

**THE RELATIONSHIP BETWEEN STRATEGIC PLANNING PROCESS AND
FIRM PERFORMANCE IN THE PALESTINE SERVICE SECTOR**

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Universiti Utara Malaysia

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FIRM PERFORMANCE IN THE PALESTINE SERVICE SECTOR**

A thesis submitted to the College of Business in partial fulfillment of the
requirement for the degree Master of Science (Management) in

University Utara Malaysia

by

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2011

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ABSTRACT

Strategic planning process is key part of the business success and organizational performance. This study investigates relationship between strategic planning process and firm performance in the Palestine service sector. Data were collected from executives in 20 service organizations in Palestine. Descriptive statistics were calculated and correlation analysis and regression analysis was used to test the hypothesized relationships. In this study it has found that there is positive relationship between strategic planning process and firm performances in Palestinian service sectors.

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CHAPTER ONE

INTRODUCTION

1.0 INTRODUCTION

Numerous aspects of the scholarly investigation of planning within organizations form a source of academic debate and conceptual division (Beinhocker, 2003). Researchers have investigated the relationship between planning processes and performance with mixed results (Mintzberg, 1994). This is puzzling given both the intuitive, anecdotal, and theoretical support for the importance of the relationship (Duhaime and Grant, 1984; Jemison and Sitkin, 1986; Miller, 1989). It has been suggested that the key organizational issue in the future will be managing information, with some firms attempting to codify or automate these for use in their organizations (Lancaster, 1997). No process requires more coordination and informational input than the planning processes of an organization. Tremendous time, effort and money are devoted to it, as it appears to be one of the critical elements in the performance of the firm (Steiner, 1979; Mintzberg, 1994).

A strategic plan should not be confused with a business plan. The former is likely to be a very short document whereas a business plan is usually a much more substantial and detailed document. A strategic plan can provide the foundation and frame work for a business plan. A strategic plan is not the same thing as an operational plan. The former should be visionary, conceptual and directional in contrast to an operational plan which is likely to be shorter term, tactical, focused, implementable and measurable. As an example, compare the process of planning a vacation such as where, when, duration, budget, who goes, how travel are all strategic issues with the final preparations such as tasks, deadlines,

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