

Analysis of the relationship between strategic planning and competitive advantages in Jordanian banks

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Abstract

This study aims to present the essential elements of strategic planning through the construction of a flexible strategy, and to show its importance as a competitive advantage and a significant means to enhance and strengthen such a method to be permanently adapted by the business organizations. The researcher discusses the impact of strategic planning on the performance of Jordanian banks. All the Jordanian trade banks listed on the Amman Stock Exchange, 14 banks, have been studied, and 138 questionnaires, consist of 48 questions distributed on dependent and independent variables, distributed on the sample study, all the banks. The study results indicate that there is a statistically significant relation between Research and Development processes and the Central Bank Monitoring with regard to competitive advantages of the bank. The study also recommends to provide financial allocations for the strategic planning purposes with the need to attract the human competences specialized and to provide modern technologies necessary for the success of strategic planning processes.

Keywords: Strategic Planning, Competitive Advantage, Commercial Banks

1. Introduction

The elements and concepts of the strategic management represent effective and vital tools for organizations of today that coexist with an age at which variables at a high rate are sequentially occurred, and that emphasizes the importance of the efficiency and validity criterion for the organizations to survive and exist through a particular strategy based on their abilities to adapt to the external environment and keep up with its all developments in scientific, practical, modern and strategic methods.

Perhaps one of the most prominent methods and organizational and managerial tactics used is the study and the analysis of the external environment through scientific and well-studied approach, building and formulating effective and organized strategies achieving positively the objectives of the organization through efficient organizational administrative performance.

The organizations have been trying through strategic mechanisms and tools to create a sort of balance with the external environment so as to ensure its effective and distinct performance on the one hand, and to achieve a competitive and strategic status on the other hand, particularly under globalization and greater openness in today's world besides the increasing intensity of competition between different organizations.

Many business organizations seek to adapt and respond to a variable and changing world that includes many challenges such as global markets, fierce competition, lack and scarcity of resources, the revolution of communications and information technology, the short life of products, and the continuous change of the needs, the desires, the tendencies, the technology and others. To keep up with these unstable events, it requires to follow a high flexibility generated from adapting modern management methods to keep pace with these updates.

So, the departments of business organizations become in general, and Jordanian business organizations under discussion in particular, in an urgent need for a strategy that enables them to determine and maintain their competitive status in this variable changing world and it, and also to retain their competitive advantages so as to be more responsive and adapting the permanently changing data of contemporary works of the environments (domestic and foreign) and their challenges.

The managers of these organizations have a general desire to succeed owing to the survival and existence of their organizations in the context of the competition and its development, this requires them to develop a strategy using different elements of the strengths of their organizations, in order to face competitive forces and reinforce competitive characteristics for their organizations, because the real life of the organizations and their interacting with their environments are filled with complexity, ambiguity and suddenness, besides the variation degrees of the influence on their capacity and willingness to deal with these matters in the present and future. This requires them also to apply strategic management as a new creative administrative method which enables them to seize the opportunities and reduce the risks that face their organizations, and that is very important in the Third Millennium – Globalization.

Flexible strategy has become a fundamental base in the modern age for the developing countries and for the Jordanian business organizations, particularly the big ones, because they are competed by foreign business organizations in various economic sectors after Jordan has become a member of the World Trade Organization (WTO). Despite the importance of the flexible strategy, its real adoption is not common especially in business organizations in developing countries.

In this respect, this study will consider the way in which a flexible strategy is built, and the importance of its building as a competitive advantage at present, and as a significant means in promoting, strengthening and sustaining the competitive advantage of business organizations, especially under the higher uncertainty, changing environment, and responding and adapting quickly to the problems facing business organizations.

Because of the interference, entanglement, inclusiveness and complementarity in the topics covered by the strategic management on one hand, and the difficulty of combining them into one study on the other hand, the researcher has dealt with one part of this subject that is an analysis of the impact of distinctive capabilities, (Central Bank Control, Operations, Research and Development, Marketing and Finance), on the performance in the Jordanian commercial banks.

2. The Importance of the Study

The significance of the study emerged from the importance of the investment of distinctive capabilities the Jordanian commercial banks possess, as a prerequisite to face the expected challenges in the early third millennium, and the most important feature in this respect is business

globalization, global competition and the lack and the scarcity of resources in light of variable environmental conditions, and uncertainty.

Also, the concept of business strategy is relatively a new one in the field of administrative and strategic research, and is one of the important and renewable topics in the science of management in developing countries⁴. This novelty, as a practice, appears in a limited number of scientific studies applied to the Jordanian business organizations, compared to the larger number of foreign studies applied to companies, which dealt with multiple minor parts of the topic of the strategic management.

Perhaps one of the main important reasons for the spread of strategic planning and building strategies is the evidence that points out to the failure rate in organizations using this method which is much less than those that do not use, some studies also suggest that companies which use strategic planning and build strategies based on the results of strategic analysis are more successful and effective than those which do not use.

The importance of adapting flexible strategy emanates from the fact that organizations work on these days in a more dynamic environment and complexity than ever before, but this requires continuous environmental analysis by the managers of the organizations, and trying to build a strategy through which their organizations could deal with different environmental variables in order to benefit from available opportunities and avoid risks as much as possible. The importance of this study also comes from the lack of interest that most Jordanian commercial banks have in the field of management and strategic planning in their work which affects the distinctive capabilities they possess.

3. The Objectives of the Research:

The study aims at analyzing the impact of planning and strategic management on the distinctive capabilities of commercial banks, and the following sub-objectives emerge from the essential objective:

1. Provision of an appropriate theoretical framework explains the concept of strategic planning and its dimensions.
2. Identifying the degree of practicing strategic planning in the Jordanian commercial banks.
3. Analyzing the correlation between the independent variable of the study (strategic planning) and each of its dimensions and the dependent variable.
4. Provision of recommendations for the managements to help them lead the investment process of competencies and achieve goals efficiently and effectively, through practicing strategic planning.

4. Hypotheses of the Study

To achieve the objectives of the study, the following hypotheses have been formulated:

HO: No statistically significant impact of the environmental variables on the competitive advantages of the bank is existed

HO: No statistically significant impact of the research and development processes on the competitive advantages of the bank is existed

HO: No statistically significant impact of Central Bank Control on the competitive advantages of the bank is existed

⁴ Khalid Mohammad Ben Hamdan, and others, Strategy and strategic Planning, Alyazory for Publishing and Distribution, Amman, Jordan. 2007, Page 19.

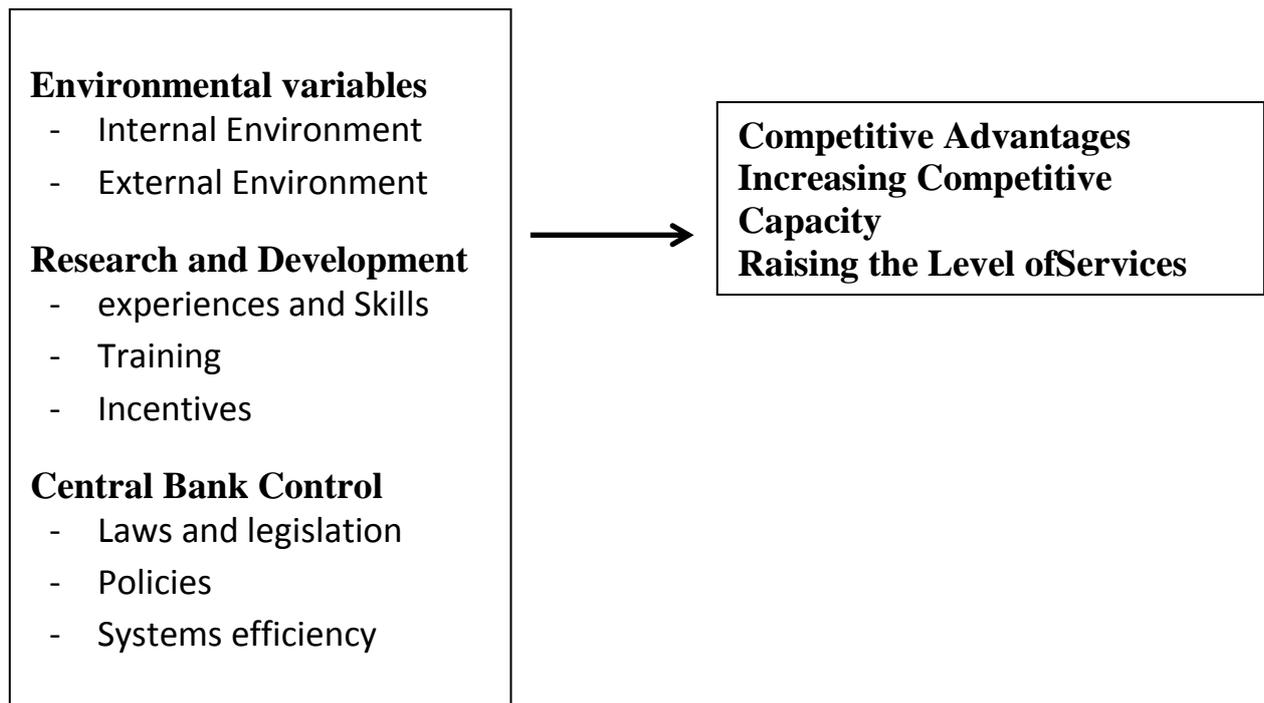
5. The Problem of the Study

The recent developments in various fields have imposed response, adaptation and change with these developments on contemporary organizations to ensure their continuity and interaction with the community, the environment and all effective surrounding factors. However, many organizations have remained at the same position away from progress and success, and so can't achieve their goals effectively. The problem of the study simply emerged from the importance of strategic planning for the distinctive capabilities in the commercial banks where it can be identified through the following questions:

1. To what extent can the strategic planning impact on the competitive advantages in the commercial banks?
2. Does the strategic planning have impact on organizational performance in the Jordanian commercial banks?

6. The Model of the Study:

Independent Variables **Dependent Variable**



The resource: The Study Model is organized by the researcher

7. The Previous Studies:

1- Zaidoun, Waleed, (2001), Demands of Strategic Administration and Institutional performance. Analytical study of the reality of the industrial companies in Jordan

The study comes out with the following results:

The company is applying and practicing the strategic management process through its three stages. The hypotheses test results shows that there is a direct correlation between the provisions of the requirements of strategic management and the institutional performance of the Jordanian industrial public shareholding companies.

The study recommends increasing the attention of the senior managements of the companies to support the most-up-to date ideas while practicing administrative process either in terms of strategic management or other modern administrative methods, and expanding the application of the concepts of strategic management at the companies of public and private sectors in away including other vital concepts of strategic administration. Also it recommends the necessity for the senior management in the companies to be committed to major administrative functions of planning, leadership, guidance, organization and monitoring during their administrative practices, and that this commitment should extend to all managerial levels which form the organizational structure.

2- Al-Ameen, Ismael (2001) Conformity between the strategy and the organizational structure and its impact on strategic performance - applied study on Jordanian Paint Company.

This study aimed at clarifying the nature of the relationship between strategy and organizational structure in Jordanian Paint Company, and studying the causes and causatives that lead to the contribution decline of Jordanian paint companies in the industry sector, also evaluating strategic choice of Jordanian Paint companies and its impact on strategic performance.

The most important finding of the study was that the strategies followed by Jordanian Paint companies control the building of their organizational structures considering the structure as an instrument to serve these strategies. Each stage of the life cycle of the Jordanian Paint companies owns its strategy appropriate more than anyone else, and the perception of the management for the relative stability of the surrounding environmental factors and variables leads to the stability of its structure in away at which approaching the mechanical figure due to the lack of adoption of environmental variables in the design of organizational structures, so as to achieve objectivity and stability.

The study recommends increasing the managers' interest in the respect of appropriateness and harmonization between selected strategies and organizational structures prepared to serve them, and raise the attention of the managers of the companies for the necessity been given to increase the competitiveness of their companies by following expansion and diversification strategies in order to diversify the coming financial sources flowing, likewise the leader companies in the industry sector, and increasing the interest towards research and development and following-up the external environment aspects, public and private, those are the assumptions upon which the current strategy was established to notice any change or any emergent situation happens, to be effective and anticipate incidents before they occur.

3- Alkhateeb, saleh,(2003) Strategic Planning and Institutional Performance- Analytical Study for Jordanian Medication Industry sector

The study aims at recognizing the institutional performance of companies included in this study, recognizing the most important factors taken into consideration when performing the operation of the strategic planning, and recognizing the impact of the practice of strategic planning operation on the institutional performance.

The study comes out with the proportion of 52% of the managers of the Jordanian medication companies who don't realize the scientific meaning of the strategic planning concept. The result of hypotheses tests indicate that there is no statistical relation between the practice degree of the strategic planning and the institutional performance of these companies.

The study recommends for the necessity to increase the interest in the strategic planning topic, and to find equal opportunities of growth and professional development for all the employees of both sexes, to guarantee achieving their work satisfaction so as to increase the professional affiliation levels and the institutional performance as well, and to conduct more studies and researches on the topic to verify the nature of the relation between the strategic planning and the institutional performance.

4- Many Mok Kim Man and Syed AziziWafa, (2008) "The relationship between Distinctive Capabilities and the performance"

This study aims at analyzing strategic factors that can influence the performance of small and medium size institutions in the Malaysian manufacturing sector. A conceptual framework is developed based on the distinctive capabilities and the performance of the small and medium size institutions. This study is based on a sample survey of 121 of small and medium size institutions in the manufacturing sector. Organized questionnaires and interviews with managers who own small and medium size companies are used. Statistical analysis to show the relationship between the distinctive capabilities and the performance of these institutions are also used. The findings indicate that there is a significant relationship between distinctive capabilities and the performance of these institutions.

5- Aaker, (1989) "Managing Assets and Skills: The Key to a Sustainable Competitive Advantage"

He indicates that the assets and skills of the company are the fundamental base of the competency, and such a base for sustainable competitive advantage has to be provided. Aaker points out that he is the core of the strategic management to develop and maintain these assets and skills, and select these strategies in a way they can be transformed into sustainable competitive advantages.

6- Mandy Mok Kim Man and Syed AziziWafa, (2008) "The Relationship between Distinctive Capabilities and the Performance"

Measuring organizational effectiveness in the sense of financial and executive measures as well as adapting behavioral measures is suggested. The researchers note that the financial measures as those of profits and growth can be used to reach the financial performance of the institution. Second, the operational measures such as productivity can be adopted to gain the resources, employee efficiency, reactions to assess the effectiveness of the work flow and work support of

the organizations. Third, effective behavior measures can be adapted, such as the ability of adaptation and satisfaction and the absence of pressure, development and communication, to increase the performance effectiveness.

8. Theoretical Framework/ Scope

Strategic Administration:

Strategic Management mainly based on managing interactive relationships carried out between the parts of the institution on the one hand, and between these parts themselves on the other hand, and that is one of the modern fields of scientific management in which the institution is an interactive unit in economic and social life, and this institution is formed directly by its perspective or directly by its public administration.

The strategic management is defined, in the researchers and scholars point of view, as a strategic planning of management in the leadership between managers of institution and its integrated effectiveness, where it depends, while taking its decisions, on the information received from all activities and actions using appropriate analytical methods, however it not vulnerable in any way to be influenced by the methods of analysis or by the activities, functions or actions⁵.

The strategic management look at the institution through relative perspective in the context of a dynamic interactive movement with nested and entangled relations that require direct intervention to influence the movement of variables, and change the speed of their change and the tracks of their transformations in away serving to achieve the goals and accomplish tasks. This intervention can take different forms and multiple situations turning between strategies which consider the competitive conflict as a basis for each mental arbitration and between relational strategies, strategies of relations, which seek to achieve understanding rather than confrontation. Between these two options there is a broad significant field of options and actions available.

Strategy is defined as “determining the long-term objectives of the organization, adapting specific and appropriate ways and means of an action, and allocating the necessary resources needed to achieve these goals”.

It is also a set of unified and integrated decisions which have been taken in order to achieve the goals, other group considers it as a set of options and preferences or obligations taken place to reach a number of goals, while others identify it as a general and comprehensive art because of its attention towards the unity of the institution and the integration of its parts, so the strategy is considered one of the tasks of senior management of the institution, which takes the role of the free judge between the parts of the institution and its effectiveness and activities, so that the senior management uses information received from the parts, actions and events after using special methods suitable for classification and analysis without being affected by functions or events and not influenced by methods and means used in the analysis in order that it deals with dynamic real situation objectively, impartially and with responsibility away from self-interest.

With regard to the posts, tasks and missions of strategic management, they are, according to some books, not existed to solve the problems put forward, but its mission is to reorganize the case or situation in away makes the problems appear solvable⁶.

Accordingly, we can get to a practical definition for strategic management, that is: a set of decisions dealing with identifying the remote goals and the means of achieving them, and allocating the necessary resources for that. Such decisions are selected and taken in order to create integration between parts of the institution and to support its efforts and cooperation between sections, that helps to produce a positive interaction between the institution and its

⁵Haydar Yousos, Strategic Management for Institutions and Companies, Alrateb Scientific Library, Amman, 1999, Page 22.

⁶Hamdan, Khalid, Strategy and Strategic Planning, 2007, Page 22.

environment on the one hand, and between its present and future on the other hand, so that it keep going ahead as a unit to a destination that achieves its goals.

Methods of Formulating Strategies

The method which the institutions adapt to create, develop and modify their strategies in order to deal with the changes happened in its environment and to achieve its goals is called the process of formulating strategies, which is considered the cornerstone for the strategic administration that longs for success. It is also considered the basic steps that must be cautiously examined and checked out before taking the decisions whose results are decisive to determine the future and destiny of the institution.

This process has been defined as a set of behaviors, actions or dynamic factors which start determining the affecting element then identifying it and finally ending with a commitment to set of selected decisions and behaviors.

The objective of this process is to help in organizing and arranging unstructured problems which face the institutions so as to search properly for solutions. Others believe that formulating a strategy is just a process to solve a systematically unorganized, vague or precisely undefined problem⁷.

Strategic Administration Levels

Defined as strategic action units, part of work organization being handled with independently as product centers have their own resources and administration, but integrated with other units in the frame of the comprehensive strategic plan of the organization.

Strategic Administration Levels of the Organization (Parent Company): The administration in this level leads all activities related to formulating the message of the organization, identifying strategic objectives, mobilizing necessary resources and formulating strategic plan in the light of analyzing internal environment of the organization.

Strategic Administration in the level of strategic work units (Hamdan, 2006).

The Importance of Strategic Administration

The importance of strategic administration evidenced by analysis of challenges which met administrations in the last decade of the twentieth century, some of these challenges are:

- 1- Acceleration of quantitative and qualitative change in business environment.
- 2- Increase of competitiveness severity.
- 3- Business Globalization
- 4- Scientific Change
- 5- Transformation from industrial communities into knowledge community
- 6- Insatiability in market conditions

Development of Strategic Administration Concept

One can notice the basic stages practiced by the strategic administration with its applications in business fields when following the track of the use and the application of the strategic concept in the context of the development of management of business organizations⁸.

It is obviously known that the origin of the concept of Strategy due to Grecian resource which concerned with the art war, therefore, transferring this idiom to management field will preliminarily indicates administration or leadership. So, strategy expresses the skill of administration and planning, or scientific means leading to achieving desired goals.

⁷Hamdan, Khaled, Previous resource, Page 34.

⁸Rida Al Ali and others, Functions of Modern Management- Banormah Overview, 1st. Edition, Alwarraq Institution for Publication and Distribution, 2001, Page 50.

It seems that the application of strategy concept in business field significantly appeared in 1951 when Newman referred to the nature and the importance of strategy in planning for the economic project⁹.

Introducing and Managing Strategies

The specifications that must be available for administrative leadership can include many aspects such as personal aspects of phenomena, incidents and opportunities, analytical aspects of the factors connected to the phenomena and the aspects related to estimating the priority and the importance of the objectives to be achieved. All specifications are closely linked to introducing, creating and putting forward strategic plans at the first place, and comprehending those plans in order to achieve what had been planned to, the more analysis and distinction are realistic, the more strategic plans are realistic and that facilitates its managerial strategy¹⁰.

Strategic Organizational Capacity:

The past years, particularly 1970s, have witnessed many research efforts in the fields of environmental analysis and introducing strategies, although most of these efforts achieved clear results in the field of general strategies, they lost the sight of an important aspect which is evaluating organizational capacity to apply strategies successfully.

The main reason that have caused the stumbling of the studies in this aspect refers to disagreement in adopting a clear concept of the strategy at the first place, and there is no general method for evaluation, secondly¹¹.

The Importance of the Strategic Management of Business Organizations:

According to some strategic studies, the organizations which concern with the managing of their operations and activities achieve many advantages and benefits, some of which are linked to the clearness of future vision for the founders of the strategy to achieve a proactive element in order for the organization to interact with its environment, besides the possibility of achieving the satisfactory economic return by the organization, and allocate its resources according to what contributes in exploiting potential opportunities and take use of the available strong points avoiding surrounding risks and minimize internal vulnerability factors. Some of the benefits that the organizations get as a result of its interest in strategic management are¹²:

- 1- **Clearness of Future Vision and taking strategic decisions**
- 2- **Long-term environmental interaction**
- 3- **Achieving economical and financial satisfactory results**
- 4- **The ability to make change**
- 5- **Allocating resources and capabilities in an effective manner**

Strategic Planning Concept

Despite the attempts which have been made to define the concept of strategic planning and clarifying its features, dimensions, properties, methods, tools and challenges, the researchers and scholars disagreed on following particular definition for the strategic planning concept.

Hamdan, 2006, Identified Strategic Planning as a process in which the message of the organization is determined, then goals, strategies and policies are laid so that resources are ensured and divided to achieve these objectives¹³.

⁹Hamdan, Khalid, Previous resource, Page 26

¹⁰Rida Alali and others, Previous Resource, Page 55.

¹¹ Ahmad Alqatameen, Strategic Management- Modals and Cases Application, 1st. Edition, 2002, Amman, Majdalawi for Publication and Distribution, Page 109.

¹²Hamdan, Khalid, Previous resource, Page 28.

¹³The same resource, Page 30.

Alkhafaji sees that the Strategic Planning is activities lead to achieving the goals of the organization and selecting the proper strategies for that. While Alqatameen¹⁴ sees that it is the process of upgrading the message, the goals, the plans, and the policies of the company for the coming stage.

Elements and Constituents of Strategic Planning:

In highly variable environments, organizations suffer from unsteadiness and that increases the need for using strategic planning which needs to adapt the following elements and fundamentals to succeed¹⁵: the necessity to provide encouraging environment within the organization to start the efforts of strategic planning, such as: the existence of experienced managers in this field, information systems, communication system, and providing financial and other resources, the existence of enthusiasm within members of senior management and members of the rest of the participating administrative levels to make efforts serving strategic planning, an integrated team to carry out the strategic planning component consisted of the members who are able to take responsibility for this planning. Hence Strategic Planning links three types of plans which are a) strategic plans b) med-term plans and programs c) and short-term plans and programs¹⁶.

Strategic planning is built on the case of uncertainty, since the future variables are vague and mysterious, and contains risks and uncertainties about which little information is known, with difficulty for its future anticipation, that requires cooperation and participation by all managerial levels related¹⁷. In order for the Strategic Planning to succeed to achieving its objectives, a set of fundamentals and conditions must be available¹⁸:

- 1- **Broad Participation:** It means providing a base for broad participation in strategic planning in social, political, economic, and administrative fields ...etc.
- 2- **Information:** It is vital to provide a database to get successful planning, the absence of this base indicates the absence of scientific methodology and objectivity in strategic planning.
- 3- **Strong Determination of Senior Management:** It is the sincere conviction and obvious approach possessed to have the intention to use strategic planning, and be away from random and propaganda purposes¹⁹.

9. The Study Methodology

1- The Instrument of the Study:

It was developed in the form of a questionnaire after the ethics of the study had been previously reviewed, it consists of three sections:

- 1- **Initial data, including:** gender, age, educational qualification, and practical experience.
- 2- **A Scale to measure the independent variables:** (environmental variables, research and development, Central Bank Control). It consists of (39) items.
- 3- **A Scale of distinctive capabilities:** It is designed as the five-point Likert scale. It consists of (9) items.

¹⁴Alqatameen, Ahmad, Strategic Administration-Modals and Cases Application, 2002, Previous resource, Page 111.

¹⁵Rida Al Ali and others, Previous resource, Page 58

¹⁶Ghrab, Kamil, Strategic Administration, Previous resource, Page 16.

¹⁷Hashim, Zaki, Basis of Administration, Thatel Salasel Publications, Kuwait, 2001, Page 42.

¹⁸Abdol Salam, Abu Kohof, Strategic Administration and its applications, 2000, Dar AlMarefaAljameiya, Egypt, Page 16

¹⁹Hamdan, Khalid, Previous resource, Page 33.

The answers on the paragraphs of the two scales are taken (Strongly Agree, Agree, Agree to some extent, Disagree, Strongly disagree), and the weights (5, 4, 3, 2, 1) are given, and thus whenever the average is up, that indicates to a higher degree of approval on the paragraph.

2- .Internal Consistency between the Paragraphs of the Scale:

Cronbach's coefficient alpha of internal consistency was extracted from scale items, the value of Cronbach's coefficient alpha was (79.2%) between the scales items, and (66.5%) between the scale items of independent variables, and (81.1%) between the scale items of distinctive capabilities which is relatively a high value points out to the stability of the study tool, where the minimum value which indicates internal consistency of the scale is (60%).

3- Statistical Methods Used:

Simple Statistical methods which suit the variables and hypotheses of the study were used, such as redundancy, percentages, arithmetic averages and standard deviations, as well as the use of simple regression analysis.

10.The Results of the Study

10.1- General Characteristics

Table No. 1: Relative Distribution of the members of the study by gender

Sex	Number	Percentage
Male	91	65.9
Female	47	34.1
Total	138	100

From the data of Table No.1, it is noticed that the majority of the members of the study sample is of males with answers percentage of (65.9%) while the percentage of female representation is (34.1%).

Table No. 2: Relative Distribution of the members of the study according to age

Age	Number	Percentage
30 years and less	49	35.5
31-40 years	15	10.9
41-50 years	61	44.2
51 years and more	13	9.4
Total	138	100

From the data of Table No.2, it is noticed that the highest percentage of the members of the study sample is of the category 41-50 years with a percentage of (44.2%), while the lowest representation is for the age of 51 and more with a percentage of (9.4%).

Table No. 3: Relative Distribution of the members of the study according to academic qualification

academic qualification	Number	Percentage
General Secondary School Certificate and less	17	12.3
Intermediate Diploma	32	23.2
Bachelor	59	42.8
Postgraduate/Higher Studies	30	21.7
Total	138	138

From the data of Table No. 3, it is noticed that the highest percentage of the members of the study sample is of Bachelor holders with a percentage of (42.8%), while the lowest representation is for **General Secondary School Certificate and less** with a percentage of (12.3%).

Table No. 4: Relative Distribution of the members of the study according to administrative level

Administrative Level	Number	Percentage
Secretary General	1	0.7
Secretary General Assistant	2	1.4
General Manager	6	4.3
Center Governor	10	7.2
Others	119	86.2
Total	138	100

From the data of Table No. 4, it is noticed that the highest percentage of the members of the study sample is of employees with a percentage of (86.2%), while the lowest representation is for **The Secretary General** with a percentage of (0.7%), then **Secretary General Assistant** (1.4%).

Table No. 5: Relative Distribution of the members of the study according to Practical Experience

Practical Experience	Number	Percentage
5 years and less	25	18.1
6-10 years	45	32.6
10-16 years	45	32.6
16-20 years	15	10.9
21 years and more	8	5.8
Total	138	100

From the data of Table No. 5, it is noticed that the highest percentage of the members of the study sample is of 6-10 and 16-20 years of experience with a percentage of (32.6%) for each, while the lowest representation is for **21 years and more** with a percentage of (5.8%).

10.2- Independent Variables

1- Environmental Variables

Table No. 6: Arithmetic Means and Standard Deviations of respondents' answers on the paragraphs of environmental variables

No.	Paragraph	Arithmetic Means	Standard Deviations	Ranking
1	Qualified human cadres are available at the bank to participate in the preparation and the implementation of strategic planning.	3.20	1.18	7
2	The Bank has been attracting qualified human competencies when needed for the development of strategic planning.	3.14	0.89	8
3	The Bank has prepared continuous training programs to raise the efficiency of its staff in order to invest them in the strategic planning processes.	1.53	0.79	14
4	The Bank is providing its personnel with the expertise of other banks in the field of strategic planning.	2.88	0.89	10
5	The Bank is constantly keen on determining its needs of qualified human resources for the success of strategic planning.	2.62	1.08	11
6	There are communication channels to exchange experiences between senior management and other managements in the field of strategic planning.	4.16	0.71	5
7	There are human cadres at the Bank capable to predict the future changes in the respect of the past experiences.	2.37	0.74	12
8	There are necessary financial allocations needed for strategic planning.	4.51	0.50	3
9	The Bank seeks alternative financial sources for the success of strategic planning processes.	4.37	0.74	4
10	The bank determines estimated annual cost for the strategic planning program	2.36	0.94	13
11	The bank takes into consideration the emergent circumstances and variables that appear when applying the process of strategic planning.	4.52	0.77	2
12	The bank provides a system of rewards and financial incentives for the strategic planning team appropriate to their efforts and achievements.	4.67	0.47	1
13	The Bank is keen on producing alternative solutions for the problem of the lack of funding necessary for strategic planning.	3.47	1.11	6
14	The Bank owns a financial control system to limit financial waste and reduce excessive expenses related to strategic planning.	2.92	1.06	9
	Overall	3.34	0.29	---

The data of Table No.6 clarify Arithmetic Means and Standard Deviations for the answers of the members of the study sample on the environmental variables paragraphs, its noticed that there is above average approval in general, where the overall average for Answers is (3.34) which is higher than the default average (3), which indicates the neutral zone.

At the level of the paragraphs of the scale it is noticed that that most approved upon is paragraph No. (12) with an average answers of (4.67), in the second degree comes paragraph No (11) with an average answers of (4.52) As for the paragraphs with less approval, it is paragraph (3) with an average answers of (4.53).

2- Central Bank Control

Table No.7: Arithmetic Means and Standard Deviations of respondents' answers on the paragraphs of the Central Bank Control

No.	Paragraph	Athematic Means	Standard Deviation	Ranking
15	The Bank revises all its legislations to ensure their validity for strategic planning	2.38	0.74	17
16	In its legislations, the Bank is keen on keeping up with new developments and environmental variables to serve strategic planning.	4.13	0.70	3
17	The Bank follows the policy of taking staff suggestions on the development of its legislations so as to adapt to the external and internal environments.	4.39	0.64	1
18	The Bank is familiar with many items of legislations of different organizations for the success of the strategic planning processes.	3.75	1.14	8
19	The Bank has a committee specialized in all laws and legislations to be used when needed.	3.41	1.14	10
20	In its legislations, the Bank is keen on facilitating the transfer of technology to serve the strategic planning.	3.94	1.01	5
21	In its legislations, the Bank is keen on facilitating the transfer of information to serve the strategic planning.	3.78	0.92	6
22	In its legislations, the Bank is keen on providing Finance to serve the strategic planning.	3.37	0.81	11
23	In its legislations, the Bank is keen on providing human efficiencies to serve the strategic planning.	3.024	0.05	13
24	The Bank owns sufficient sources of information about the internal environment related to strategic planning.	2.88	1.01	16
25	The bank owns sufficient sources of information about the external environment related to strategic planning.	3.17	1.28	14
26	The Bank has full knowledge of constraints and problems facing strategic planning processes.	4.01	1.15	4
27	The Bank is keen on facilitating the access to	3.79	0.84	7

	the information necessary for any employee in the field of strategic planning.			
28	The bank owns special files with all previous information to take use of them when facing similar problems.	3.25	0.77	12
29	The Bank pays importance for the information provided by all levels of management to activate strategic planning.	3.07	1.10	15
30	The Bank adopts a policy of exchanging information between all managements, especially those concerned strategic planning.	3.61	0.88	9
31	The Bank analyzes information related to strategic planning by computer programs.	4.24	0.79	2
	Overall	3.52	0.41	---

The Data of Table No.7 clarify Arithmetic Means and Standard Deviations for the answers of the members of the study sample on the Central Bank Control paragraphs, it is noticed that there is above average approval in general, where the overall average for Answers is (3.52) which is higher than the default average (3), which indicates the neutral zone.

At the level of the paragraphs of the scale it is noticed that the most approved upon is paragraph No. (17) with an average answers of (4.39), in the second degree comes paragraph No (31) with an average answers of (4.24). As for the paragraphs with less approval, it is paragraph (24) with average answers of (2.88).

3- Research and Development

Table No. 8 :Arithmetic Means and Standard Deviations of respondents' answers on the paragraphs of the Research and Development

No.	Paragraph	Arithmetic Means	Standard Deviations	Ranking
32	The Bank provides modern PCs which contribute on achieving the objectives of the strategic planning aspired.	3.99	0.56	2
33	The Bank is connected to the electronic network (Internet) to access all information serving strategic planning.	3.73	0.84	3
34	The Bank provides an internal network (intranet) which contributes to provide a database for all the bank employees.	3.67	1.01	5
35	The Bank is keen on attracting human qualifications to exploit electronic sets to serve strategic planning.	3.49	0.97	7
36	The bank is keen on offering it services electronically according to "Electronic Government Program".	3.30	0.86	8
37	The Bank adopts the policy of technological modernization and development to communicate with what is new to improve strategic planning.	3.70	1.04	4

38	The Bank constantly inspects the shortage of machines and technological tools and techniques necessary to meet their needs.	4.33	0.58	1
39	The Bank take care of saving all the information necessary for strategic planning in computers to use them when needed .	3.64	1.00	6
	Overall	3.73	0.43	----

The data of Table No.8 clarify Arithmetic Means and Standard Deviations for the answers of the members of the study sample on the Research and Development paragraphs, its noticed that there is above average approval in general, where the overall average for Answers is (7.73) which is higher than the default average (3), which indicates the neutral zone.

At the level of the paragraphs of the scale it is noticed that the most approved upon is paragraph No. (38) with an average answers of (4.33), in the second degree comes paragraph No (32) with an average answers of (3.99). As for the paragraphs with less approval, it is paragraph (36) with average answers of (3.30).

Third: Competitive Advantages

Table No.9: Arithmetic Means and Standard Deviations of respondents' answers on the paragraphs of the Distinctive Capabilities

No.	Paragraph	Arithmetic Means	Standard Deviations	Ranking
40	Strategic planning is considered as an effective tool for achieving long-term objectives in government entities.	3.34	1.14	8
41	Strategic Planning enables the bank to identify its needs, and future and current capabilities.	3.54	1.04	7
42	Strategic Planning contributes in developing institutional thinking of senior and middle managements in the Bank through better alternatives and options available.	4.04	0.71	4
43	Strategic planning develops the institutional decisions of senior and middle departments in the Bank by raising the degree of future predicting.	4.19	0.77	3
44	Strategic planning contributes to the increase of cooperation and coordination between the senior and middle departments in the Bank (especially information flow, and decision-making).	4.25	0.69	1
45	Strategic Planning leads to linking the Bank with external environment in response to continuous variables	4.22	0.72	2
46	Strategic Planning is considered a continuous means for the control and assessment of the Bank.	3.54	0.98	6
47	Strategic planning is considered as a need	3.20	1.13	9

	the Bank resorts to in order to find innovative solutions to potential problems in the future			
48	Strategic Planning raises the efficiency and the competency of the Bank.	3.84	1.06	5
	Overall	3.79	059	---

Data of Table No.9 clarifies Arithmetic Means and Standard Deviations for the answers of the study sample members on the Distinctive Capabilities paragraphs, its noticed that there is above average approval in general, where the overall average for Answers is (7.93) which is higher than the default average (3), which indicates the neutral zone.

At the level of the paragraphs of the scale it is noticed that the most approved upon is paragraph No. (44) with an average answers of (4.25), in the second degree comes paragraph No (45) with an average answers of (4.22). As for the paragraphs with less approval, it is paragraph (47) with average answers of (3.20).

11.Hypotheses of the Study Test

The First Hypothesis:

HO: There is no statistically significant impact of environmental variables on the distinctive capabilities of the bank.

Table No. 10:Results of simple regression analysis to test the impact of environmental variables on distinctive capabilities

Correlation coefficient R	determination coefficient R ²	Regression coefficient B	(T) Value Calculated	Statistical Significance	Hypothesis Result
0.031	0.1%	0.064	0.366	0.715	Ho Accepted

It is noticed from the results of the simple regression analysis that there is no statistically significant impact at the level ($0.05 \geq \alpha$) for environmental variables on distinctive capabilities, where the value of calculated (T) is (0.366) and its statistically significant (0.715). It also can be seen from the results that the environmental variables explain (0.1%) of the variation in the distinctive variables. Consequently, the null hypothesis of the study is accepted, there is no relation.

The Second Hypothesis:

HO: There is no statistically significant impact of Research and Development Processes on the distinctive capabilities of the bank.

Table No. 11: Results of simple regression analysis to test the impact of Research and Development on distinctive capabilities

Correlation coefficient R	determination coefficient R ²	Regression coefficient B	(T) Value Calculated	Statistical Significance	Hypothesis Result
0.644	41.5%	0.886	9.827	0.000	Ho Rejected

It is noticed from the results of the simple regression analysis that there is a statistically significant impact at the level ($0.05 \geq \alpha$) for Research and Development on distinctive capabilities, where the value of calculated (T) is (9.827) and its statistically significant (0.000). It

also can be seen from the results that the Research and Development explain (41.5%) of the variation in the distinctive variables. Consequently, the null hypothesis of the study is rejected, there is no relation.

The Third hypostasis:

HO: There is no statistically significant impact of the Central Bank Control on the distinctive capabilities of the bank.

Table No. 12: Results of simple regression analysis to test the impact of the Central Bank Control on distinctive capabilities

Correlation coefficient R	determination coefficient R ²	Regression coefficient B	(T) Value Calculated	Statistical Significance	Hypothesis Result
0.453	20.5%	0.656	5.923	0.000	Ho Rejected

It is noticed from the results of the simple regression analysis that there is a statistically significant impact at the level ($0.05 \geq \alpha$) for the Central Bank Control on distinctive capabilities, where the value of calculated (T) is (5.923) and its statistical significance (0.000). It also can be seen from the results that the Central Bank Control explains (20.5%) of the variation in the distinctive variables. Consequently, the null hypothesis of the study is rejected, there is no relation.

12. Recommendations

The study recommends to keep on working to attract human competences specialized in strategic planning in order to invest them in the sections of Bank so that the efficiency of these banks is raised, their performance is improved and services are developed, and also they have to provide the financial allocations for strategic planning processes to stimulate team work commensurate with efforts made and provide technological means necessary to the success of the strategic planning processes. Finally, Bank sections have to be provided by the most up-to-date technology indispensable for strategic planning side by side with the provision of appropriate human competences, and also legislation have to be upgraded to suite all contemporary developments and changes.

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