, 2000; Lorange, 1978, 2010; Lorange and Vancil, 1977; Mintzberg, 1994; Rue and Holland,1989; Steiner, 1979; Trainer, 2004, Wegner, 2006).

Feedback and evaluation; the extent to which feedback is obtained concerning progress and evaluated to make modifications or decision about the strategic direction (Anthony, 1965; Barker & Smith,1997; Bryson, 2004; Grant, 2003; Greenley, 1989; Hunger and Wheelen, 2003; Rue and Holland, 1989; Lorange, 1978; Steiner, 1979; Trainer, 2004, Wegner, 2006).

Flexibility to adjust planning process and goals after process is complete; the extent to which flexibility is incorporated in the strategic planning process and implementation of the plan (Grant, 2003; Keller, 1983; Minzberg, 2000; Poland and Arns, 1978; Quinn, 1980; Steiner, 1979; Thompson and Martin, 2010, Wegner, 2006).

Hierarchical planning (planning occurs at each institutional level); the extent to which planning takes place at numerous levels of the organisation, with strategic goals present at the highest level and more detailed tactical plans present at the organisation or programme level (Ardekani, 1997; Barker and Smith, 1997; Keller, 1983; Kotler and Murphy, 1983; Lorange, 1978; 1980; Mintzberg, 2000; Norris and Poulton, 1991; Steiner, 1979; Thompson and Strickland, 1998, wegner, 2006).

Linking of goals to budgets; the extent to which goals are developed with budgetary prerequisites so that the goals statement is related with the finance required to achieve the goal (Barker and Smith, 1997; Bryson, 2004; Grant, 2003; Haines, 2005; Keller, 1983; Kotler and Murphy, 1983; Lorange and Vancil, 1977; Stettinius et al., 2005; Steiner, 1979; Thompson and Strickland, 1998, Wegner, 2006).

Manager and various constituencies on campus are involved; the extent to which managers from the numerous functional areas are participating with the planning process (Ardekani, 1997; Barker and Smith,1997; Bryson, 2004; Grant, 2003; Johnson, Lorange, 1978; Melin and Whittington, 2003; Steiner, 1979, Wegner, 2006).

Planning document; the extent to which the planning document is simple to use and the extent to which it turns into a documents used to make decisions (Ardekani, 1997; Burkhat and Suzanne, 1993; Meredith, 1993; Steiner, 1979, Wegner, 2006).

Pre-planning; the extent to which the organisation arranges to plan, this contains understanding the process and estimated outcomes of the process (Grant, 2003; Heines, 1995; Steiner, 1979, wegner, 2006).

Process must be clear to all involved; the extent to which the planning process is comprehended by all members intricate in the strategic planning process (Bryson, 2004; Cordeiro and Vaidya, 2002; Steiner, 1979, wegner, 2006).

Strategy formulation; the extent to which the organisation pursues to formulate strategies as a piece of the planning process (Andrew, 1987; Barker and Smith,1997; David, 2005; Francis, 1994; Grant, 2003; Haines, 1995; Hamel and Prahalad (1989) Hill and Jones, 2007; Hunger and Wheelen, 2003; Johnson, Whittington, and Schoeles, 2011; 2012; Keller, 1983; Kotler and Murphy, 1983; Lynch, 2003; Meredith,1993; Rumelt, 1980; Steiner, 1979; Thompson et al., 2010; Thompson and Strickland,1998; Trainer, 2004, Vaz, 2005; Wegner, 2006; Wheelen and Hunger, 2000).

2.4. Organisational Context

2.4.1. Organisational culture

The other organisational factors affecting the planning process, besides elements of strategic planning are organisational culture and decision making (Smart, Kuh, and Tierney,1997). In their study, Smart, Kuh, and Tierney argued that culture has an important role in improving organisational effectiveness. Similarly, the study of Kotter and Heskett (1992) suggest that corporate culture can have a important effect on a firm’s long term economic performance. The term culture initially derives from social anthropology (Taylor, 1887 as quoted by Kotter and Heskett, 1992). The concept of culture was created to represent, in a very broad and holistic view, the qualities of any particular human group that are spread from one generation to the next. The American Heritage Dictionary defines culture more officially, as “the totality of socially transmitted behavior patterns, arts, beliefs, institutions, and all other products of human work and thoughts characteristics of a community or population.”

The studies of Kotter and Heskett (1992) show that:

1. corporate culture can have a important effect on a company’s long term economic performance. Companies with cultures that highlighted all the main managerial constituencies (customers, stockholders, and employees) and leadership from managers at all levels beaten companies that did not have those cultural qualities by a enormous margin.
2. Corporate culture will possibly be an even more vital factor in determining the success or failure of companies in the next decade. Performance damaging cultures have a negative financial impact for a number of reasons, the most important being their tendency to prevent companies from taking up desired strategic or tactical changes.
3. Corporate cultures that impede strong long term financial performance are not scarce; they develop without difficulty, even in companies that are full of rational and intelligent people. Cultures that nurture improper behaviour and prevent change to more proper strategies tend to arise slowly and silently over a period of years, generally when companies are performing well.
4. Although hard to change, corporate cultures can be crafted more performance improving. Such change is intricate, takes time, and demands leadership, which is to some degree quite different from even exceptional management. That leadership must be directed by a realistic vision of what kinds of cultures improve performance- a vision that is presently hard to find in either the business society or the literature on the culture.

The findings of Kotter and Heskett above suggest that how essential the role of organisational culture for the success or failure of the organisation is. Performance degrading cultures have tendency to impede a firm to undertake the needed changes. For this the recent researcher would like to argue that since such cultures emerge gradually and noiselessly over a long time in a firm, and are difficult to change, it is essential for a firm to build corporate cultures at the earliest stage that encourage the organisational changes to achieve the successful performance. For this the role of leadership is critical, an excellent managerial teamwork that is guided by an outstanding vision.

Furthermore, Kotter and Heskett (1992) classify the relationship corporate culture to long-term performance into three categories. First, perspective associates strong culture with excellent performance. In a strong culture, almost all managers share a set of relatively consistent values and methods of doing business. New employees adopt these values very quickly. In such a culture, a new executive is just as likely to be corrected by his subordinates as by his bosses if he violates the organisation's norms. Firms often make some of their shared values known in a creed or mission statement and seriously encourage all their managers to follow that statement. The style and values of a strong culture tend not to change much when a new CEO takes charge- their roots go deep. This perspective highlights the effect of a strong culture on goal alignment which in a firm with strong culture, employees tend to march to the same rhythmist. It also highlights motivation and control. The second category is strategically appropriate cultures. It explicitly states the direction that cultures must align and motivate employees if they are to enhance company performance. The key concept employed is that of fit. It asserts that the content of a culture, in terms of which values and behaviours are common, is as important, if not more important, than its strength.

The third category is adaptive cultures. It argues that only cultures that can help organisations anticipate and adapt to environmental change will be associated with superior performance over long periods of time. The proponents of this perspective criticise and note that non adaptive cultures are usually very bureaucratic; people are reactive, risk averse, and not very creative. Information does not flow quickly and easily throughout the orgfanisation. A widespread emphasis on control dampens motivation and enthusiasm. Adaptive cultures must have very different characteristics. Ralph Kilmann (1986) describes such a culture in this way: ‘An adaptive culture entails a risk-taking, trusting, and proactive approach to organisational as well as individual life. Members actively support one another’s efforts to identify all problems and implement workable solutions. There is a shared feeling of confidence: the members believe, without a doubt, that they can effectively manage whatever new problems and opportunities will come their way. There is widespread enthusiasm, a spirit of doing whatever it takes to achieve organizational success. The members are receptive to change and innovation,’ (quoted from Kotter and Heskett, 1992).

In their 1988 study about the effectiveness of two-year and four-year colleges and universities, Cameron and Ettington developed four types of institutional culture: clan, adhocracy, bureaucracy, and market. Smart (2008:684-685) provided the following definitions of the four cultures:

Clan cultures: Organisation is viewed as a pleasant place to work where people share a great deal of themselves where organisational leaders are mentors even as parent figures. Organisation emphasises on loyalty, tradition, long term benefit of the development of human resources, cohesion and morale. In this culture type, the role of clan leadership is a motivator.

Adhocracy culture: Organisation is viewed as an active, entrepreneurial, and creative place to work and support individual imitative and freedom. Where organisational leaders are innovators and risk taker. In this culture type, the role of adhocracy leadership is a vision setter.

Market culture: Organisation is viewed as competitive and goal oriented, and the main concern is with getting the job done where organisational chiefs are viewed to be tough, hard drivers, demanding, producers, and even rivals. Organisation emphasises on success and winning, as well as reputation building. In this culture type, the role of market leadership is a task master.

Hierarchy culture: Organisation is viewed as a formalised, structured site to work where procedures govern what people do where organisational leaders are organisers and coordinators who are efficiency minded. Long-term focus and performance emphasise efficient and smooth operation. In this culture type, the role of leadership is analyser.

The importance of organisational culture was also studied by Schein (1985:2) who describes that "the only thing of real importance that leaders do is to create and manage culture" (Smart et.al.,1997). Smart et al. (1997) say that the most usual mistake made by new leaders is acting in ways that oppose their organisation's culture. "Becoming competent in discovering and managing culture is a critical skill for institutional leaders" (Smart et al., 1997:270). unemployed

2.4.2. Decision-making types

Another variable considered in this study is decision making. It is a series of steps or activities through which decision makers act (Cooke and Slack, 1991). Making decisions and holding the responsibility for them is one of the foundation stone of the manager's job. In other words, decision making is recurring process. For this it is clear that managers would always take decisions or they would not be managers. To get an understanding of how an organisation makes decisions about resources allocation, two decision frameworks are examined; the rational-collegial and the autocratic-political. Smart et al. (1997:263) defined these as:

Rational-collegial, a decision approach in which "resource allocation decisions are the result of group discussion and consensus, based on the use of a standard set of procedures, and criteria reflecting what objectively seems best for this institution overall."

Autocratic-political, a decision approach in which "resource allocation decisions are customarily made by one individual at this institution, in a political manner based on the relative power of those involved and without any particular pattern characterizing the criteria used."

Two decision approaches above show that strategic decision making does not alaways adopt rational approach. In the former approach, decision making process are taken by a sequence of steps using rational parameters determined by the organisation, while the latter, decision making tends to be the authority of top management. Here, power is very critical. There is no established criterium of making decision including to alocate the very important resources of the organisation.

The other authors, Kahneman et al. (2011) propose an approach that more comprehensive called ‘behavioural economics’, which seeks to enhance decision making by taking into consideration real life human behaviour (quoted from Johnson et al., 2014). The authors argue that even senior managers lead to ‘cogitive biases’ to their decisions where their mental processes are liable to disregard, distort, or overstate certain issues. For this, they then suggest, it is very important to devise good decision making processes since it can help resolve the bad effects of these biases. Kahneman et al. highlight five common decision making biases:

1. Confirmation bias. It is the tendency to search for data that confirm a preferred course of action, and to disregard information that might disconfirm it.
2. Anchoring bias. It is the frequent error of being tied to one slice of information in making a decision. Anchors are often things that might have been suitable in the past, but may not possess true in the future.
3. Saliency bias, which refers to when a specific analogy becomes excessively influential. A form of this saliency bias is the so called ‘hallo effect’, where a manager or organisation that has succeed in another, the manager or orgaisation is regarded like a saint and supposed to do no wrong.
4. Affect bias happen when managers turn into too emotionally attached to a specific option. It is frequently called champion’s bias. For this it is imperative to gain a more outlook from other members.
5. Risk bias is where managers keep distorted views of risk. Managers are often over confident in assessing their ability to carry on projects. Here, the authors suggest that instead of depending on the organisation’s own evaluation of its capabilities (a inside view), decision makers also consider the facts of other organisations commencing similar projects (an outside view).

Thus, Kahnememan et al’s behavioural outlook leads to distinct methodologies to decrease biases in strategic decision making. On the whole, the authors hurried managers to think ‘slow’ to take the time to look for for further views, analysis and data. The insights from behavioural economics highlight the potential benefits of positive conflict in decision making. Conflict can describe champion’s biases. It can challenge confident self assesments of managerial capability. Conflict is encouraged by having numerous managerial teams, with members arranged to be devil’s advocates, challenging assumptions or simple consensus. But dynamic conflict requires careful management.

The other outstanding thinkers, Mintzberg and Westly (2001) propose a different view that decision making is not ‘what you think’ (in the book of Wit and Meyer, 2008). They both argue that besides rational decision making (‘thinking first’ model), decision making model should be complemented with two different models: a ‘seeing first’ and a ‘doing first’ model to make better the quality of decisions. In rational decision making model, it has a obviously identified process: First define problem, then diagnose its causes, next design achievable solutions, and at last decide which is best. And, of course, implement the choice. However, as argued by Mintzberg and Westly, ‘thinking first’ model has limitations. Often decisions do not so much appear as erupt. Decision making means periods of examining followed by impulsive sharp insights. In other words, an unexpected insight go after extensive analysis. Real life decision making makes more intelligence than we think, in particular because so much of it is beyond intentional thought. ‘Seeing first’ model suggests that ‘decisions may be driven as much by what is seen as by what is thought,’ (p.94). Understanding can be visual as well as conceptual. Model of ‘doing first’ is instinctive. Just do it, then the needed thinking could follow. It’s experimentation- ‘trying something so that you can learn,’ (p.94). In the point of view of the recent researcher, the three main approaches to decision making discussed above are complementary in order to increase the quality of decisions of organisation. It is necessary to put each approach in its place in accordance with the context of the issue. As argued by Mintzberg and Westly, ‘thinking first’ works best when the issue is obvious, the data is trustworthy and the world structured; when thoughts can be pinned down and discipline employed, as in an established production process. ‘Seeing first’ is preferred when many aspects have to be united into creative solutions and when commitment to those solutions is vital, as in much new product development. ‘Doing first’ is needed when the situation is novel and complicated, and things require to be worked out, as in a new industry or in an old industry in turmoil environment. In this matter, the recent researcher would like to note, it is vital to integrate the thinkng from the doing. Managers may observe and learn from the daily practice, then they may make abstraction from the reality to enrich and sharpen their analysis (thinking). In the language of Mintzberg and Westly, when organisations disconnect the thinking from the doing, with the former coming from the heads of influential formulators and the latter designated to the hands of apparently quiet implementers, those formulators lose the benefits of experimentation and learning.

2.4.3. Managerial myopia

The other organisational culture that also considered in this study is managerial myopia. Managerial myopia is a constant perspective that restricts the series of alternatives considered by decision makers and depends on underlying theories related with the bounded rationality (Simon, 1957) and learning dysfunction (Argirys and Schon, 1978; Levitt and March, 1988) as quoted by Ridge et al. (2014). Therefore, managerial myopia reflects a limited view of temporal options, organisational capabilities, environmental influences, and strategies outside the organisation. The deficiency of awareness intrinsic in managerial myopia limits the identification of future opportunities and how decision makers examine the environment for strategic alternatives. These limitations may affect levels of exploitation vs exploration, restrain risk taking, and perhaps generate errors in the strategic decision making process (Levinthal and March, 1993). There are three kinds of managerial myopia as suggested by Levinthal and March (1993): Hubris, temporal, and spatial. Hubris refers to overconfidence that executives posses which it can influence executive’s perceptions of the competitive environment. Temporal myopia directs decision makers on the short term, fostering short term financial and accounting results to present problems rather than an investment in future chances. According to Levinthal and March (1993), this temporal myopia has a tendency to ‘sacrifice the long run to the short run’ (p.110). The last, spatial myopia endorses managers and organisations to direct on present markets and innovations and can be coherent with long terms investments in the organisation. Temporal myopia creates focus on the firm's present strategy, leading to a constant strategy overtime. As a firm's executive more turn into temporally myopic, long term planning is weakened and the firm tends to continue in its current strategy rather than proactively altering direction. Spatial myopia directs firm decision makers on better recognised technologies and competitors, leading to compliance to industry strategic profile. Through the restricting of effort on a firm's immediate industry shaped by spatial myopia, the firm's strategy have a tendency to follow to industry patterns (Ridge et al., 2014). Hubris myopia tends to lead managers to be overconfidence in observing environments.

2.4.4. Dominant logic

Begun and White (1999) describe dominant logic as a set of assumptions that are hardly ever challenged because they are so rooted in the collective ethos that they keep on below the level of consciousness, and yet, actual change can happen only when we first recognise, and then abandon, the very ideas that have guided our thoughts and behaviours and social organisations, that is, "unlearn" the dominant logic. Similarly, Mintzberg (1994) asserts, Further, Begun and White describe, this invisible, yet all-inclusive screen through which all stimuli are filtered, is very valuable in very stable environments but must be reformed to adjust new environments so that the organisation can stay alive. In other words, organisation must restore its mind-sets (convictions) to accommodate the very fast changes surrounding organisation, particularly when the organisation encountered unpredictable shifts in the environment, or it will fail to survive. According to Begun and White, although it is real that organisation is affected by many political and economic aspects over which it has little control, consideration must be lent to its dominant logic as a starting place of structural inertia. Principal change in a complex system needs new structures, processes, and organisations that challenge our dominant logic. The more strongly rooted the dominant logic, the more difficult it is to reach required changes in the system. For this, the recent researcher would like to argue that it is essential for organisation to build a system that encourage and accelerate organisation to transform to lead change and reduce elements that inherent in the dominant logic of the organisation that have impeded organisation from true transformation.

2.5. Linking Strategic Planning and Corporate Performance

Contingency theorists asserted that efforts to link strategic planning with performance will foster understanding of the influences of strategic planning on organisational performance under different situations, and will raise a consistent conceptualisation of strategic planning characteristics and their connections to varying firm and environmental characteristics (Kukalis, 1991). Venkatraman and Ramanujam (1986) described that performance is a continuing theme in most areas of management, including strategic management, and it is of interest to both academic scholars and practicing managers. Performance enhancement is at the heart of strategic management and the importance of organisational performance in strategic management can be reasoned on three aspects, they are: *theoretical*, *empirical*, and *managerial*. Theoretically, the concept of organisational performance lies at the heart of strategic management and the time of test of which ever strategy. Empirically, most strategy research investigations use the construct of business performance to test an assortment of strategy content and process issues and to undertake a systematic analysis of the extent to which the empirical inquiries reflect the performance dimension. The managerial importance of organisational performance is all too manifest in the many recommendations offered for performance enhancement such as research on corporate turnaround and organisational transitions. Similarly, Ramanujam and Venkatraman (1987) depict that an issue of central concern in the literature on strategic planning is the connection between strategic planning and organisational performance. Numerous empirical studies have tried to explain the linkage between strategic planning and organisational performance. The seminal early works on formal strategic planning processes (e.g. Ansoff, 1965; Anthony, 1965; Keller, 1983; Lorange, 1980; Steiner, 1979) link the strategic planning to organisational performance (change). Keller, writing in 1983, presented that strategic planning places long-term liveliness and quality of an organisation first. It is concerned about organisational survival. Steiner (1979) depicts that "strategic planning is the systematic and more or less formalized effort of a company to establish … strategies to achieve objectives and basic company purposes" (p.15). Lorange (1980) presents that the purpose of strategic planning is thus "to accomplish a sufficient process of innovation and change in the firm … if a formal system for strategic planning does not support innovation and change, it is a failure." Furthermore, Lorange (1980) and Steiner (1989) explained that the strategic planning system is a critical process for top management, and Steiner also pointed out that strategic planning facilitated growth.

The study of Ansoff et al. (1971:96) on mergers and acquisitions of US manufacturing firms 1946-1965 revealed that the presence of planning variables examined was highly correlated with performance; specifically sales, earnings, earnings/common equity, earnings/total capital, and debt equity ratio. Further, they argued that planning processes mostly result in better alignment and financial outcomes than trial and error learning does. Another review of organisational performance and planning linkage (Porter et al., 1980) revealed that in both the private and non-private sectors, organisational performance is the single most significant dependent variable. Several later works observed the criticality of performance as the dependent variable. Amstrong (1982) presented that a formal planning system results in the compilation and interpretation of data vital to creating and maintaining company environment alignment. Miller and Cardinal (1994) found strategic planning to positively influence corporate performance, while Philipps (1996) argues that in addition to strategic planning being essential to the survival of the firm, it can also contribute positively to a firm's performance. A study by Liedka (2000) which focused on the association of strategic planning to strategic change also revealed that a generative model of planning processes extends the possibility of connecting the two concepts more effectively (Liedka, 2000). Grant's (2003) study on the major oil companies in USA revealed that during the 1950s and 1960s the diffusion of strategic planning among big firms followed interest in strategy as an area of management. Further, Grant states that, by the 1980s, the focus of empirical research in strategic planning was on just two areas: first, the impact of strategic planning on firm performance where there were many studies but no robust findings; and second, the role of strategic planning in strategic decision making where it studied the organisational process of strategy formulation. There is, however, some doubt relating to the efficacy of strategic planning to organisational performance. Scott, Mitchell, and Birnbaum (1981), for example, stated that “the research on strategic planning is inconclusive.” Quin (1980) has concluded that the key strategic decisions are made outside the formal planning process. Formal planning system is often tended to be “a bureaucratized, rigid, and costly paper shuffling exercise” (p.2). Huff and Reger (1987) and Rogers, Miller, and Judge (1999) recommended that one of the reasons for the inconclusiveness of process–performance studies is the absence of strategy content. Mintzberg (1994) argues that business often had a ‘counterproductive love affair’ with strategic planning from the 1960s through the 1980s. Peters (1994) held essentially the same opinions about strategic planning and other management trends such as total quality management, reengineering, and the learning organisation, named “death by a thousand initiatives” (as quoted by Dooris, 2002-2003).

As noted earlier, the lack of understanding about the dynamics of the strategic planning process, the organisational context that facilitates a sucessful strategic planning process, mixed evidence about the relationship between strategic planning and organisational performance, and long debate between formal rational planning system and emergent approach generates critical gaps in the literature and shows the need for research to find out knowledge to assist in filling the gap.

This literature review seeks to contribute to the literature by reviewing comprehensively the different strands of literature on strategic planning, organisational cultures, and decision types in order to improve the understanding of strategic planing processes, and provide a robust foundation to analyse the successful strategic planning practices. It also reviews two outstanding approaches of stategy making:formal rational planning and emergent approach to clarify long debate between rational planning and emergent approach.

2.6. Chapter Summary

Common elements were highlighted in the plentiful definitions of strategy and strategic management. In its broadest sense, strategy is the means by which individuals or organisations attain their goals (Grant, 2010). One of the leading strategy theorists, Alfred Chandler, for example, defines strategy as “the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out those goals,” (1962:13). Meanwhile, strategic management more relates to the managerial aspect of strategy (Fitzroy et al., 2012). Johson, Whittington, and Scholes (2009:14) state that the term ‘strategic management’ highlights the importance of managers with regard to strategy. Wheelen and Hunger (2000) point out strategic management as “set of managerial decisions and actions that determines the long-run performance of a corporation.” The view that strategic management is an ongoing process and relates more to the managerial aspect including development and execution of strategy also is held by Fitzroy, Hulbert and Ghobadian (2012). They assert that strategic management is about managing the whole process, including implementation and generating resources. According to Volberda et al. (2011), the strategic management process is a rational approach that organisations utilise to achieve strategic competitiveness and gain above-average profit. The above discussion clearly suggests that making and implementing strategy are the heart and soul of managing a business organisation. Further, Grant (2010) maintains that strategy is the outcome of managers engaging in deliberate, rational analysis. However, strategy may also appear through adaptation to environments (emergence).

Furthermore, strategic planning is inseparably connected to the entire fabric of management; it is not something split and distinct from the process of management (Steiner,1979). It is a function and concern of managers at all levels in an organisation.

Universal elements were highlighted in the abundant definitions of strategic planning. There are numerous insightful works including a number of valuable strategic planning models and theories of strategic planning such as Harvard's model, Steiner's model, Lorange's model, and Bryson's model, among others. Grant (2 003) suggests the major stages of the strategic planning process. Quinn (1980) posits that effective formal strategies contain three fundamental elements including the most important goals (or objectives), the most important policies guiding or limiting action, and the major action series (or programmes). Ardekani (1997) proposes six dimensions of the strategic planning process, comprising environment analysis, formality of planning, hierarchy of planning, top management and line management in planning process. Ardekani and Haug (1993) state that the primary planning role is to increase the abilities of the organisation to adapt to an ever-changing environment. Keller (1993) highlights the need for constant adjustments to shifting conditions, with a main strategy in mind.

Abell and Hammond (1974), Steiner (1979), Lorange (1980) and Raid (1989) discuss the CEO's involvement in the strategic planning process. Steiner also states that the CEO is a leader of people; a skilled judge of human character, motivation, and a business statesman. He further posits that the strategic planning system is a critical process for top management. Bryson (2004) articulates that strategic planning is not a substitute for effective leadership. Further, relating to objectives setting, Steiner (1979) describes that objectives must support the company's basic purposes and mission, and that objectives must be expressed in concrete terms for specified periods of time. Further, concerning commitment to take action, Bryson (2004) cautions that, without commitment to take action, intended strategies remain dreams rather than becoming reality. Steiner (1979) suggests that the coordination of functional plans in the strategic planning process will indicate how resources are to be organised if strategies are to be implemented, while Owen (1982, in Thompson and Martin, 2005:635) suggests that "measures of performance" and "milestones, or progress measurement points" should be established to guarantee successful implementation. Kaplan and Norton (1996) present alternative outlooks of the implementation process and suggest that strategic plans should be translated into simple and detailed measures. Hrebiniak and Joyce (1984) say that the execution process is directed by two values: bounded rationality and minimum intervention (in the book by Wit and Meyer (1994).

Quinn (1980), Mintzberg (1994), Haines (1995), Eden and Ackermann (1998), and Jazabkowsky and Balogun (2009) review the importance of communicating strategy throughout the organisation. Quinn (1980) suggests building an open and opportunistically-tuned communication system to encourage more open, data-rich communications about overall directions, opportunities, and threats. Further, relating to understanding of the environment, Lynch (2000) and Steiner (1979) say that it is a fundamental aspect of the development of corporate strategy and the planning process. Lorange and Vancil (1977) emphasise the main functions of a strategic planning system to assist adaptation of the long-term attempts of the company to address changes in the environment. For feedback and evaluation, Rue and Holland (1989) and Greenley (1989) refer to it as a valuable and vital part of the strategic management process. Without feedback and evaluation, things may get out of control. By feedback and evaluation, managers guarantee that resources are gained and used effectively and efficiently (Anthony, 1965). Further, Quinn (1981) and Thompson and Martin (2005) strongly emphasise evolution and flexibility of strategies. They contend that while the environment is more unstable and less predictable, strategic achievement needs flexibility.

Furthermore, Stettinius et al. (2005) and Bryson (2004) discuss the linkage budget and planning and state that budget is an outcome of planning process. Haines (1995) suggests cascading the strategic plan down to yearly plans and budgets. Thompson and Strickland (1998) mention that the involvement of implementers in the budgeting process is very essential. Relating to the involvement of managers in the strategic planning process, Bryson (2004) mentioned that it is extremely important because of their vital role in translating policies and decisions into operations. Moreover, relating to planning documents, Steiner (1979) describes it as very important to guide implementation and stay focused on necessary decisions, actions, and responsible parties. Meredith (1993) argues that the integration of the various planning efforts is essential to make successful planning easy to achieve. The organisation has to connect the various planning initiatives across the business units and departments. Burkhart and Suzanne (1993) state that bringing together a working document will permit others to have final input, and Ardekani (1997) describes the written plans as one of three elements that reflect the formality of planning.

Steiner (1979) and Heines (1995) discuss pre-planning element. They say that plan-to-plan/pre-planning should set out the basic guidelines for organisational planning. Furthemore, Steiner (1979) and Bryson (2004) raise the importance of establishing an understanding of what strategic planning would mean for the company and say that it is critical that the details be cautiously thought through. Concerning strategy formulation, Steiner (1979) says that it is aimed to create a set of strategies that will effectively connect the firm to its environment to achieve excellent performance. Andrew (1987) portrays that as a starting point for the development of strategic options, it is important to link the organisation's mission and objectives with its strategic choices and succeeding activities (Lynch, 2003). Thompson and Strickland (1998) declare that strategy formulation occurs in all levels of the organisation.

In addition, besides the elements of strategic planning, other organisational factors that affect the planning process are organisational culture and decision making (Wagner, 2006). Smart, Kuh, and Tierney (1997) state that culture has an important role in improving organisational effectiveness. Cameron and Ettington (1988) developed four types of institutional culture and Smart (2008) provided the definitions of the four cultures. Schein (1985) in Smart, 2008); and Smart et al. (1997) discussed the importance of managing culture. Another variable considered is decision making. Two decision frameworks are examined and Smart et al. (1997:263) provide the definitions of two decision frameworks. Wegner (2006) and Bryson (2004) also discuss decision approach used to allocate resources.

Furthermore, relating to the linkage between planning and organisational performance, Venkatraman and Ramanujam (1986) described that performance is a continuing theme in most areas of management, including strategic management that is of interest to both academic scholars and practicing manager. Numerous empirical studies have tried to explain the linkage between strategic planning and organisational performance (e.g. Ansoff, 1965; Anthony, 1965; Keller, 1983; Lorange, 1980 and Steiner, 1979). However, some doubt relating to the efficacy of strategic planning to organisational performance has been expressed by Quin (1980), Scott, Michell and Birnbaum (1981), and other scholars.

In spite of criticisms, research indicates that formal planning systems do help managers to improve their strategic decisions. Miller and Cardinal's (1994), (as presented in the earlier section of this study) that examined the results of 26 published studies arrived at the conclusion that, generally strategic planning has a positive effect on enterprise performance. As argued by Weihrich (1982:35), "any organisation - whether, military, product-oriented, service-oriented or even governmental - to remain effective, must employ a rational approach toward anticipating, responding, to and even altering the future environment."

This chapter has reviewed the relevant literature on strategic management and planning as a conceptual foundation in conducting research. The next chapter describes the research method used in this study for both collecting and analysing data based on the theoretical foundation reviewed above.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Overview

This chapter reviews the research method used in developing the study. This study is qualitative research. Qualitative research, including case study, life history, ethnography, and grounded study, is empirical research because it deals with data relating to lived experiences. Empirical studies are based on the evidence of the observations of both the researcher and the perceptions of people studied related to the investigative context (Schwandt, 1997). Research on business firms has often assumed the form of case studies (Yin, 2003). This research adopts a case study method to study strategic planning practices in the Indonesian banking industries. In this study, the researcher adopted and developed the previous research model (figure 5). Analysis of the data collected gave the researcher a greater understanding of the strategic planning processes in place in all six institutions studied in the Indonesian banking industry. Data analysis also helped the researcher to identify the contribution of organisational culture and the decision-making approach in building organisational context to facilitate successful strategic planning.

This study examines the following questions:

1. To what extent are strategic planning processes applied in the high-performing banking industry in the Indonesian context?
2. To what extent does organisational context (culture and decision approaches) contribute to facilitating successful strategic planning practices

The remainder of this chapter is organised as follows. First, the research philosophy, qualitative approach, the design of a qualitative study, the framework, sampling process, and the variables used in the study are described. Second, the data gathering and analysis techniques, as well as the issues of validity and reliability are discussed. This chapter then concludes by addressing the limitations and ethical concerns evident in the study.

3.2. Research Philosophy

The link between data and theory has been intensely debated by philosophers for several centuries. Failure to reason through philosophical issues such as this can really influence the quality of management research, and they are essential to the notion of research design. In other words, philosophical aspects shape the whole set of arrangements which enable acceptable outcomes from the research endeavour (Easterby-Smith et al., 2008). Similarly, Creswell (2009) states that although philosophical ideas stay mainly hidden in research, they still affect the practice of research and need to be identified. Review of the philosophical ideas helps explain why the researchers chose a qualitative, quantitative, or mixed methods approach for their research. A philosophical idea or 'worldview' is "a basic set of beliefs that guide action" (Guba, 1990:17 in Creswell, 2009). These worldviews, Creswell argues further, are shaped by the discipline area of the study, the beliefs of advisers, and past research experiences. The types of beliefs held by individual researchers will often lead to embracing a qualitative, quantitative, or mixed approach in their research.

Saunders et al. (2009:107) define research philosophy as the "development of knowledge and the nature of that knowledge". Understanding research philosophy (philosophical issues) helps to clarify, recognise and identify, or even to create and adapt, research design. It is a vital approach in which to consider what kind of evidence is required and how it is gathered and analysed, and how to identify and adapt reasonable research design (Easterby-Smith et al., 2008). Similarly, Baker (2007) asserts that the knowledge and experience that one applies to resolve the problem and investigation will, unavoidably, influence their approach, the research methods employed, and their interpretation of their findings As Littler et al. (2003) note, the researcher is infrequently a neutral observer, and so takes their own perspective, conceptual and ideological 'baggage' to the investigation of a problem.

Creswell (2009) suggests four different worldviews:

1. *The postpositivist worldview*

   The assumptions of the postpositivist philosophy have characterised the traditional form of research, and these assumptions hold true more for quantitative research than for qualitative research. Postpositivists maintain a deterministic philosophy in which 'causes probably determine effects or outcomes.' Consequently, the problem studied by positivists suggests the need to identify and evaluate the causes that affect outcomes, such as found in experiments. The knowledge that develops through the postpositivist lens is based on meticulous observation and measurement of the objective reality that exists 'out there' in the world. Therefore, developing numeric measures of observations and investigating the behaviour of persons dominate the worldview of a postpositivist. Further, Creswell describes the accepted research method by postpositivists; an individual starts with a theory, gathers data that either support or contest the theory, and then makes needed revisions before further tests are carried out.

2. *The social constructivist worldview*

   The social constructivist worldview is a perspective usually adopted in qualitative research. It maintains assumptions that individuals try to find understanding of the world in which they live and work. Individuals build subjective meanings of their experiences; these meanings tend to be both diverse and multiple, leading the researcher to search for the complexity of insights rather than the reduction of meanings into a few categories or ideas. The goal of the research is to rely as much as possible on the participants' views of the situation being investigated. The more open-ended the questioning, the better, as the researcher takes note cautiously of what people say or do in their life surroundings. Further, the constructivist researchers often deal with the processes of interaction among individuals, and they also concentrate on the particular contexts in which people live and work in order to understand the historical and cultural settings of the members. Researchers acknowledge that their own backgrounds form their interpretation, and they locate themselves in the research to recognise how their interpretation emerges from their personal, cultural, and historical experiences. The researcher's intent is to deduce the meanings others have about the world. Rather than starting with a theory (as in postpositivism), the researcher engenders or inductively builds a theory or pattern of meaning.

3. *The advocacy and participatory worldview*

   This worldview evolved from individuals who deemed that the postpositivist assumptions enforced structural laws and theories that did not suit marginalised individuals in the public arena, or issues of social justice that needed to be dealt with. These researchers felt that the constructivist viewpoint did not go far enough in advocating for an action programme to assist marginalised groups. An advocacy/participatory worldview holds that research investigation needs to be entangled with politics and a political agenda. The researcher often begins with one of the particular issues that need to be addressed such as empowerment or inequality, or domination and so forth, as the focus of the study. In this study, the members may assist in the designing of questions, gathering data and analysing information, and benefit from the findings. Advocacy inquiries provide a voice for these members of society, improving their consciousness or developing an agenda for reform and change to improve their lives.

4. *The pragmatic worldview*

   The last philosophical issue or worldview comes from the pragmatists. There are numerous forms of this philosophy, but for many, pragmatism as a worldview arises out actions, situations, and consequences rather than forerunner conditions (as in postpositivism). There is a concern with efforts to resolve the problems under investigation, and the researchers utilise all approaches on hand to achieve this. As a philosophical foundation for mixed methods studies, and quoting the other writer Creswell (2009:10) states that it “passes on its importance for focusing awareness on the research problem in social science research and then employing pluralistic approaches to gain knowledge about the problem.” Therefore, for the mixed methods researcher, pragmatism opens the gate to numerous methods, different worldviews, and different assumptions, as well as different forms of data collection and analysis.

Further, Collin and Hussey (2014) describe five philosophical assumptions that underpin the two main paradigms: Positivism and Interpretivism. Ontological assumption. Positivists believe that there is only one reality and each person has the similar logic of reality. Interpretivist believe that everyone has his or her own sense of reality and there are numerous realities.

1. Epistemological assumption. Positivists consider that only phenomenoa that are observable and measurable can be validity considered as knowledge. They seek to maintain an independent and objective standpoint. On the other hand, interpretivists attempt to reduce the distance between the investigator and that which is studied.

2. Axiological assumption. Positivists consider that the process of research is value free. Therefore, positivists consider that they are separate and independent from what they are investigating and consider the phenomena under investigation as objects. On the contrary, interpretivists believe that investigators have values, even if they have not been made explicit. These values assiss to determine what are identified as facts and the interpretations described from them. Most interpretivists consider that the investigator is involved with that which is being investigatad.

3. Rhetorical assumption. In a positivist study, it is common to write in a formal style using the passive voice. The position is less obvious in an interpretivist study.

4. Methodological assumption. A positivist is concerned with making sure that any concepts that is utilized can be operationalized. Positivists will possibly use a large sample and decrease the phenomena investigators investigate to their simplest parts. Investigators will focus on objective facts and formulate hypotheses. The analysis will search for association between variables and/or causality. Interpretivist will be examining a small sample and utilize a number of research methods to get different perceptions of the phenomena and in your analysis you will be trying to find to understand what is occuring in a situation and searching for patterns which may be repeated in other comparable situations.

In addition, Myers (2013) following Chua (1986) suggests three categories based on the underlying research epistemology: positivist, interpretives, and critical. The positivist approach normally believes that reality is objectively given and can be portrayed by measurable properties. Positivist studies generally seek to test theory. The interpretives approach considers that right of entry to reality is only through ‘social constructions such as language, consciousness, shared meaning, and instruments.’ (p.39). Interpretive researchers do not predefine dependent and independent variables, but concentrate instead on the intricacy of human sense making as situation comes out. They seek to understand phenomenona through the meanings that people designate to them. Meanwhile, the last, critical researchers consider that social reality is historically set up and that it is shaped by people. Here, various forms of social, cultural, and political domination restrict the ability of people to transform their social and economic environments.

This study, therefore, adopted positivist approach because it attemped to investigate the strategic planning practicess and organisational contexts to achieve the high performance. As described by Creswell (2009), positivists suggests the need to identify and evaluate the causes that affect outcomes. This study, as noted earlier, endeavored to understand and examined how strategic planning was practiced in the Indonesian banking industry and how the organisational context facilitates strategic planning that the organisation to achieve the high performance. Following positivist approach, this study started with a theory, collected data that either supported or contested the theory, and then made needed revisions before further tests were carried out. Planning and organisational contexts variables as showed in the research model were defined first and described by measurable properties.

Further, the study of Wegner (2006) is a good example of interpretive approach to doing case study research in planning conversation. The author identified the dimensions of strategic planning and how culture dimensions and decision types build contexts for the succesful strategic planning. As it was interpretive study, it should believe that everyone had his or her own sense of reality and there were numerous realities. In contrast, the current study considered that there was only one reality and each person who participated in this study, both planning and non planning member, had the similar logic of reality.

3.3. Qualitative Approach

This study employs a qualitative research approach as the framework within which to address the research question. Willis defines the framework as “a set of broad concepts that guide research” (2007:158), and Merriam states that qualitative research is “an umbrella concept covering several forms of inquiry that help us understand and explain the meaning of social phenomena with as little disruption of the natural settings as possible” (1998:5). Gall and colleagues point out that “researchers study things in their natural settings, attempting to make sense of, or interpret phenomena in terms of the meaning people bring to them” (Gall, Borg and Gall, 1996:28-29). Further, Gall et al. explain that qualitative research serves to explore themes and relationship at the case level. A main goal of this study is to collect descriptive data concerning the practices of strategic planning; that is, the activities/elements of the strategic planning process in the high-performing banks in the Indonesian context, and to investigate how organisational context facilitates the successful strategic planning practices. Therefore, with the aforesaid under consideration, qualitative research is considered the most suitable method in the context of this study in which to understand processes, experiences, actions and values, and to focus on the description of the setting being investigated (Creswell, 2009; Murphy et al., 1998 in Baker, 2003; Yin, 2005). Consequently, this study depends as much as possible on the participants’ views and perceptions of the situation being studied (Creswell, 2009) with as little disruption to the natural setting as possible (Merriam, 1998). Here, the outcomes of this study are not arrived at by means of statistical procedures or other means of quantification (Strauss and Corbin, 1998). Rather, the qualitative approach is employed in order to make sense of, or interpret, phenomena and yield outcomes from real-world settings where the phenomenon of attention develops naturally (Gall et al., 1996;Patton, 2012); this is in contradiction of the quantitative method, which tries to find *causal determination,* *prediction, and generalisation of outcomes*. The qualitative method instead tries to find *illumination, understanding, and extrapolation to similar situations* (Hoepfl, 1997).

With this in mind, it is considered that the qualitative approach is the best method as a research strategy that usually emphasises words rather than quantification in the collection and analysis of data (Bryman and Bell, 2011), and deals with 'how' and 'why' questions rather than 'how many' and 'how much'(Yin, 2003; 2009). This approach also supports analysis conducted through the use of conceptualisation rather than analysis conducted through the use of statistics (Saunders et al., 2009). In the case of strategic planning studies, as presented in Grant's (2003) research on major oil companies, most research employs a quantitative approach, which then fails to capture the richness and complexity of a corporation's strategic planning practices. For that reason, the qualitative approach was used in this study to take account of the theories and perspectives of participants studied (Yin, 2005) in order to acquire a genuine and rich explanation in terms of organisational change and managerial process in particular strategic planning practices.

There are a lot pros and cons, however, relating to qualitative research methodology. Those pro of qualitative method point out that qualittaive research method is best if one want to study a specific subject in depth in one or few organisations (Myers, 2013). It allows a researcher to observe and understand the context within which decisions and actions happen where human decisions and actions often can only be understood in context. For this understanding the context is critical since as said by Myers, the context helps to 'explain' why someone performed as they did. This context (multiple contexts) is most excellent understood by talking to people. In other words, converse to people is the only way to comprehend why someone acted or something occured. Further, Kaplan and Maxwell (1994) promote that the aim of understanding a phenomenon from the point of view of the participants and its specific social and institutional context is mainly lost when written data are quantified.

The other writers, Miles and Huberman (1994) advocate that qualitative researchers have a robust handle on what “real life” is like since data qualitative focus on in nature occuring, usual events in natural settings. Another characteristic of qualitative data is their richness and holism, with strong ability for revealing complexity. It is powerful for studying any process since as said by Miles and Huberman such data are usually gathered over a sustained period. For this qualitative data often have been promoted as the best strategy for finding, exploring a new area, developing hypotheses. It is also believed that it has strong ability for testing hypotheses finding out whether specific predictions keep up. At last, qualitaive data are valuable when one needs to complement, validate, explain, elucidate, or interpret quantitative data gathered from the same situation.

Those cons of qualitative research methodology, however, argue that it is often hard to generelize to a larger population. You can generalize from qualitative research, but not by employing sampling logic. Three cases are no superior than one. As a result it is usually impossible for qualitative researchers to make generalizations from a sample to a population. Nevertheless, you can generalize from qualitative research to theory, and you can generalize from just one case study or one ethnography.

My point of view is that both quantitative and qualitative research methods are beneficial and necesssary in investigating business organisations. Both sorts of research approaches are complemantary each other. All both have elements of thruth, important, and can be rigorous.

3.4. The Design of a Qualitative Study

Following Merriam et al. (2002), the design of a qualitative study can be portrayed as follows:

1. The research problem and sample selection.

   A research study starts with curiosity about something that is usually related to work, community, social and political issues or questions that emerge from the literature, among others.

   The next step in the design of a qualitative research is to select a sample. Since qualitative research "seeks to understand the meaning of a phenomenon from the perspectives of the participants, it is important to select a sample from which the most can be learned. This is called a purposive or purpose sample" (Merriam et al. 2002:11-15).

2. Data collection and Analysis.

   For qualitative research, there are three major sources of data; interviews, observations, and documents. The range of *interviews* is

   > from highly structured, where specific questions and the order in which they are asked are determined ahead of time, to unstructured, where one has topic areas to explore but neither the questions nor the order are predetermined. Most interviews fall somewhere in between. The semi structured interview contains a mix of more and less structured questions (Merriam et al., 2002:12-13).

   Observation is a second, main data collection tool and it represents

   > a firsthand encounter with the phenomenon of interest rather than a second hand account obtained in an interview. Observation is the best technique when an activity, event, or situation can be observed first hand, when a fresh perspective is desired, or when participants are not able or willing to discuss the phenomenon under study (Merriam et al., 2002:13).

The third main source of data is documents. These can be oral, written, visual, or cultural artifact. As a data source, the strength of documents lies in the fact that they already exist in the situation. In a qualitative research study, interviews, observations, and documents are the three traditional data sources where data collection is simultaneous with data analysis and it allows the researcher to make adjustments along the way, even to the point of redirecting data collection, and to test emerging concepts, themes, and categories againts subsequent data" (Merriam et al., 2002:14).

3. The last design of qualitative study is writing up qualitative research. There is a diversity of styles since, in writing up qualitative research, there is no standard format and some of the styles are quite creative. It is, however, important to present the findings of the study to the audience in an appropriate format. A funding agency, for example, may require an executive summary of the research findings, but other researchers in order to evaluate the contribution of study to the field will require a detailed description of the methodology.

3.5. Case Study Approach

Merriam (1998:9) defines case study as "an examination of specific phenomenon such as a program, an event, a person, a process, an institution, or a social group." Yin (2009) suggests, in addition to the case study research design being able to lead to a theoretical conclusion, that it can also be utilised as part of an exploratory, descriptive, or explanatory research design, for theory generation, and for initiating change. Meriam describes case study research as follows:

Particularistic: Case studies focus on a specific context such as a classroom, one person, a family, a company, and an office.

Naturalistic: They are concerned with real people and situations, and the data collection often occurs in real environments.

Thick descriptive data: Sources of case study data comprise participant and nonparticipant observation, historical and narrative sources, interviews, writing such as diaries, journals, as well as a variety of quantitative data sources.

Inductive

According to Merriam (1998), typically, case studies rely on inductive analysis where generalisations, concepts, or hypotheses appear from the examination of data. Sometimes one may have provisional working hypotheses at the outset of a case study, but these hope are subject to reformulation as the study progresses.

Heuristic.

Merriam (1998) contends that case studies elucidate the readers understanding of the phenomenon under study. They can result in the discovery of new meaning, broaden the readers's experience, or confirm what is comprehended.

In addition, Yin (2009) defines a case study in two parts:

1. A case study as an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident. Such a phenomenon may be a project or programme in an evaluation study.
2. The case study enquiry:
   - Copes with the technically distinctive situation in which there will be many more variables of interest than data points, and as one result
   - relies on multiple sources of evidence, with data needing to converge in a triangulating fashion, and as another result
   - Benefits from the prior development of theoretical prepositions to guide data collection and analysis (p.18).

One important point of Yin's definition is that the phenomenon of attention is not investigated separate from its context because, as stated by Myers (2013), the context itself is part and bundle of the story. In essence, Yin's twofold definition shows how case study research includes an all-inclusive method: containing the logic of design, data collection, data gathering techniques, and various approaches to data analysis. A case study, methodologically, presents evidence from multiple sources which strengthens case studies where evidence - in principle - can come from at least six sources: documentation, archival records, direct observations, interviews, participant observation, and physical artifacts. In addition to the use of multiple sources of evidence, the case study, in many instances, "represents a triangulation of the data from these multiple sources," where the most robust fact is established if three sources all coincide (Yin, 2003).

Furthermore, Merriam (1988:33) reviews case studies as "particularly suitable design if you are interested in a process." Sanders (1981) states that "case studies assist us to understand processes of events, projects, and programs and to find out context characteristics that will shed light on an issue or object." Becker (1968:233) points to the need "to develop general theoretical statements about regularities in social structures and process" as a reason for using a case study. Yin (2003) suggests that the case study method is most likely to be appropriate for 'how' or 'why' questions about a contemporary set of events, and over which the enquirer has little or no control.

3.5.1. Case study research design

A research design involves the logic that connects the data to be collected (and the conclusions to be drawn) to the initial questions of study (Yin, 2009). For case studies, Yin suggests five components of good case study design:

1. A study's questions.
   It suggests that the form of the question in terms of *who, why, what, where*, and/or *why* provide a clear indicator of the most relevant about the most relevant research method to be employed.
2. Study propositions.
   It guides attention to something that should be investigated within the scope of study.
3. Unit of analysis.
   A 'case' may be an individual; or the 'case' can also be some event or entity other than a single individual. Selection of the most suitable unit of analysis will start to happen when inquirers precisely specify their main research questions. Unit analysis can be revisited as a result of discoveries during the data gathering process.

4 . Linking data to propositions.

It indicates the data analysis steps in in case study research; for this stage, the main concern is to be aware of the main choices and how they might suit the inquirer's case study to create a more solid foundation for the later analysis.

4. Criteria for interpreting a study's findings.

   It suggests what the criteria are for such interpretations.

In addition, a case study presents the analysis of a study of a single unit such as an event, an organisation, or an aspect of organisational function (Travers, 2001 in Polonsky and Waller, 2011). It can use single research methods or combinations of qualitative and quantitative methods (Stake, 1994: 245). Yin (2009) suggests that the case study can include either a single case study or multiple case study design, and various levels of analysis. It can employ an embedded design; that is, multiple levels of analysis within a single study (Yin, 2009). Further, a classic article by Eisenhardt (1989) suggests that case study research can be a very powerful tool for theory building. His paper attempts to construct a road map for building theories from case study research. Myers (2013) maintains that although case study research is mostly used to help build new theory, case study research can be used to test theory, to develop causal explanations, or even to compare theories.

Another case study design is the multiple-case study where the same study contains more than a single-case study. The distinct advantage of multiple-case designs in comparison to single-case designs is that the evidence from multiple cases is often considered more compelling, and the overall study is therefore regarded as being more robust (Herriott and Firestone, 1983 in Yin, 2009). Further, the employment of single-case study design is vulnerable to errors (Patton, 2002). With these in mind, this study, then, adopts multiple-case study design to study strategic planning practices in the Indonesian banking industry.

Further, the case study research allows an investigation to retain the holistic and important characteristics of real-life events - such as organisational and managerial processes (Yin, 2009), and focuses on understanding the dynamic present within single settings (Eisenhardt (1989). This study is interested in a process of real-life events and requires the detailed understanding of organisational processes. It also poses ‘a how question’, that is, how strategic planning is practiced in the Indonesian banking industry and how the organisational context facilitates successful strategic planning. Following a range of scholars in the field, (e.g. Becker, 1968; Eisenhardt, 1989; Hartley et al., 2004; Merriam, 1988; Saunders 1968, and Yin, 2003, 2009), ; this study, thus, employs the case study as the best research method to explore the organisational changes and managerial processes, specifically strategic planning practices. The strategic planning process is part of social structures in an organisation, then, it is very difficult to separate the process of strategic planning from the context in which the process happens, because as said by Yin (2009), the boundaries between phenomenon and context are not obvious. The aim of this study is to gather descriptive data concerning strategic planning practices in the Indonesian high-performing banks.

As noted earlier, this study employs a case-study method of 6 case studies (the multiple case study) as the best research design to investigate strategic planning practices in the six Indonesian banks. It means that the phenomenon of attention in each case is not investigated isolated from its each context because the context itself is part and package of the chronicle. As discussed above, the definite advantage of multiple-case designs in comparison to single-case designs is that the confirmation from multiple cases is often regarded as more convincing, and the whole study is therefore regarded as being more vigorous (Herriott and Firestone, 1983 in Yin, 2009); besides the employment of single-case study design is susceptible to errors (Patton, 2002). With these in mind, this inquiry, then, adopts multiple-case study design to examine strategic planning practices in the Indonesian banking industry.

3.6. Sample

In 2011, Infobank reported that there are 132 banks in Indonesia (N=132 banks) (Infobank, 2011). A sample of six banks was selected for this study. In Indonesia some banks have formal strategic planning processes and high performance, while other high-performance banks have no formal strategic planning process. Conversely, some banks undertaking planning succeed, while others do not. This study is interested in those banks that have a formal strategic planning system in place and which achieve high performance. The first criterion was determined by observing the bank, reading relevant documents and asking authoritative bank staff whether or not the bank has a formal planning system. The second criterion, recognition as a high-performance bank, employed research reports from a panel of experts to determine which of the banks were classed as high-performing banks from all other banks. The reports from a panel of experts comprising journalists focusing on the performance of the banks that annually evaluate and publish their research about the performance of the banks were used to identify the six highest performing banks from the 132 banks identified above.

3.7. The High-performing Banks

The first task related to this research was the determination of the banks that had high performance. A research report from a panel of industry experts was used to first define a bank as high performing in the first instance, and then to select the six highest performing banks for the study. To determine the banks that had high performance, the panel of industry experts used financial indicators including capital adequacy ratio (CAR), assets quality, earning, liquidity, and efficiency.

A total of 20 letters then were sent out to the presidents of the high-performing banks. Six banks agreed to participate in the study, following which, interviews with the planning and non-planning members were scheduled. Four banks are located in Jakarta, one in central Java, and one in in Surabaya (East Java). The six banks are referred to as Bank A, Bank B, Bank C, Bank D, Bank E, Bank F. Table 1 below summarises the attributes of the interviews.

Table 1: Interview Summary

	Bank A	Bank B	Bank C	Bank D	Bank E	Bank F
Interviews	7	5	7	7	9	5
Head of Planning Division	1	1	1	1	1	1
Planning members	3	3	3	1	5	3
Non-planning members	3	1	3	5	4	1
Males	6	4	6	6	8	4
Females	1	1	1	1	1	1

3.8. Strategic Planning Process Variables

In this study, based on the intense and broad literature review on strategic management and planning and the previous research, the researcher identifies 14 strategic planning process variables and extends the theoretical review of dimensions of strategic planning process which operational measures of strategic planning elements were presented as follows:

- CEO or president is involved and is a champion for planning

  The term CEO refers to the authority to manage a business. This authority may put in a president, or it may assigned by a president and an executive vice president. The involvement of CEO in planning process includes fundamental strategies such as setting the missions and purposes of the organisation, long range substantive aims, and program strategies to attain these ends. It may also be seen from to what extent CEO gives firm support to planning process such as preparing funds and other resources for planning. CEO was considered as a leader for people; CEO lead planning initiative as well as guaranteed that planning developed and implemented well.

- Clear and measurable objectives

  Objectives setting should support the achievement of the basic purposes and mission of the organisation and should be stated in concrete terms such as: the objective of our firm is to increase revenue from Rp 500 million this year to Rp 800 million in the next year.

- Commitment to take action

  The attempts of the organisation to execute the outcomes of the planning process such as the preparation of tactical plans to guide current decisions and actions to implement strategic plans which budgets are the main technique utilized in this process.

- Communications

  Planning division or planning deparment holds meeting accross functional department to discuss the substance of strategic planning before getting planning process started and communicates the development and outcome of planning thoughout organisation.

- Environmental scanning

  It involves Identifying and analysing the main trends and forces having a potential effect on the formulation and execution of strategies. Data analysis covers past performance, current situation, and future data (forecasts) which the range of environmental scanning covers anything of importance in the internal and external environments particularly areas of business: marketing, production, finance, competition, and management. To conduct environmental analysis, analytical techniques are utilized such as SWOT analysis, Porter's five forces model, and other techniques which it then should generate an accurate list of weaknesses, opportunities, threats, and strengths as a basis to suggest strategies.

- Feedback and evaluation

  It includes monitoring of actual performance and then contrasting it with designed targets. Management information system must be designed to ensure that managers have the knowledge desired to evaluate whether individual performance is consistent with plans. Top management finds out if the firm's strategic choice as executed is meeting the objectives of the firm. The needed correctives measures then are taken if there is gap between the real performance and the standard.

  .

- Flexibility to adjust planning process and goals after the process is complete

  Organisations review their strategic plans regularly, However, plans are commitments and thus they limit choice. They tend to reduce initiative in a range of alternatives beyond the plans. Organisation just may revises business plans once a year.

- Hierarchical planning

  Planning takes place at numerous levels of the organisation, with strategic goals present at the highest level and more detailed tactical plans present at the organisation or programme level. The higher level provides a base for the lower level.

- Linking of goals to budgets

  Budgets serve to translate strategic plans into actions. Budgets then set standards for coordinated actions. Based on these standards, managers monitor performance whether it is in conformance with plans.

- Manager and others are involved

  For effective planning, all managers collaborate with CEOs. Managers serve translating policies and decisions into operations. Middle managers involve in all aspects of the process since they are expected to allow the effect of any managerial changes. it is very important to involve frontline personnel or their representatives in strategic planning process since they are in charge of daily use of the main technologies causing or affected by strategic change and frontline personnel or technical core have views that could assist the key decision makers.

- Planning document

  It focus on referenced when decisions are being made and should guide implementations. Planning document is not a compilation of departmental plans but for the entire organisation. As the result of the steps organisation has previously completed in the strategic planning process, it needs to be clearly read. So that the reader can easily understand the information displayed.

- Preplanning

  It provides the basic guides for organisational planning process and contains understanding the process and estimated outcomes of the process.

  Pre-planning also prepares data needed during strategic plannig process.

- Process must be clear to all involved

  There should be clarity of the planning process to all planning members involved before it is actually carried out. The organisation should have a planning process guide that explains what is expected of those involved and to make the consolidation of plans easier. Once the organisation has decided what it aims to attain from the planning process, the details then be carefully thought through.

- Strategy formulation

  Strategy formulation should generate a set of strategies that will effectively connect the firm to its environment to achieve excellent performance. The essence of strategy formulation deals with competition. Strategy formulation encompasses a range of steps including framing mission and objectives, SWOT analysis, gap analysis, framing alternative strategies, and choice of strategy. In other words, Once basic purposes, missions, and long-range planning objectives are confirmed, strategic planning then develop strategies to attain them. A SWOT analysis of the organisation is a useful way of summarising the curent status of the organisation and as a base to formulate strategies for all of its business as a whole (corporate strategy), business strategy for each distinct business, functional strategy for each particular functional within a business, and operating strategy for basic operating units.

  Strategy formulation engages senior executives, heads of business units, the heads of main functional areas, product managers, district and regional managers, and subordinate-level supervisors, planning department and other planning members.

3.9. Organisational Culture

Organisational culture is examined to determine which of four culture types is evident at each bank:

- Adhocracy culture, where organisation is viewed as a dynamic, entrepreneurial, and creative place to work and encourages individual initiative and freedom.
- Bureaucratic culture, where organisation is viewed as "a formalized, structured place to work where procedures govern what people do' where organisational leaders are organisers and coordinators who are efficiency minded.
- Clan culture, where organisation is viewed as a friendly place to work where people share a lot of themselves where organisational leaders are mentors even as parent figures. Organisation emphasises loyalty, tradition, long-term benefit of the development of human resources, cohesion and morale.
- Market culture, where organisation is viewed as competitive and goal oriented, and the major concern is with getting the job done where organisational leaders are viewed to be tough, hard drivers, demanding, producers, and even competitors.

3.10. Decision-making Frameworks

- The rational-collegial, a decision approach in which resource allocation decisions are the result of group discussion and consensus, based on the use of a standard set of procedures, and criteria reflecting what objectively seems best for this institution overall.
- Autocratic-political, a decision approach in which resource allocation decisions are customarily made by one individual at this institution, in a political manner based on the relative power of those involved and without any particular pattern characterizing the criteria used.

3.11. Data Gathering

Data gathering took place at each of the six banks identified in the sampling process. The data collection method employed in-depth semi-structured and unstructured interviews of both key informants (managers, heads and staff of planning departments) as well as non-planning members in each identified organisation. Documents were analysed to validate and add to the interview data. The research was carried out between May 2011 and February 2012 for the first period of data collection and during September 2012 to the end of October 2012 for the second period of data collection in six high-performing banks in Indonesia.

Further, the identification and selection of the planning members and non-planning members for each bank involved in this research were determined by the executive of each bank or head of planning division. This decision then was informed and sent to the researcher by a formal letter, direct information or by phone by the staff of the bank.

There are two levels of interview in this study. The first targeted the managers, head and staff of planning. These participants are considered strategic planning team members. The interview questions for this level of interviewees focused on the strategic planning process and the type of decision-making approach, as well as the culture of the bank. Second, interview questions were asked to the staff of the bank, the employees of the bank who were not involved in the planning process and asked to get hold of their perspectives regarding the understanding of strategic planning. The questions were more broad-spectrum due to their understanding of particular elements of the process was inadequate (Appendix 2). The interviews to the non planning members was important to allow the researcher to get an impression of how much those not engaged in the planning process comprehended strategic planning.

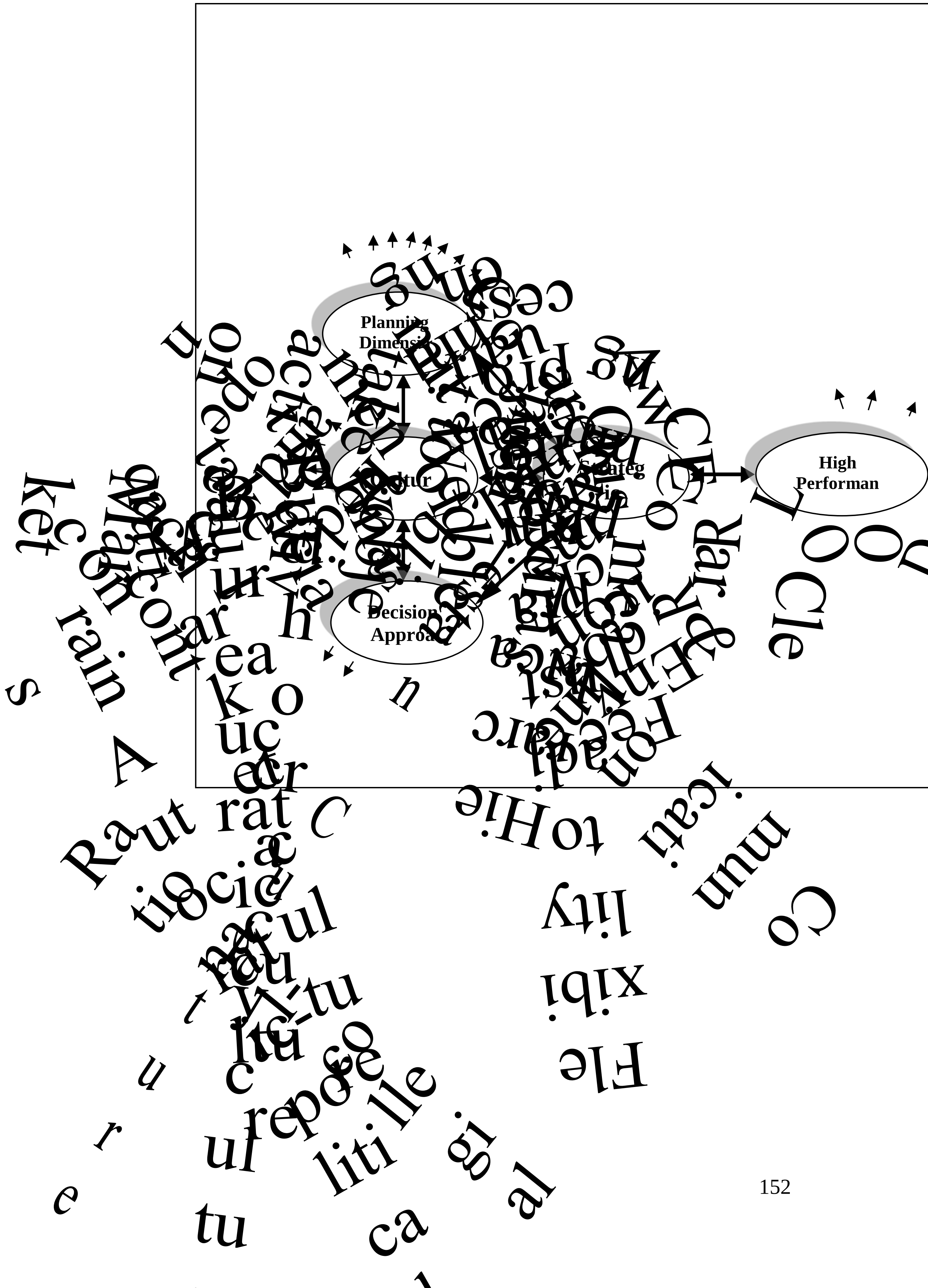
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Figure 5: Research Model, adapted and developed from previous research (Wegner,2006).

3.1.2. Data Analysis

The process of data analysis includes 'making sense out of text and image data,' (Cresswell, 2009:183). It engages preparing the data for analysis, carrying out different analyses, turning deeper and deeper into understanding the data, embodying the data, and building an interpretation of the larger meaning of the data. Cresswell suggests six generic steps for data analysis that are 'interrelated and not always visited in the order presented,' (p.185). The researcher adopted these steps (figure 6) to describe data analysis of this study.

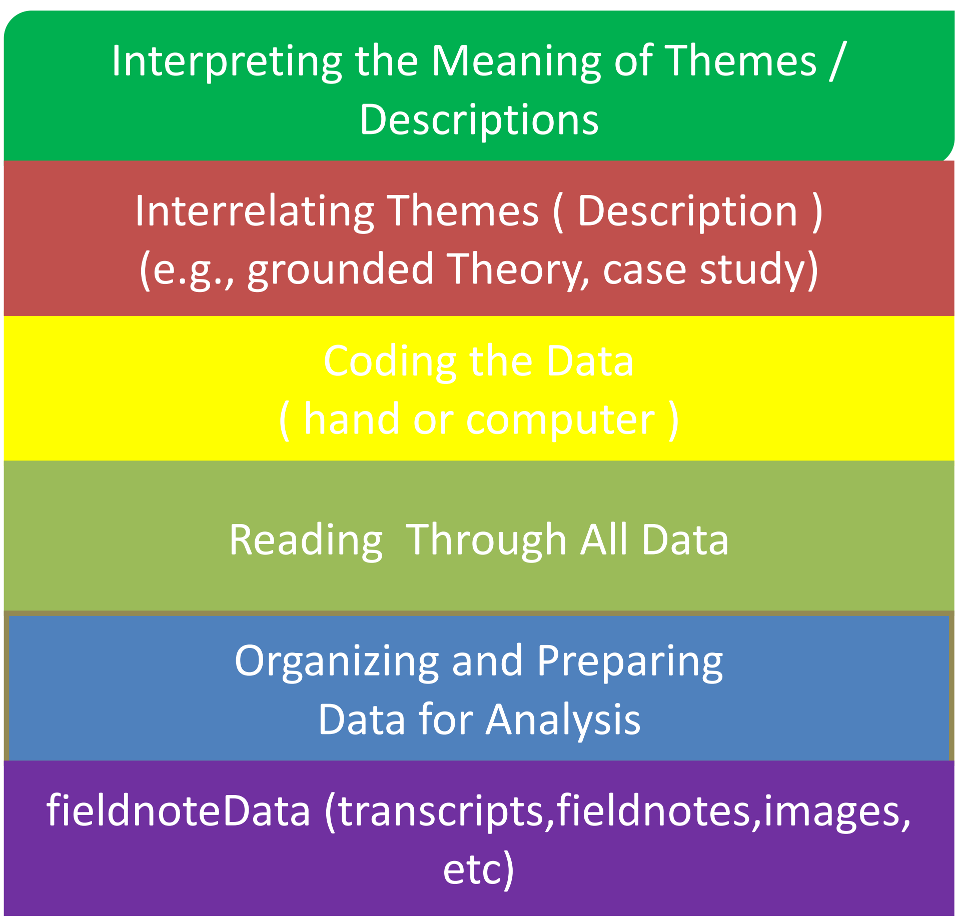

Figure 6: Six generic steps from Creswell (2009).

The first step was to organise and prepare data for analysis. Data in this study gathered from interviews recorded and transcribed. Data were sorted and arranged into different forms depending on the sources of information. The second step was a systematic reading of all the data. This step started making a note broad-spectrum thoughts concerning the data to get a general sense of the information, and to contemplate its whole meaning of the data. As said by Cresswell, this step is to obtain 'the impression of the overall depth, credibility, and use of the information (p.185). The third step was an in depth analysis of the data including a coding process. Quoting Rossman & Rallis (1998, p.171), Cresswell describes coding as 'the process of organising the material into chunks or segments of texts before bringing meaning to information (p.186). Using the guide suggested by Cresswell, a coding frame was developed to break into pieces (chunks) the materials (appendix 3). The 14 elements of strategic planning process, organisational culture, and decision approaches, as noted at the previous chapter, functioned as the initial coding categories.

Using coding process, as suggested by Cresswell, this study developed a description of 'the setting or people as well as categories or themes for analysis,' (p.189). It was the fourth step to analyse data such as interviews data, archieval data, and planning document that was helpful in developing the detailed descriptions for this case study. During this step, data were examined to generate themes or categories. The next step, the researcher used narrative passage to pass on the findings of the analysis; and then made an interpretation or meaning of the data.

Furthermore, Yin (2009) asserts that analysis of case study evidence is one of the most difficult aspects of doing case studies, particularly because the techniques still have not been well defined (Yin, 2009). To overcome this difficulty, Yin (2009) suggests four strategies which are not mutually exclusive, to analyse the data:

First, relying on theoretical prepositions

This suggests that the original objectives and design of the case study are based on the theoretical prepositions that lead to the case study, which in turn will reflect a set of research questions, literature reviews, and new prepositions or hypotheses. The propositions will shape the plan of data collection and then will determine priorities to the relevant analytic strategies. This preposition guides the case study analysis and helps to focus on certain data and to ignore other data; help to organise the entire case study; and help to define which alternative explanations that will be examined.

Second, developing a case description

This strategy is used 'to develop a descriptive framework for organizing the case study' and as an alternative while having difficulties to make the first strategy work.

Third, using both qualitative and quantitative data

If the data in the case study also include quantitative data subject to statistical analysis, and at the same time the qualitative data remain central to the case study, then this strategy is the right choice and it means a strong, analytic strategy has been successfully followed.

Fourth, examining rival explanations

This last general analytic strategy sets out to define and test rival explanations. It usually works with all of the earlier three: initial theoretical propositions (the first strategy above) might have covered rival hypothesis; the contrasting perspectives of participants may generate rival descriptive frameworks (the second strategy); and data from comparison groups may include rival conditions to be examined as part of applying both quantitative and qualitative data (third strategy).

Yin's above suggestion for devising general strategies as a means to analyse data emphasises a number of specific analytical procedures (Saunders et al., 2009; Yin, 2009). The first is *pattern matching,* which involves predicting a pattern of outcomes based on theoretical proposition to explain the findings. Using this approach, one needs to develop a conceptual or analytical framework utilising existing theory, and subsequently test the adequacy of the framework as a means to explain the findings. If the pattern of the data matches that which has been predicted through the conceptual framework, one will have found an explanation. The second other analytical procedure is *explanation building*. This involves an attempt to build an explanation while collecting data and analysing them, rather than testing a predicted explanation as set out above.

Further, Yin (2009) suggests that the explanation-building procedure follows a number of stages: 1) devise a theoretically-based preposition, which then needs to be examined; 2) undertake data collection through an initial case study in order to be able to compare the findings from this in relation to this theoretically-based preposition; 3) where necessary, amend the theoretically-based preposition in the light of the findings from the initial case study; 4) undertake a further round of data collection in order to compare the findings from this in relation to the revised proposition; 5) where necessary, further amend the revised proposition in the light of the findings from the second case study; and 6) undertake further iterations of this process until a satisfactory explanation is derived.

In relation to pattern matching and explanation building, Saunders et al. (2009) expound their views as follows: 1) commence data collection with a well-defined research question and objectives, and a clear framework and prepositions, derived from the existing theory; 2) identify the number and type of organisations in order to undertake data collection; and 3) the existing theory used within it will shape the data collection questions that will be posed to those who participate in the research project. It is also to be expected that categories for analysis will emerge from the nature of the interview questions. Therefore, as Miles and Huberman (1994) point out, one will be able to commence data collection with an initial set of categories derived from the theoretical propositions and conceptual framework, linked to the research question and objectives. Of course, as Dey (1993) contends, these categories may be subject to change, depending on their appropriateness for the data that the participants provide (cited in Saunders, 2009).

Furthermore, Saunders et al. (2009) state that while enquirers conduct research and analyse the data through attaching units of data to categories, and examine these for emergent patterns, their analysis will be guided by the theoretical propositions and explanations with which one commenced. The use of predicted explanations should mean that the pathway to an answer to the research questions and objectives is reasonably defined.

More recently, Braun and Clarke (2013) have introduced a broad range of methods for providing a systematic approach for identifying, analysing, and describing patterns/themes across a dataset. One of them is thematic analysis. According to the authors, themes can be identified in a data-driven, ‘bottom-up’ way on the basis of what is in the data; on the other hand, they can be identified in a more ‘top-down’ way, where the investigator employs the data to explore specific ideas, or takes those into account in the analysis being conducted. Further, thematic analysis can also be utilised to develop a detailed descriptive explanation of a phenomenon or some facets of a phenomenon.

Moreover, Braun and Clarke (2013) suggest integrating literature into the analysis in analysing data. This approach interprets the data, connects them to the research question and, significantly, links the data and analysis to existing scholarly literature. Linking the analysis to the literature is a central part of any analysis (qualitative or not); it is about locating the analysis with regard to “what already exists, and showing how the analysis contributes to, develops further, or challenges what we already know about a topic,” (p. 257).To achieve this, the authors argue that some qualitative research contains a separate ‘discussion’ session; in others, ‘the analysis’ blends ‘results’ and ‘discussion’ sections. That means that literature is passed through throughout the analysis, and the analysis is extended on this basis. This study, following Opperman et al. (2013), adopted the former that splits results and discussion sections. The results section described main themes in a clear-cut way, and integrated a very small amount of literature, while the discussion section explored more conceptual and theoretical issues related to the data analysis on the whole (cited in Braun and Clarke (2013).

With these in mind, the researcher in this study, then, also adopted the approaches suggested by Yin (2009), Saunders et al. (2009), Braun and Clarke (2013), and Opperman et al. (2013) discussed above to enrich steps suggested by Creswell that were explored earlier in order to strengthen and sharpen the data analysis in this case study.

3.13. Validity and Reliability

A research design represents a logical set of statements and a researcher can judge the quality of any given research design based on certain logical tests (Yin, 2009). Four tests, generally, have been used to establish the quality of any empirical social research including case studies; these are: *construct validity, internal validity, external validity*, and *reliability*. Construct validity is viewed as "a concept that is inferred from observed phenomena that can be used to explain those phenomena" (Gatt et al., 1996:549). Constructs used in this study to study the phenomena of successful strategic planning practices at high performing banks are strategic planning elements, culture, and decision approach. Reliability was addressed through an in-depth and thorough review of literature that identified the constructs. The strategic planning elements, culture, and decision approach constructs appear in the literature. Strategic planning dimensions emerged from analysis of literature in the field of strategic planning. While culture concepts were built and tested by Cameron and Ettington (1988), the decision approaches were built and examined by Smart et al. (1977). Building constructs from the existing research provided construct reliability. Internal validity seeks to establish "a causal relationship, whereby certain conditions are believed to lead to other conditions," while external validity defines "the domain to which a study's findings can be generalized," and reliability demonstrates that "the operations of a study – such as the data collection procedures- can be repeated, with the same result" (Yin, 2009:40).

Furthermore, Yin (2009) points out construct validity as identifying proper operational measures for the concepts being investigated. To go through the test of construct validity, according to Yin, an investigator must be sure to involve two steps: First, defines the specific concepts and links them to the initial objectives of the study. Second, identify operational measures that fit the concepts. In this study as noted above, concepts on strategic planning elements, organisational culture, and decision making emerged from analysis of the planning literature. The researcher then identifies operational measures of the concepts based on the literatures and previous research on planning in the light of the objectives of the current study. To elucidate this constructs, the researcher also discussed with the interviewees who have capacity in the planning process. Thus, the claimed constructs of strategic planning practices in this study genuinely reflected the actions of strategic planning practices in the banks that participated in this study and are obvious in the planning literature.

Further, Yin presents three tactics to enhance construct validity: the utilize of multiple sources of evidence, establishing a chain of evidence, and having the draft case study report reviewed by key informants. In terms of sources of evidence, this study involved extensive interviews with key managers and planning members as main focus of the data collection endeavour (table 1) who have experience and competency in the planning process. This study also invoved Interviews with non planning members to obtain their perspectives on strategic planning practices in their organisation. Archival records, and firms' document relating planning were also examined to add and validate the results of the interviews. All of these numerous sources of evidence are integrated into a sound case study of strategic planning practicess.

Before starting interview, the researcher explained to and discussed with the interviewee/s regarding the objectives of this study and constructs of strategic planning and organisational contexts including elements of planning processes and organisational culture, and decision making as indicated in the research model of this study. Research proposal sent to the banks long before field research was conducted to elucidate the objectives of this study including constructs used in this study.

The utilization of multiple sources of evidence in this study allows the recent researcher to address numerous facets of historical and behavioral issues on strategic planning practices, organisational cultures, and decision making in the banks that participated in this study. However, as said by Yin (2009:115), the most significant advantage offered by using multiple sources of evidence is 'the development of *converging lines of inquiry'*, a process of triangulation and authentication. Accordingly, finding or conclusion of this study is expected to be more accurate and compelling.

In addition, in this study, the external observer scrutinized the derivation of any evidence from initial research questions to ultimate case study conclusions. For this, keeping original evidence is critical since it provides a base to judge the facts of this study.

3.1.4. Limitations and Ethical Considerations

The framework of this study is meant to improve the reliability and validity of the research; nonetheless, the limitations related to qualitative research are still evident. A main limitation of a case study is the limited generalisation of the findings to other situations. As Guba and Lincoln (1981:241) state, “case studies can oversimplify or exaggerate a situation, leading the reader to erroneous conclusions about the actual state of affairs.....That is, they tend to masquerade as a whole when in fact they are but a part, a slice of life.” The other limitation is that the use of a convenience sample to ensure access to the cases and allow the completion of the research can restrict the generalisability of research findings. Ethical issues arise in case study (appendix 2).

CHAPTER FOUR

RESULTS

Based on the literature review, the 14 elements of strategic planning have been identified. These comprise actions, processes, and constructs that emerged in numerous theories of strategic management and planning, and models of strategic planning written by scholars or which were identified from literatures and research articles about strategic planning, and the previous research. To answer research question one (see, page.14), interviews were conducted at each bank. The interviews were recorded and the interviews were transcribed to allow for data analysis. Analysis started by reading the transcriptions about strategic planning practices at each bank and coding the 14 elements of strategic planning as they appeared at each bank (Appendix 1). Concepts that were not evident in the 14 strategic planning elements, but appeared from data, were coded. The themes that appeared from the data indicating a given element presented here to describe strategic planning practices. The next step was a cross-case analysis undertaken after each case and then discussed. As stated in the previous chapter, the goal of a multiple case study as explained by Merriam (1998:195) is to "build abstraction across cases." Miles and Huberman (1994) stated that by doing cross-case analysis a researcher will gain insight into "processes and outcomes that occur across many cases, to understand how they are qualified by local conditions, and thus develop more sophisticated descriptions and more powerful explanations" (p. 172). The results of the research questions comprised the findings at each bank about the extent to which the strategic planning practices, organisational culture, and the decision making were reflected by the data. A cross-case analysis (Chapter five) explored and analysed the data across the banks to discover patterns. The findings for each of the six banks are presented below.

Bank A

The interview from Bank A revealed the following themes concerning the strategic planning practices.

CEO or President Involvement

The role of the CEO in the strategic planning process is decisive as described by a head of the strategic planning department: "The role of the CEO is very strategic. The involvement of the CEO is also to make sure that the strategic planning process was on the right track and implemented well, the required results were attainable, and resources needed were available." In other words, the responsibility of the CEO in developing and implementing strategy is noteworthy. Another respondent said, "The CEO will be the source of inspiration for the members of the strategic planning in designing strategic planning." The involvement of the CEO during the planning process is key, including determining resources allocation among businesses within the company. As said by a respondent**,** "the CEO is actively involved in attending a meeting with the planning members." He then added, "I see that the involvement of the CEO during the planning process is to distribute resources among the different businesses." Another interviewee stated, "He tries to decide everything about strategic planning based on the very comprehensive view since he has broad knowledge." Further, he added, "the CEO and the directors' team also run road shows for investors to discuss and ask their suggestions and aspirations for the bank." The position of the CEO as a leader in this bank is very apparent, as articulated by a non-member of planning: “I am not sure but I think the most important thing of the role of CEO is running leadership for the corporation.” Based on the interviewees’ views, it is clear that strategic planning helps executives and managers to think and act strategically to increase organisational performance. In the case of bank A, executives and managers have the ability to think and act strategically. The CEO or the President used strategic planning to identify and address key and important organisational issues in order to increase organisational performance. From the conversations above showed that during planning process that the support and involvement of the CEO is very apparent. CEO is very committed to strategic planning process. As said by Steiner (1979), there can and will be no valuable formal strategic planning in an organisation in which the CEO does not bestow it strong support and make sure that others in the organisation comprehend his intensity of commitment. The question is, however, as argued by Minztberg (2000) that whether strategic planning is also committed to management and commitment to strategic planning engenders commitment to the strategies that result from that process.

Clear and measurable objectives

In Bank A, strategic goals were based on vision and mission of the organisation and communicated to all levels around the bank A**.** The goals of the organisation are broken down into the goals at each level within the organisation from numerous perspectives and in great detail in order to make it easier to monitor the performance of the organisation, as stated by one interviewee. “In the RBB (bank business plan) the goals were then translated into three years’ objectives. In the RKAP (short-term plan), these goals were translated into one year’s objectives were socialised around the organisation.” Another interviewee said, “I know that the goals formulated in this bank are very specific and easily understood.” He further added, “Besides being comprehensive, objectives are set as detailed as possible to allow the bank to measure them precisely and metrics are developed for each objective.” Another revealed, “There were a lot of objectives in bank A including from a financial perspective, a customer perspective, and so forth. A further respondent revealed, “at the end, talking about objectives was to achieve sustainable value for shareholders.” There are hierarchies of objectives at our bank including long-term, middle term, and short-term objectives as also said by a staff of planning department, “Long-term objectives are measured from middle objectives; middle objectives are measured from short-term objectives, and for the short-term objectives they are measured by budget”.

Commitment to take Action

Without commitment to take action, intended strategies remain dreams rather than becoming reality (Bryson, 1996). The data showed, as confirmed by an interviewee, “we create programmes, budget, and projects involving divisions to implement strategic planning.” Another interviewee said, “when the planners designed strategic planning, a detailed timetable was drawn up. They monitored it precisely.” He then added, “the planning division will then coordinate functional plans on how resources will be organised.” The other interviewee said, “We set the monthly key performance indicators (KPI), communicate these to the division, and then present them to the directors.” He further added, “KPI is a tool to motivate the personnel of the organisation to commit to implementing what the organisation has planned.” Another respondent said, “At the divisional level, each member will report what he has done every day over a month to his head of division.” The corporation’s KPI was made every month and it then was reported to the directors. So that, at the beginning of the month, bank would get to know of the progress and bank did not need to wait until the end of the year. According to an interviewee, this is one of the ways to motivate employees to have the commitment to take action and to ensure effective implementation. The other respondent said, “Once strategic planning has been completed, it will be broken down and each branch will be contacted in order to commit to implement the strategic planning.” In other words, to guarantee that planning will be executed, this bank also designed performance measurement, which functions as a means to encourage the employees of the organisation to commit to the executing of planning.

In the other words, commitment to take action is critical to execute strategic plan. Without such commitment, intended strategies remain dreams rather than becoming reality (Bryson,2004). This bank tried to make operating plans and budgets to reach the goals of the organisation. For this, as depicted by Burkhart and Suzanne (1993) that operating plans and budgets must deal with those incremental steps that the organisation will execute toward the strategic plan's long range goals. As portrayed by Vaz (2007), It is vital that management has to delineate action plans with regard to various activities needed to implement a strategy. Steiner (1979) suggests that the coordination of functional plans in the strategic planning process will indicate how resources are to be organised if strategies are to be implemented. For this Owen (1982), suggests that "measures of performance" and "milestones, or progress measurement points" should be established to guarantee successful implementation (as cited by Thompson and Martin, 2005:635).

Communication

Communication has attracted considerable attention in the organisational literature, as it is both fundamental and vital to all managerial activities at all levels of management (Greenley, 1989). In bank A, data showed that during the planning process, it is essential that a firm tries to get as many ideas or input as is possible. The data revealed that the strategic planning department requested data from the branch and business units regarding their target of growth, profit, and other inputs. The planners also asked the stakeholders (main partner) about the projection about their business and contacted the related ministry about the relevant policy. An interviewee said, "we also asked Ministry regarding the subsidy from the government for a certain project to assist the society." Another interviewee revealed, "we also held discussions with the analysts of the capital market to get valuable input."Another interviewee said, "during the planning process, we try to guarantee that an attempt is made to ensure that the right information flows around the organisation. Another interviewee said, "We send a memo to all divisions and branches informing them of the policies of the directors, the growth of the organisation, and so forth. The other interviewee revealed, "Planning or policy approved by the directors will then be extended to the branches." For example: long-term planning would be socialised to the divisions by strategic planning division, and each division would then socialise this information to the units in each division. The middle term planning and short-term planning would be socialised to the branches and the divisions. He then added, “At the beginning of the year, there was a meeting involving all the branches to socialise RKAP (short-term planning) including the parameters of RKAP.” In other words, from the text, the data showed that there was two-way transfer of information across the organisation during and after planning was formulated.

Environmental Scanning

To scrutinise the environment, Bank A conducted a SWOT analysis. Many sources - both internal and external - were used to enrich the environmental scanning process. An interviewee said, “We analysed the internal development of our bank including the capability of resources, competency of the individual organisation operation, and the capability of human resources, and so forth.” He then added, “We also analysed the progress or performance of the bank while we carried out our strategic planning.” The other respondent revealed, “For the external environemnt, we analyse our competitors, customer aspects, and economic, social and industry conditions.” Another said, “The policy of the government relating to bank business, and legislation, as well as the central bank regulation was also seen.” He then added, “the development of the international economy such as the price of oil also is monitored, although our bank orientation was more to domestic things.” The other said, “We also analyse the policy of the related Ministry as it affects our programmes in the coming years.” All this information was then collected and analysed to identify the weaknesses, the strengths, the opportunities, and threats relating to the Bank A. A respondent said, “The immense volume of data and relevant management tools were used to scan the environment.” The other interviewee said, “To effectively respond to changes in their environment, we must understand our external and internal contexts in order to develop effective strategies.” He further added, “environmental scanning is the part of the strategic planning processis to provide information on the strengths and weaknesses, opportunities, and threats of the firm…”. In the other words, te management of this bank realises that the identification of strengths and weaknesses is essential and this bank has given complete consideration to both internal and external environments by collecting information relating to the many parts of the organisation, and through the analysis of this environmental information. Knowing the strengths and weaknesses of the organisation while designing strategic planning is a very important process. The growth of the organisation in the future will very heavily depend on the strength of resources that the organisation has. The strategic potency that organisation has is the significant foundation at the time that the organisation formulates its strategy.

Feedback and Evaluation

Firms that are aiming for high performance need planning processes to verify that their trajectory remains on course for a profitable future. The data revealed that there are internal mechanisms (both formal and informal) including meetings, phone conversations, and so forth to get feedback. In a formal meeting, the head of the division or the representative of the division would attend to discuss activities and progress. An interviewee said, “There were people in charge from each division.” The result of the meeting would then be reported to the board of directors. Strategic planning is reviewed/evaluated every year. However, so far, as stated by another interviewee, “in our bank, the vision and mission have been never changed.” The other interviewee said, “In our bank, there is a unit that displays the performance of the organisation every month and presents it to the directors including the attainments, and constraints. These constraints would be assessed including those in marketing, operation systems, technology, and networking.” Evaluation enables the organisation to guarantee that strategies they have selected are truly going to work. As reported by other interviewees, “We provide facts and figures to evaluate the strategies and programmes that the organisation has selected to find out whether they will run well or no,” and “we evaluate whether the major strengths of organisation have been a foundation while formulating the strategies.”

Flexibility to Adjust Planning

When the environment is more turbulent and less predictable, planning needs flexibility. An interviewee said, “if there was adjustment in the implementation stage, it might be switching as one of the solutions.” Another said, “to adjust planning, this bank would see the impact to bottom line and central bank of Indonesia and the bank itself including profit, credit, and so forth; The Central Bank of Indonesia has a rule that a business plan can only be changed once a year in July at the latest. The other respondent said, “We would not change strategic planning as long as the environment was stable.” A member of the planning team reported, “We have difficulties administratively in terms of budget if we revise planning as frequently as environments change.” However, it is not sensible to retain a rigid and inflexible budget (Steiner, 1979).

Hierarchical Planning

This means that planning occurs at each organisational level or across organisational sub-units, levels, and functions. An interviewee said, “The strategic planning process was both top down and bottom up.” He added, “Initiative for the strategic planning originated from the strategic planning department.” The other interviewee said that, in Bank A there are three levels to the strategic planning process. They are: 1. Corporate level. Long-term strategic planning focused on strategic direction; it is for the next five years and more qualitative. 2. Business level. The middle term planning translated long-term planning into the bank business plan. This is for the next three years and focuses on magnitude such as the number of bank branches and automated teller machines (ATM) that would be opened. 3. Functional level. The short-term planning translated the middle term planning into action and budget such as the cost of one Automated Teller Machine (ATM), how much it costs to rent out buildings, and so forth. In other words, strategic planning occurs at three main levels; and each level must be aligned with the others.

Linking Goal and Budget

Strategic planning including goals as part of planning process precedes the budget cycle (Bryson, 2004). An interviewee said, **“**Our guidance was the general policy of the board of directors including credit, funding, efficiency, and so forth,” He further depicted, “We then synchronised vertically whether ,after simulation of informed data from business units, the determined figures could be met.” If not, the business units would be invited again to discuss and synchronise the data to be adjusted." Another interviewee presented, "Once the figures were the same, they attempted to see whether the figures were the same as the required figures." The other respondent depicted, "The strategic planning process linked goal and budget both for the middle term plan and the short-term plan (RKAP) in which it focused on action and budget." The other interviewee said, "We always link goal and budget during the planning process where we formulate the goal first, then we set programmes and budgets to implement the goal of organisation." He further added, "We will compare elements of the budget like programmes to achieve strategic goals, market plan, capital budget and financial statement with the corporate and business unit goals." A member of the planning department said, "We seek to link the annual budget with the medium-range plans." He said further, "It is the responsibility of managers to closely link yearly budgets to the numbers set in the first year of the business plan." In other words, the current budgets are linked to medium-range plans. Managers have a key role to establish the linkage between planning (goals) and budget both at corporate and business levels, as well as at functional level.

Managers and others Involved

The involvement of managers is very important because of their vital role in translating policies and decisions into operations (Bryson, 2006). In Bank A, while long-term planning was designed, there was a team representing the division involved. At the level of the division or the branch, they carried out meetings, collected data, met stakeholders, and undertook planning. They then met the strategic planning team. The managers were completely involved in the strategic planning process; however, as stated by an interviewee, "The scope of their involvement was limited to their business unit and branch." Another interviewee said, "The representatives of the divisions are also involved during this strategic planning process to discuss the substance of strategic planning including assumptions used in strategic planning." Another respondent said, "We realise that managers have important responsibility at operational level; for this, their involvement in the strategic planning process is essential." A head of the planning department reported, "Managers and planning staff are very involved in establishing objectives, goals, strategies, policies during planning process." Another interviewee said, "We are the planning members who establish measures of performance that will facilitate the organisation to attain the goals of the organisation." These comments show that planning is the task of managers at every level, and also of the planning members.

Planning Documents

Strategy documents are important to guide implementation and to focus on designed strategies and actions. The data revealed that all the results of strategic planning process were documented in three kinds of documents as depicted by an interviewee, "1. Document for long-term strategy (five years) called RJP. 2. Document for the middle term (three years) called RBB. The last, short-term document (one year) is called RKAP." He further added, "All planning that then was documented in the three documents of strategic planning was decided by the directors." The other said, "The planning division consolidated and gathered numerous reports of planning before presenting them to the directors." A planning member reported, "We need to record planning as a foundation to execute the designed planning." He said further, "Based on the planning document, staff will have written guidance to perform their tasks and will be informed of their responsibilities." Steiner (1979) states that it is very important to guide implementation and remain focused on necessary decisions, actions, and responsible parties. Meredith (1993) argues that the integration of the various planning efforts is essential to make successful planning easy to achieve. The organisation has to connect the various planning aspects across the business units and departments. Burkhart and Suzanne (1993) declare that bringing together a working document will allow others to have final input.

Pre-planning

The strategic planners in Bank A are not functional but they hold positions as head of planning, business analyst, and other roles within the organisation, so that they would implement and follow through the strategic planning process. Next, they then consolidated the planning process, and coordinated with the other heads of division, and organised a meeting to discuss or get input from across divisions and departments. An interviewee said that “if strategic planning in our firm is to succeed, the support and early involvement of the CEO is vital.”Another interviewee said, “The CEO presents vital information to the planning effort like the big picture of the future direction of the organisation, when key decision points will take place, and budget”, while another said, “for this stage, we also prepare the data needed during planning process.” A planning member reported, “ As the planning members, we try to discuss and prepare data needed during the planning process such as market conditions, macro-economic trends and assumptions, competitive map, data on internal capacity and resources.” Another interviewee said, “During pre-planning, we collect data as a basis from which to undertake a SWOT analysis and to design strategy.” As the first round for the strategic planning process, the pre-planning stages have an important impact on the following rounds of the strategic planning process. The quality of the planning process as a whole will depend on the pre-planning stage, where the organisation does not only prepare data required during the planning strategic process, but also - as presented by Steiner (1979) – carries out planning to plan/pre-planning which provide the basic guides for the planning to be carried out in an organisation. Planning to plan may begin with an evaluation of planning at present being done in an organisation and a determination of whether more, or different, planning is necessary.

Process is Clear to all Involved

It is necessary to establish understanding of what strategic planning would mean for the company in terms of importance, in order to tailor the process to the company. It is also to build trust and the necessary commitment among all involved to move ahead (Bryson, 2004:77). The data revealed that all staff involved comprehended the strategic planning process including the stages of planning process, the purpose and the importance of the strategic planning process. An interviewee said, “In our bank, strategic planning has been conducted for several years and we have a division and department that runs this process specifically.” He further added, “We also consolidated the members of planning particularly the members from non-divisions of strategic planning to ensure that all members involved in the planning process will comprehend it well; both the stages and substance of strategic planning process." A member of staff from the planning department reported, "Yeah...in this stage, we attempt to increase an obvious understanding of the planning process before it is carried out in reality." Another espondent said, "We customise the process to the organisation and pay attention to the details". In other words, it is essential that the planning process is clear to all involved, which, as posited by Bryson (2005), will increase trust and the necessary commitment among all involved to move ahead. At this stage, it is important that the organisation determines what is hopes to achieve from the planning process; as reported by a member of staff of the planning department: "At this stage, we try to come to a decision on what the organisation wants to achieve from the planning process." As stated by Steiner (1979), the organisation should have clear guidelines on the planning process explaining what is expected of those involved in planning and to make the consolidation of plans easier.

Strategy Formulation

Strategy formulation is aimed to create a set of strategies that will effectively link the firm to its environment to achieve excellent performance. As depicted by an interviewee, "At this stage we try to formulate the best strategies based on the environmental analysis." Another interviewee said, "We formulated several alternatives such as emphasising progressive credit; how we increase the funds from the customer or society as sources to enlarge the credit… and so forth." He further added, "We proposed several alternatives to the board of directors, which they would decide from' then with comprehensive data, management took a decision." The strategic planning department designed the policies that would be taken up by the directors for the future and it then was presented and explained to management why we made these policies. Once agreed, these would be presented to the division by memo, then we held several meetings across divisions and departments". A planning member said, "we run joint meetings to align targets. Once decided, they will be socialised around the organisation, brokendown based on the divisions and the branches." He said further, "during the strategy formulation process, the magnitudes were determined such as credit growth, funding, and so forth."...."To support this, human resources and information technology, networking are prepared.” The other planning team said, “at this stage, “the cost/expenditure also was discussed and it was decided whether we emphasised efficiency or whether we gave authority to the business unit to decide targeted budgeting.” This draft was presented to management by the planning team. In the consolidation process, there was then a meeting with the board of directors. In the next step, the draft was then presented to the Ministry of BUMN (Ministry of Government-owned Corporates), and then there was a meeting between the board of directors and the Ministry of BUMN to discuss the planning draft. Then the final draft would be a final document of strategic planning. Other planning teams also revealed that, to date, the vision and mission in strategic planning/long-term planning had not changed since the business area is still broad. The bank translated long-term plan into the middle-term plan and short-term plan. In the first year, strategic planning would be translated into strategies and actions in which they are the part of strategic planning. However, he added, “Strategic planning was not only that but also it related to how to socialise, implement, and review it every year.” Further, while asked what the main objective was for the organisation devising strategy, a member of staff of the planning department reported, “Yeah…we devise a set of strategies to achieve the goals and mission and vision of the organisation, I think it is the only way to attain convincing achievement.” The other respondent said that, “A strengths, weaknesses, opportunities, and threats (SWOT) analysis is an essential base for us – the planning department/planning members of the organisation in devising strategy.” In other words, as argued by Steiner (1979), strategy formulation is aimed to create a set of strategies that will effectively connect the organisation to its environment to achieve excellent performance.

In the other words, this bank at this stage tries to develop a set of strategies based on environmental analysis. Steiner (1979) maintains, strategy formulation has function to formulate strategies that will effectively connect the organisation to its environment to achieve excellent performance. The significance of linkage between strategy and environment also suggested by Porter (1979) that competitive forces shape strategy. Likewise, Bowman and Asch (1996) assert that in developing strategies, the task of the decision maker is based on what a firm can do to take advantage of opportunities and deal with threats in the external business environment. It means that effective strategy, as argued by Frynas and Mellahi (2011), is about matching the resources and activities of a firm to the external environment (strategic fit). Organisations which do not possess a minimum level of 'strategic fit' are guaranteed to fail (Galbraith and Kazanjian (1986), cited in Frynas and Mellahi, 2011). Further, in developing strategy, organisation's mission has a vital role to guide strategy formulation process including competitive field to compete and resource allocation. As argued by Steiner (1979) that mission statements clarify the competitive ground in which a business operates and how resources will be allocated to diverse demands.

Bank A Summary

The role of the CEO at Bank A was very strategic. The involvement of the CEO was to ensure that the strategic planning process was on the right tract and was implemented well; that the required results were reachable; and that the resources needed were available. The CEO was a source of inspiration for the members of strategic planning in designing strategic planning and was actively involved in attending meetings with the planning members. The CEO and the team of directors also ran road shows for investors to discuss issues and ask their suggestions and aspirations for the bank. The vision and mission of the organisation were the foundations upon which the objectives were set. They then were communicated to all levels within Bank A. There were three levels of objectives; long term, middle term, and short term. Besides being comprehensive, objectives were as detailed as possible to allow the bank to assess and measure them precisely. Metrics were also developed for each objective, and the .planning division would then coordinate functional plans over how the resources will be organised**.** During the planning process, Bank A tried to guarantee that an attempt was made to ensure the correct information flow around the organisation. To scrutinise the environment, Bank A conducted a SWOT analysis. Many of both the internal and external sources ensured the relevant management tools were used to enrich the environmental scanning process.There is an internal mechanism both formal and informal including meetings, telephone conversations, and so forth to get feedback to verify that the trajectory of the organisation remains on course for a profitable future**.** If then there was adjustment in the implementation stage, switching might be as one of the solutions. To adjust planning this bank would need to see the impact of such planning on both the bottom line and the central bank of Indonesia, as well as the bank itself (Bank A), including the impact on profit, market and credit. However, Bank A would not change its strategic planning as long as the environment was stable.In Bank A, strategic planning occurred at each organisational level or across organisational subunits, levels, and functions; and the initiative for such planning originated from the strategic planning department. Setting goals as part of the planning process preceded the budget cycle. The managers were completely involved in the strategic planning process; however, the scope of their involvement was limited to their business unit and branch. The planning division consolidated and gathered numerous reports of planning before presenting these to the directors and all the results of the strategic planning process were documented. At the plan-to-plan stage, the planning department prepared the data needed during the process and organised a meeting to discuss or get input from across the divisions and departments. The planning department also consolidated the members of planning particularly the members from the non-division of strategic planning to ensure that all members involved in planning process would clearly comprehend the stages and substance of the strategic planning process. Bank A tried to formulate the best strategies based on the environmental analysis to achieve the vision, mission, and the goals of the organisation.

Bank B

CEO or President Involvement

The CEO, the Vice-Presidents, and the Board of Directors were completely involved in the strategic planning. As stated by an interviewee, “The CEO and the other top management members are very intricate in every strategic planning process to give input and approval in accordance with the level of authority.” Another respondent said, “The final decision of the strategic planning lies with the CEO.” Another respondent reported, “While strategic planning will be formulated, the CEO will present his direction on the future of the organisation and the main issues in front of the representatives of the business units.” Another said, “the involvement of the CEO in planning is to exercise oversight and make sure that strategic planning is formulated and implemented well.” He then added, “The CEO has also responsibility to assess the organisational performance and advise remedial amendments in terms of vision, goal, strategy, and so forth. In the other words, the involvement of CEO in the strategic planning process is central. As argued by Heines (1995) that any planning process that does not incorporate leaders who are open to participation and empowerment of others, as well as open to personal encouragement, will encounter critical problems with implementation. Johnson et al. (2011) said that the Chief Executive Officer (CEO) is often viewed as the 'chief strategist', finally responsible for entirely strategic decisions. It is clear from data above that during planning process the support and commitment of the CEO is very apparent. As said by Steiner (1979), there can and will be no valuable formal strategic planning in an organisation in which the CEO does not bestow it strong support and make sure that others in the organisation comprehend his intensity of commitment. The importance of CEO participation in the strategic planning process is also presented by Abell and Hammond (1974), Bryson (2004), Raid (1989), who suggest that CEO engagement in the planning process is indispensable. Via strategic planning, the researcher notes that CEO set up the whole corporate policy of the organisation and along with the middle management, CEO and other top management and middle management establish long range objectives and plans.

Clear and Measureable Objectives

To some extent this bank had clear and measurable objectives; an interviewee said, "The bank's strategic goals are comprehensive but we set objectives as detailed as possible to allow us to measure them precisely." Another interviewee reported, "It is difficult for us to implement the programmes if we don't have obvious and measurable objectives. During the planning process we are trying to set objectives as detailed as possible." Another respondent reported, "Objectives should be in quantifiable measures and have a deadline for accomplishment." A non-planning member reported, "Although I am not involved in the strategic process I can see from each of my tasks that the objectives are detailed and each task has key performance indicators in which they are connected to the attainment of the objectives of the organisation." In the other words, objectives are fixed in definite words for specified periods of time. As asserted by Steiner (1979), planning is much easy when objectives are articulated not in vague generalisations but in definite terms. Objective-setting should be parallel with mission of the organisation and is a statement of what is to be achieved since as suggested by Steiner (1979) that objectives must support the company's basic purposes and mission and a declaration of what is to be attained (Rue and Holland, 986). Similarly, Greenly (1989) depicted that Establishing objectives of the firm is the second step after setting vision mission in planning process and the higher levels provide a base for lower levels. Data showed that the objectives of this bank are proficient of measurement. These match with the Vaz's view (207) that there must be specific standards against which the performance of objectives can be assessed.

Commitment to take Action

This bank is dedicated to take action to reach its strategic goals attained from the strategic planning process. As described by an interviewee, "We will develop an operating plan." He then added, "It's a detailed plan to implement the strategic plan to achieve the strategic goals of the organisation." Another reported, "We design the operating plan to allocate resources." The other interviewee said, "Yes, we do realise that resources allocation is one of the most important aspects for getting the plan realised." A non-planning member said, "Although I am not involved in the strategic planning process, I know that the planning department asks every department to send complete budgets and plans." In the other words, commitment to take action is critical to execute strategic plan. Without such commitment, intended strategies remain dreams rather than becoming reality (Bryson,2004). This bank tried to make operating plans and budgets to reach the goals of the organisation. For this, as depicted by Burkhart and Suzanne (1993) that operating plans and budgets must deal with those incremental steps that the organisation will execute toward the strategic plan's long range goals. As portrayed by Vaz (2007), It is vital that management has to delineate action plans with regard to various activities needed to implement a strategy. Steiner (1979) suggests that the coordination of functional plans in the strategic planning process will indicate how resources are to be organised if strategies are to be implemented. For this Owen (1982), suggests that "measures of performance" and "milestones, or progress measurement points" should be established to guarantee successful implementation (as cited by Thompson and Martin, 2005:635).

Communications

Communication in this bank was extended periodically both to the employees and stakeholders. As said by an interviewee, "Management communicates their policy at least every three months periodically." Meanwhile, in terms of information to the key external stakeholders, he added, "it is run by several agendas of activities at the delineate beginning of the year including all stakeholders of the company such as employees." Another interviewee described, "The board of directors meets the related ministry and other key external stakeholders to discuss the aspirations and important points concerning the business of the bank." The other respondent said, "Management meets with the analysts to get their views about certain issues." The other reported, "The planning division runs meeting with the representatives of the business units to discuss the substance of planning including the target of the business and basis of the strategy for the upcoming years." In the other words, there is intense communication among management employees, stakeholders about the policy of the organisation. There is also meeting between planning division and business units around the organisation to discuss the substance of strategic planning. As suggested by Johnson et al. (2011) that communications should be directed on the main issues that strategy deals with and the key elements of the strategy. If a two way way of communication is to be reached, it needs to involve various levels of management, so that they can understand what It means for them in person and how their role will change (Johnson et al, 2011). Further, If strategic planning want to succeed, presenting overall directions and strategic issues around the organisation is critical, as Eden and Ackermann (1998) said that communicating the decided strategy throughout the organisation is a vital part of the successful strategic change. Haines (1995) suggests that the organisation needs to run an organisation-wide managers' meeting to hear directly from the CEO and other members of the planning team and to arrange divisional/departmental all-employee gatherings to raise questions and concerns regarding the plan.

Environmental Scanning

This is undertaken both internally and externally. As said by an interviewee, "We sought to analyse the bank's strengths, weaknesses, opportunities, and threats." He then added, "Besides the internal aspects, we also tried to understand the external environment including customer trends, our competitors, macro economic trends, technology trends, and so on." A head of the planning department said, "We also gather background information to evaluate the situation including the current mission, the history of the firm, phases of growth, and so forth." He then added, "We sought to compile and focus on the list of the most significant strengths and weaknesses." The other said, "We have to reach an agreement on a good list or we will debate it for a long time." A staff of the planning department said, "We will develop a list of significant opportunities and threats facing the firm's future"and he further added, "We use certain software to analyse strengths, weaknesses, opportunities, and threats." Evidence showed that the comprehension of environment elements of the organisation is vital to create the proper strategy as recommended by Lynch (2000) that it is a fundamental aspect of the development of corporate strategy; and it provides a basis for pursuing the strategic planning process (Steiner, 1989). Arguing in a similar way, Rue and Holland (1989) present that environment analysis is critical since the environment can boost or reduce an organisation's ability to achieve its required levels of performance. Conducting proper environment analysis provide a base for organisation to attain the required performance as depicted by Lynch (2000) that it is a fundamental aspect of the development of corporate strategy (Lynch, 2000) and help a company to formulate effective strategies in the numerous functional areas (Vaz, 2007). A right planning process also help organisation to adapt to the environment as said by Lorange and Vancil (1977) that one of the main functions of a strategic planning system is to assist adaptation of the long-term attempts of the company to changes in the environment.

Feedback and Evaluation

The data revealed that the feedback process in this company was undertaken by monitoring of the firm's and business units' performance based on the report of the performance realisation. As said by an interviewee, "It contained the constraints and input as well as strategic efforts in solving the problem to achieve the target." Another interviewee said, "We also observe the implementation to make sure that the target has been achieved." One of the respondents added, "Management also gave input in terms of evaluating the performance and the feedback from the unit business." There was the same commitment between management and business units to apply strategy to reach the target of the company. As said by another interviewee, "The three month's evaluation of the performance presented input to management on one side; while on the other side, management made the strategic direction relating to how to achieve the intentional target." In the next step, the business units made adjustments following the derective of the management, and implemented these in the planning process at business unit level. In the other words, this bank tried to guarantee that the performance of the organisation corroborates to plans as asserted by Steiner (1979) that such control encompasses a process of assessing performance and taking curative action when performance varies from plans. Without Feedback and evaluation, things could simply get out of control (Rue and Holland, 1989). Similarly, Greenley (1989) says that the control process (feedback and evaluation) is concerned with endeavouring to guarantee that 'things don't go wrong' throughout implementation. By feedback and evaluation managers guarantee that resources are gained and used effectively and efficiently in the achievement of the organisation's objectives (Anthony, 1965). Because as said by Greenley (1989), the control process provides information for understanding the process; and it is the initiator of further managerial action (Greenley, 1989). Similarly, Rue and Holland (1989) state that strategic control is concerned with hunting down the strategy once it has been executed, identifying any problem or potential things, and making needed adjustments. For this, it is very important for an organisation to supervise the implementation of strategic planning including how resources of the organisation are acquired and spent to achieve the high performance of the organisation.

Flexibility to Adjust Planning

The data showed that the extent to which flexibility was included in the strategic planning process was possible if the actual condition demanded it. An interviewee said, "We can revise planning if needed but it has to follow the rules and guidance of the organisation." The other said, "we can only revise our planning once during the year." While another said, "We seldom revises planning except if the actual situation pushes us to adjust our planning." In the other words, planning revision is like in this bank if the actual condition required and should stick to the rules of the organisation.

Flexibility in strategic planning is critical because as said by Mintzberg (2000) that inflexibility of planning particularly when clearly conveyed, tend to raise a resistance to change. In other words, strategic planning should be flexible and not be rigid like rules. As suggested by Genus (1995) that organisations that retain and cultivate their flexibility are able to deal more easily with environmental uncertainty. Thompson and Martin (2010) note that while the environment is more unstable and less predictable, strategic achievement needs flexibility, and the capability to learn about new opportunities and initiate proper changes continuously. Strategy is essential to be flexible hanging on the environments, as argued by Vaz (2007) that the business policies may be amended depending upon the importance of environments. In the stable condition as depicted by Thompson and Martin (2010), formal strategic planning systems are most valuable since in such systems, environmental opportunities and threats are the prediction, and then strategies are planned and executed. Thompson and Martin (2010), however, note that while the environment is more unstable and less predictable, strategic achievement requires flexibility, and the capability to study about new opportunities and initiate appropriate changes constantly. Therefore, it is rational to not depend on detailed plans, but instead to plan broad-ranging strategies within an obviously defined mission and purpose (Thompson and Martin, 2005).

Linking Goals and Budget

To some extent goals were connected to budget. An interviewee said, “There is a connection between goals and the budgeting process. While programmes are set, the planning team will set the budget.” The head of planning revealed, “Yes, during the planning process we always make a strong linkage between goals, plans, and budget so that we can assess the attractiveness of diverse strategies against the cost of their accomplishment.” A non-planning member said, “I am not sure about it but I think the invention of a plan without recognition of budgetary matters would be careless.” Data showed that this bank seeks to closely connect between strategic planning and budget where budget is planned based on planning which it is equivalent with Haines’ outlook (1995) that good strategic budgeting needs to follow yearly planning to enable organisation to reach a more firm allocation of resources based on the strategic plan which budget is one of the basic means through which strategies are executed. The proof above also matches with the Bryson's study (2004) that budgeting is more likely to serve overall organisation purposes when environmental assessments, strategic issue identification, and strategy formulation precede rather than follow it. The linkage budget and annual plan is a must because as argued by Stettinius et al. (2005) that budget or annual plan is one of the basic means through which strategies are executed (Stettinius et al., 2005). Budgeting should follow annual plan since as said by Bryson (2004), it is more likely to serve overall organisation purposes when environmental assessments, strategic issue identification, and strategy formulation precede rather than follow it. It is essential to involve all levels of management in the budget process since as contended by Stettinius and colleagues (2005) that budget contains the strategic, operating, and financial prospects for the coming year and is related to the coordination and control of internal flows of capitals.

Managers and others Involved

An interviewee said, "The general manager was involved in implementing the management policy and budget of the corporation into strategy in the unit business level. He also coordinates with the other business units to synchronise the process in order to reach the target." Another interviewee said, "The head of the business unit performed a review on the performance of their business unit and gave input in terms of the new strategy in order to achieve the target." The other said, "Managers play a range of vital functions during the planning process including assessing strategic issues in their own department, and setting and coordinating priorities to ensure that strategic matters are addressed." In the other words, the participation of the managers particularly line managers in strategic planning process is very vital as stated Bryson (2004) that it extremely important because of their vital role in translating policies and decisions into operations. Steiner (1979) points out that strategic planning is a function and responsibility of all managers at all levels in an organisation. by Lorange and Vancil (1977) that the line managers must be keenly involved in arranging their own plans, because only when those in authority for performance get devoted to the plans will the latter rise a likelihood to get executed. Similarly, Bolagun et al. (2003) suggest that the making and transmission of a strategic change cannot only be associated with top managers' actions towards internal members of organisation. Middle managers are expected to allow the effect of any managerial changes. Dutton et al. 1997) maintain that middle managers are frequently closer to external stakeholders, particularly customers, than are top managers; thus it is imperative to involve in all aspects of the process. Thompson and Strickland (1998) maintain that the involvement of frontline managers is essential because they are part of an organisation's strategy making team. For this, the researcher notes that even though functional managers are not in a position to see at the big picture, they, however, as depicted by Hill and Jones (1998) have a main strategic task, for their responsibility to develop functional strategies in financial, manufacturing, marketing, and so on. Consequently, it is important for general managers to listen carefully to the views of their functional managers.

Planning Documents

To some extent, the planning document was simple to use, and became a document used to make decisions. A respondent said, "Our planning document includes vision, mission, objectives; review of the situation, summary of stategy, implementation plan, monitoring and evaluation." He further said, "Decisions that we will take should be based on this planning document." The other said, "The documents are clear and easy the firm." A non-planning member said, "For as long as I remember, in meetings, we are always showed about three kinds of planning documents; planning document for the corporate level, planning document for the business level, and planning document for the operating level." The evidence showed that this bank tried to make a working document that will let others to have conclusive idea in the schema of the organisation. As Burkhart and Suzanne (1993) depict that bringing together a working document will allow others to have final input. In other words, planning documents have an important role as a foundation for all staff of the firm to implement strategic planning in order to remain focused on strategic planning that have formulated. Similarly, Steiner (1979) said that it is very important to guide implementation and remain focused on necessary decisions, actions, and responsible parties. Planning document also boost perseverance for all staff over the firm as described by Vaz (2007) that written business policy engender commitment on the part of those who keep on it in the organisation. It is imperative, however, the written document of strategic planning should be effortlessly recited and understood since as depicted by Burkhart and Suzanne (1993), the thoughts and issues need to be outlined within a report so that the person who reads can easily understand the information displayed.

Pre-planning

In the pre-planning stage, the data revealed that this bank particularly gathered data and information both from the pertinent internal sources and external sources necessary during the strategic planning process. In the words of an interviewee, “The most important thing at this stage is that we prepare both internal and external data to support the strategic planning process.” The other respondent said, “The planning division also prepares the administration of the strategic planning process including the timeline of the process and the members that will be involved.” From information above, the researcher notes that at this stage, this bank focused on collecting internal and external data needed for the strategic planning process and organises the administration of planning process. In the other words, starting pre planning process is completed with thoroughness and prudence. At this pre-planning stage, this bank seeks to gather data needed during planning process. As said by Steiner (1979) that a specification of data required from the planning system should be provided during pre-planning, such as past performance and current situation of the bank, analysis of customers and markets, resources of the firm, competition, environmental setting, and others. Bryson (2004) maintains that pre-planning stage is also essential to establish an understanding of what strategic planning would mean for the company in order to effectively tailor the process to the company, as well as its importance. As asserted by Burkhart and Suzanne (1993) that once a collective understanding has been attained, the idea of strategic planning can be assigned on a board meeting agenda and the board can start to set the process in action.

Process is Clear to all Involved

To some extent, the process of planning was clear and embraced by all, as an interviewee said, “The planning process has been institutionalised in our organisation, so I think all staff involved in the planning process recognise the process.” Another respondent reported, “The planning division usually informs and consolidates the detailed process including the timeline of the process to the planning team of when the strategic planning will commence.” A non-planning member said, “I am not sure about the process but I see there is a meeting discussing the plan and process of planning.” In the other words, the strategic planning process in this bank has been established. This bank conducts meeting to educate and organise steps in the strategic process. This allows, as suggested by Heines (1995), everyone involved in the planning process to become educated and organised about the process of strategic planning. It is vital that for comfortable understanding, strategic planning should be designed in clear-cut and understandable language. Similarly, Vaz (2007) maintains that clarity is the principle of good business policy and ambiguous statement of business policy should be prevented. Besides clarity, the strategy process should be comprehensive as depicted by Wit and Meyer (1999) that strategy is made for the whole organisation and everything can be fundamentally changed all at once; and includes all those fields and issues, which are relevant to the organisation (Vaz, 2007).

Strategy Formulation

An interviewee said, “We formulate strategies to reach an objective. The making of a comprehensive strategy enables a number of actions and required outcomes.” Another respondent said, “Yes, I believe that this stage permits us to explore our case convincingly for better resources allocation to reach the goal of the organisation.” The other said, “There are numerous stages in strategy formulation, namely: undertaking a SWOT analysis based on internal and external scanning and formulating strategy. The process involved the division and it then would be input in implementing the corporate strategy.” He then added, “Strategy at the business unit level was the translation of that in the corporate level.” The head of the planning department said, “We try to take strategic initiatives based on investigation of external forces and internal capabilities including pursuing initiatives that fit our strengths, overcome weaknesses with up-to-date knowledge and competencies, among others.” A staff member of the planning department said, “I think it’s essential to create a set of strategic objectives in which they will deal with the critical issues of the firm.” The evidence showed that a comprehensive strategy is a critical condition to achieve the required performance where swot analysis is a must before designing strategy. In other words, this bank tries to analyse business posture of the organisation by conducting SWOT analysis whether it is essentially well or unwell. SWOT analysis, as asserted by Thompson and Strickland (1998), is grounded in the main principle that strategy making attempts must intend to produce a good fit between a firm’s resource capability and its external condition. Similarly, ~~a~~s also reasoned by Steiner (1979), strategy formulation is aimed to create a set of strategies that will effectively connect the organisation to its environment to achieve excellent performance. This bank also seeks to transform long term strategy into the business plan and then translate the middle term into budget (short term). In the Steiner language, the translation of strategic plans into current decisions occurs in two steps. The first step is “the preparation of medium-range functional plans and the second is the development from them of budgets and short-range tactical plans” (p.198). It is imperative to connect strategies with the mission and objective of the organisation as stated by Andrew (1987) that as a starting point for the development of strategic options, it is important to link the organisation’s mission and objectives with its strategic choices and ensuing activities as the interdependence of purposes, policies, and organised action is critical to the mainly of an individual strategy and its opportunity to identify competitive advantage” (as quoted in Lynch, 2003).

Bank B Summary

The CEO and other top management members were very focused in every strategic planning process to give input and approval in accordance with the level of authority they held. The final decision of the strategic planning lies with the CEO.The bank’s strategic goals are comprehensive but very detailed and quantifiable to allow the bank to measure them precisely. The bank developed an operating plan to implement the strategic plan to achieve the strategic goals of the organisation. Communication was held periodically both with the employees and the stakeholders. Environmental scanning was run by both internal and external analysis. This bank sought then to make and then narrow the list down to the most significant strengths and weaknesses and developed a list of significant opportunities and threats that might affect the firm's future. Specific software was used to analyse strengths, weaknesses, opportunities, and threats. The feedback process in this company was run by monitoring the firm's and business units' performance based on the report of the actual performance. All resource allocations had been designed during the strategic planning process. Bank B also sought to forge link between goals, plans, and budget to allow for assessing the attractiveness of diverse strategies against the cost of their accomplishment. During the planning process, managers play a number of vital functions; these includs assessing strategic issues in their own department, and creating and coordinating priorities to ensure that strategic matters are addressed.During the pre-planning stage, Bank B gathered data and information necessary during the strategic planning process and prepared the administration of the strategic planning process. The strategic planning process itself had been institutionalised in this organisation, so that all staff involved in the planning process recognised the process. Strategy formulation aimed to reach an objective, based on investigation of external forces and internal capabilities.

Bank C

CEO or President Involvement

The involvement of the CEO in the strategic planning process is a vital factor. An interviewee said, “We talked first with the directors, and listened while the CEO or directors presented the speech and direction.” He then added, “We then designed the strategy and presented it to the CEO or directors.” If the directors gave the green light, the planners would present it to the shareholders, then present to the Indonesian Central Bank as the holder of the monetary authority in Indonesia. Another interviewee said, when asked how the directors participated in the strategic planning process, “the directors presented a vision of the organisation for the next five years.” Once a week, the directors had a meeting in the form of participation forum and it was institutionalised. Besides this forum, he added, “There was another forum between the directors and the shareholders that was run once a month. A head of planning reported, “Yes, the CEO is very involved in the strategic planning process in terms of defining the mission and goals of the corporation and distributing resources to the strategic business units (SBU).” He further said, “As a top leader he has also responsibility to guarantee that strategic planning is formulated and implemented appropriately." A non-planning member said, "I think the CEO is the most responsible person in an organisation and final decisions in strategic planning lie in his hand."

Evidence above revealed that directors play the prominent role in strategic planning. The CEO is responsible for the whole performance of the organisation. As argued by Lorange (1980), It is essential that the CEO and board of directors pay full attention to strategic planning since strategic planning system is a critical process for top management. Any planning process that does not include leaders who are open to involvement and empowerment of others, as well as open to personal encouragement, will face critical problems with execution (Haines, 1995). As said by an interviewee above that the most responsible person in an organisation and final decisions in strategic planning lie in his hand." This data is parallel with Thompson and Strickland's view (1998) that an organisation's chief executive officer is the most obvious and key strategy manager. Final responsibility for foremost the tasks of formulating and implementing a strategic plan for the entire organisation lies with the CEO. Similarly, Hill and Jones (1998) contend that the CEO's strategic task is to supervise the development of strategies for the entire organisation. In the other words, the role of CEO in planning process is totally important.

Clear and Measureable Objectives

On the extent to which objectives are well defined and assessable, an interviewee said, "The objectives are adjusted according to the vision and mission of the organisation; those are then translated into long -term, middle term, and short-term objectives." Another respondent reported, "Objectives that we set are very detailed and measurable." He then added, "Objectives should be attained in a certain phase of time." A non-planning member said, "Approximately 80% of the employees in the headquarters and over 70% of the employees in the branch know the objectives of the company. At the time of training, the strategic objectives of the organisation are always presented." Data above showed, mission as the basic reason for existence of the organisation provides the foundation for setting objectives. Objectives portray an vital role in the running of a firm. As contended by Vaz (2007) that objectives provides base for planning, organising, coordinating, direction, and control. Therefore, there is a necessity to set up obvious and well-defined objectives as said by Urwick (1952), that "unless purposes (objectives) are specified then individuals find difficulty in co-operating," (as cited by Greenley,1989:168). Similar to Vaz's sight (2007), Greenly (1989) asserts that establishing objectives of the firm is the second step after setting vision mission in planning process and the higher levels provide a base for lower levels. From the discussion above, the researcher would like to note that objectives setting should reflex the mission of the organisation and be stated in clear-cut expressions.

Commitment to take Action

The data revealed that this bank broke down, evaluated, and revised its strategy in order to achieve the targets. For this, as reported by an interviewee, We held joint meetings." The other interviewee reported, "Yes we have meetings to make step-by-step plans for executing our strategic plan." He added further, "For this, we have to involve staff who formerly participate in designing the strategic plan." A non-planning member said, "I think all staff in this bank will commit to implementing the programmes that have been designed during the strategic planning process." A staff of planning department said, "My tasks include the measurements of my accomplishment. It means that my attainment will reflect my performance and it will force me to be committed to performing the tasks well." In the other words, the meeting of planning members during strategic planning process will discuss how to implement strategic planning. It means that there is strong commitment of te management and planning members to execute strategic planning. This is parallel to Bryson's sight (2004) that commitment to take action is essential to execute strategic plan. Without such commitment, intended strategies remain dreams rather than becoming reality (Bryson,2004). Convincing commitment of the management and planning staff to execute planning designed is critical or the firm will fail to reach the required performance of the firm. In this matter, it is important to consider the observation of Quin, Senge, and Others (1992) that concluded that "implementation needs to be considered not just as single event with fixed and rigid plans but rather as series of implementation activities whose outcome will shape and guide the strategy. The full strategy will not be known in advance but will emerge out of the implementation" (as quoted by Lynch, 2000:pp. 765-766). Data also shows as said by a staff of planning department above, "My tasks include the measurements of my accomplishment. It means that my attainment will reflect my performance and it will force me to be committed to performing the tasks well." This findings contradict with the observation of Kaplan and Norton (1996) that strategic plans were often not translated into measures that managers and staff could comprehend and utilise in their day-to-day work. For this it important to listen advice of Owen (1982), that "measures of performance" and "milestones, or progress measurement points" should be established to guarantee successful implementation (as cited by Thompson and Martin, 2005:635).

Communication

Concerning the extent to which Bank C pursued input during the strategic planning process, the data revealed that in the planning department, all staff were involved, and discussion occurred at the beginning of the process. However, for other divisions/departments or employee representatives, an interviewee stated that "we contacted them that we needed the input to design planning and the other important data. Another interviewee said, "The strategic planning division coordinated to get input across divisions." He further added, "We also pursued input from the related ministry in terms of their policies, and for the investors, we had meetings every three months to explain our results and get input from them." The other interviewee said, "There is two-way traffic communication in our bank. On one side, management disseminates information around the organisation, while on the other side, the staff present their aspirations to the management". The other reported that the "board of directors, in the beginning of the strategic planning process, present their views on the direction of the organisation for the upcoming year, the global situation and the next year's business trends, and so forth to the management and the representatives of the unit businesses and departments in a yearly forum." The other respondent said, "In this forum, we share our opinions regarding the important and crucial issues.” The other interviewee said, “Once strategic planning has been designed, the planning division will disseminate the important points on strategic planning to all unit business and branches.” In the other words, the involvement of planning department and the related staff is evidence in the planning process. Two way traffic communication to discuss strategic planning in this bank to get input to design planning and share opinions about the main crucial issues is essential. As asserted by Eden and Ackermann (1998) that communicating the decided strategy throughout the organisation is a vital part of the successful strategic change. The best strategic planning result of the organisation only can be reached while an organisation develop an unlocked communication system to explore as much as important information particularly during planning process as maintained by Quinn (1980) that enterprises build an open and opportunistically-tuned communication system to encourage more open, data-rich communications about overall directions, opportunities, and threats. Similarly, Greenley (1989) contend that two-way transfer of information of planning both input and output of planning would ensure all managerial endeavours at the entire levels of management. Data above that revealed that the board of directors, in the beginning of the strategic planning process present their outlooks on the direction of the organisation for the future year and strategic issues to the management and the representatives of the unit businesses and departments support the view of Heines (1995) who suggests that the organisation needs to run an organisation-wide managers’ meeting to hear directly from the CEO and other members of the planning team and to arrange divisional/departmental all-employee gatherings to raise questions and concerns regarding the plan.

Environmental Scanning

To scan the environment, this bank took data from numerous sources as presented by an interviewee, “We collect data from the internet, Bloomberg, the Central Bank, and other sources.” Another respondent said, “To scan the environment we use a lot of data; both internal such as the posture of the bank, and external data such as macro economic, industrial trend, competitors, and others.” The other responded reported, we also acquire a second opinion from the expert to sharpen our analysis.” The head of the planning department revealed, “We identified strengths, weaknesses, opportunities, and threats of the organisation and narrow the list down to the most important strengths and weaknesses, opportunities and threats.” The other interviewee said, “Yes, we also perform a situational audit to study a situation of the organisation.” He then added, “This will collect basic information for arranging the strategic plan at the next step.” The other respondent said, “We also seek to understand the hopes of the board of the directors, senior management, investors, employees, customers, and government”. The evidence showed that this bank tried to single out environment factors both internal and external factors that affect numerous choices of the organisation based on data preparing foundation to engage in the planning process. As argued by Lynch (2000) that understanding of the environment help an organisation to formulate effective strategies in the numerous functional areas (Vaz, 2007). Similarly, Steiner (1979) elucidates that the appraisal of past performance and current and future environmental elements (internal and external) is an essential stage in the planning process since as also said by Rue and Holland (1989) that environment analysis is critical since the environment can boost or reduce an organisation’s ability to achieve its required levels of performance. From the discussion above, the researcher would like to note that clearly strategic planning plays a very important role to help an organisation to adjust its long term decision making to the unstable circumstances as presented by Lorange and Vancil (1977) that one of the main functions of a strategic planning system is to assist adaptation of the long term attempts of the company to changes in the environment.

Feedback and Evaluation

The data from Bank C revealed, as presented by a head of the planning division that “We do realise that monitoring the progress of activities stages is essential for successful execution.” He then added, “we hold regular meetings (such as monthly and quarterly) to evaluate the accomplishment of the task, the constraints if any, the need to amend strategic objectives, and operating plans.” Another said, “Every three months we report to the central bank about the accomplishment of the business plan. If it had failed to meet targets, the central bank would give the relevant feedback, and the bank would then make improvements.” Another respondent said, “We also monitor and assess functional areas by budgets including operation budget, human resources budget, marketing budget, and others.” In the other words, there is feedback and evaluation process in this bank to assess the progress (the achievement of the task) that has been completed toward the goals stated in the strategic plan. As asserted by Burkhart and Suzanne (1993), unpredicted occasions can affect even the best of strategic planning. For this, it needs, Burkhart and Suzanne argue further, to thoroughly evaluate its action to ascertain whether it still wishes to continue in the same direction or if a change in path is required. Similarly, Greenley (1989) depicts that the control process (feedback and evaluation) is concerned with endeavouring to guarantee that ‘things don’t go wrong’ throughout implementation. Without them, things could simply get out of control (Rue and Holland, 1989). Clearly, as discussed above, evaluating organisational progress is essential. In this matter, it looks that it is important to listen the view of Burkhart and Suzanne (1993), that is, the first step in the yearly evaluation process is to see if the organisation achieved, go beyond or unsuccessful to meet its objectives. If the organisation either go beyond or unsuccessful to meet its expectations, then some amendments may be needed in the whole strategic plan. This may be mainly true if the cause of the discrepancy from expectations correlates to some environmental factor, such as a new or formerly unpredictable opportunity or threat. The trigger for either exceeding or underachieving in contrast to expectancies may also be operational in nature; if so, a number of organisational changes are assured that may or may not influence the strategic plan.

Flexibility to Adjust Planning

Everything in this organisation has been planned and discussed thoroughly during the strategic planning process. However, as an interviewee said, “If the organisation seeks to create other programmes to respond to the recent developments in the environment, we then will revise our strategy.” The other said, “If we do not have enough resources to implement programmes, we would then revise them.” However, they both added, “We can only revise our business plan once a year. The other said, “Basically we can not change the decisions formulated in the strategic planning unless conditions force us to do so." Evidence above revealed that planning adjustment is likely as long as circumstances demand it. For business plan, however, it is only can be revised once a year. Particularly in the turbulent and unpredictable environment, planning flexibility is critical because as said by Genus (1995) that constant and unpredictable external change function to limit the use of the linear approach to managing strategic development. Instead, organisations that retain and cultivate their flexibility are able to deal more easily with environmental uncertainty. Thompson and Martin (2010) note that while the environment is more unstable and less predictable, strategic achievement needs flexibility, and the capability to learn about new opportunities and initiate proper changes continuously. However, planning itself intends to keep a tight rein on flexibility as for a long time said by Henri Fayol as quoted by Mintzberg (2000) that the very purpose of planning is not to encourage flexibility but to reduce it, that is, to establish clear direction within which resources can be committed in a coordinated way. Similarly, Newman (1951 in Mintzberg, 2000) stated that "the establishment of advanced plans tends to make administration inflexible; the more detailed and widespread the plans the greater the inflexibility (p. 173)." For this, it seems that it helps to listen the Quinn's observation that evolution and flexibility of strategies showing that effective strategies are likely to arise from a series of strategic formulation subsystem and best strategies within each subsystem tended to require incrementalism and opportunism in their formulation.

Hierarchical Planning

An interviewee said, "Every level has its own strategic planning; however it has to support the corporate strategic planning as the top level planning. The CEO - in the corporate level and highest in the hierarchy of leadership presents the vision, direction or long-term planning of the organisation for the next five years. The other said, "For the level business, strategic planning translates the long-term strategy into the middle-tem strategy. Meanwhile, for the functional level: strategic planning was more detailed and translated the middle-term planning into action and budget for the next year." In the other words, Strategic planning in this bank occurs at three different levels: corporate, business, and functional. As appear on the data above, these levels link with the actions of managers in different sections of the firm. This evidence matchs with Norris and Poulton' view (1991) that planning should occur at all levels of the organisation. Planning behaviour is a basic responsibility of all managers, administrators, and academic leaders. Data also showed that at the highest hierarchy, CEO presents the vision, direction or long-term planning of the organisation for the next five years. As depicted by Hill and Jones (1998), the CEO is the chief general manager at the corporate level. His/her strategic role is to supervise the development of strategies for the whole organisation including outlining mission and goals of the organisation, allocating resources, formulating and implementing strategies, and so forth. The findings also parallel with Lorange's view (1980); Bourgeouis (1996) that the primary strategic task is to develop a favourable portfolio strategy for the diverse business activities and will be concerned primarily with strategic resource flows to and from the various business and providing a strategy for improving the quality of the portfolio. For business level, decisions are usually the duty of general manager in the diversified company. For this organisation across marketing, operation, finace department, and so forth is a must as argued by Bourgeouis (1996) that it involves coordinating a number of decisions in the functional areas. Meanwhile, in the lowest hierarchy- functional level, the concern is how the firm achieves competitive advantage. The crucial task, however, is how to put together numerous actions across functional areas as asserted by Bourgeouis (1996) that the challenge for the manager of lowest hierarchy is how to weave all decisions into reasonable entire in a way that generates competitive advantage.

Linking Goals and Budget

An interviewee said, “To link goals and budget, we run joint planning sessions. There was a meeting held between the planner and the executor.” Another interviewee said, “Yes we develop department plans or action plans for the next year and then prepare the funds (resources) to execute our main strategies.” The other said, “We meet and present our programmes and then discuss how the budget will finance the programmes.” The other interviewee said, “We have the accounting division comprising budgeting, capital expenditure, and operational expenditure. While the divisions proposed the programme, they also proposed the budget." Data revealed that this bank involve in budget making process to implement the strategic plan. In the other words, strategy making comes first rather than follow budget. As contended by Stettinius et al. (2005) that budget or annual plan is one of the basic means through which strategies are executed. It is more likely to serve whole organisation purposes when environmental assessments, strategic issue identification, and strategy formulation precede rather than follow it (Bryson, 2004). Similarly, Burkhart and Suzanne (1993) argue that most firms engage in various level of annual planning, whether it be as easy as formulating a budget or as sophisticated as generating a long document filled with goals, objectives, and action programs. Properly implemented, the strategic plan is the basis within which annual planning and budgeting happen. It means that budget is a consequence of the strategic planning process which goals that provide a basis for strategy formulation set up during the planning process. Similarly, Haines (1995) suggests cascading the strategic plan down to yearly plans and budgets and finally to individual performance assessments. It means that there would always be links between objectives, annual plans and budget since both the strategic plan and annual plans, as well as the budget, resulted from the hierarchical strategic planning process and were therefore interconnected with each other.

Managers and others Involved

According to one of the interviewees, and relating to the data in Bank C, "Before designing strategic planning, managers were brought together to listen to the guidance of the board of the directors and they were also asked for their input. The head of planning said, "Managers are involved in formulating and implementing planning." Another respondent said, "Managers have roles as intermediaries between strategic and operating tasks (day-to-day working). A non-planning member said, "I am not sure but I think managers consolidate planning in their own department." The other said, "Principally, we want to tighten the strategic planning with their involvement." Data above showed that the involvement of managers in planning process emerges both in designing and executing strategic planning. As said by Bryson (2004) that the involvement of managers is extremely important because of their vital role in translating policies and decisions into operations. Data also revealed, before designing strategic planning, managers were brought together to listen to the guidance of the board of the directors and they were also asked for their input. It means that CEOs require the participation of all manager and planning members in valuable strategic planning. As presented by Steiner (1979) that in large decentralised firms, the substantive knowledge of managers and staff about their own operations is commonly far greater than that of top managers. For this the involvement of managers in all aspects of the process is essential because as also said by Bolagun et al. (2003), the making and transmission of a strategic change cannot only be associated with top managers' actions towards internal members of organisation. Therefore, as asserted by Bryson (2004), middle managers are expected to allow the effect of any managerial changes.

Planning Documents

To some extent the planning document was considered simple to use and it translated into a document used to make decisions. An interviewee described, "I think not all staff here can have access to the planning documents; however they will know the important points of strategic planning such as the goals and strategy of the bank. Their head or supervisor will consolidate these and explain them to the staff." Another interviewee said, "The documents are plain and easy to read particularly while describing goals, target, and strategy of the organisation." A non-planning member said, "I never read the documents but I think that my boss always refers to those while making decisions." In the other words, planning documents in this bank is comprehensive and straightforward to read. As contended by Burkhart and Suzanne (1993) that the document you are about to prepare has all but written itself as the result of the steps you have previously completed in the strategic planning process and easy to read. Data also revealed that written document is an important reference to take decision. This is parallel with the Steiner's view (1979) that it is very important to guide implementation and should always be referenced when decisions are being made. Written document is very important since as asserted by Vaz (2007) that besides it takes clearness, but also it engenders commitment on the function of those who stick to them in the organisation.

Pre-planning

The most important thing in this stage was the data collection. As said by an interviewee, “For this stage, we emphasise data collection both internal and external including macro data and competitor data.” Another respondent said, “The strategic planning has been established in our organisation, so that in this stage, we just prepare the data needed during the planning process and administration of the process of strategic planning.” This evidence supports what Steiner (1989) said that a specification of data required from the planning system should be provided during pre-planning, such as past performance and current situation of the bank, analysis of customers and markets, resources of the firm, competition, environmental setting, and others. in order to effectively design the process to the organisation, it is critical, as argued by Bryson (2004), to establish an understanding of what strategic planning would mean. Once the organisation has decided what it aims to attain from the planning process, Steiner (1979) argues, it is vital that the details be carefully thought through. Data above also revealed that strategic planning has been established in this bank, so that in this stage, this bank just arrange the data required during the planning process and administration of the process of strategic planning. It means that the bank has necessary guidebooks for carrying out planning. This evidence strengthen the Steiner’s outlook (1979) that maintains that the organisation should have a planning process guide that explains what is expected of those involved and to make the consolidation of plans easier. Finally, the researcher would like to note, the very clear understanding of planning process is vital too, as argued by Bryson (2004), to build trust and the necessary commitment among all involved to move ahead.

Process is Clear to all Involved

To some extent the process was clear to all engaged. An interviewee reported, “As a member of staff involved in the planning process, of course I am very familiar with the strategic planning process. At all stages of the process from the pre-planning, formulation, implementation, and soon, I am very involved.” When asked to describe the strategic planning process of the bank, a non-planning member said, “I don’t know the process of planning but my head of department usually explains what is going on, and the results of the meeting.” The other respondent reported, “From all stages of the strategic planning process since pre-planning, formulation, implementation to evaluation, the most crucial process is formulation strategy in terms of determining the target of each business unit.” From the text, evidence suggested that most of the interviewees are conversant with the strategic planning process. The strategic planning members are involved in the process and it is understandable to all participants of planning. It means that strategic planning process in this bank was invented in straightforward and clear expression. This evidence matchs with Vaz’s view (2007) suggests that clarity is the principle of good business policy and ambiguous statement of business policy should be prevented. Besides clearness, the strategic planning process should be across-the-board as portrayed by Wit and Meyer (1999) that strategy is made for the whole organisation and everything can be fundamentally changed all at once; and includes all those fields and issues, which are relevant to the organisation (Vaz, 2007).

Strategy Formulation

Based on the data collected for the previous stage, this bank carried out a SWOT analysis (external and internal) to get to know the position of the bank. This bank then formulated strategy. An interviewee said, “The foundation of strategy formulation was pre-planning and environmental scanning.” He then added, “From those, the organisation then formulates strategy.” Another respondent revealed, “We formulate strategy at different levels: for the corporate level, for each business level, and for each functional level.” The other said, “Based on the SWOT analysis, we make a list of the relevant strategies, then evaluate them, and select the best strategy.” In the other words, at this stage this bank seeks to generate a set of strategies based on pre-planning and environmental analysis. There should be connection between strategy and environment. For this, as Steiner (1979) maintains, strategy formulation has function to design strategies that will effectively link the organisation to its environment to reach excellent performance. The importance of connection between strategy and environment also asserted by Porter (1979) that competitive forces shape strategy. Similarly, Bowman and Asch (1996) point out that in developing strategies, the task of the decision maker is based on what a corporation can do to take advantage of opportunities and deal with threats in the external business environment. It means that effective strategy, as presented by Frynas and Mellahi (2011), is about matching the resources and activities of a corporation to the external environment (strategic fit). Organisations which do not possess a minimum level of 'strategic fit' are guaranteed to fail (Galbraith and Kazanjian (1986), cited in Frynas and Mellahi, 2011). In the contrary, Hamel and Phahalad (1994), however, have a different stance point and critiqued the 'fit model' of strategy making for the reason that it can lead to a mindset in which management concentrates too much on the level of fit between the current resources of a firm and recent environmental opportunities, and not adequately on building new resources and capabilities to generate and exploit upcoming opportunities. For this, Hamel and Prahalad (1984) suggest that strategies formulated with only the present in mind tend to be more involved in today's problems than concerned with tomorrow's opportunities. Consequently, as argued by the both authors, it is questionable whether firms that rely entirely on the fit approach to strategy formulation are able to build and sustain a competitive advantage. In this matter, the researcher would like to note that both school of thoughts are complementary. Both of them are interdependent and produce effective strategy only when perform together.

Bank C Summary

The CEO of Bank C was immersed to a great extent in the strategic planning process in terms of defining the mission and goals of the corporation and distributing resources to the strategic busineness units. The objectives set were adjusted with the vision and mission of the organisation and were very detailed and measurable. To execute the strategic plan, the bank drew up a step-by-step plan and involved staff who formerly participated in designing the strategic plan. Communication was two-way; on one side, management disseminated information around the organisation, while on the other side staff presented their aspirations to the management. To scan the environment both internal and external data are used. This bank held regular meetings to evaluate the accomplishments of the tasks, the contraints, and the operating plan. To link goals and budget, the bank ran joint planning sessions with the planner and the executor. The involvement of the managers in the planning process was in formulating and implementing planning. Based on the data collected at the previous stage, this bank then formulated strategy at different levels: at the corporate level, for each business level, and for each functional level.

Bank D

CEO or President Involvement

The extent to which the CEO supports the strategic planning process was discussed by an interviewee: “The president was top leader, he headed the top management. As the top leader, he should guarantee that strategic planning is on the track.” Another interviewee said, “CEOs are a bridge to the shareholder.” In this case, he then added, “There are two functions of top management; namely, to communicate to other levels and consolidate the strategic planning particularly in the high-level strategic planning. The other interviewee revealed, “Yes, in our firm, top management will oversee the strategies of the line manager if they match with the overall course of the organisation.” The other respondent said, “The CEO is the source of very important information for the planning members to understand the critical external factors including social, economic and political trends, and so on.” The other said, “Our CEO is involved both during designing and implementing planning.” He further added, “…however, the involvement of the CEO at the implementation of planning is relatively limited.” Data revealed that CEO is involve in the planning process and as a top leader at this bank he has a very important role to ensure that planning is on the proper tract. This evidence is parallel with the views of Abell and Hammond (1974), Steiner (1979), Lorange (1980), Raid (1989), and Bryson (2004), that It is vital that the CEO and board of directors pay full attention to strategic planning since strategic planning system is a critical process for top management. The process of strategic planning, however, should include other leaders at numerous levels to get input and support is challenging particularly at the stage of the execution of planning. As asserted by Haines (1995) that any planning process that does not include leaders who are open to participation and empowerment of others, as well as open to personal encouragement, will encounter critical problems with implementation (Haines, 1995). Data above also showed, the involvement of the CEO at the implementation of planning is relatively limited. This finding contradicts with Lorange and Vancil's outlook (1977) that top executive will be the development and implementation of a corporate strategy and plan for the whole balance of business activities, that is, a corporate or portfolio plan. In the researcher's opinion, top management particularly CEO should involve in strategy formulation and execution to guarantee that strategic planning process is in the right way or the organisation will fail to achieve the desired performance.

Clear and Measureable Objectives

To some extent, the objectives were clear and measurable; according to a respondent, "Besides the fact that the strategic goals in Bank D are comprehensive, we also have obvious and very detailed parameters for the objectives of each goal." Another interviewee reported, "We use key performance indicators (KPIs) to measure objectives, so that we can monitor and evaluate them thoroughly." The other respondent said, "We develop metrics for each objective to ensure our achievement." The other respondent reported, "There is no other choice if we want to implement our planning well, we then must have the clear and quantifiable objectives. In our bank, we use detailed measures to implement the planning." Data above showed that objectives setting in this bank provide foundation to assess the whole performance of the organisation. This is because as showed by data above, objectives is comprehensive and have very detailed parameters for the objectives of each goals. This is parallel with the Vaz's view (2007) that objectives provide a base for evaluation. Objectives offer a standard against which real performance can be assessed. For this, it is critical for an organisation to set up observable and precise objectives as said by Urwick (1952), that except purposes (objectives) are quantified then individuals find trouble in co-operating (as cited by Greenley,1989). Data also revealed that establishing the clear and quantifiable objectives influences the successful planning implementation. This finding supports the observation of Vaz (2007) that objectives facilitate the implementation of strategies in the organisation. Appropriate implementation of strategies guarantees survival and achievement of the organisation.

Commitment to take Action

To some extent this bank had committed to take action. An interviewee revealed, “Basically what we have designed in strategic planning, of course we have to commit to implementing them, particularly top management.” He further added, “We will develop operating plans to implement strategic initiatives to reach the goal of the organisation.” Another respondent reported, “We have developed a system to drive and to make sure that staff commit to perform things that have been created in strategic planning.” The other interviewee reported, “Each supervisor would take measurements, then monitor and take further action. This happens at each level ranging from the director’s level to the lowest level who measured the performance.” The other interviewee said, “The system or KPI is also used as a tool to force staff to commit to taking action.” In the other words, the bank builds a system and develops operating plan to execute strategic planning. This bank views that commitment to take action is critical to achieve the goal of the organisation. As asserted by Bryson (2004) that without such commitment, intended strategies remain dreams rather than becoming reality. According to Bryson, designing a strategic plan can create significant value. Data in this bank also revealed that measurements of performance are developed, then monitored and management then take further action. This evidence parallel with Owen (1982), suggests that “measures of performance” and “milestones, or progress measurement points” should be established to guarantee successful implementation (as cited by Thompson and Martin, 2005:635). The finding, however, contradicts with the observation of Kaplan and Norton (1996) who observe that strategic plans were often not translated into measures that managers and staff could comprehend and utilise in their day-to-day work. In the researcher's opinion, strategic plan can generate considerable value if implementation is integral process of strategic planning and not as unconnected stage after formulating strategy.

Communication

The planning division as middle management was the bridge between the top level and lower level. From the top level, as said by an interviewee, "The planning division absorbed the top management's aspirations over where they would go. We assisted to formulate the top management's aspirations." If this was the case, the planning division would pass it to the lower level, then again, it would be presented to the top management. For each unit, the mechanism used to pass it was the annual work meeting. For the top management, it was presented and discussed in meetings. Another interviewee said, "The business plan should be approved by the board of commissioners." However, for the shareholders, it just was reported at the time of the annual general meeting of the shareholders, purely for information. The employees would also be informed; the public would be informed by press release of such plans, but just about the global information. However, for the Indonesian central bank as a regulator would been reported in terms of the business plan. When asked how the planning process was communicated to the employees, another interviewee said, "Planning would be communicated to the employees in the form of a memo. All information would be distributed at every level, including the lowest level." The other added, "There is always socialisation while planning would be designed and implemented." The procedures would also be distributed to all the branches, so that they had guidance including the standard operating system (SOP), the risks, and so forth, which would allow them to remain alert in performing their tasks**.** Conversation above showed two traffic communication is vital to discuss the substance of the strategic planning in this bank. As suggested by Greenley (1989) that two-way transfer of information of planning both input and output of planning would ensure all managerial endeavours at the entire levels of management. This bank also hold the annual meeting as a mechanism to present and discuss the views of the top management to the planning members on the future direction of the organization. This finding supports the opinion of Haines (1995) that the organisation needs to run an organisation-wide managers' meeting to hear directly from the CEO and other members of the planning team and to arrange divisional/departmental all-employee gatherings to raise questions and concerns regarding the plan. It is essential for an organisation to explore as much as data and information to sharp the substance of planning as maintained by Quinn (1980) that enterprises build an open and opportunistically-tuned communication system to encourage more open, data-rich communications about overall directions, opportunities, and threats. In the researcher's view, communication and socialisation the strategic planning while planning will be formulated and executed is essential for rich outcome of planning as argued by Eden and Ackermann (1998) that communicating the decided strategy throughout the organisation is a vital part of the successful strategic change.

Environmental Scanning

The data (internal and external) obtained from the pre-planning were then mapped: what the competitors offered, what their positions were, and other dynamics. A head of planning revealed, "Yes, we seek to identify the strengths and weaknesses of the corporation including the extent and the availability of resources. We also investigate how our firm achieves a competitive advantage in the competitive environment it operates in." He further added, "We also analyse opportunities and threats in the firm's operating environment." A non-planning member said, "I think the organisation observes the macro-conditions such as whether or not government regulations support us." He then added, "The regulation of the government was an important determinant in affecting the strategy of the bank." Data above support the observation of Lynch (2000) that a precise understanding of environment is a fundamental aspect of the development of corporate strategy. Environmental scanning suggests to an analysis of historical, current, and forthcoming data and as presented by Steiner (1979), it provides a foundation to engage in the strategic planning process. In the other words, an accurate circumstances exploration assists an organisation to put together effective strategies in the numerous levels throughout the organisation to achieve the desired performance. As also argued by Vaz (2007) that the capability to deal well with the environment has enabled organisation to continue to exist and succeed. Clearly, therefore, environment investigation is critical since as also said by Rue and Holland (1989), environment analysis is vital since the environment can boost or reduce an organisation's ability to achieve its required levels of performance. In the outlook of Vaz (2007), scanning of the environment also will enable a business firm to adapt its operations depending upon the changing environmental investigation.

Feedback and Evaluation

The performance analysis is run every month, once every three months, and then once every year. An interviewee said, "If we failed to achieve the business plan, we then would explore why it failed and whether it was due to lack of feedback." He then added, "There is a coordination meeting to analyse it in which the units presented their feedback including the accomplishments, credit growth, and the constraints." If the feedback suggested is not achievable, as said by the interviewee, "then it will be revised." Another respondent said, "We don't only respond to results after they have happened but we also seek to keep our firm on the right track." The other interviewee said, "We have to measure precisely the resources being used. He then added, "The measurements that we use should permit us to measure our efficiency in producing products and services." Evidence revealed that this bank hold close the feedback and evaluation as an important part of the planning process. As suggested by Rue and Holland (1989), without them, things could simply get out of control. Similarly, Greenley (1989) contends that the control process is concerned with endeavouring to ensure that 'things don't go wrong' throughout implementation.

The other data in this bank shows that by feedback and evaluation, managers try to measure the accomplishment of the organisation and take corrective actions needed. This findings are parallel with the outlook of Rue and Holland (1989) that strategic control (feedback and evaluation) is concerned with hunting down the strategy once it has been executed, identifying any problem or potential things, and making needed adjustments. Therefore it is essential for managers to assess whether their strategic actions be acquainted with the objectives of the organisation. If deviations or gaps, as said by Vaz (2007), are observed between the real performance and the standard, then necessary corrective actions need to be in use.

Flexibility to Adjust Planning

The extent to which flexibility was incorporated in the strategic planning process and implementation of the plan was revealed by the data, which also revealed that this flexibility will exist as long as the conditions demand it. However, as said by an interviewee, “For the strategic and significant issues such as adding the funds/capital or opening a new branch, we have to report to the central bank as the holder of the monetary authoritative to change it.” There were the internal rules as the guidance to do the changes, so, as said by the interviewee, “Even the directors cannot make the changes.” Data above revealed, flexibility in this bank exists depending upon the environment and has to follow the internal rules. For strategic issues, however, the bank needs to report to bank central of Indonesia to revise it. As suggested by Thompson and Martin (2010), while the environment is more unstable and less predictable, strategic achievement needs flexibility. For this, having the ability to gain knowledge of exploring recent chances and commencing appropriate changes constantly is essential. Similarly, Quinn’s logical incrementalism (1980) argues that in dynamic and turbulent environments, detailed formal planning is understood to be problematic. For this, evolution and flexibility is essential. Effective strategies, Quinn argues further, tended to emerge from a series of strategic formulation subsystem. Therefore, as suggested by Thompson and Martin (2005), it is rational to not depend on detailed plans, but instead to plan broad-ranging strategies within an obviously defined mission and purpose. With this in mind, regular meeting among managers and related staff involved in the planning process (planning members) is necessity to evaluate progress and fluctuating tendencies. They will, as contended by Thompson and Martin (2005), design new options of action and try them out: a form of ‘real-time planning.’ Organisations test out somewhat small changes and extend with this approach rather than go for main changes.

Hierarchical Planning

The strategic planning hierarchy in Bank D was graded from the top down. An interviewee said, “There is a hierarchy in the strategic planning according to the capacity of each level within the organisation.” He further added, “On the top level, strategic planning is more to the high level of strategic planning.” It was the task of the top management to undertake strategic planning as part of the direction of the organisation. The strategy for this level was a grand strategy, and for the long term. However, as said by the interviewee, “The strategic planning in this bank was top-down participative; there was no bargaining.” The participative aspect here was that the lower levels would make the details of the grand strategy designed at the top management level. The middle management as the second layer would then translate it into the middle-term strategy. This division-level planning should be in line with the grand strategy. The last hierarchy was functional management. The other interviewee said, “Planning in this level is more detailed and short-term, and translates the middle-term planning into the yearly budget.” Data above shows that strategic planning in this bank is top down participative which the direction and the main substance of strategic planning is authority of the top management. The lower hierarchies then make the details of the grand strategy formulated at the top management level. In the other words, strategic planning in this bank occurs at three different levels: corporate, business, and functional. This findings are parallel with Norris and Poulton (1991); Hill and Jones (1998) who point out that planning should occur at all levels of the organisation which according to Lorange and Vancil (1977), a three-level hierarchy of strategic planning tasks reflects the division of labour among management. A slight different, Thompson and Strickland (1998) assert that in diversified enterprises, strategies are formulated at four separate organisational levels. Mintzberg (2000), however, critiques that these four hierarchies so delineated even though any hierarchy of structural units could be substituted. Minztberg argues further that in the formal and comprehensive planning model each management level has distinct hierarchies in terms of objectives, strategies, budgets, and programmes. In the researcher’s view, although hierarchy levels looks so demarcated, however, a four-level hierarchy of strategic planning tasks, as stated by Lorange and Vancil (1977), reflects the division of labour among management. The responsibility of each level flow from the top down and interconnected each other which the higher level in the planning hierarchy provides foundation for the lower level including distinct hierarchies in terms of objectives, strategies, budgets, and programmes as mentioned by Minztberg above. It involves coordinating a number of decisions in the numerous different levels. Therefore, the challenge for the top management (CEO) at the highest hierarchy is how to manage and weave all decisions into reasonable entire in a way that generates strategic and action plans to achieve the objectives of the organisation.

Linking Goals and Budget

An interviewee said, “Once top management presented the policy of directors, we then set the scope including funds, credit, and so forth based on the data we had got in which was measured using the capacity planning.” The problem was, he then added was “if we did not have the enabler such as the funds.” For example, if the shareholders would not add the funds, meanwhile the growth of business would be raised, the planners then should try to find other solution such as the dividend would not be shared. At the smaller level, budget for example, as said by the interviewee, “if we will open new a branch office, what about the capital/funds were.” He then added, “The key determinant is how the enabler supports the programme. As long as the enabler (funds) is available the business will run well.” In the other words, this bank tries to link programs with budget. The very important factor is how the fund (budget) supports programs. As suggested by Bryson (2004) that strategy formulation precede rather then follow budget. In other words, budget is a consequence of the strategic planning process. Data also revealed that planning team makes needed arrangement of resources that is required to perform programs. As suggested by Thompson and Strickland (1998) that it is essential that the strategy implementers are intensely involved in the budgeting process, intimately reviewing the programmes and budget proposals of strategy-crucial organisation units. Too little funding reduces progress and inhibits the ability of organisational units to perform their pieces of the strategic plan. Too much funding misuses organisational resources and diminishes financial performance. Implementers, Thompson and Strickland argue further, must also be keen to shift resources from one part of what to another to encourage new strategic initiatives and priorities. A change in strategy almost always requires budget reallocation.

Managers and others Involved

The data revealed that the participation of the managers in the strategic planning process was that they would design programmes in their own department/functional area, although the grand design and the scope of the programmes had been determined at the higher level. As said by an interviewee, “The managers of functional areas are the leaders in departments that they headed and they have the prerogative and authority to manage their own department.” The other interviewee said, “The employees and the stakeholders are not involved ultimately, but they are involved at the time of the implementation. He then added, “Implementers have no right to change planning as it is top down.” The evidence supports the outlook of Bryson (2004) that the involvement of managers is extremely important because of their vital role in translating policies and decisions into operations. Effective planning needs teamwork of CEO and all managers and staff. As asserted by Bolagun et al. (2003) that the making and transmission of a strategic change cannot only be associated with top managers’ actions towards internal members of organisation. Similarly, Steiner (1979) maintain that the substantive knowledge of managers and staff about their own operations is commonly far greater than that of top managers. Therefore, it is essential to involve managers in wholly parts of planning process. Data also shows that the managers of functional areas are the leaders in departments that they headed and they have the prerogative and authority to manage their own department. This finding parallel with the view of Dutton et al. 1997 that maintains that middle managers are frequently closer to external stakeholders, particularly customers, than are top managers. It is very important that as managers in the frontline of change, they have to describe to the people from the outside in numerous everyday situations, as depicted by Dutton et al. (1997), why the firm has decided to change its strategy and what new strategy of the firm is. Data also revealed that the employees are not involved ultimately, but they are involved at the time of the implementation. Implementers have no right to change planning as it is top down. This evidence supports the Bryson’s view

(2004) that it is very important to involve frontline personnel or their representatives in strategic planning process because of their day-to-day contact with customers. These personnel can actually impede strategic changes they do not support. Thus, it is important to involve them at the implementation stage.

Planning Document

The evidence showed that the strategic planning document in Bank D was not only permeating but also straightforward to use and it could be translated into documents to generate decisions. As a respondent said, “We have comprehensive planning documents and we refer to them when we are running a programme.” Another reported, “As a planning member, I am acquainted with the planning documents and I am sure all staff comprehend the substance of planning like goals, strategy formulation, and so forth.” The other respondent said, “Although I have never seen them, my head of department had explained the core of strategic planning once the document had been finalised.” In the other words, besides comprehensive, the written document at this bank is also clear and simple. Such written document of planning will enable staff of the organisation to comprehend with no trouble. As asserted by Burkhart and Suzanne (1993), the written strategic plan needs to be clearly read and understood. The thoughts and issues need to be outlined within a report so that the reader can easily understand the information displayed. Data also revealed, planning document at this bank provide a base to generate decisions. It is parallel with the Steiner’s view (1979) that planning documents should always be referenced when decisions are being made. Therefore, the researcher would like to note that planning document is very essential as a guidebook to execute the planning and guarantee standardisation of application in the organisation particularly at the stage of implementation of strategic planning; and as said by Burkhart and Suzanne (1993), compiling a working document allows others to have a final input.

Pre-planning

For this stage, an interviewee said, “We accomplish the data mining - both internal and external.” Internal data mining involves exploring the historical performance and the management and shareholders' direction, while external data mining explores macro economic factors, and benchmarking against other industries. The external data could be acquired from the internet or purchased from certain institution that sell companies statistical data. The Indonesian Central Bank also provided historic, and complete, and macro economic data. This evidence justifies what Steiner (1979) says that a specification of data required from the planning system should be provided during pre-planning both internal and external environment data. However, it is very important for this bank to start strategic planning process with carefulness and prudence and to build, as said by Bryson (2004), a common understanding of what strategic planning would mean for the company in order to effectively tailor the process to the company, as well as its importance. Arriving at a common understanding of the need for organisational strategic planning involves communication abilities and networking (Burkhart and Suzanne (1993). Such communication will increase conviction and dedication among all the planning members as argued by Bryson (2004) that It is essential to build trust and the necessary commitment among all involved to move ahead. Therefore, the researcher would like to note that at the stage of pre planning, it is critical for the organisation to have a planning process guide, as suggested by Steiner (1979), in order to make the consolidation of plans easier and to develop a clear understanding of the strategic planning process before it is actually carried out.

Process is Clear to all Involved

The process was obvious to all involved to a great extent. An interviewee reported, "As a planning member, of course I am very at home with the process of strategic planning. I have been involved since the very first stage of the process from pre-planning to implementation and evaluation." Another respondent said, "My involvement in the strategic planning is new but the planning division had described it before planning started." The other interviewee reported, "Although I am not a member of the planning department, I do know the process of planning since I observe it." He further said, "For other non-planning members, I think they will not be familiar with the planning process." In the other words, most of interviewees particularly the planning members are at home with the strategic planning process. As suggested by Steiner (1979), organisation has to develop a clear understanding of the strategic planning process before it is actually carried out. For this, it is essential to establish an understanding of what strategic planning would mean for the company in order to effectively tailor the process to the company, as well as its importance. The clearness of strategic planning process besides results in the strengthening of plans at ease, but also as stated by Keller (1983), in some cases, the process is as important as the plan. The right decision resulting from the planning processes is more important than a library full of plans.

Strategy Formulation

Regarding the extent to which Bank D formulated strategies as a part of the strategic planning process, an interviewee said, “The directors and shareholders determine the outline of the organisation direction. SWOT is undertaken to determine our position but it’s more qualitative.” Before that, mission, vision, and goals had been present. For example, if the bank wished to be the best bank, then how to attain this as said by the interviewee, “We will design strategies to attain it.” He further added, “The most important enabler in the banking industry is the funds (capital).” The other respondent said, “The financial trajectory has been formulated, and the financial statement has been presented. They then are distributed to the business units. The other reported, “The plans of the business units have to in line with the grand strategy. For example: from the funds collected from society, 50% should be generated from savings. It’s the direction. Then how to reach it, that will be determined by the business units.” Evidence above justifies the outlook of Kenneth Andrews (1980) who suggests that the major sub-activities of strategy formulation involve identifying opportunities and threats in the corporation’s environment and attaching some estimate or risk to the apparent alternatives (in Mintzberg, Quinn and Ghoshal, 1999). In the other words, before a choice can be made, the strengths and weaknesses of the organisation should be assessed, together with the available resources to determine where the company is. Data also revealed, this bank formulate strategies as a part of the strategic planning process to achieve the vision, mission, and goals of the organisation. As asserted by Jones and Hill (2013) that strategy formulation is concerned with the task of selecting strategies. Strategies can be formulated once the organisation has determined its mission (Bennett, 1999). In other words, the link between strategy and the environment where the firm operates particularly competitors is vital as stated by Porter (1979) that competitive forces shape strategy.

Bank D Summary

At Bank D, the President was the top leader and headed the top management. As the top leader, he should guarantee that strategic planning is on track. The strategic goals are comprehensive, but bank have obvious and very detailed parameters for the objectives of each goal. This bank used key performance indicators (KPIs) to measure objectives, so that we can monitor and evaluate them thoroughly.To implement strategic initiatives, this bank developed operating plans to reach the goal of the organisation. Planning would be communicated to the employees in the form of memos. All information would be distributed through all levels. The data (internal and external) obtained from the pre-planning stage were then mapped to identify the strengths and weaknesses of the corporation including its capabilities and the availability of resources. The organisation also analysed opportunities and threats in the firm's operating environment. The performance analysis was run every month, once every three months, and once a year, i to measure precisely the resources being used. In this bank there were internal rules as the guidance to change planning. There was hierarchy in the strategic planning according to the capacity of each level within the organisation. Once top management presented the policy of directors, the planners then set the scope of the project policy including funds, credit, and soon, based on the data they acquired when the plan was measured using capacity planning. The managers of functional areas were the leaders in departments that they headed and had the prerogative and authority to manage their own departments. The strategic planning document in this bank was not only permeating but also straightforward to use and it translated into documents to generate decisions. For the pre-planning stage this bank accomplished the data mining, both internal and external. The planning process at this bank was clear to all involved and a SWOT analysis was undertaken to determine position and formulate strategies as a component of the strategic planning process.

BANK E

CEO or President Involvement

In terms of the extent to which the CEO supports the strategic planning process, the data revealed that the CEO has an important role in designing high-level strategy. In the words of one interviewee, “The board of directors takes the main role in deciding the magnitude of the business target that will be achieved and the grand strategy of the company in the course of the board of directors’ annual meeting. He further added, “It then will be presented to the board of the commissioners to acquire agreement.” Another interviewee described, “The involvement of the CEO in strategic planning is to supervise the development of strategies for the entire corporation.” He further added, “This role comprises defining vision, mission and goals of the corporation.” The other interviewee said, “Allocating resources among the diverse businesses, and formulating and implementing strategies are the forms of the involvement of the CEO in the planning process.” Someone who is not in planning team said, “I think a CEO is a leader who guides and inspires us.” In the other words, CEO is responsible for whole operations and success of the organisation. This evidence support the view of Vaz (2007) that the CEO is responsible for the performance of the firm on the whole. Data also revealed that board of directors play an important role in formulating and implementing strategies. This matches with the observation of Abell and Hammond (1974), Steiner (1979), Lorange (1980), Raid (1989), and Bryson (2004) that the involvement of CEO in the strategic planning process is essential. In the other words, board of directors should give extensive attention to strategic planning since strategic planning system as asserted by Lorange (1980) is a critical process for top management. Any planning process that does not incorporate leaders who are open to participation and empowerment of others, as well as open to personal encouragement, will encounter critical problems with implementation (Haines, 1995).

Clear and Measureable Objectives

A respondent said, “The objectives are very clear and measurable and we monitor the achievement of the business target every month based on these objectives.” He further said, “We use metrics for each objective in order to allow us to measure them precisely.” Another respondent said, “We are unlikely to assess our progress if objectives are not clear and measurable.” The other respondent said, “Besides being clear and measurable, our objectives seek to answer main matters facing the organisation.” In the other words, in this bank it is not only objectives setting clear and measurable but also there is a need to establish understandable and properly defined objectives. This evidence supports the Urwick’s view (1952), who maintains that unless purposes (objectives) are specified then individuals get difficulty in co-operating (as cited by Greenley,1989). Data also show that the clearness of objectives provides a base for the organisation to monitor the progress. As suggested by Vaz (2007), objectives assist in evaluating and control. Objectives provide standard against which real performance can be assessed. Therefore, the researcher would like to note, it is essential to connect objectives with the basic purposes and of the organisation as asserted by Steiner (1979); Greenley (1989) that objectives must support the company’s basic purposes and mission.

Commitment to take Action

On the extent to which Bank E committed to taking action, a planning member said, “We construct programmes, budgets, and procedures.” Another planning member presented, “Action plans will be drawn up to put strategy into actions, such as preparing and purchasing resources that are needed to execute strategies.” The other interviewee said, “I think we need to increase the employees’ motivation by designing an appropriate compensation system.” A non-planning member said, “I am not sure but I think they discuss resources allocation after formulating strategy.” This evidence shows that to implement a strategic plan, the important actions are taken in this bank such as programmes, budgets, and so on. As suggested by Bryson (2004), it is critical that organisations have the commitment to take action. Without such commitment, intended strategies remain dreams rather than becoming reality. The findings above support the Vaz’s outlook (2007) that strategies and policies are put into actions through the development of programmes. Data also revealed that there is series discussions regarding resources allocation after formulating strategy. This supports the Steiner’s view (1979) that resources should be organised if strategies are to be implemented. For this, the proper resource allocation to various programmes is essential for successful implementation of a strategy or the bank will fail to achieve the organisational objectives.

Communications

In Bank E, information was used and given out all over the organisation during the strategic planning process; as said by a respondent, “We are in the planning division passing input to the board of directors in the form of the BOD’s yearly direction draft based on both the external and internal data analysis. If agreed, we extend this to entire units.” He further added, “Based on the yearly direction of the BOD, units propose the business target and budget proposal needed as well as the supporting working programme. Another interviewee added, “All data presented by the units will be processed to be adjusted with the corporate business target.” He further added, “Each working unit is invited to attend a meeting to discuss the necessary adjustments in order to achieve the agreed final result.” The other interviewee said, “For stakeholders such as the government, if it has a strategic programme it is likely that it will be included as one of the programmes of the firm.” He further added, “Stakeholders or shareholders will then be involved in the ratification of the bank business plan (RBB) as the working plan of the firm for the next year." In the other words, two-way traffic communication is evidence at this bank to enrich information of planning and strengthen commitment among the staff of the organisation. As suggested by Greenley (1989) that two-way transfer of information of planning both input and output of planning would ensure all managerial endeavours at the entire levels of management (Greenley, 1989). The data above also justify the observation of Quinn (1980) who maintains that enterprises build an open and opportunistically-tuned communication system to encourage more open, data-rich communications about overall directions, opportunities, and threats. Therefore, the researcher would like to note that communication both during formulation and implementation of planning is a critical for successful strategic planning since as also contended Mintzberg (1994); Eden and Ackermann (1998); and Jarzabkowsky and Balogun (2009) that communicating the decided strategy throughout the organisation is a vital part of the successful strategic change and minimises goal ambiguity as employees know what the organisation is trying to achieve.

Environmental Scanning

On the extent to which Bank E monitors the environment, the data revealed that Bank E conducted a systemic approach to environmental scanning. The enormous amount of data and management tools are used to scan the environment including macro economic data, assumptions of national budget, the performance of the banking industry, Porter's five forces, competitor mapping, and key success factors of the industry, among others. An interviewee reported, "We scan i the internal and external environments. For the internal aspect, we study strengths and weaknesses of the organisation; for external aspects, we analyse opportunities and threats using the relevant management tools." The other said, "We analyse the micro-environment including competitors, suppliers and customers. The macro-environment is also observed including economic trends, social trends, culture, and technology." A non-planning member said, "Although I am not involved in the planning process, I think the organisation analyses the capability of the organisation such as human resources, capital, marketing, and operations." The evidence justifies the Steiner's view (1979) who suggests that the appraisal of past performance and current and future environmental elements (internal and external) provides a base for pursuing the strategic planning process. Appropriate environment investigation assists an organisation to design effective strategies since as also asserted by Lynch (2000), environment analysis is a fundamental aspect of the development of corporate strategy. Therefore, the researcher would like to note that the capability to cope with surroundings in which an organisation operates enables an organisation to achieve the objectives of an organisation. As also asserted by Rue and Holland (1989), environment analysis can boost or reduce an organisation's ability to achieve its required levels of performance. For this, environment examination is critical or an organisation will fail to develop strategies and achieve the required performance.

Feedback and Evaluation

An interviewee said, "Every month we monitor the business target (figures). From this point, we then report to the management so that it has the complete data available to make the actions needed." Another interviewee added, "Every three months, we also request the report of working programmes from each business unit to evaluate the progress of the entire working programmes." Besides evaluating the business targets and the programmes, Bank E also ran meetings. In the words of the other respondent, "The enormous volume of reports and the coordination meeting will turn out to be the means by which we control and encourage the acceleration of the programmes or to make the adjustments required." A planning member said, "We scrutinise how our corporation is attaining recent goals and using its existing resources." He further described, "We discuss to find explanations so that our firm will perform well in the future." The evidence reinforces what Greenley (1989) said that the control process (feedback and evaluation) is concerned with endeavouring to guarantee that 'things don't go wrong' throughout implementation. The control process provides information for understanding the process; and it is the initiator of further managerial action. In other words, feedback and evaluation will ensure that planning process, strategy implementation or actions are undertaken in the reasonable track. As suggested by

Vaz (2007), in the lack of evaluation and control, activities may run in the inappropriate direction, and as such, the organisation would not be able to complete its objectives. For this evaluation and feedback is essential as argued by Greenley (1989) to amend future plans as a result of present performance, as well as permitting corrective action to be taken in present operational strategies. Data also revealed, how the organisation scrutinises the use of its existing resources. This is parallel with the outlook of Anthony (1965) that by feedback and evaluation, managers guarantee that resources are gained and used effectively and efficiently in the achievement of the organisation's objectives. In the other words, evaluation and feedback allows the bank to control the optimal usage of resources to obtain better productivity and efficiency, which in sequence it will engenders the achievement of the objectives of the organisation.

Flexibility to Adjust Planning

A respondent said, "Basically, management endeavours to ensure that all programmes will be implemented as formulated in the planning." However, there was flexibility to adjust planning if the situation demanded it. In the words of the respondent, "In terms of a situation that requires enormous adjustments, particularly relating to the allocation of resources, it then will be carried out hierarchically." If such adjustments are concerned with the allocation of human resources, he gave an example, "It will first be discussed with the committee of human resources." He further added, "The human resources then will make recommendations to the board of the directors in order to get approval. Another interviewee said, "It is very likely that the board of the directors has the other alternative to make adjustments which can be different from the recommendation proposed by the committee." Flexibility to adjust planning in Bank E encompassed all units around the organisation such as financial resources. However, as noted by another interviewee, "If the changes involve high, additional financial resources, and this exceeds the amount stipulated in the bank's business plan then the board of directors must annex approval from the board of commissioners. He then added, "If it doesn't change the final target of the business plan of the bank, it can then be completed by the board of directors at their next meeting." In other words, in this bank there is flexibility, however, limited and the environment is unstable and requires the changes. In this matter, it is wise to listen what Thompson and Martin (2010) suggest that formal strategic planning systems are most valuable in stable conditions. In such systems, environmental opportunities and threats are the prediction, and then strategies are planned and executed. While the environment is more unstable and less predictable, however, they both say further, strategic achievement needs flexibility, and the capability to learn about new opportunities and initiate proper changes continuously. In other words, strategic planning should not be rigid like rules. They can be changed hanging on the circumstances.

Hierarchical Planning

Regarding the extent to which strategic planning took place at numerous levels of the organisation, a respondent said, “for the board of directors level: they give the main direction concerning the business target and the grand strategy of the corporation,” He further added, “for the unit business level: this involves translating the grand strategy into the middle-term strategic planning and making proposals regarding the business growth and resources needed.” The other interviewee said, “For the supporting unit, presenting proposals for the fund to support achievement of the business target and working programme - this level is for short-term planning.” He then added, “For the branch level: proposing and receiving the business target from the branch supervisor group.” In the other words, strategic planning practices in this bank do have a hierarchy which for each hierarchy, there is corresponding set of strategic planning. These facts strengthen the view of Lorange (1980) who maintains that strategic planning has three levels: One, *corporate level* for portfolio strategy, second, *division level* for business strategy, and third, *functional level* for strategic programs. However, the findings above contradict with the view of Mintzberg (2000) who argues that the hierarchies so delineated which each management level has distinct hierarchies in terms of objectives, strategies, budgets, and programmes. Unlike the view of Minztberg above, for planning practices in this bank, for each hierarchy, there is corresponding set of strategic planning. For this, it is critical that planning hierarchy should indicate the division of labour among management as contended by Lorange and Vancil (1977) which the responsibility of each level flow from the top down and interconnected each other. The higher level in the planning hierarchy should provides foundation for the lower level including distinct hierarchies in terms of objectives, strategies, budgets, and programmes.

Linking Goals and Budget

A respondent said, “Every strategic goal needs resources and supporting programmes that are reflected in the form of figures, both the financial position and financial ratio.” He further added, “To reach the certain financial position and financial ratio, we need to expand our business or boost the growth of our business and attract additional funds.” Another interviewee then said that, based on the details of the working programme and the magnitude of the fund (figures), “all data then are entered into a ‘simulation engine’ to obtain the desired figures.” Clearly, from the text, Bank E tried to link the goals and the budget. The evidence showed that planning precedes budget. This justifies the Bryson’s view (2004) that budgeting is more likely to serve overall organisation purposes when environmental assessments, strategic issue identification, and strategy formulation precede rather than follow it. It means that budget is a consequence of strategic planning process. As asserted by Stettinius et al. (2005) that budget or annual plan is one of the basic means through which strategies are executed. The importance of budget does not lead annual planning is also presented by Bryson (2004); Heines (1995) that it will enable organisation to attain a more focused allocation of resources based on the strategic plan. For this, it is essential to involve all levels of management in the budget process since as a result of the strategic planning process, as said by Stettinius et al. (2005), the budget will be linked to both the business plan and the strategic plan and to set control and accountability into the budget.

Managers and others Involved

On the extent to which managers from the numerous functional areas were participating with the planning process, a respondent said, “Managers in accord with the respective function are involved by the group leader to assist the setting of business targets and working programmes as well as the budget needed based on the annual direction of the board of directors.” Another interviewee said, “The main involvement of the manager as head of division is to translate the direction of the CEO into each of its own business unit’s strategies.” The other said, “Functional managers are involved in formulating and implementing functional strategies in each of its own departments.” A non-planning member said, “I don’t know but I think the general manager will be concerned with planning for his own business unit and with coordinating the staff in his business unit.” In the other words, the participation and commitment of the managers in this bank during planning process is manifest. As suggested by Bryson (2004), that the involvement of managers is extremely important because of their vital role in translating policies and decisions into operations. The significance of the involvement of the managers in planning process is also presented by Steiner (1979) who suggests that strategic planning is a function and responsibility of all managers at all levels in an organisation. CEO needs support from the managers and staff and the teamwork of all managers and staff is critical in effective planning since, as argued by Steiner (1979), the substantive knowledge of managers and staff about their own operations is commonly far greater than that of top managers. Middle managers are expected to allow the effect of any managerial changes (Bryson, 2004), therefore, it is very important to engage in all aspects of the process.

Planning Document

To some extent the planning document was easy to use and it turned into a document used. An interviewee said, “The planning document has a significant function as a basis of actions.” He then added, “We have three kinds of planning documents: corporate level, business level, and functional level document.” Another respondent said, “I can’t imagine if our company did not have a planning document; how we would implement the things we have designed.” A non-planning member reported, “Although I know that the bank has a planning document, however, I have not under the authority of the management and planning members.” In the other words, written planning is as a foundation in decision making in this bank is evident and this is parallel with the outlook of Steiner (1979) that planning documents should guide implementation, and focus on necessary decisions, actions and responsible parties. Planning systems will not be effective when managers give sincerity to planning but make their decisions without orientation to plan. In the researcher’s view, It means that managers and staff are demanded to follow the written document (planning documents) of the firm and are demanded to take steps appropriately within the limitations put by the strategic planners as mentioned in the planning document. The importance of written document is also asserted by Burkhart and Suzanne (1993) that compiling a working document allows others to have a final input. Consequently, it is essential that the written strategic plan should be obviously recited and comprehended because as further presented by Burkhart and Suzanne (1993) that the thoughts and issues need to be outlined within a report so that the reader can easily understand the information displayed.

Pre-planning

An interviewee said, “Before designing strategic planning, the planning team collects the supporting data including the prospect of the economic conditions and business environment, and the historical performance data of the corporation both relating to the business unit and the supporting unit.” Another interviewee said, “The draft of the yearly direction of the board of directors is also presented in which it will form the general guidance for each unit to design the working plan for the next year.” This data show that the bank at the stage of pre-planning focuses on providing data needed during strategic planning process. This fact justifies the observation of Steiner (1979) who suggests that a specification of data required from the planning system should be provided during pre-planning as past performance and current situation of the bank, analysis of customers and markets, resources of the firm, competition, environmental setting, and others. Further, It is vital to determine, at the pre-planning stage, what it intends to reach from the strategic planning, as suggested by Bryson (2004), in order to effectively tailor the process to the company, as well as its importance. Therefore, the pre-planning stage has a critical role for the successful planning whereas the latter is unquestionable prerequisite to achieve the winning performance of the organisation.

Process is Clear to all Involved

To some extent the process was clear to all involved. The evidence showed that most of the interviewees could identify the process and stages of strategic planning. They could portray properly the objectives and timelines of the strategic planning process. An interviewee said, “As a member of strategic planning, I am very familiar with the process and the timeline.” Another reported, “I have been involved in the strategic planning on several occasions, so I am very familiar with the planning process; also I know what I have to do during the process. The other described, “Yes… the process is very clear since the system has been institutionalised and settled in our organisation.” A non-planning member reported, “Although I know the results of the strategic planning, however, I am not sure about the process.” From the text, the researcher could infer that the process of strategic planning was very obvious to all engaged in the strategic planning process, as nearly all of the respondents reported they were acquainted with the process. The clarity of the planning process will enhance dedication of the planning members as maintained by Bryson (2004) that it will build trust and the necessary commitment among all involved to move ahead. For this, according the researcher, it is important that planning department/division make a point to provide guidance on the planning process. The accurate meaning of the planning steps should be elucidated clearly and entirely to the planning members so that the right determination are taken. For this, the suggestion of the Steiner (1979) is significant who asserted that organisation should have a planning process guide that explains what is expected of those involved and to make the consolidation of plans easier. The organisation has to develop a clear understanding of the strategic planning process before it is actually carried out.

Strategy Formulation

On the extent to which Bank E formulated strategies as a piece of the planning process, an interviewee said, “Strategy formulation is formulated based on goals that will be achieved by the company." He then added, "Of course, we also consider the current internal capabilities and external possibilities that can be attained to complete the desired resources. Another said, "We formulate strategies based on SWOT analysis. The other respondent described, "Yes, there are three levels of strategies that we seek to plan during the planning process to attain the goals of the organisation: corporate strategy for the highest level, strategies for unit business levels, and strategies for functional areas as the lowest level." In other words, the link between strategy and circumstances is central. Strategy formulation is a function from the environment. This is parallel with Porter's view (1979) that competitive forces shape strategy; and Kay (1993) who maintains that strategy development include first describing, understanding, and analysing the environment. Consequently, successful strategy is how to match the resources and activities of a firm to the external environment. As also stated by Galbraith and Kazanjian (1986), organisations which do not possess a minimum level of 'strategic fit' are guaranteed to fail (cited in Frynas and Mellahi, 2011). Data in this bank also reveal, strategy formulation is formulated based on goals that will be achieved by the company. It means that the objectives of the organisation are recognised first before developing strategy. This justifies the sight of Henderson (1979) that organisation cannot establish the strategy until the objectives are identified. Strategy development is, therefore, a reiterative process requiring art as well as science.

Bank E Summary

The CEO had an important role in designing high-level strategy. The involvement of the CEO in strategic planning is to supervise the development of strategies for the entire corporation. The objectives of the organisation were very clear and measurable and the bank monitored the achievement of the business target every month based on these objectives. The bank collated and produced programmes, budgets, and procedures and several action plans were drawn up to put strategy into action. Communication was disseminated throughout the organisation during the strategic planning process. This bank conducted a systemic approach to environmental scanning. The enormous volume of data and the available management tools were used to scan environment. The main involvement of managers as head of divisonwas to translate the directions from the CEO into each of its own business unit's strategies. There were three kinds of planning documents at this bank: corporate level, business level, and functional level. Before designing strategic planning, the planning team focused on collecting the support needed during the planning process. The process of planning was clear to all involved. Strategy formulation was based on SWOT analysis and goals that would be achieved by the organisation.

BANK F

CEO or President Involvement

On the extent to which the CEO was involved in the strategic planning process, an interviewee said, "The CEO set the vision and mission of the organisation and, along with the middle management, the CEO set the goals and strategic planning of the organisation." Another respondent reported, "The final decision about the concept of strategic planning is made by the CEO." The other interviewee reported, "As a central figure in the firm, the CEO will be a source of inspiration for the members of the strategic planning process in designing strategic planning." The other said, "The planning division will meet the board of the directors to listen to the views of the board of directors before drawing up the strategic planning draft." From the text, the researcher can see how very central and strategic the role and involvement of the CEO in the strategic planning process is. This facts justify the outlooks of Abell and Hammond (1974), Steiner (1979); Lorange (1980); Raid (1989); and Bryson (2004) who suggest that CEO involvement in the strategic planning process is essential. As said by Lorange (1980) for example, strategic planning system is a critical process for top management. By strategic planning, top management, outlines the whole corporate policy of the organisation and top management establishes long range objectives and plans. In this matter, the researcher would like to note that it is essential to empower and allow the others in the planning process or the organisation will face difficulties at the time of execution of planning as asserted by Heines (1995), any planning process that does not incorporate leaders who are open to participation and empowerment of others, as well as open to personal encouragement, will encounter critical problems with implementation.

Clear and Measureable Objectives

Regarding the extent to which goals were defined and assessable, an interviewee said, “We employ metrics for each objective to allow us to measure accurately and easily to translate objectives into strategies.” Another interviewee said, “Objectives at our bank were based on the vision and mission of the firm.” The other interviewee said, “The goals of our organisation are widespread but objectives are made as detailed as possible to let us measure them accurately.” Another revealed, “I see objectives are very clear and it makes it easier for us to design strategic initiatives.” In the other words, there is a necessity at this bank to put obvious and well termed objectives. This is parallel with the suggestion of Urwick (1952) that purposes (objectives) should be specified or individuals find difficulty in co-operating, (as cited by Greenley,1989). Data also show, objectives at the bank are based on the vision and mission of the organisation. This justifies what Steiner (1979); Greenly (1989) said that determining organisational objectives is the second step in planning direction and objectives must support the company’s basic purposes and mission. For this, before an organisation sets objectives, it is essential to establish the vision and mission, purposes of the organisation as a base to establish the appropriate objectives. The researcher also notes that in an organisation, each hierarchy of the organisation has its own objectives and for this as asserted by Greenly (1989), the higher level objectives should provide a base for lower levels.

Commitment to take Action

Referring to the extent to which Bank F was committed to taking action, a respondent revealed, “This bank is devoted to take action to achieve the objectives of the firm by designing activities for the completing of the strategic plan.” Another interviewee said, “To achieve various goals, the company runs several actions in several stages such as creating programmes impacting on the accomplishment of the target approved." The other reported, "We also hold meetings to coordinate actions to attain the targets." In the other words, it is imperative that organisations have the commitment to take action. This facts are parallel to the outlook of Bryson (2004) that without such commitment, intended strategies remain dreams rather than becoming reality. For this it is essential that to accomplish diverse goals, the bank carries on numerous action plans to achieve various goals. To assurance a winning execution, it critical to set the course of accomplishment as suggested by Owen (1982) that progress measurement points should be established to guarantee successful implementation (as cited by Thompson and Martin, 2005:635). In turn, it can generate noteworthy worth for the organisation.

Communication

On the extent to which this bank let communication stream into the strategic planning process, an interviewee described, "The planning division will ask for input from other divisions and business units which will be consolidated, and then presented to top management as a draft of the strategic planning." Another reported, "Before making a draft of strategic planning, the planning division will meet with the top management first to get insights and input particularly about the next direction of the organisation." A staff of planning department said, "The strategic planning division disseminates information about strategic planning around the organisation" and "each head of business unit passes on the information on planning to his/her staff, so that the staff who are not involved in the strategic planning process will comprehend it." "there is a meeting every morning in each business unit involving all employees in each business unit to share the various important information." In the other words, there is a need to discuss the substance of strategic planning in this bank between top management and the planning members. As suggested by Haines (1995) that the organisation needs to run an organisation-wide managers' meeting to hear directly from the CEO and other members of the planning team and to arrange divisional/departmental all-employee gatherings to raise questions and concerns regarding the plan. Shared communication will increase the commitment of the staff as asserted by Greenley (1989) that two-way transfer of information of planning both input and output of planning would ensure all managerial endeavours at the entire levels of management. For this it is essential to build an open communication system, as contended by Quinn (1980), to encourage more open, data-rich communications about overall directions, opportunities, and threats. In turn, it will increase viability of planning as an integrative mechanism (Jarzabkowsky and Balogun, 2009); Mintzberg (1994).

Environmental Scanning

Referring to the extent to which Bank F observed its environment, an interviewee said, "For external scanning, we searched the industrial environment like competitors, and suppliers, and the general environment relating to like economic, social, legal, and demographic factors." He further added, "For internal scanning, we study the capabilities, resources, and competencies of the organisation. Another said, "We seek to analyse how resources are managed, monitored, and utilised." He further added, "We audit our resources in the functional areas including marketing, finance, human resources, operations, and research and development." The other respondent said, "Our organisation also seeks to analyse and control the forces which provide the opportunities and those which create threats and require responses." The other interviewee said, "External forces that organization seek to analyse include economic circumstance, political environment, capital market, suppliers, and customers." He then added, "We investigate both both internal and external environmental factors using the relevant management tools." In the other words, this bank seeks to identify opportunities and threats, strengthen the strengths and reduce the weaknesses and adjust its strategies. As suggested by Lynch (2000) that understanding of the environment is a fundamental aspect of the development of corporate strategy. Environment investigation takes the part of an important role for the success of strategy. For this the capability to cope with the circumstance has allowed firms to stay alive and turn out well is essential as depicted by Rue and Holland (1989) that environment analysis is critical since the environment can boost or reduce an organisation's ability to achieve its required levels of performance. In the other words, a failure to respond the changes in the surroundings in which the firm operates causes the last failure of the firm.

Feedback and Evaluation

On the extent to which the feedback was obtained and evaluated to make modifications, an interviewee said, “We evaluate the data as the base to identify the change of the strategic direction and to make other modifications.” Another interviewee reported, “There are indicators that we employ to observe the main process, so that, based on those, we will give feedback and evaluation.” The other interviewee revealed, “We assess the practicality and suitability of the strategies that have been chosen.” He further added, “For these, we need to analyse manpower plans, finance plans, product plans, and marketing plans.” The other respondent said, “We observe features of our organisation in terms of targets, strengths and weaknesses, threats and opportunities, gaps, and strategies.” This facts shows that by feedback and evaluation managers in this bank seek to analyse and measure the main process and the appropriateness of the chosen strategies. As suggested by Rue and Holland (1989); Greenley (1989) that the control process (feedback and evaluation) provides information for understanding the process; and it is the initiator of further managerial action. Feedback and evaluation are concerned with endeavouring to guarantee that ‘things don’t go wrong’ throughout implementation. For this, it is essential that organisation designs a proper system to organise efforts in terms of feedback and evaluation, as depicted by Steiner (1979), to ensure that managers have the knowledge desired to evaluate whether individual performance is consistent with plans and, if not, what should be done about the problem. In this matter, evaluation and feedback should be linked to the goal of the organisation as asserted by Vaz (2007) that corrective measures are carried out to reach pre-determined goal. The emphasis is put on accomplishment of goals rather than ordinary activities.

Flexibility to Adjust Planning

Evidence suggested that to some extent Bank F allowed flexibility to adjust planning. A respondent said, “If needed we can make adjustments but we can only change the business plan once a year.” Another interviewee said, “We design the business plan with high accuracy.” The other respondent said, “Although we have designed planning based on the very complete data using numerous management tools, as situations and conditions change, we will make adjustments … but there are rules for making amendments." In the other words, flexibility is very limited in this bank. It is likely if the situation demand it. It is sensible since this bank adopts the formal rational strategic planning system which as asserted by Thompson and Martin (2010) that formal strategic planning systems are most valuable in stable conditions. In such systems, environmental opportunities and threats are the prediction, and then strategies are planned and executed. However, flexibility is important while the circumstances are volatile as contended by Thompson and Martin (2010) that while the environment is more unstable and less predictable, strategic achievement needs flexibility, and the capability to learn about new opportunities and initiate proper changes continuously. For this, the researcher would like to note that strategic planning should not be inflexible, they can be amended depending upon the circumstances.

Hierarchical Planning

The data revealed as described by an interviewee; "At top management level, strategic planning is more strategic and long term and it is an umbrella for the planning at the lower levels." Another reported, "Grand strategy is designed at the highest level and the process of strategic planning flows downward." The other interviewee said, "Based on the grand strategy, the middle management will design business planning for the middle-term strategy." The other reported, "Functional areas will translate the middle-term strategy into action and budget." The facts show that strategic planning in this bank does has a hierarchy which among hierarchies, there is a corresponding set of planning. As asserted by Norris and Poulton (1991); Thompson and Strickland (1998) that planning should occur at all levels of the organisation. However, Mintzberg (2000) has a different stance that the hierarchies so delineated which each management level has distinct hierarchies in terms of objectives, strategies, budgets, and programmes. In this bank as stated above that for each hierarchy, there is corresponding set of strategic planning. For this, the researcher would like to note that it is essential that planning hierarchy should specify the division of labour among management as maintained by Lorange and Vancil (1977) which the responsibility of each level flow from the top down and interconnected each other. This means that the upper level in the planning hierarchy should give a base for the subordinate level including separate hierarchies in terms of objectives, strategies, budgets, and programmes.

Linking Goals and Budget

On the extent to which goals were developed with budgetary prerequisites, an interviewee said, “Yes, we do realise that budget allocations affect the planning implementation process. For this the link between budget and planning is a must.” He then added, “We are always deeply involved in the functional areas as implementer in the budgeting process.” Another reported, “The strategy implementer also evaluates the programmes and budget initiatives in depth. The other said, “We perform activities to design the working programme and budget of the bank. We then monitor, supervise, and evaluate the implementation of the budget set by management based on the standard or norms of the budget that has been set. He then added, “We then set guideline of implementation and the regulations relating to the implementation of the programmes.” In the other words, this bank seeks to link goal and budget and involves implementer in the budgeting process. However, it is not clear whether planning process precedes budgeting process. Budget should be an outcome of the planning process as asserted by Bryson (2004); Heines, (1995) that good strategic budgeting needs to follow annual planning. Budget does not lead annual planning as it will enable organisation to attain a more focused allocation of resources based on the strategic plan. The involvement of functional areas in this bank as implementer in the budgeting process justifies the views of Thompson and Strickland (1998) who explain that the strategy implementers should be intensely involved in the budgeting process, intimately reviewing the programmes and budget proposals of strategy-crucial organisation units. Consequently, implementers must also be dedicated to swing resources from one part of what to another, as said by Thompson and Strickland (1998), to support new strategic initiatives and priorities. An amendment in strategy and programmes typically always necessitates restructuring in the budget of the organisation.

Managers and others Involved

Concerning the extent to which managers from the numerous business units and functional areas were participating with the planning process, an interviewee said, “The manager has symbolic roles including the role as figure, leader, and railway bridge.” He further added, “The manager also has tasks to monitor and disseminate information and has duties as the speaker, which is an informational role.” The other interviewee said, “A manager has the roles as a decision maker as well as entrepreneur, problem solver, allocator of resources, and negotiator.” A head of planning revealed, “It is essential that managers are totally involved in the strategic planning process. The involvement of the general manager in the planning process is particularly to design and execute strategies for the business unit that he leads.” He further said, “The involvement of a functional manager is to design and execute planning in functional areas that he manages in order to back the business unit’s overall strategies.” The other said, “We need support from the lowest level of the organisation and for this managers at the lowest level are also involved in the units of strategic attempts.” Data reveal that the involvement of managers is evident. It is imperative because as maintained by Steiner (1979); Bryson (2004), managers play a vital role in translating policies and decisions into operations and the substantive knowledge of managers and staff about their own operations is commonly far greater than that of top managers. Data also reveal that the support from the lowest level of the organisation is evident and for this they are also involved in the units of strategic attempts. The participation of those is important because as asserted by Bryson, they are in charge of daily use of the main technologies causing or affected by strategic change and the views of the frontline personnel or technical core have could assist the key decision makers. For this, the researcher would like to note that for successful managerial change, it is vital to involve managers and because as also asserted by Bolagun et al. (2003) that the making and transmission of a strategic change cannot only be associated with top managers’ actions. The participation of the lowest level is also important or they will slow down strategic changes they do not support.

Planning Document

The data revealed that the strategic planning document in Bank F was simple to use and was converted into a document used to make decisions. In the words of a respondent, “We have a clear planning document and it is used to take action and make decisions.” Another interviewee reported, “The bank staff, particularly at the upper level, are familiar with the strategic planning document.” The other reported, “We have three planning documents including corporate planning document, business planning document, and functional planning document.” These findings match with the view of Vaz (2007) who contends that business policy (planning) should be stated in straightforward, clear, and explicit terms. Planning document should be orientation for managers to take actions or implement the planning decided. As asserted by Steiner (1979), planning document is very important to guide implementation and focus on necessary decisions as well as should be referenced when decisions are being made. In the other words, planning will not be valuable when managers and staff give sincerity to planning. For this, the researcher would like to note that it is essential as revealed by data that planning document should bring clarity which it will guarantee the standardisation of the appliance within the organisation. The planning document also should be complete in spirit covering all areas and issues that is pertinent to the organisation. The lacking of the certain issues will slow down the achievement of the objectives of the organisation.

Pre-planning

For the pre-planning stage, an interviewee said, “Pre-planning is not only concerned with preparing the strategic planning process but also preparing data needed in the strategic planning process.” The other interviewee reported, “In this stage we run briefings involving the planning members so that they will be familiar with the planning process.” A non-planning member said, “I am not sure about the process but I saw that the head of the planning division ran a plan-to-plan day involving the planning members.” In the other words, pre-planning serves to arrange data required during the planning process and update the planning members on planning process. As contended by Steiner (1979) that besides providing the basic guides for organisational planning, pre-plan also provides a specification of data needed from the planning system. The comprehensiveness of the data provides a strong foundation for strategic planner (planning division/department) to development and implement the strategic planning. However, data required during planning process need to be accepted by those who employ the data. There may be difference of opinion among the planning members regarding data provided by the planning division/management. This problem can be resolved via sharing idea/brainstorming at the time of pre-planning.

Process is Clear to all Involved

Regarding the extent to which the planning process was comprehended by all members involved in the strategic planning process, an interviewee said, “As a member of strategic planning, I am familiar with and comprehend the process of planning.” Another interviewee said, “The process starts from preparing data needed during the planning process, conducting environmental analysis, formulating strategy, and so forth.” One non-planning member reported, “Although I see that the planning is a recurrent activity, I am not sure how the strategic planning process is.” The other said, “The process is more from top management although the lower level is involved in this strategic planning process.” In the other words, there is no problem of clarity in the planning process. The planning members have a clear understanding of the strategic planning process before it is conducted. In the literature of planning, as presented by Steiner (1979), the organisation should have a planning process guide that explains what is expected of those involved and to make the consolidation of plans easier. For this It is important for organisation to develop a clear understanding of the strategic planning process would mean for the organisation, as asserted by Bryson (2004), in order to effectively tailor the process to the company, as well as its importance. In turn, it will increase commitment of the planning members to planning itself which managers and planning members are supposed to perform within the boundaries set by the organisation (planning division/department).

Strategy Formulation

Discussing the extent to which this bank pursued the formulating of strategies as a part of the strategic planning process, a head of planning said, “At our bank, for the highest level we design strategy for the organisation as a whole which we call corporate strategy. We also design strategy for the business level and for the functional level, and last we formulate strategy for the lowest level which we call operating strategy." A planning member said, "We design strategies based on SWOT analysis to achieve the objectives, vision and mission of the organisation. A non-planning member said, "I am not sure about the strategy formulation but I think it is formulated to obtain sustainable competitive advantage and improve the performance of the organisation." In the other words, strategy development in this bank encompasses building a vision mission, objectives, and strategies at numerous level. As suggested by Thompson et al (2010); Wheelen and Hunger (2000) that the managerial process of crafting a firm's strategy involves developing a firm's mission, objectives, strategies, and policies. In this bank, it is clear that strategy formulation is to achieve the objective of the organisation. It means that identifying the objectives of the organisation first before designing strategies of the organisation is imperative as argued by Porter (1979), a firm cannot establish the strategy until the objectives are identified. Further, It is also clear that the bank seeks to connect their strategies to environment. The connection between strategy and environment particularly competitors is vital, as suggested by Porter (1979), that competitive forces shape strategy. The essence of strategy formulation according to Porter is coping with competition. Therefore, for the managers capturing benefit of chances and cope with threats in the outward business circumstances is essential as suggested by Bowman and Asch (1996) and Frynas and Mellahi (2011) that in developing strategies, the task of the decision maker is based on what a corporation can do to take advantage of opportunities and deal with threats in the external business environment. In the other words, the effective strategy is a function of the matching the managerial process and resources of the organisation and the circumstance in which it operates.

Bank F Summary

The CEO set the vision and mission of the organisation and along with the middle management, the CEO set the goals and strategic planning of the organisation. As a central figure in the firm, the CEO would be a source of inspiration for the members of the strategic planning process in designing strategic planning. To achieve various goals, the bank run several actions at several stages such as creating programmes impacting on the accomplishment of the target. Metrics were developed for each objective to allow the bank to measure objectives accurately and easily to translate objectives into strategies. Before drawing up a draft of strategic planning, the planning division will meet with the top management first to get insights and input particularly about the next direction of the organisation. The bank investigated both internal and external environmental factors using the relevant management tools. The data were evaluated as the basis on which to identify the change of the strategic direction and to make other modifications. Adjustments would be made if needed but the bank could only change its business plan once a year. Planning in this bank was conducted at several levels. To link budget and planning, the functional area staff as implementers were closely involved in the budgeting process and also evaluated the programmes and budget initiatives in depth. The involvement of the functional manager was to design and execute planning in functional areas so that he could support the business units' overall strategies. The planning process was very clear to all involved and the planning document was used to take action and make decisions. During the pre-planning phase, the bank was not only concerned with preparing the strategic planning process but also preparing the data needed in the strategic planning process. Strategies were designed based on SWOT analysis and formulated to achieve sustainable competitive advantage and improve performance of the organisation to achieve the objectives, vision and mission of the organisation.

CULTURE

The second research question in this study investigated organisational culture in the bank and the extent to which organisational culture provides a context for the successful strategic planning process in the banks participating in this study.

Bank A

Bank A showed attributes of *adhocracy culture* in which the organisation was viewed as a vigorous, entrepreneurial, and innovative place to work, and a place that inspires individual initiative and freedom. Common themes brought into play by the interviewees are as follows: “innovation and continuous improvement are essential since change is manifest,”; “the organisation greatly encourages the staff here to be creative and innovative,” and “it encourages staff to have strong ideas to cause advancements.” Other language included, “there are intense values in our organisation to inspire the staff here to add value by being innovation-oriented.” Another stated, “working knowledgeably and meticulously both during the planning process and when implementing strategy are values very much emphasised in our organisation.”

The texts also comprised features of bureaucratic culture wherein the formally defined roles determine the activities of the staff; staff compliance with organisational authorisations is directed by rules and regulations. Words used by respondents were as follows, “there is guidance set by the organisation to perform planning regularly,” and “it’s very clear that what we will do in performing our task to implement designed planning should meet the standards and procedures set by management.”

The other culture also apparent at Bank A was *clan culture*, whereby the organisation was viewed as a friendly place to work and emphasised loyalty and tradition, among other factors. Evidence at Bank A showed themes denoting elements of a clan culture. Jargon used by respondents was as follows, “it’s essential to hold values and morals to build fairness,” and “we underline loyalty, tradition, solidarity, truthfulness, and trustworthiness as the main values in our organisation.” Other respondents said, “we are involved in accordance with the position and duty of each of us,” and “participation is apparent during the planning process since it involves divisions and departments.”

The texts also contained features of market culture where the bank is viewed as goal-oriented and emphasises productivity and efficiency in developing strategy. Respondents said, “we have to be proactive and quick responders in order to give the best service to the customers"; "one of the best ways to increase our market is improving efficiency in all line of organisation"; "we have to be caring and friendly so that our customers feel confortable while coming to our bank"; and "there are rewards from management for outstanding contribution to the organisation."

Bank B

Parallel to Bank A, the wording from Bank B described in rich terminology the presence of clan culture, adhocracy culture, and market culture. *Adhocracy culture* was evident from the following records: "the very important way to create revenue is continuous improvement." The other described, "from time to time, we try hard to offer new products to attract new customers and increase our profit. They can be reached if a creative and pioneering ethos has been the tradition in our organisation."

Another culture that also emerged in Bank B was the *bureaucratic culture*. Jargon used by respondents was as follows, "it is a must to follow the rules of the organisation in performing the tasks," and "there is a standard operating procedure in conducting the tasks.

"*Clan culture* was apparent from the following notes: "we emphasise loyalty, tradition, cohesion, and morale"; "fairness, discipline, trustworthy are the very important values in our corporation," and "the leader has an important role as a motivator to encourage staff to participate and have input both during the planning process and when implementing strategy." The other culture that was also apparent in Bank B was *market culture*. As depicted by the interviewees, "the main concern in our organisation is with getting the job completed"; "providing the best results is our commitment"; and "goal-oriented has been a big spirit in implementing the programmes around the organisation."

Bank C

Bank C showed attributes of *adhocracy culture* that was apparent from the following records: "the bank highlights the entrepreneurial atmosphere and management improvements"; and "the performance assessment of the staff is based on a scoreboard referring to commercial and obedience achievements." The texts also comprised features of *bureaucratic culture* which formally defined roles that determined the activities of the staff; staff adherence to organisational authorisation is directed by rules and regulations. Respondents said, “in our organisation, guidance is described officially as a base to perform actions”; “it is essential that staff adhere to the rules set by management,” and “in conducting strategic planning regularly, the planning division always refers to the written guidance set by management.”

Evidence from Bank C also revealed themes representing elements of a *clan culture*. Language used by interviewees was as follows, “the achievement of the vision and mission of the organisation is highly supported by the values that are embedded in and developed by each individual as well as the company’s positioning as the bank, which places heavy emphasis on fairness and morality.” Other findings showed that staff and official promotions must go through a process of verbal and written documentation, relating to such aspects complying with the regulations and provisions of the organization, endorsing the company’s and employees’ honour, and working according to the moral values, among others. Other finding also revealed that this bank is also strict in dealing with reputation risk caused by employee’s conduct which is not in accordance with the culture, ethics and laws of the institution.

Other data contained features of market culture, as presented by an interviewee, “this bank emphasises achievements oriented to boost the value for the shareholders.” The other said, “in designing, implementing planning and executing strategic initiatives, the organisation heavily underscores productivity and efficiency”; and “rewards for outstanding contribution to the organisation are provided to encourage and increase the staff achievement.”

Bank D

In Bank D, the terminology clearly revealed the existence of adhocracy, bureaucratic, clan, and market cultures. The *adhocracy culture* was apparent from the following records: “continuous improvement is a characteristic that is very much encouraged within the organisation"; "being a professional, innovative and creative employer to deliver the best products and services to the customers are the main values in our organisation"; and "a big spirit and futuristic outlook are essential qualities to obtain important resources."

The texts also described qualities of *bureaucratic culture* in which legally defined roles settle the activities completed by staff; staff defiance to organisational authority is steered by rules and regulations. Expressions used by respondents were as follows, "we have to follow the rules in conducting our jobs even though we try to implement strategic planning to achieve the goals of the organisation," and "the compliance to the regulations of organisation is a part of the successful staff performance."

The other culture, *clan culture*, emerged from the following transcripts: "We put the interests of the organisation above personal interests…"; "our actions both in and outside the organisation don't violate the ethics of the organisation or its moral values"; and "with the participation of employees in decision making, at least their input is encouraged." The other reported, "the long-term benefits of the development of human resources have been a concern of our organisation, so the organisation show high appreciation of the quality and competency of human resources." The other respondent said, "there is a strong mutual trust between divisions and departments for mutual support to achieve the goals of the organisation."

The texts also covered attributes of *market culture* as depicted by a respondent, "we all realise that the enhanced market share and improved profitability are as a result of the increased customer satisfaction. That's why the organisation adopts them as the main component of the culture of the corporate culture."

Bank E

Data in Bank E showed the phrasing in a rich terminology representing the existence of clan culture, adhocracy culture, and market culture. *Adhocracy culture* where the organisation is viewed as a vibrant, entrepreneurial, and inspiring place to work was evident from the following records: “the organisation tries to build the spirit of friendship, so that employees carry out their tasks and obligations professionally”; and “a prospector-type long-term orientation is operated to retain a lot of valuable resources.”

Another culture that also emerged from the text was the *bureaucratic culture*. In this culture type, strictly defined roles regulate the activities of the employees; staff compliance with organisational authority is directed by rules and regulations. Expressions used by interviewees were as follows, “to run the tasks, employees then should follow the rules of the organisation”; and “guidelines and procedures govern what people do.”

The presence of *Clan culture* could be seen from the following notes: “every employee in this bank should adhere to the social and ethical norms, as well as the norms of the organisation”; and “building a good image, showing respect and self-confidence.”

The other culture that also appeared in Bank E was *market culture*. As depicted by interviewees, “the overall spirit of this bank is market-oriented” and “trying to keep long-term and mutually beneficial relationship with customers and other business partners.”

Bank F

The phrasing from Bank F clearly revealed the existence of adhocracy, bureaucratic, and clan culture, as well as market culture. For *adhocracy culture*, the evidence from Bank F revealed the following texts, “doing the tasks based on proficiency and knowledge to attain the best results”; and “be innovative, creative, and broad minded,” were values that were emphasised in Bank F.

The script also covered features of *bureaucratic culture* as depicted by respondents: “our firm is a courteous and regulated place to work”; and “policies and procedures rule what people do.” Texts also contained attributes of *clan culture* as follows “it is an obligation for every employee in our bank from the highest to the lowest level to uphold values agreed upon, and be responsible for them with a vengeance"; and "cooperation for mutual respect to achieve the best results."

The other culture that also emerged in Bank F was *market culture*. As portrayed by the interviewees, "there are values that have long been entrenched in our organisation: giving the best service to the customers and increasing share value is our main concern"; and "we always perform research market to understand customer aspirations."

Culture Summary

To summarise, the data showed that the clan and market culture were prevalent at all six banks in this study (A-F). Bureaucratic culture was also evident at all banks. Meanwhile, for adhocracy, they were prevalent at five banks: bank A, B, C, E and F.

DECISION-MAKING APPROACHES

Bank A

At Bank A, the board of directors had an important role in decision making, although, the decision-making style that appeared was *rational collegial* in which resource distribution decisions are the outcome of group discussion and consensus. The rational collegial decision approach appeared from interviewee remarks, as follows: "although the board of directors is central in our bank, decision making particularly concerning resource allocation is not restricted to just the board of directors; it is the result of long discussions during the planning process." The other said, "when decisions have been taken, even the director cannot change them."

Bank B

As was the case with Bank A, components of the *rational collegial* decision approach appeared from the transcripts for Bank B as presented by an interviewee: "we argue anything in detail, there is brainstorming during the planning process to identify all options available." The other said, "before the final decision is taken by the director, it's essential to compare our resolution with adequate alternatives." There was a long journey to make decisions before the organisation could then execute these decisions.

Bank C

The *rational collegial* decision approach also appeared from the data for Bank C in explanations on resource allocation. For example, a transcript revealed, "each planning member frankly judges several options although the big picture regarding resource allocation has already been set by the board of directors and the planning division." The other record revealed that planning members would propose their views on what looks best for the organisation, particularly concerning resource allocation. As an interviewee said, "we have every planning member assert something that might be negative or positive on each choice. It does not take up much time to listen to every planning member's opinions."

Bank D

Similar to the data from Banks A, B, and C, elements of the *rational collegial* decision approach emerged from the transcript for Bank D; as said by an interviewee: "in our organisation, there are established guidelines in making decisions, especially how to allocate strategic resources. The planning division sets parameters in deciding the allocation." Another noted that "there is no way that decision making on resource allocation will be made outside the strategic planning process. If we do not have a business plan, then we will not have resources either."

Bank E

In Bank E, the *rational collegial* decision approach also emerged from the facts relating to the explanations on resource allocation. As presented by an interviewee, "decision making to allocate resources in the most efficient way is based on rigorous analytic discussion, including considering the best opportunities. For this, there is a strategic assessment process that takes place during the planning process regarding the priority." The other record revealed, "in our bank, all expenditure such as for opening new branches, product diversification, and so on should be approved by management based on a thorough plan.”

Bank F

Similar to the data from Banks A, B, C, D, and E, in Bank F features of the *rational collegial* decision approach also appeared from the transcript for Bank F. As reported by an interviewee: “before arriving at the final outcome of the process, we have intensive discussion and brainstorming sessions. The decision makers then commit themselves to a certain path of action; therefore once the final decision is made, it is not possible to turn back.” The other noted, “in our bank, decisions are delegated to the proper level that is endorsed with mandate and accountability.”

Decision-making Summary

To summarise, the data exhibited that the only decision-making approach prevalent at all six banks in this study in the resources allocation context was the rational collegial approach. Although the boards of directors were central in the banks investigated, the decision making to allocate resources in the most efficient way was the outcome of intense group discussion during the planning process based on a rigorous analytic and strategic assessment process regarding the priority. There was a long journey to make decisions before the organization moved quickly to execute their solution. All expenditure such as for opening new branches, product diversification, and so on should be approved by management based on a thorough plan. There are established guidelines in making decisions, particularly on how to allocate strategic resources designed by the planning division. There is no way that decision making on resource allocation will be made outside the strategic planning process. If the bank does not have a business plan, then the bank will not have resources either.

CHAPTER FIVE

DISCUSSION

As depicted in the previous chapter, the aim of this study was to explore and document of the dynamics of planning practices (changes) in the high-performing banking industry in the Indonesian context and how organisational context to facilitate the successful strategic planning practices. In this chapter, the researcher discusses the findings of strategic planning practices in six banks and how culture and decision types assist the victorious strategic planning practices.

5.1 Strategic Planning Elements

The findings indicate that the elements of planning presented in this study were evident at all 6 banks that participated in this study. Each element will be discussed as follows:

5.2 CEO Involvement

Strategic planning is not a substitute for effective leadership and for it there is no substitution when it comes to planning (Bryson,2004). In all six banks in this study, the role of CEO in strategic planning process was very strategic and decisive. CEO was very involved in the strategic planning process to give input and approval in accordance with the level of authority. CEO also used strategic planning to identify and address key and important organisational issues in order to increase organisational performance. As a central figure in the firm, CEO would be source of inspiration for the members of the strategic planning process in designing strategic planning. These findings were consistent with the *planning* school's view that stated that although the Chief Executive Officer (CEO) is the architect of strategy, in practice, this architect was not meant to design the strategic plans so much as to approve them (Mintzberg et al., 2009). These findings were also parallel to the observation of Lorange and Vancil; that the concern of the top executive will be "the development and implementation of a corporate strategy and plan for the overall balance of business activities, that is, a corporate or portfolio plan" (Lorange and Vancil, 1977:1). They were also parallel to the views of Thompson et al. (2010); that senior corporate executives usually have overall responsibility for developing corporate strategy and for choosing among whatever is suggested from the company. They also set objectives and formulate strategies that span the activities and functional areas of these businesses. The evidence was also compatible with Bryson's view above (2004) and Abell and Hammond's views that the CEO involvement in the planning process is a must. As Abell and Hammond said, "the support of senior management is an absolute must, because planning is ultimately designed for them to set strategy and allocate resources" (1979:434). Because the findings supported some extent of CEO involvement. They were also compatible with the Steiner's stance that "there can and will be no effective formal strategic planning in an organization in which the chief executive does not give it firm support and make sure that others in the organization understand his depth of commitment" (Steiner,1979:80). These findings were also compatible with Abell and Hammond's view that CEO and other senior management members must be keenly involved in planning, and see that decisions succeeding to the plan are consistent with it (1979). In all six banks in this study, the researcher could note that the fundamental role of the CEO in strategic planning was very apparent and has been for best effects both on making sure that the strategic planning process was on the right track and improving the organizational performance. These facts were consistent with the Raid's opinion that "without the commitment of the chief executive to the objectives, as well as to the process of planning, the process will cease to be effective" (1989:557). Data in all six banks in this study also revealed that CEO was a leader, motivator, decision maker, risk taker, and taskmaster. The involvement of CEO in strategic planning was also to make sure that strategic planning was implemented well, the desired results were reachable, and resources needed were available. These findings were consistent with Steiner's observation that "planning is of the highest importance in the effective discharge of many of the duties," and "CEO must be a leader of people; a skilled judge of human character, motivation; a business statesman in dealing with government and community leaders; a thoughtful person who can look ahead and know how to get there, …" (Steiner, 1979:81). It was essential if CEO and also board of directors paid full attention to strategic planning since as said by Lorange (1980) that strategic planning system is a critical process for top management.

The data also revealed that while strategic planning would be formulated, the planning division would meet the board of the directors to listen the views of board of directors before making the draft of strategic planning. CEO would present his direction on the future of the organisation and main issues in front of the representatives of the business units around the organisation. Though there was sharing of ideas, CEO or board of directors took the role in deciding the magnitude of the business target that would be achieved and grand strategy of the organisation in which they were poured in the course of the board of directors' annual meeting. These findings were coherent with the Haines' opinion (1995) that any planning process that does not incorporate leaders being open to participation and empowerment of others, as well as open to personal encouragement, will have critical problems with implementation. It was reasonable since the staffs would be heavy involved at the time of implementation of planning.

Henry Mintzberg, however, takes a different stance about the role of the top management in corporate planning. He stated that “planning, in its own pitfall, can undermine the very commitment it so urgently demands” (2000:157). Mintzberg also asserted that strategic planning is not alone in this: every recent technique, system, or function competes for top management support (2000). Some are successful and some are not. It isn’t because “they have top management support per se but because they provide something of value (and so get that support)” (p:156). From the researcher’s point of view, there are, of course, other factors contributing to the organisation’s successful performance in addition to top management involvement such as: shared values, managers’ and employees’ commitment, implementation of planning, and so forth. The researcher agrees while Mintzberg argued that highest management (top management) support may be a required condition for success, but it is definitely not a sufficient one. Criticism to the role of top management in planning was also presented by Lorange (1980). Lorange contended that the CEO should not be the one who is entirely involved with the detailed execution of the strategic planning and control process because that person could not usually have the time to perform this. Rather, he is the creator of the system in a broad sense or as remote control. Steiner (1979) gives illustration on time schedule for a corporate five-year plan. Of the 31 steps allocated from August to December, top management was allowed taking part in eight steps:

In August:

1. Corporate Planning Staff (CPS) meets with corporate officers, and check with division planning staff, concerning a timetable for planning.
2. CPS confers with corporate officers concerning changes in basics objective, strategies, and policies, that should serve as new guides for the planning programme…

In November:

1. If chairman of CPC (Corporate Planning Council) is not Chief Executive, the chairman and the director of corporate planning discuss major issues with the chief executive…..

And in December:

1. A two-day planning conference is held off site, attended by top executives of company and each division. Each division presents its plan and its problems, alternatives are discussed, and courses of action are determined. The chief executive is chairman of this conference.

2. At the end of the conference the chief executive, who is the de facto conference chairman, decides how each plan is to be modified as a result of the conference proceedings…..

3. An alternative procedure in many companies is for each division to present plan individually to top executives….

4. An overview and selected parts of the plan are presented to the board of directors by the corporate planner.

5. Annual budget reviews and approvals for next year's operation are made by the chief executive…….

(Cited in Minzberg,2000:161-162).

5.3 Clear and Measurable Objectives

Rue and Holland (1986) pointed out objectives as a statement of what is to be achieved. The data showed that the objectives were adjusted with the vision and mission of the organisation translated into the long term, middle term, and short term objectives and communicated to all levels around the bank. Based on vision and mission, the objectives for the entire organisation then were set up. In the business plan, they were then translated into three years' objectives. In short term planning, they were translated into one years' objective. There was a hierarchy of objectives in all six banks in this study. These findings were consistent with Steiner's view (1979) that objectives must support the company's basic purposes and mission; and also matching with Rue and Holland's observation (1986) that objectives are normally stated in terms of a desired level of attainment within a specific time frame. At the top most of hierarchy is the widest aim for the entire firm embodied by mission. At the following stage are the detailed objectives relating to the entire firm. The subsequent stage is a set of whole objectives for each of the divisions. The operational objectives are exclusive to each of the business functions such as finance, marketing, and so forth. Subunit objectives relate to particular activities within each of the operations. At last, the lowest of the hierarchy embodies the individual objectives. However, the lowest hierarchy (personal objectives) didn't appeared in the text during interviews in all six banks that participated in this study. The findings were also parallel to Quinn's view (1980), which suggested that objectives should be clear and decisive whereby all efforts are aimed toward clearly understood, decisive, and achievable overall goals. The findings also supported Greenly's views (1989) that determining organisational objectives is the second step in planning direction and the higher level objectives provide a base for lower levels. There was a logical sequence from mission to objectives. Objectives were also set up at other levels in the various perspectives in each bank researched, such as: objectives from financial perspective, customer perspective, and so forth. At the end, talking about objectives was to achieve sustainable value to shareholders. These findings were compatible with the Richards's observation (1986) that connects stages of objectives to stages within the organisational structure, specific managerial job titles, and the strategies which are founded at different stages in the structure; and also parallel with the Greenly's opinion (1989) that objectives are also founded at other levels in a company, while the larger and the more complicated the structure the greater the potential for a broad range of objectives, in order to adapt the aims of the various business areas.

As already revealed in the previous chapter, data also showed that there were clear measurements both long and middle strategic planning as well as short strategic planning. Objectives were set as detailed as possible to allow bank measuring them precisely. Each task had key performance indicators connected to the attainment of the objectives of organisation. All six banks in this study developed metrics for each objectives to make sure the achievement. Banks in this study realised the importance of having clear and measureable objectives as devices of monitoring the attainment of the business target and strategic objectives. These findings were consistent with Urwick's view (1952), an early writer on objectives, as quoted by Greenley (1989:168)) that "unless purposes (objectives) are specified then individuals find difficulty in co-operating"; and supported the Steiner's view (1979:165) that "only when objectives are expressed in concrete terms for specified periods of time can their achievement be measured reasonably objectively"; as well as Greenley's views that the objectives give a basis for measuring and assessing company performance, by contrasting actual results with the standards set up in the objectives (1989). It was clear, then, that monitoring the attainment of the business target and strategic objectives, and measuring company performance could be performed well if the objectives in the various levels were clear and measurable.

Furthermore, data in all six banks in this study also showed that the formulation of organization objectives was the authority of top management. However, the objectives for lower levels involved the managers of related business unit and departments. This findings supported the assumptions of strategic planning criticized by Mintzberg (2000) that objectives are determined by the top management for the whole organization, which in turn bring to mind the process of formulating strategy, and themselves, cascade down the structural hierarchy, as devices of motivation and control- that is to give incentives and tools to assess performance. The findings also matched with Steiner's observation (1979) that best results are reached when those who are responsible for reaching objectives have some role in setting them; and they are more possible to be motivated to reaching them than are people who have little contribution in this field.

However, Mintzberg criticised that if the objectives really exist to motivate, then according to behavioural scientists, "people have to be involved in the setting of their own ones" (Mintzberg,2000:71). So instead of cascading down, objectives have to be made in diverse places and then accumulated. But if so, how can they connect to strategies easily? With one accumulating and the other cascading down, how do they get together? To quote Eigerman (1988), "In a purely bottom up system, the integration of strategy across units is achieved with a stapler"! (Mintzberg,2000:72). Thus, the connection between the setting of objectives and the formation of strategies remains unspecified. "It is one thing to describe strategy as being driven by values in a general sense, as does the design school model, quite another to establish a link with formal, quantitative targets" (Minztberg, 2000:72). The researcher thinks that it was an interesting and challenging debate between the proponents of design school of thought with the bottom up school of thought that needs clarification further by other research. In this matter, the researcher would like to note that whichever the system organisation would adopt, managerial participation is critical; it was fundamental to involve various levels of managers in addition to top management in the objectives setting process.

5.4 Commitment to take Action

It was essential that organisation had commitment to take action. Without commitment to take action, intended strategies remain dreams rather than becoming reality (Bryson,1996). Data demonstrated that to reach numerous goals (objectives) and implement several strategies, all six banks in this study made action plans. Several programmes and budgets, and projects were designed involving across divisions and departments in which coordination across business unit and department was essential. These findings were consistent with Bryson's views that "creating a strategic plan can produce significant value" (2004:238). Further, Bryson said that building valuable programs, projects, action plans, and budgets, and so forth will bring life to the strategies and generate more real value for the institution. The findings also matched with the other Bryson's opinion (2004) that programs, projects, action plans, and budgets are needed in order to synchronise the activities of the various executives, managers, professionals, technicians likely to be engaged. Arguing in a similar way, Steiner (1979) suggests that the coordination of functional plans in the strategic planning process will indicate how resources are to be organized if strategies are to be implemented. When functional plans are interconnected, they also provide a strong base for developing short span tactical plans to guarantee their implementation. The findings were also parallel to Wheelen and Hunger's view (2000), which states that strategies and policies are put into action through the development of programmes, budgets, and procedures; and the view of Morgan, Levitt and Malek (2007) which also suggests that strategy execution involves a system-wide approach that consistently directs the organisation to do the right things and to do those things right As also revealed in the previous chapter that all six banks in this study developed the measures of performance and devices of monitoring development. These findings matched with Owen's observation (1982) as quoted by Thompson and Martin (2005:635) that "measures of performance" and "milestones, or progress measurement points" should be established to guarantee successful implementation. However, these findings contradicted Kaplan and Norton's observation (1996) that strategic plans were often not translated into measures that managers and staff could comprehend and utilise in their day-to-day work. Although many researchers on strategy have to some extent supported implementation as a separate stage after formulating strategy, others have presented alternative outlooks of the implementation process. Hrebiniak and Joyce (1984) in investigating how managers develop their implementation plans, as appeared in the book by Wit and Meyer (1994), say that the execution process is directed by two values: bounded rationality and minimum intervention. In the former, managers will perform in a rational way but will cut down the whole task to a series of small stages in order to make it more manageable. As a result, the strategic goals and implementation are possible to divide into a series of smaller tasks that can be more easily managed but may not be optimum. The latter, as summarised by the authors: "in implementing strategy, managers should change only what is necessary and sufficient to produce to produce an enduring solution to the strategic problem being addressed … If it isn't broke, don't fix it." Lynch (2003) quoted the work of Quin, Senge, and others (1992) and concluded that "implementation needs to be considered not just as single event with fixed and rigid plans but rather as series of implementation activities whose outcome will shape and guide the strategy. The full strategy will not be known in advance but will emerge out of the implementation" (765-766). The last, the researcher would like to note that implementation and formulation are interlinked. The researcher agrees with three emergent perspectives on the implementation process as summarised by Lynch (2003).

5.5 Communication

Data showed that during the planning process, all six banks in this study tried to get a lot of ideas or input from across organisation such as: divisions, departments, branches, employees; and also from the government, shareholders, and analysts via regular meeting, joint meeting, annual meeting, e-mail, website, and so forth. The planning division also socialised the results of the strategic planning to the divisions and departments via meeting and memo throughout organisation. These findings supported the Eden and Ackermann's observation (1998) that communicating the decided strategy throughout organisation is a vital part of the successful strategic change. They argued that effective communication of the strategy can increase understanding, possession, and commitment. Disseminating of the subsequent strategy is also essential because it shows management's commitment to the staff. The findings were also compatible with the Haines' views (1995). He suggested that the organisation runs an organization-extensive managers' meeting to listen to directly from the CEO and other members of the planning team; and to arrange divisional/departmental all-employee gatherings to ask questions regarding the plan and to establish concerns. Similarly, Quinn (1980) presented that enterprises builds an open and opportunistically tuned communication system to encourage more open, data-rich communications about overall directions, opportunities, and threats. The researcher would like to note that for effectual planning, thoughtfulness also needs to be given to the effective usage of communication. Via communication, two-way transfer of information of planning both input and output of planning would ensue and as presented by Greenley (1989) that it is essential to all managerial endeavours at the entire levels of management. Therefore, during the planning process, it was critical that organization involved in the detailed communication of agreed strategies. As Lynch (2003) argued, in small organisations, it may be unnecessary to hold in the elaborate communication of decided strategies. However, in larger enterprises, it is vital. The findings also supported the observations of Jarzabkowsky and Balogun (2009) and Mintzberg (1994), which contend that two features of strategic planning - participation and communication - will increase viability of planning as an integrative mechanism. Participation in strategic planning will affect different groups' commitment to a common goal; communication of planning goals minimises goal ambiguity as employees know what the organisation is trying to achieve. Building upon these two integrative effects of strategic planning, Ketoviki and Castaner (2004) find an additional association between communication and participation that increases integration effects when both are adopted. Following Heines' notions (1995), the researcher would like to suggest firstly communicating the strategic plan during planning process as described by Heines (p. 62).

5.6 Environmental Scanning

Strategist are agreed that an understanding of the environment is a fundamental aspect of the development of corporate strategy (Lynch,2000). Environmental scanning refers to "an analysis of data, past, present, and future, that provides a base for pursuing the strategic planning process" (Steiner,1989:122). To investigate an organisation's environment, numerous analytical procedures can be carried out. In all six banks in this study, data showed that in analysing of the factors surrounding the organization both general environment and specific aspects, numerous aspects were analysed including: the dynamics of the environment, competitor and customer analysis, social and political aspects, international trends, and technology development. The macro-economic condition and its impact on the development of the company were studied and the rival banks were analysed by making prognosis of the development of industry and the firm's competitor. The enormous data and management tools were used to scan the environment including macro-economic data, assumptions of national budget, the performance of banking industry, five forces, competitor mapping, and key success factor of industry. Internal and external data were used to enrich the environmental scanning process. For internal environment, banks identified of the enterprise strengths and weaknesses such as resources and functional areas: marketing, finance, operational, and human resources. A number of management tools/techniques used to explore the environment included: PEST analysis, SWOT analysis, five forces model, competitor mapping, key success factor of industry, and so forth. The findings supported Steiner's view (1979) that the appraisal of past performance and current and future environmental elements (internal and external) is an essential stage in the planning process; and the observation of Rue and Holland (1989) that analysis of the environment is critical since the environment can boost or reduce an organisation's ability to achieve its required levels of performance. These findings were also consistent with Steiner's view (1979) above; and Lorange and Vancil's observation (1977) that one of the main functions of a strategic planning system is to assist adaptation of the long term attempts of the company to changes in the environment. The findings also parallel with Lynch's views (2000) that to examine an organisation's environment (external), "particular basic analytic should be undertaken" (105).

5.7 Feedback and Evaluation

There is no doubt that strategic controls (feedback and evaluation) are a very valuable and vital part of the strategic management process. Without them, things could simply get out of control (Rue and Holland, 1989). Data showed that the six banks in this study that are stretching for high performance need planning processes to verify that their trajectory remains on course to a profitable future. The data also showed that there was an internal mechanism both formal and informal including meeting, via phone, and notes to perform strategic control to get feedback and evaluation. There was the formal meetings to discuss what is going on and there was personal in charge from each division. The result of the meeting then would be reported to the board of directors. Strategic planning (long term) was reviewed/evaluated every year. There is a unit displaying the performance of the organisation every month and presented to the directors including the attainments, constraints, and so forth. The constraints would be assessed including those in technology, networking, and human resources. The feedback process in the all six banks was run by monitoring the firm's and business unit's performance based on the report of the performance realisation. It contained the constraints and input as well as strategic efforts in solving the problem to achieve the planned target. Management also gave input in terms of evaluating the performance and the feedback from the business unit/departments. The three month's evaluation of the performance presented input to management in one side, and in the other side, management gave the strategic direction relating to how to achieve the intentional target. The next step, the business unit made adjustment relating to the management direction and implemented it at business unit level. These findings supported the Greenley views (1989) that the control process (feedback and evaluation) is concerned with endeavouring to guarantee that ‘things don’t go wrong’ throughout implementation. Control process provides information for understanding the process; and it is the initiator of further managerial action. The findings are also consistent with Rue and Holland’s view (1989) that strategic control is concerned with hunting down the strategy once it has been executed, identifying any problem or potential zones, and making needed adjustments; the Steiner’s observation (1979) that the whole organization of the enterprise must be suitable to the tasks, size, and direction of the company. In other words, control here, as stated by Greenley (1989) allows for decisions to amend future plans as a result of present performance, as well as permitting for corrective action to be taken in present operational strategies. For the most part, by feedback and evaluation, as stated by Anthony (1965) that managers guarantee that resources are gained and used effectively and efficiently in the achievement of the organization’s objectives.

5.8 Flexibility to Adjust Planning

When the environment is more turbulent and less predictable, planning needs flexibility. In all six banks in this study, all decisions of resources allocation had been designed and decided during planning process. Adjustment in the implementation stage was likely if the environment force the organisation to adjust planning. However, to adjust planning, it would be seen first the impact to both bottom line and the central bank of Indonesia. The central bank of Indonesia have a rule that business plan only can be changed once a year in July at the latest. There would no changes to strategic planning as long as the environment was normal. For the strategic and significant issues such as adding the funds / capitals, opening the new branchs, bank had to report to the central bank as the holder of the monetary authority to change it. There were the internal rules as the guidance to do the changes. So, even the directors could not change planning. From these findings, the researcher could see that flexibility was still evident in all six banks in this study although it was limited. These findings were parallel with the formal strategic planning systems which they are most valuable in stable conditions (Thompson and Martin,2010). In such systems, environmental opportunities and threats are the prediction, and then strategies are planned and executed.

As said by Thompson and Martin (2005), however, while the environment is more unstable and less predictable, strategic achievement needs flexibility, and the capability to learn about new opportunities and initiate proper changes continuously. The findings contradicted Quinn's logical incrementalism (1980) stating that in dynamic and turbulent environments, detailed formal planning is understood to be problematic. The study of Quinn very emphasised on evolution and flexibility of strategies. Thus, it is sensible not to depend on detailed plans, but instead to plan wide-ranging strategies within a obviously defined mission and purpose (Thompson and Martin, 2010). The findings were also different with the visionary and entrepreneurial leadership approach (Thompson and Martin, 2010) where major strategic changes will be determined without long formal analysis.

Interestingly, the findings supported the observation of Henry Fayol, about a century ago, who said that the very purpose of planning is not to encourage flexibility but to reduce it, that is, to establish clear direction within which resources can be committed in a coordinated way (Mintzberg, 2000). However, Newman (1951) presented that "the establishment of advanced plans tends to make administration inflexible; the more detailed and widespread the plans the greater the inflexibility" (Minzberg, 2000:173). Arguing in a similar way, Mintzberg (2000) presented that planning itself tends to raise a basic inflexibility in organisations, and so a resistance to important change. However, as Steiner said that "plans are commitments, or should be, and thus they limit choice." For this, the researcher agrees when Steiner says: "This should not be a serious limitation, but should be note" (1979:46). In this study involving six banks in a relatively stable business environment, formal rational strategic planning system in which flexibility was limited had lead the banks to high organisational performance. Similarly, the study of Wegner (2006) who investigated the planning conversations in 3 colleges in USA revealed that strategic planning contributed to strategic change. However, Grant (2013) asserts that most successful firms are not products of grand designs. The most successful firms of all time was a ‘product of insight, intuition, experimentation, and events’ (P.22). It is emergent strategy that works the best in turbulent and chaotic environment. The emergent approach to strategy making allows adaptation and learning through a constant interaction betwen strategy formulation and strategy implementation in which strategy is continuously being adjusted and revised in the light of experience. This approach allows every member of the organisation, particularly middle management to develop strategy. In the beginning, strategy is initiated by SBU (strategic business unit) and plant managers, then it is subsequently disseminated by top management as organisation’s strategy. Further, Grant asserts, in practice, strategy making almost always includes a mixture of centrally driven rational design and decentralized adaptation. Similarly, Hill and Jones (2007) and Johnson et al.,(2012) contend that in practice, the strategies of most corporations are probably a combination of the intended (planned) and the emergent. In the researcher’s view, both approaches are complementary each other and have sides of thruth. In stable business environments, rational approach (intended strategy) is more apropriate, while emergent strategy will work the best in turbulent and less predictable environment.

5.9 Hierarchical Planning

The extent to which strategic planning took place at numerous levels of the organisation, data demonstrated that in all six banks in this study, there was hierarchy in the strategic planning according to the capacity of each level within the organisation. The levels in the strategic planning ware graded from the top level to the lowest level. At the top level, strategic planning was more to the high level strategic planning concurrent with their position. The strategy for this level was grand strategy and long term. For the business/division level as the second hierarchy, middle management as the second layer would translate long-term strategy into middle-term strategy. Planning in this level should be in line with the grand strategy. Meanwhile, for the functional level such as marketing, finance, human resources areas, and so on, there was a strategy for each specific functional area. Finally at the lowest hierarchy, that is, operating level, the organisation tried to formulate narrower strategies for operating unit. Planning at functional and operating levels were more detailed and it translated the middle term planning into action and budget for the next one year. In each level, there had be the distinct objectives, strategies, programs, and budgets. These findings supported the Lorange and Vancil (1977) who contend that a three-level hierarchy of strategic planning tasks reflects the division of labour among management. At the first level, the corporate level, concern of the top executive will be "the development and implementation of a corporate strategy and plan for the overall balance of business activities, that is, a corporate or portfolio plan" (Lorange and Vancil, 1977:1). At the divisional level, the manager of a division will be responsible for development of a strategy and plan for the particular business, and at the functional level, the department manager will strive to develop particular action programmes to execute the plans for his division. The findings were also parallel with Thompson and Strickland's view (1998) that in diversified enterprises, strategies are formulated at four separate organisational levels. There is strategy for the enterprise and all of its business as a whole (corporate strategy). There is strategy for each separate business the corporation has differentiated into business strategy. Then there was strategy for each particular functional unit within a business (functional strategy). Lastly, there are more limited strategies for basic operating units (operating strategy). These findings were also consistent with the comprehensive model as quoted and criticised by Mintzberg (2000) that there are four planning hierarchies including corporate management, business management, functional management, and operating management. According to Minztberg, "these four hierarchies so delineated…although any hierarchy of structural units could be substituted (p.69). Minztberg also presented quoting the comprehensive model that each management level has distinct hierarchies in terms of objectives, strategies, budgets, and programs. However, the findings were different with the Thompson and Strickland's observations (1998) mentioning three distinct and different hierarchies for each management level. Meanwhile, for objectives and strategy, each level has the distinct objectives and strategies. In the researcher's view, the Thompson and Strickland's views concerning with the vision and mission hierarchies were somewhat confusing. In the researcher's understanding and also in literatures of planning, vision and mission would always be authority of the senior executives (board of directors) and it is at the highest level. They would, therefore, be designed by top management and provide a base for objectives, strategies, and specific actions at the lower levels throughout the organisation.

5.10 Linking Goals and Budget

Budget or annual plan is one of the basic means through which strategies are executed (Stettinius, et.al,2005). Budgeting is more likely to serve overall organisational purposes when environmental assessments, strategic issue identification, and strategy formulation precede rather than follow it (Bryson:2004:245). The data showed that strategic goals were connected with budget in which budget was a result of the planning process. Once top management presented the their policy, the magnitude was set including funds, credit, and so forth based on the data that were measured using the capacity planning. The key determinant was how the enabler supported to the program. As long as the enabler (fund) was available, the business would run well. Every strategic goal need resources and the supporting programs that are reflected in the form of figures both the financial position and financial ratio. Based on the details of working program and the magnitude of the fund (figures), all data then were simulated into the 'simulation engine' to obtain the desired figures. While programs are set, at the same time the planning team will set budget. In budget process, programmes have certain timeframe for accomplishment. To link goals and budget, this bank ran joint planning session involving managers across unit business, departments. There was meeting between the planner with the executor to discuss about goal, programmes, budget, and so forth. There had the accounting division comprising: budgeting, capital expenditure, and operational expenditure; and while the divisions proposed the programme, they also proposed the budget. Banks then monitored, supervised, and evaluated the implementation of the budget set by management based on the standard or norms of the budget that have been set. Banks also make the guidance of the implementation and the regulations relating to the outcome implementation of the programs. These findings are consistent with the Stettinius et al.'s views (2005) that budget contains strategic, operating, and financial prospects for the coming year and is related to the coordination and control of internal flows of capitals. The findings also consistent with the Haines' suggestions (1995) to cascade the strategic plan down to yearly plans and budgets and finally to individual performance assessments. It means that there would always connection between objectives, annual plans and budget since both of strategic plan and annual plans, as well as budget were resulted from the hierarchical strategic planning process and therefore interconnected each other. However, in the planning literature, there were somewhat different views relating to budget and annual plan. One stated that annual planning and budget are at the same point (Stettinius et al., 2005). The other depicted that good strategic budgeting needs to follow annual planning. Budget does not lead to annual planning (Haines,1995). In the researcher's view, the latter was more reasonable since as said by Haines that it will enable the organisation "to achieve a more focused allocation of resources based on the strategic plan" (p.50). The findings also parallel with the Thompson and Strickland's observation (1998) arguing that it is very essential that the strategy implementers to be intensely involved in the budgeting process, intimately reviewing the programmes and budget proposals of strategy-crucial organisation units. A change in strategy almost always calls for budget reallocations.

5.11 Managers and others Involved

The involvement of managers is extremely important because of their vital role in translating policies and decisions into operations (Bryson, 2004). Data revealed that in all six banks in this study, the managers were completely involved in strategic planning process. In the level of the division or the branch, they carried out meeting, collected data, met stake holders, and design planning. They then met strategic planning team. Frontline personal may also be involved to ensure that the needed changes can be understood and wise changes implemented. The general manager was involved in implementing the management policy and budget of the corporate into strategy in the unit business level. He also run coordination with the other business units to synchronize the process in order to reach the target. The head of business unit performed review on the performance of his/her business unit and gave input in terms of the new strategy in order to achieve the target. The magnitude then was broken down. Informally, managers also gave input at the time budget would be made. The managers also participated in designing programs in their owned department/functional area in which the grand design and the magnitude of the programs had been determined by the higher level. The employees and the stakeholders are not involved but they were involved at the time of the implementation. However, Implementers have no right to change planning as it is top down. Managers' accordance with the respective function was also involved by the group leader to assist the making of business target and working programme as well as budget needed based on the annual direction of board of directors. For stakeholders such as government, if likely, we will accommodate or support if government has a strategic program and it will be included as one of the programs of the firm. The findings were consistent with the Steiner's views (1979) that strategic planning is a function and responsibility of entirely managers at all levels in an organisation (Steiner, 1989). The findings were also parallel with the Bryson's thoughts (2004) that the involvement of managers are extremely important because of their fundamental role in transforming policies and decisions into operations. Middle managers are expected to allow the effect of any managerial changes, so that it's very important to involved them to reduce pointless resistance and fashion transitions smoother (2004). The involvement of managers in the planning process was also parallel to the view of Lorange and Vancil (1977), who contend that the manager of a division will be responsible for the development of a strategy and a plan for the particular business, and that the manager of a department will strive to develop particular action programmes to execute the plans for his division. At this point, the researcher would like to note that the involvement of middle managers in strategic planning both in the development and implementation of planning is essential. As contended by Bolagun et al. (2003), the making and transmission of a strategic change cannot only be associated with top managers' actions towards the internal members of the organisation. At the early phases of strategic change, meaning surrounding change must also be generated for outside actors and shared with them (Rouleau, 2005). Middle managers are frequently closer to external stakeholders, particularly customers, than are top managers (Dutton et al., 1997). Being on the frontline of change, they have to describe to people from the outside, in their own words and in numerous everyday situations, why the firm has determined to change its strategy and what the new strategy of the firm is (Rouleau, 2005). Therefore, the role of middle managers is vital particularly in the implementation of a strategic change.

The other finding, but in not all six banks in this study that revealed the frontline personnel's involvement in the strategic planning, supported Bryson's suggestions (2004) that it is very important to involve frontline personnel or their representatives in the strategic planning process since their technical knowledge.

5.12 Planning Document

Strategy documents are very important to guide implementation and to retain a focus on necessary decisions, actions, and responsible parties. Some extent the planning document was simple to use and it turned into a document used to make decisions, the data revealed that all the results of strategic planning process were documented in three kinds of the documents, they were: first, document for long term strategy (five years) called RJP. Second, document for middle term (three years) called RBB. The last, short term document (one year) called RKAP. The documents planning document has significant function as a basis of actions and plain and easy to read particularly while describing about goals, target, and strategy, as well as programmes of the organization. These findings were consistent with Steiner's view (1979) that planning documents should always be referenced while making decisions. Planning systems will not be effective when "Managers give lip service to planning but make their decisions without reference to plan" (p.46). These findings were consistent with the Meredith's observation (1993) that the integration of the various planning efforts is essential to make successful planning easy to achieve. The organisation had to connect the various planning across the business units and departments.

5.13 Pre-planning

Pre-planning dimension describes how organisations arrange to plan including how to understand the process and estimated outcomes of the process. Data from this study showed that pre-planning was evident particularly in terms of data collection. In the pre-planning stage, all six banks in this study more focused on data and information gathering both from the pertinent internal sources and external sources necessitated during strategic planning process. These findings were also parallel to the Steiner's views (1979) that a specification of data required from the planning system should be provided during pre-planning such as: past performance and current situation of the bank, analysis of customers and markets, resources of the firm, competition, environmental setting, etc. However, the findings also revealed that planning division prepared and organised the steps that was critical to the successful strategic planning and the administration of strategic planning process including the timeline of the strategic planning process, and the members that will be involved in the strategic planning process. These findings supported Steiner's opinion (1979) that plan to plan/pre-planning provide the basic guides for the planning to be performed in an organisation. The researcher agrees with the Steiner's view above. However, there were no data evident in terms of planning assessment as Steiner asserted (1979) that planning to plan may start with an evaluation of planning currently being done in an organisation and a determination of whether more or different planning is necessary.

The researcher would like to highlight what Keller (1993) and Steiner (1979) have summised; that before the beginning of the strategic planning process, it is fundamental to recognise what strategic planning is *not*. An in-depth understanding of this matter will ensure that the substance of the planning process is on the right track, and will subsequently improve and increase the organisation's performance.

5.14 Process is Clear to all Involved

It is necessary to establish understanding of what strategic planning would mean for the company, tailor the process to the company and its importance. It is also to build trust and the necessary commitment among all involved to move ahead (Bryson, p.77).

The data revealed that all staff involved comprehended the strategic planning process including the stages of planning process, the purpose and the importance of strategic planning process. In all six banks in this study, strategic planning had been institutionalised and conducted for several years. They had a division and a department that ran this process specifically and made manual to guide how the strategic planning process would be performed. Before strategic planning process was started, the consolidation process to the members of planning particularly the members from non-division/department of strategic planning were performed to make sure that all members intricate in planning process would comprehended it well both the stages and substance of strategic planning process. The planning process was very clear since the system has been institutionalised and settled in our organization. The process starts from preparing data needed during planning process, conducting environment analysis, formulating strategy, and so forth. The planning is a recurrent activity, but the process is more on top management though the lower levels were involved in this strategic planning process. These findings were consistent with Lorange's view (1980) that suggests that one of pillars that supports the success of a formal strategic planning process is that the overall purpose of conducting a formal strategic planning process must be totally comprehended at all levels of the organisation. These findings are also compatible with Steiner's observation (1976) that once the organisation has decided what the organisation wants to achieve from the planning process, it is critical that the details be cautiously thought through. Organisation should have a guidance of planning process explaining what is expected of those involved in planning and to make the consolidation of plans easier. The organisation has to develop a clear understanding of the strategic planning process before it is actually carried out.

5.15 Strategy Formulation

Strategy formulation is aimed to create a set of strategies will connect effectively the firm to its environment to achieve excellent performance. The data demonstrated that there were numerous stages in strategy formulation in all six banks in this study. Once the data were collected at the previous stage, SWOT analysis was conducted to get to know the position of the bank, but it's more qualitative. The directors and shareholders presented the outline of the organisation's direction. Based on mission, vision, and goals, SWOT analysis, and so forth, the banks then formulated strategy. Planning division formulated and proposed strategic planning to the management. The representatives of the divisions were involved during this strategic planning process to discuss the substance of strategic planning including assumptions used in strategic planning. Once agreed by management, it would be presented to the division by memo, then several meetings were performed across divisions, departments, and employees. The bank translated it into the middle plan and short term. In the first year, strategic planning would be translated into actions (current decisions) in which they would be part of the strategic planning**.** In all six banks, strategies were created at four separate organisational hierarchies. The findings supported Henderson's view (1979) that more valuable concepts of corporate strategy link the firm to its competitors in terms of a competitive system in equilibrium (in Lamb, 1984); Porter's view (1979), which suggested that competitive forces shape strategy; and the observations of Bowman and Asch (1996), Frynas and Mellahi (2011); Kay (1993) and Joice and Woods (1996) who point out that in developing strategies, the task of the decision maker is based on what a corporation can do to take advantage of opportunities and deal with threats in the external business environment. Successful strategy, then, is about matching the resources and activities of a corporation to the external environment - both the macro environment and the industry environment in which it operates (strategic fit). In the other words, organisations which do not possess a minimum level of 'strategic fit' are guaranteed to fail. In the contrary, Hamel and Phahalad (1994), however, have a different stance point and critiqued the 'fit model' of strategy making for the reason that it can lead to a mindset in which management concentrates too much on the level of fit between the current resources of a firm and recent environmental opportunities, and not adequately on building new resources and capabilities to generate and exploit upcoming opportunities. For this, Hamel and Prahalad (1984) suggest that strategies formulated with only the present in mind tend to be more involved in today's problems than concerned with tomorrow's opportunities.

Consequently, as argued by the both authors, it is questionable whether firms that rely entirely on the fit approach to strategy formulation are able to build and sustain a competitive advantage. In this matter, the researcher would like to note that both school of thoughts are complementary. Both of them are interdependent and produce effective strategy only when perform together.

The findings were also consistent with Andrew's thoughts (1987) that as a starting point for the development of strategic options, it is important to link the organisation's mission and objectives with its strategic choices and succeeding activities (Lynch, 2003). "The interdependence of purposes, policies, and organized action is crucial to the particularly of an individual strategy and its opportunity to identify competitive advantage" (Andrew as quoted by Linch, 2003). The findings also consistent with the Thompson and Strickland's views (1998) that strategy formulation is not simply a task for senior executives. In large companies, it engages senior executives, heads of business units, the heads of main functional areas, product managers, district and regional managers, and subordinate- level supervisors. There are a strategy for the firm and all of its business as a whole (corporate strategy), business strategy for each distinct business, functional strategy for each particular functional within a business, and operating strategy for basic operating units. The findings also supported the Steiner's observation (1979) that once basic purposes, missions, and long-range planning objectives are founded, the conceptual series in strategic planning is then to develop program strategies to reach them. The findings also parallel to Haines's view (1995) depicted that once taking stock of current conditions and the position of your functioning today, main strategies are then formed to close the disparity between the vision and today, along with a set of priority actions for the following year. These main strategies turn into the organizing framework to guide the remainder of the planning process - from the strategic plan to the yearly operational plan to the specific level of action and accountability. The findings were also compatible with the Vaz's views (2005) that strategy formulation encompasses the steps including framing mission and objectives, SWOT analysis, gap analysis, framing alternative strategies, choice of strategy.

Concluding this discussion, the researcher would like to highlight the views of Mintzberg, Quinn and Ghoshal (1999); that before a choice can be made, the corporation's strengths and weaknesses should be assessed, together with the available resources. In other words, the strategic alternative is the outcome from matching opportunity and corporate capability at an agreeable level of risk. As Jones and Hill (2013) assert, strategy formulation is concerned with the task of selecting strategies where strategies can be formulated once the organisation has determined its mission (Bennett, 1999).

5.16 The Role of Culture

This research explored the social formation of the planning process. Organisational culture affects organisational thinking; the role of culture appeared in numerous parts of the strategic planning process. A study by Smart et al. (1997) on the roles of cultures in promoting organisational effectiveness suggested a connection between culture and institutional performance. Smart et al. (1997) employed the four types of organisational cultures developed by Cameron and Ettington (1998) to determine the connection between organisational performance and organisational culture. This study in the Indonesian banking industry exposed that all four of organisational culture types were apparent during the strategic planning process. Bank A, B, C, D, E, and F adopted the adhocracy culture in which bank underlined innovation, continuous improvement, entrepreneurial atmosphere, and added value invention-oriented attributes because the change was manifest. These findings confirmed the typology of organisational culture developed by Cameron and Ettington (1998) and were parallel to the work of Smart et al. (1997:262) arguing that "adhocracy culture assumes that the organization is characterised by a commitment to innovation and development, as well as taking risk." In the researcher's view it is very clear that innovation and entrepreneurship are essential in the very turbulent and highly competitive environment, since only innovative and proactive firms can survive in the turbulent competitive environment. The researcher also supported the finding in this study that the other attribute of adhocracy culture like a prospector-type strategic orientation was also evident at all six banks. Since it was essential and the absence of this attribute, in my opinion, would have a serious impact to the organisation because a prospector-type strategic orientation as described by Smart et al. (1997) is used to obtain resources to guarantee organisational strength and capability. The resources are critical to implement strategic initiatives designed during the strategic planning process. Bureaucratic culture was also evident at all six banks in this study in which banks highlighted to written guidance and standard operating procedure to perform tasks and activities. Guidelines and procedure govern what people do were consistent with the elements of bureaucratic culture (Smart et al.,1997). Similarly, clan culture was also apparent at all six banks in this study. The affiliation and involvement of staff across divisions during strategic planning process was parallel to the components of clan culture (Smart et al.,1997). Likewise, market culture was also manifest in all six banks in this study. Achievement oriented and emphasising on productivity and efficiency in developing strategy was consistent with the elements of market culture (Smart et al.,1997).

The findings from this study confirm and extend the work of Smart et al. (1997:262)) that "most institutions probably reflect properties of more than one of these culture types." They were consistent with the finding of Cameron and Ettington (1988:387) that "all institutions have attributes of all four culture types," but were not parallel to Wegner's findings (2006) presenting that some culture types were evident at an institution but other culture type was not apparent. The other findings from this study were that adhocracy and clan culture was a dominant culture at bank A. Meanwhile, the dominant culture at bank B was clan culture; at bank C, D, and E the dominant culture was clan culture; and, last, at bank F, adhocracy culture was as the dominant culture. Cameron and Ettington (1988:387) said, "no single type of culture is best in all environmental conditions." Since as argued by Deal and Kennedy (1983) that a match must be present between culture and environment. Cultures change as organisations develop over time, particularly when growth or decline take place. Different chiefs and different measures of success become valued at different periods (Quin and Cameron,1983; Cameron and Ettington,1987). Cultures steer to effectiveness when the organisation's chief communicates a consistent vision that is clearly understood by organisational members (Tichy and Devana,1986; Cameron and Ettington,1987).

Interestingly, this research found that the numerous dimensions of strategic planning relate to numerous cultural types. Adhocracy culture that assumes that organisation is characterised by a commitment to innovation and taking risk facilitated the excellent strategy formulation and successful strategy implementation. A prospector-type strategic orientation used to obtain resources was critical to implement strategic initiatives designed during the strategic planning process. Similarly, bureaucratic culture where guidelines and procedure govern what people do was very important to increase the organisational understanding on strategic planning process and guarantee that strategic planning process was performed on the right tract. Clan culture that emphasises affiliation and involvement of staff across divisions and departments enabled the participative strategic planning process. In the same way, market culture that is characterized by achievement oriented and emphasising on productivity and efficiency in developing strategy facilitated the achievement of the goals of the organisation.

The nature of this research did not permit the determination of causal effects between the strategic planning dimensions and organisational culture. This study found that all four kinds of the culture existed and had an effect on strategic planning in the high-performing banks researched. Further research is needed to connect the strategic planning dimensions with foremost culture types. As said by Schein (1985:2), "the only thing of real importance that leaders do is to create and manage culture" (Smart et.al,1997). The most usual mistakes made by new leaders is acting in ways that oppose their organisation's culture (Birnbaurn, 1992; Smart et al. 1997). Hence, discovery of culture types that encourage the numerous aspect of a strategic planning process is very important to assist leaders, managers, and businessmen to advance more successful planning strategic initiatives. As Smart et al. said, "Becoming competent in discovering and managing culture is a critical skill for institutional leaders" (Smart et al. 1997:270).

5.17 Decision-making Approaches

Decision approaches seek to portray how an organisation makes decision about resource allocation. This concept is based on the work of Smart et.al. (1997), who built on two approaches to resource allocation. This study in the Indonesian banking industry revealed that rational collegial approach was evident during the strategic planning process. Banks A, B, C, D, E, and F adopted the rational-collegial approach in which decision to allocate resources was the outcome of intense group discussion during planning process based on rigorous analytic and strategic assessment process regarding the priority. There was a long journey to make decision before organisation move fast to execute their solution. These findings were parallel to the work of Smart et al. (1997:263) arguing that rational-collegial assumes that "resource allocation decision are the result of group discussion and consensus, based on the use of a standard set of procedures, and criteria reflecting what objectively seems best for this institution overall." However, the findings from this study contradicted with the finding of Wegner (2006) that an autocratic political approach was used to allocate resources. This autocratic political approach where one person in the organisation makes all resource decisions contradicted with the rational planning model as discused earlier as presented by the proponents of rational planning approach such as Ansoff (1966), Lorange (1980), Steiner (1979) that all strategic decisions to achieve the objectives of organisation are decided by strategic planning stages. Bryson (2004:17) also asserts that the rational planning model "begins with goals; policies, programs, and actions are then deduced to achieve those goals;" and Quinn's view (1980) that effective formal strategies contain three fundamental elements comprising goals (or objectives), policies guiding or limiting action, and the major action series (or programmes). The study findings also validated the statement of Henry Fayol that resources should be committed in a coordinated way (Mintzberg, 2000). The rational decision approach will broaden participation of the employees of the organisation during the planning process. One of the characters of this decision type is the higher quantity of membership participation in decision making (Smart, 1997). Participation during the planning process, as stated by Mintzberg (1994) and Jarzabkowsky and Balogun (2009), will strengthen commitment. Two-way transfer of information of planning both input and output of planning would ensure all managerial endeavours at all levels of management (Greenley, 1989). In turn, it will increase the effectiveness of the strategic planning process and the achievements of the highly performing bank.

On the contrary, the adoption of the autocratic political approach alongside it would ignore the strategic planning process; it also would decrease the effectiveness of strategic planning, and consequently, reduce the achievement of the highly performing bank. Autocratic political style, of course, is very different with the manager's involvement especially CEO's involvement in the strategic planning process. Although the role of CEO in the strategic planning was very strategic and decisive and CEO was intensely involved during strategic planning process, all strategic decisions, however, such as strategy development and resources allocation were decided by the strategic planning process. Such decisions, as presented by interviewees, were the outcome of profound examination during planning process based on thorough analytic and strategic consideration process regarding the main concern. There was a long excursion to make decision and involved the other planning members such division managers, planning department, and other line managers before organisation jumped quickly to execute their solution. Although, of course, the final strategic decision was at the hand of CEO as the highest authority in an organisation, once decision has been decided, however, as said by an interviewee, even director can not change.

5.18. Designed Emergence Planning Model Approach

Based on the discussions above and literature review in the previous chapter, this study then develops a new research model that combines rational planning and emergence approach, a model that the researcher referred to as 'Designed Emergence Strategic Planning Model.' (figure 6). The balance between the two depends completely upon the stability and predictability of the organisation's business environment. While the business environment becomes more turbulent and less predictable, so strategic planning adopted becomes less about detailed decisions and more on guidelines and general direction (Grant, 2013). As noted in the previous section, rational planning approach views strategy making as a rational, analytical process of deliberate planning; however, strategy may also emerge through adaptation to circumstances as suggested by emergent approach. It allows adaptation and learning through a continues interface between strategy formulation and strategy implementation in which strategy is continuously being adjusted and revised in the light of experience.

For the rational planning approach in this model, it is developed from the planning model that was used in this study and includes: the elements of planning process, organisational context, and organisational performance where in the new research model, the researcher adds two new constructs for organisational culture: managerial myopia and dominant logic. All elements and constructs of both planning approaches have been discussed at length in the previous sections.

This new research model may be applied for future research to investigate the successful strategic planning practices in the banking industry and other similar industry both in stable business business environment and turbulent business environment.

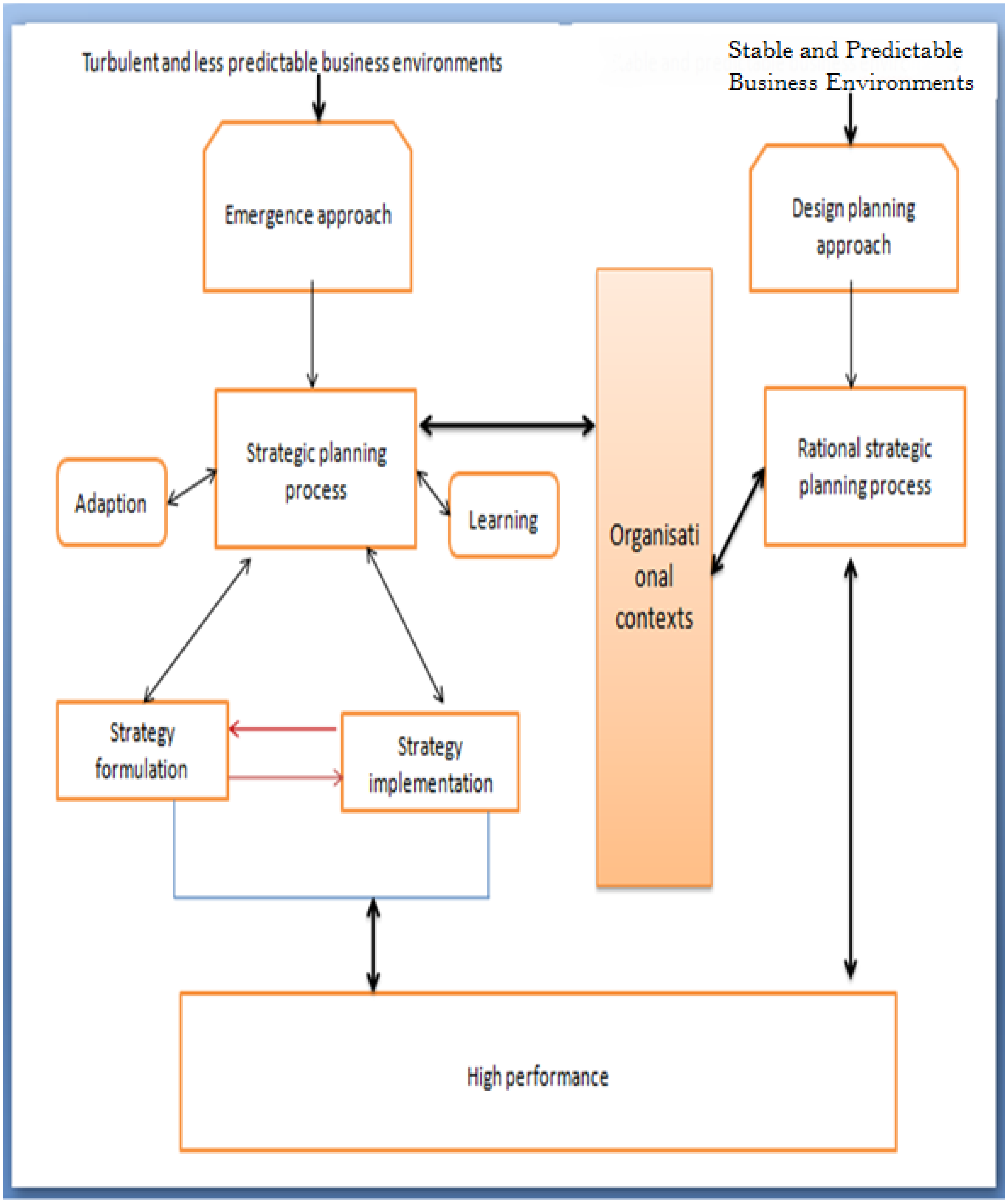

Figure 7. Designed Emergence Planning Model

CHAPTER SIX

CONCLUSIONS

6.1. Introduction

This chapter concludes the thesis by outlining conclusions from the research. First, the research questions are restated, and this is followed by a synopsis of outcomes, theoretical and practical contributions. In addition, the managerial implications are set out, and directions for further research in the field are given.

6.2. Restatement of the Research Questions

This study explored and documented the strategic planning practices within the high-performing banking industry in Indonesia as well as the connection between strategic planning practices and organisational performance. Ongoing exploration of strategic planning practices and relationships within these areas is essential in order to develop a more far-reaching portrait of these areas and improve the understanding of the fundamental characteristics of successful strategic planning practices. In view of that, the following research questions were developed:

1. To what extent are strategic planning processes applied in the high-performing banking industry in the Indonesian context?
2. To what extent does organisational context (culture and decision approaches) contribute to facilitating successful strategic planning practices in the high-performing banking industry in the Indonesian context?

6.3. Outcomes of the Research

This study has addressed these research questions by examining the practices of strategic planning in six Indonesian high-performing banks. Based on the research findings, a number of outcomes have been identified.

1. The analysis of how six banks in this study developed and implemented strategic planning shows that they have applied all the common strategic planning activities presented in this study. The common strategic planning activities are derived from the literature of strategic management and planning. The analysis shows that the six banks in this study have obviously been involved in performing strategic planning activities.
2. This study reveals that banks' CEOs have applied strategic planning seriously, which has assisted the banks in embedding strategic planning practice within their organisations. The fundamental role of the CEO in each of the banks in this study in strategic planning was very obvious and achieved best results, both in guaranteeing that the strategic planning process was on the right track and improving the organisational performance.
3. The study findings support comparable benefits of strategic planning practices in other countries (Ansoff, 1965; Quinn, 1980; Steiner, 1989; Bryson, 1995). It is interesting to note that the six banks investigated have recognised similar benefits of strategic planning practices. These outcomes support the practices in the private sector, indicating that strategic planning is valuable to all six banks in this study and formal planning systems do help managers improve strategic decisions (Miller and Cardinal, 1994).
4. The study findings support the formal strategic planning systems which are most valuable in stable conditions (Thompson and Martin, 2010). In such systems, environmental opportunities and threats are the prediction, and then strategies are planned and executed; and the rational planning model as presented by Steiner (1979), Bryson (2004) that the model begins with goals; policies and programs, and actions are then deduced to achieve those goals.

   It is interesting to note that this study's findings contradict Quinn's (1980) logical incrementalism stance, which suggests that in dynamic and turbulent environments, detailed formal planning is understood to be problematic.
5. Managers' commitment to and involvement in the strategic planning process, particularly managers in the division of strategic planning and planning members, is convincing. The general managers were wholly involved in the

strategic planning process and in implementing the management policy and budget of the corporation into strategy at the unit business level. Managers across functional areas were also involved in setting up of business targets and working programme as well as budgets. Consequently, they consider strategic planning activities as the opportunity of management to enhance their organisation's performance rather than as a bureaucratic liability. As asserted by Steiner (1979), strategic planning is a function and responsibility of all managers at all levels in an organisation; and Bryson (2004) emphasised that the involvement of managers is very important because of their vital role in translating policies and decisions into operations.

6. Strategic planning practices in the six banks in this study show that strategic planning activities are not something separate and independent from the process of management, such as integrating goals, strategic plans, business plans, and budget, as well as coordination and control. The banks in this study utilise strategic plans to allocate human and financial resources among others to achieve key results within their organisation. They have also established measures of performance both at organisational and individual level that will best enable the firm to attain its long-term objectives successfully. As Steiner (1979) states, planning provides a basis for measuring the performance of the whole firm and its major parts.
7. The study findings support Steiner's (1979) view that objectives must support the company's basic purposes and mission; and the higher-level objectives provide a foundation for lower levels (Greenly, 1989). There is a logical sequence from mission to objectives. It is clear, then, that monitoring the attainment of the business target and strategic objectives, and measuring company performance, can be performed well if the objectives in the various levels are clear and measurable.
8. The study findings also support the assumptions of strategic planning criticised by Mintzberg (2000) that objectives are determined by the top management for the whole organisation. Mintzberg contended that "if the objectives really exist to motivate, then it is essential that people have to be involved in the setting of

their own ones” (Mintzberg, 2000:71). It is important to note that whichever system the organisation adopts, managerial participation is critical; it is fundamental to involve various levels of managers in addition to top management in the objective-setting process.

9. The study findings revealed, all six banks in this study designed programmes and budgets, and projects involving all divisions and departments that will bring life to the strategies and generate more real value for the institution. All six banks in this study also established measures of performance and milestones, or progress measurement points to guarantee successful implementation.
10. The study findings confirm the observation that communicating the decided strategy throughout the organisation is a vital part of successful strategic change (Eden and Ackermann, 1998) and organisations build an open and opportunistically tuned communication system to encourage more open, data-rich communications about overall directions, opportunities, and threats (Quinn, 1980).
11. The study findings support the view that the aim of undertaking an internal audit of the internal environment is to understand the overall capabilities/strengths of the organisation, which incorporates resources, the competence of the individual company operations, and the capability of individual managers (Greenley, 1989). Through the planning process, managers in all six banks in this study carried out the environmental analysis and, as confirmed by Rue and Holland (1989), that environment analysis is critical since the environment can boost or reduce an organisation’s ability to achieve its required levels of performance, and by Steiner (1979) that planning itself illuminates the opportunities and threats that lie ahead for an organisation (Steiner, 1989).

    Therefore, this study confirmed the previous observation that the main functions of a strategic planning system is to assist adaptation of the long-term attempts of the company to changes in the environment (Lorange and Vancil,1977), and the view that the appraisal of past performance and current and future environmental elements is an essential step in the planning process (Steiner, 1989).

12. The study findings verify the views that by feedback and evaluation, managers guarantee that resources are acquired and used effectively and efficiently in the achievement of the organisation's objectives (Anthony, 1965), and control is to allow for decisions to amend future plans as a result of present performance, as well as permitting for corrective action to be taken in present operational strategies (Greenley's view, 1989). The study findings also confirmed the Steiner's outlook, that whole organisation of the enterprise must be suited to the tasks, size, and direction of the company (Steiner, 1979).
13. The study findings confirm that aim of strategy formulation is to create a set of strategies that will effectively connect the firm to its environment to achieve excellent performance. As a starting point for the development of strategic options, it is important to link the organisation's mission and objectives with its strategic choices and succeeding activities (Andrew as quoted by Lynch, 2003). Once basic purposes, missions, and long-range planning objectives are founded, the conceptual series in strategic planning is then to develop programme strategies to attain them (Steiner, 1979).

    The study findings also confirm the view that strategy formulation is not simply a task for senior executives (Thompson and Strickland, 1998). In large companies, it engages senior executives, heads of business units, the heads of main functional areas, product managers, district and regional managers, and subordinate-level supervisors.
14. The role of culture appeared in numerous parts of the strategic planning process. This research found that the numerous dimensions of strategic planning relate to numerous cultural types and all four kinds of culture were existing and had an effect on strategic planning in the six high-performing banks investigated. These findings validated the typology of organisational culture developed by Cameron and Ettington (1998) and result of a study by Smart et al. (1997) on the roles of cultures in promoting organisational effectiveness that suggested a connection between culture and institutional performance.
15. The study findings reveal that the rational collegial approach was evident during the strategic planning process, and confirm the work of Smart et al. (1997:263)

which assumes that “resource allocation decision are the result of group discussion and consensus, based on the use of a standard set of procedures, and criteria reflecting what objectively seems best for this institution overall.”

The study findings also validated the statement of Henry Fayol that resources should be committed in a coordinated way (Mintzberg, 2000). The rational decision approach will broaden participation of the employees of the organisation during the planning process which one of the characteristics of this decision type is the higher level of membership participation in decision making (Smart, 1997). In turn, this will increase the effectiveness of the strategic planning process and the achievement of the high-performing bank. Conversely, the autocratic political approach - besides ignoring the strategic planning process, it also would lead to the deterioration of the effectiveness of strategic planning. In turn, it will reduce the achievements of the high-performing bank.

6.4. Research Contributions

6.4.1. Managerial implications

First, this study validated and clarified the findings of previous research in the strategic planning field that adopted formal and systematic rational system to strategy design that this rational planning approach contributes to improve and lead the organisations in 6 banks to achieve the highly performance’s banks in the relatively stable environments.

Second, this study contributes to the practice by conducting empirical research and reviewing comprehensively the different strands of literature on strategic planning, organisational cultures, and decision types in order to improve the understanding of strategic planing processes and provide a robust foundation to analyse the successful strategic planning practices.

Third, by reviewing and analysing two outstanding approaches of stategy making:formal rational planning and emergent approach, this study has elucidated long debate between rational planning and emergent approach

Fourth, this study make other contribution for the future research in planning by developing a new research model that may be applied both for the stable business and turbulent and less predictable environment.

Finally, this study extends empirical research in this field in other context and thus extends our understanding of the strategic planning practices in the Indonesian high-performing banks.

6.4.2. Research directions

This study has provided valuable findings regarding the strategic planning practices in the Indonesian banking industry. There are, however, a number of areas that can be addressed by future research agenda.

First, this study has investigated the practices of strategic planning in the high-performing banks in the Indonesian context. Future research can replicate this study by investigating the phenomenon across industries including private, government and non-profit organisations, and small and medium enterprises to observe whether comparable results can be reached. Future research can also replicate this study by examining the same banks using quantitative method to confirm the findings of this study. Another research project could engage other banks that had have problems attaining success with strategic planning practices (inadequately-performing banks) and comparing their practices with a similar cluster of banks that were successful with strategic planning practices (high-performing banks). This sort of research will boost our understanding of aspects influencing the success of strategic planning practices, in addition to the aspects this study revealed.

Second, comparative research that investigates strategic planning practices across countries is needed. Many studies' findings regarding the strategic planning practices in other countries are positive. However, further questions are worth further investigation. How do managers in other countries (particularly in the European and USA contexts) develop and implement strategic planning? To what extent do organisational culture and decision-making types build a context for successful strategic planning practices? So, a comparative study between different countries' strategic planning practices will improve our understanding of the practices of strategic planning for both private and public organisations.

Third, Mintzberg (2000) stated that planning itself tends to raise a basic inflexibility in organisations, and so a resistance to important change. Rational design, according to Mintzberg (1994), is not only an in accurate account of how strategies are actually formulated but also a poor way of making strategy. However, in this study involving six banks in a relatively stable environment, formal strategic planning system in which flexibility was limited had led the banks to achieve high organisational performance. Therefore, further empirical research is needed that compare each planning approach against organisational performance in the relatively stable environments.

Fourth, to increase the understanding of strategic planning practices and organisational contexts, future research needs to consider strategy content and additional constructs such as vertical and horizontal integration, decentralisation, and other organisational factors such as strategy myopia and dominant logic.

Fifth, the nature of this research did not permit the determination of causal effects between the strategic planning dimensions and organisational culture. This study found that all four kinds of the culture existed and had an effect on strategic planning in the high-performing banks researched. Further research is needed to connect the strategic planning dimensions with the foremost culture types. As asserted by Schein (1985:2), "the only thing of real importance that leaders do is to create and manage culture." The most usual mistakes made by new leaders is acting in ways that oppose their organisation's culture (Birnbaurn, 1992; Smart et al. 1997). Hence, discovery of culture types that encourage the numerous aspect of a strategic planning process is very important to assist leaders, managers, and businessmen to advance more successful planning strategic initiatives. As Smart et al., said, "Becoming competent in discovering and managing culture is a critical skill for institutional leaders (1997:270).

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APPENDIXES

APPENDIX 1: The List of Codes

Short descriptions	Codes	Research questions
CEO involvement in planning process:	CIPP	1
Top management are involved to give input and approval	TMIGIA	1
Setting the missions and purposes of organisation	SMPO	1
Long range aims	LRA	1
Program strategies	PS	1
Firm support to planning process	FSPP	1
CEO leads planning initiative	CLPI	1
Making sure that planning developed and implemented well	MSPDIW	1
Leader for people	LFP	1

Clear and measurable objectives:	CMO	1
Objectives as detailed as possible to measure them precisely.	ODMP	1
Objectives support the achievement of the basic purposes of the organisation.	OSAPO	1
To implement the programmes, objectives should be obvious and measurable.	IPOOM	1
Each task has key performance indicators connected to firm's objectives.	ETHKPICFO	1
Commitment to take action:	CTA	1
Developing operating plan	DOP	1
Detailed plan to implement strategic plan.	DPISP	1
Preparation of tactical plans, projects and budgets.	PTPPB	1
Every department sends complete budgets and plans.	EDSCBP	1
Setting Key performance indicators to motivate employees to commit to implementing planning.	SKPIIP	1
Communication:	COM	1
Management communicates their policy periodically.	MCPP	1
Board of directors meets the related ministry to discuss important points about business of the bank.	BODMMDIPBB	1
Management meets with the analysts to get their views about certain issues.	MMAVI	1
Planning division runs meeting with the representatives of the business units to discuss the substance of	PDRMRBUDSP	1

planning		
Environmental scanning: Analysing the bank's strengths, weaknesses, opportunities, and threats. Compile the list of the most significant strengths and weaknesses and opportunities and threats. Using software to analyse SWOT. Environmental analysis is vital to create the proper strategy.	ES ABSWOT CLMSSWTH USASWOT EAVCPS	1 1 1 1 1
Feedback and evaluation: Containing constraints and input and strategic efforts in solving the problem to achieve target. Management gave input to evaluate performance and the feedback from the unit business. Business units made adjustments and implemented in the planning process at business unit level.	FE CSISESPAT MGIEPFUB BUMAPPBUL	1 1 1 1
Flexibility to adjust planning: Revising planning has to follow the rules and guidance of the organisation. Business planning can be revised once in a year. Revising planning if the actual situation pushes it.	FAP RPFRGO BPROY RPASP	1 1 1 1
Hierarchical planning: Taking place at numerous levels: corporate, business, functional level. Higher level provides a base for the	HP TPNL	1 1

lower level.	HLPBLL	1
Linking of goals to budgets: Programmes are set, planning team will set budget. Linkage between goals, plans, and budget to assess the attractiveness of strategies against the cost of their accomplishment. Invention of a plan without recognition of budgetary matters is careless. Budget is planned based on planning	LGB PSPTSB LGPBAASCA IPWRBMC BPBP	1 1 1 1 1
Manager and others are involved: General managers was involved in implementing the management policy and budget. Coordinating with the other business units to synchronise the process. Reviewing on the performance of business unit. Giving input on new strategy. Assessing strategic issues. Setting and coordinating priorities.	MOI GMIIMPB COBUSP RPBU GINS ASI SCP	1 1 1 1 1 1 1
Planning document: Clear and easy to read Simple to use. Used to make decisions. Document includes vision, mission, objectives; review of the situation, summary of stategy, implementation plan, monitoring and evaluation. Planning documents: corporate level, the business level, and operating level.	PD CER SU SMD DIVMORSSSIPME PDCBOL	1 1 1 1 1 1

Pre-planning: Preparing data to support planning process. Preparing administration of the strategic planning process.	PP PDSPP PASPP	1 1 1

Process must be clear to all involved: Planning process has been institutionalised in the organisation. All staff involved in the planning process recognise the planing process. Planning department consolidates detailed process. Meeting discussing plan and process of planning.	PCI PPIO ASIPPRPP PDCDP MDPPP	1 1 1 1 1
Strategy formulation: Developing a set of strategies to achieve objectives. Comprehensive strategy enables a number of actions and required outcomes. Exploring resources allocation to reach the goal of the organisation. Formulating strategy is based on SWOT. Involving the division. Strategy at the business unit level was the translation of that in the corporate level. Encompassing a range of steps including framing mission and objectives, SWOT analysis, gap analysis, framing alternative strategies, and choice of strategy. Formulating corporate strategy, business strategy, and functional strategy.	SF DSAO CSENARO ERARGO FSBSWOT ID SBULTCL ERSFMOSGSCS FCSBSFS	1 1 1 1 1 1 1 1 1
Organisational Context: **Culture:** **Adhocracy culture:**	OC C AC	2 2

Innovation oriented	IO	2
Continuous improvement	CI	2
Inspiring individual initiative and freedom.	IIIF	2
Encouraging staff to be creative and innovative.	ESCI	2
Encouraging staff to have strong ideas and to Work knowledgeably and meticulously.	ESSIWKM	2
Bureaucratic culture:	BC	2
Guidance set by the organisation to perform planning regularly.	GSOPPR	2
Perform tasks to implement planning should meet the standards and procedures set by management.	PTIPSMSPSM	2
		2
Clan culture:	CC	2
Holding values and morals to build fairness.	HVMBF	2
Loyalty, tradition, solidarity, truthfulness, and trustworthiness as the main values in our organisation.	LTSTTMVO	2

Be involved in accordance with the position and duty of each of us.	IPD	2
Participation is apparent during the planning process since it involves divisions and departments.	PAPPID	2
Market culture:	MC	2
Be proactive and quick responders in order to give the best service to the customers.	PQRSC	2
Improving efficiency in all line of organisation to improve market share.	IEALOIMS	2
Be caring and friendly so that customers feel confortable.	CFCC	2
Rewards for outstanding contribution to the organisation.	ROC	2
Decision making Aproach:	DMA	2
Rational collegial:	RC	2
Board of directors had an important role in decision making.	BDIRDM	2
Decision making particularly concerning resource allocation is the result of long discussions during the planning process.	DMRARDPP	2

Decision making to allocate resources is based on rigorous analytic discussion.	DMARBRAD	2
Long journey to make decisions before organisation executes decisions.	LJMDBOED	2
Big picture regarding resource allocation has already been set by the board of directors and the planning division.	BPRASBODPD	2
Established guidelines in making decisions, especially to allocate strategic resources.	EGMD	2
Decisions are delegated to the proper level that is endorsed with mandate and accountability.	DDPLEMA	2
When decisions have been taken, even the director cannot change them.	DTDCC	2
Autocratic political: **No Evidence**	AP	2

APPENDIX 2

The interview protocol for the members of the strategic planning team

1. Could you explain the strategic planning process in your company?
   a. Before conducting planning, what kinds of activities occurred?
   b. In terms of environmental scanning, how did your company apply it?
   c. How did your company formulate several strategies?
   d. During the planning process, what were the critical points?
   e. How did your company link strategic goals and budgets during the strategic planning process?
   f. What part of strategic planning was not useful/productive?
2. To evaluate progress and make changes relating to strategic direction, how was feedback adopted?
3. During the strategic planning process, how did the team communicate with the company's stakeholders and employees?
4. Could you explain the CEO's role in the strategic planning process?
5. How were managers from the different functional areas involved in the strategic planning process?
6. Could you explain how the company involved the different levels of the organisation in the planning process?
7. Could you describe how the company's external stakeholders were involved in the planning process by the company?
8. To guarantee several resources are available to accomplish the strategic goals, how did the company commit to this?
9. During the strategic planning process, what financial issues emerged?
10. Could you describe how you would know when you have worked out your strategic goals?
11. To accomplish the goals identified in the strategic planning process, could you describe how the company establishes action steps?
12. Could you describe the organisational culture in your company?
13. Could you describe how decisions concerning resources allocation were made outside of the strategic planning process?
14. Did the company accomplish what the company set out to do? If so, how do you know that?
15. Could you describe how organisational context (organisational culture and decision making) influences the success of strategic planning?

The interview protocol for the non-planning team

1. Could you explain how much you know concerning strategic planning?

2. Please describe the strategic planning process in your company.
3. Do you know what the strategic goals of your company are, and if so, and are they well known across your company?
4. How has strategic planning been communicated to the organisation?
5. Could you describe how the employees of the company and external stakeholders were engaged in the planning process?
6. Could you describe how the information of the planning process was communicated to the employees of the company?
7. Could you describe how the CEO participates in the planning process?
8. Could you explain how decision-making about resource allocations was made at the company?
9. Please describe the culture of the organisation.

(Adapted and developed from the previous research, Wegner, 2006)

APPENDIX 3

Submission Number: 4206

Submission Name: Ethics application

This email is to let you know that your submission was approved by the Ethics Committee.