

Scientific Paper

Strategic Planning and Performance Indexes

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Introduction

Today organizations exist within a highly complex and changing environment. They provide their services in a political, social, economic, technological and cultural environment of increasing complexity, day after day, and in which the available opportunities are completely changing. Moreover, organizations are influenced by the huge and accelerated evolution occurring in the world where we are living, and this fact makes it more difficult for the administration to realize the objectives of the organization. Therefore organizations must be capable of acclimatizing and adapting themselves with both their internal and their external environments in order to be able to continue existing, growing and surviving, otherwise they are doomed to vanish and disappear. (Al-Showeikh, 2007, p. 21)

The present paper tackles this subject from two main perspectives: Strategic Planning and Key Performance Indexes (KPI).

The Purpose

This paper aims at investigating the subject of strategic planning and performance indexes.

Section One: Strategic Planning

1. Strategy

The roots of the term *strategy* go back to a Greek origin meaning the science of the General, or the leadership of the General's "art of war." Transposing this term to the administration field will clearly indicate "the art of leadership or management." Hence *strategy* expresses the art and skills of management and planning, i.e. the practical means that lead to the achievement of the desired objectives. (Bin Habtour, 2004, p.24)

Chandler defines strategy as the determination of the long-run objectives and purposes of the organization and the allocation of the required resources for achieving such objectives and purposes. (Aldawry, 2005, p. 25)

Drucker defines strategy as the process of making continuous decisions based on potential information concerning the future and the future effects of these decisions; in addition to organizing the necessary efforts for implementing these decisions, and measuring results in the light of expectations through the availability of an information feed-back system. (Khattab, 2001, p. 14) On the other hand, Shapiro defines strategy as being a comprehensive method based on understanding the general context in which the organization is proceeding, including its weak points and strong points as well as the problems to be confronted and solved. (Shapiro, 2003, p. 1)

In view of the above-mentioned, we can say that strategy is a clear leading plan or group of plans for describing the message of the organization and determining its purposes and objectives.

2. Strategic management

Every organization, whatever it may be, strives to realize its objectives. Strategic management is the only possible way to reach this goal. Thompson and Esters define strategic management as the process of devising future plans for the organization and determining its long-run objectives, then choosing the adequate pattern for implementing the strategy; while Josh describes strategic management as the unified, interactive and comprehensive plan which relates the strategic advantages of the organization to the challenges imposed by the environment and which has been designed to guarantee the realization of the main objectives of the organization through adequate implementation methods. (Aldawry, 2000, p. 25)

Management and Engineering Arab Experts (TEAM) define strategic management as an on-going and infinite process that aims at keeping the organization as a whole in a convenient state in its environment; or as the ability to deal with the variables of the organization's environment and to manage and deal with the change. (TEAM Experts, 2000, p. 15)

Thompson adopts a comprehensive concept of strategic management and defines it as the process that enables the organization to determine its objectives and the activities required to realize these objectives at the right time; then to implement such activities and assess the achieved progress and results. (Bin Habtour, 2004, p. 24)

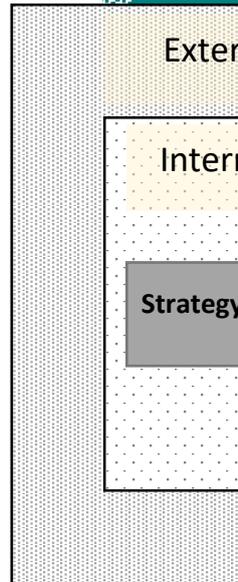


Figure 1: The strategic administration process

(Source: Bin Habtour, 2002, p. 83)

Yassin described strategic planning as an innovative process, based on objective analysis and intuitive human imagination, and as a continuous dynamic process that aims at realizing the message of the organization through managing and directing the available resources of the organization in an efficient and effective way; while being able to confront the challenges imposed by the changing business environments, including threats, opportunities, competition and various other risks, in order to realize a better future, starting from a basic launching point at the present time. (Yassin, 2010, p. 20)

Aldawry (2010), on the other hand, summarized the strategic planning process in the following steps:

1. Formulating the vision and message of the organization and determining its purposes and objectives;
2. Strategy formulation;

3. Strategic analysis including the following:

- a) Analyzing the opportunities and challenges of the external environment; and
- b) Analyzing strong and weak aspects of the internal environment.

4. Strategic options determination at various levels:

- a) At the organization level;
- b) At the units levels; and
- c) At the function level.

5. Strategy implementation.

6. Performance assessment and control to make sure that the objectives of the organization are comprehended and achieved. (Aldawry, 2010, p. 27)

3. Planning

Any nation striving to build its future has to adopt a planning policy to guide its steps and support its efforts. Planning is one of the main functions of the administration and comes first on that list. An administrator or a manager is basically a planner since he makes decisions that will influence the future of the organization to which he belongs. From this perspective, it is clear that planning precedes any executive activity and is directly related to two principal elements: First, the future, and second, the relationship between the objectives and the applied methods for realizing these objectives. (Salem et al., 1998, p. 85)

Orick defines planning as a smart process and mental procedure to do things in an organized way through thinking before acting, and acting in the light of facts instead of guesswork. (Salem et al., 1998, p. 89) Almady (2006) sees that planning consists in determining the adequate means or methods for realizing a future goal in the light of the surrounding circumstances and the available capabilities. (Almady, 2006, p. 55) Similarly, James defines planning as the selection of the best available alternative for realizing the specified and agreed upon objectives. (James, 1999, p. 13)

4. Strategic Planning

Strategic planning is the main activity of the strategic management function. It refers to the strategic plan formulation which includes revising the organization's message and objectives in order to agree upon them and selecting the adequate strategy for achieving them. Strategic planning endeavors to set up a conceptual framework capable of introducing the external environment elements characterized by risk, change and uncertainty, into the decision-making process carried out inside the organization, especially regarding the long-run. In other words, strategic planning is the process of making decisions concerning the message and objectives of the organization and choosing the main course of action to be adopted for realizing the organization's objectives. Thus, strategic planning determines the organization's style and personality and distinguishes it from the other organizations and entities. (TEAM Experts, 2000, p. 19)

It may also be said that strategic planning is a general plan for facilitating the process of successful management. This general plan keeps the planner out of the circle of daily activities and procedures that take place inside the organization and gives a complete picture of what should be done during the future course of the organization. Briefly, strategic planning provides the planner or the administration with a clear vision of the goal which the organization wants to reach and how to reach it, beside daily plans and activities. (Shapiro, 2003, p. 3)

Therefore, strategic planning is an essential process for achieving the message of the organization. Moreover, effective strategic planning provides the organization with a practical frame for making decisions regarding the allocation of resources, facing challenges and benefitting from the available opportunities. It is an organized process aiming at the determination of the present position of the organization and its desired position in the future. (Namken and Rapp, 1997, p.2) Alkattameen describes strategic planning as the process of developing the organization's message, objectives, plans and policies for the next stage. (Alkattameen, 1996, p. 92)

Bin Habtour states the various aspects of strategic planning as follows:

1. Strategic planning is an integral system implemented according to agreed upon steps.
2. It represents a system for the determination of the organization's future course.
3. Through strategic planning the fields in which the organization and its business can be distinguished in the future are specified.
4. Strategic planning is a reaction to the strong points and the weak points revealed in the management of the company or the organization.
5. Strategic planning is a working style at the level of the board of directors and higher administration. (Bin Habtour, 2004, p.44)

5. Strategic Planning and Long-run Planning

Although these two terms are interchangeably used, they actually differ concerning the certainty of the assumed environment. Hence long-term planning means to prepare a plan with the aim of realizing a set of goals over a number of years while assuming that the present knowledge regarding future circumstances is sufficiently stable to guarantee the stability of the plan during implementation. On the other hand, strategic planning takes into consideration that the organization must respond to the dynamic and changing environment, instead of assuming a more stable environment, as in the case of long-run planning. Therefore, strategic planning stresses the importance of making decisions which reflect the ability of the organization to successfully respond to the changes occurring in its environment. (Thabet, 2006, p. 6)

6. Strategic management and strategic planning

Strategic planning constitutes an important element of strategic management as part of a whole. In addition to strategic planning, strategic management includes the administration of organizational change, the administration of organizational culture, the management of resources and the management of the environment, at the same time. Strategic management is concerned with both the present and

the future; it is an internal view directed to the outside and a view aiming at analyzing the present of the organization from a future perspective. To put it differently, strategic management is a creative and motivated process whereas strategic planning is a long-term process, based on expecting future changes and on allocating the present resources and capabilities within the time scope determined by the plan. (Yassin, 2010, p. 18) Alkattameen considers strategic planning as the second stage of strategic management; following the first stage of environmental strategic analysis.(Alkattameen, 2004, p. 92)

7. The importance of strategic planning

The importance of strategic planning stems from its focus on binding the organization to its surrounding environment in such a way as to guarantee the success of the organization in achieving its message. Therefore, the organization has to explore and evaluate its environment in order to discover the actual and potential changes occurring in its political, economic, social and technological fields.

Patrick Okuma, in his manual on “Strategic Planning and Management” for UNASCO Organizational Development Program, mentioned a set of factors underpinning the importance of strategic planning for the organization, as follows:

- a) Improving results: The availability of a clear formulation of the organization’s message, objectives and action plan has a positive impact on the organization’s performance. The existence of a clear future plan and a follow-up system may also maximize the realization of the organization’s objectives and help it to reach transparency and accountability to a great extent.
- b) Focus and guidance: Good strategic planning compels the organization to seriously consider the future and to review its concentration fields and organizational structure and reform its course of action.
- c) Problem shouting: Non-governmental organizations (NGO’s) and private sector organizations encounter from time to time a bunch of problems and

opportunities that are difficult to solve and deal with separately. Strategic planning is the right tool for solving interrelated issues or problems in a pre-planned way.

d) Learning and team building opportunity: Strategic planning provides the organization with an excellent opportunity for encouraging the organization staff and concerned parties to learn and abide by the plan.

e) Communication and marketing: Strategic planning may become an effective communication and marketing tool especially that some financing entities request from the organization to submit to them its strategic plans as a requirement for providing their contribution and continued support.

f) Overcoming and avoiding present and future crises: Strategic planning helps the organization to overcome present and future crises that confront its business course. Moreover, strategic planning helps the organization to determine its resources and obtain more of them as well as acquire the necessary skills required for offering its services in a better way to the society.

g) Strategic planning helps the organization to depict the causes of the problems and to solve them. (Okuma, 2003, p. 4-6)

Thabet added a number of factors which he considered as the benefits of strategic planning for the organization. Thus he sees that strategic planning:

a) determines the framework and orientation that lead and support the administration of the organization;

b) determines a common vision and purpose for all those who are working in the organization;

c) increases the level of abidance by the organization's objectives and welfare;

d) improves the quality of the services offered to the clients of the organization and its performance evaluation methods;

e) increases the opportunity of receiving support and developing human resources;

f) determines priorities and necessary sources;

- g) increases the organization's ability to deal with external risks; and
- h) helps in the management of crises. (Thabet, 2006, p. 11)

8. Impediments of the strategic planning process

Although most organizations may gain many advantages from using strategic planning, other organizations may find it difficult to apply, due to a number of impediments and obstacles. Certain studies (Alsayed, 1993, p. 15-17; Sherif, 1996, p. 148-150) mentioned the following obstacles to applying strategic planning:

- a) An environment characterized by complexity and continuous change which may render strategic planning obsolete before its completion. It is true that when the organization's environment is rapidly changing, strategic planning becomes a necessity, although sometimes too difficult to realize. In such cases, strategic planning must be backed-up with a close and continuous follow-up of the environment to enable the organization of expecting potential changes and setting up potential scenarios for confronting such changes;
- b) Resistance to change: Humans are by nature prone to resist change and preserve the status quo. Therefore, some individuals oppose change;
- c) Many managers are hesitant about setting goals for themselves and their organizational units. This is due to their way of thinking as they believe they do not have enough time for devising a plan, and that they should instead devote all their time to managing daily operations and solving the problems encountered during their performance;
- d) Strategic planning may arouse some problems during its formulation or implementation and thus leave a bad impression in the mind of the organization managers who may then think that planning is not important and that it will not improve the organization's performance;
- e) The insufficiency of the resources available to the organization may represent an obstacle on the way of strategic planning application; and/ or

f) Time and cost may represent an obstacle on the way of strategic planning. Effective planning requires a long time and alert minds from the managers; the planning cost may also be an obstacle for many organizations.

PMEC experts summarized the impediments of strategic planning as follows:

- a) The culture of the organization does not instigate participation;
- b) The main leaders are incapable of carrying out strategic planning;
- c) The required resources, basic capabilities and skills are unavailable;
- d) Internal conflicts;
- e) The available information is insufficient for carrying out strategic planning;
- f) The message formulation does not adequately reflect the specified vision;
- g) The implementation of programs and activities which do not conform to the message of the organization, and which are not compatible with the strategic decisions;
- h) Absence of follow-up;
- i) Pressures are imposed by the environment surrounding the organization;
- j) Lack of conformity or communication with the targeted categories. (PMEC Experts, 2006, p.48)

9. Stages of the strategic planning process

There no consensus among writers, researchers and relevant references in the field of business administration on the stages and steps of strategic planning. However there are many ways and methods for determining these stages and steps, and we are presenting some of them in the following as an example without limitation. Management and Engineering Arab Experts (TEAM) summarized the steps of strategic planning as follows:

- a) Providing the adequate organizational climate for the strategic planning process;
- b) Strategic analysis of the organization's environment, including both the internal and external environment;

- c) Determining the strategic orientation, including the organization's message, vision and objectives;
- d) Formulating the adequate strategy, including the determination of strategic alternatives and choosing the convenient policies that will translate the strategy into actual rules and procedures;
- e) Strategy implementation;
- f) Follow-up and performance control. (TEAM, 2000, P. 22)

Similarly Geyer sees that the steps of strategic planning are the following:

- a) Preparing for the planning process;
- b) Environmental analysis;
- c) Strategy formulation;
- d) Strategic plan formulation and approval;
- e) Plan implementation;
- f) Follow-up and evaluation. (Geyer, 2006, p. 8-22)

From the above-mentioned examples, it can be seen that the suggested stages of strategic planning are essentially the same with only minor differences. Therefore, we can divide the strategic planning process into three stages, with each stage including a number of steps, as follows:

First: The strategic plan preparation stage

The preparation and approval of the strategic plan marks the actual starting point of the planning process. This first stage is an essential part of planning, and represents the meaning and core of the planning process. This first stage includes the following steps:

1. The first step: Planning the planning process

Strategic planning is far from being a random or simple process which can be achieved in one session or meeting. Actually it requires precise and careful planning that may extend over three years or more. If strategic planning is considered an important and essential process for the development and survival

of the organization, preparing for the strategic planning process is seen by managers and planners as an equally important first step on the way of strategic planning, since the success of strategic planning and the realization of the desired objectives depends to a great extent on this first step.

Hence this first step includes answering the following questions:

1.1. When should we start the strategic planning process?

In this regard, Shapiro suggests the following: (Shapiro, 2003, p. 5-6)

- We need to carry out the planning process when the strategic framework of the organization's functions needs development, explanation or merging. This can be found out through devising a special questionnaire to determine the need for the planning process.
- It is advisable not to carry out more than one planning process within a period of two years unless a very big change occurs at the internal or the external level. Usually planning once every three years is sufficient. This does not exempt from continuously revising the plan, at least once per year.
- There are various times during the organization's lifecycle when planning becomes a significant process.

1.2. Who can participate in the planning process?

According to Lyddon (Lyddon, 1999, p. 2) each organization has to determine those who will participate in the strategic planning process given the importance of their role in this respect. These participants can be classified as follows:

- The champion of the planning process: is usually an important member of the board of directors or the executive administration;
- The plan writer: is charged with assembling all the decisions that have been made by the planning staff in a comprehensive document;
- The planning process facilitator: should preferably be an outsider and is mainly responsible for preparing the agenda of each meeting and

checking its validity. Shapiro advised that the facilitator should be an individual from outside the organization, and should be skilled in the implementation of the comprehensive strategic planning process.

- The planning team: The members of the planning team are those who contribute more to the determination of the organization's future options and issues of concern. The planning team may include the chief executive officer (C.E.O), all or part of the administrative board members, all or part of the effective organization employees; and perhaps one or more of the organization's beneficiaries.
- The board of directors: Members of the board of directors are the ones who will adopt the plan and who will issue decrees and instructions to lead the organization's activities accordingly. Therefore they must be called to participate to the planning process.
- The working staff of the organization: The employees and especially the C.E.O. of the organization, have the sufficient experience and information required for carrying out the strategic planning process.
- Clients (Beneficiaries): The clients of the organization are those who will benefit from its programs and services.

PMEC Experts similarly pointed out that the participants to the strategic planning process should be: Members of the board of directors, the executive employees, the C.E.O. and other leaders of the organization, consultants, beneficiaries and other parties concerned with the organization's affairs. (PMEC Experts, 2006, p. 45)

2. The second step: Strategic analysis of the external and internal environments

2.1. Strategic analysis of the external environment

It includes the strategic analysis of the total external environment as well as the strategic analysis of the private external environment.

2.1.1. Strategic analysis of the total external environment

All the organizations are exposed in various degrees to the influence of the factors and variables of the total external environment (from the economic, social, political, legal, technological and global points of view). Such factors and variables – whether evolving in a positive or negative direction – may have an indirect impact on the organization’s inputs and factors of production, or present new opportunities or environmental challenges to the organization. The administration of the organization cannot control the factors and forces of the total external environment but it can try to adapt to them, via benefitting from the offered opportunities and reducing the risks of the encountered challenges. (Aldawry, 2005, p.86)

Effective factors and variables of the total external environment:

- Economic factors and variables - Political and legal factors and variables
- Social and cultural factors and variables -Technological factors and variables
- Factors of the international environment

2.1.2. Strategic analysis of the private external environment

PMEC Experts summarized the variables of the private external environment as follows: (PMEC, 2006, p. 79)

- Similar organizations
- Labor syndicates
- Governmental agencies
- Suppliers
- Targeted categories

2.2. Strategic analysis of the factors of the internal environment

The organization carries out a strategic analysis of its internal environment in order to determine its weak points and strong points at the present time and its expected weak points and strong points in the future. (Aldawry, 2005, p.124)

Researchers have advanced different opinions concerning the determination of the factors of the internal environment. Some mentioned the resources of the organization, including its human, financial, production and moral

resources. Others stressed the importance of the organizational and administrative factors, such as the organization structure and the culture of the organization; in addition to the various activities and functions of the organization such as production, marketing, management and finance. Others still underscored the financial factors and the profitability of the organization while others focused on its resources. (Aldawry, 2010, p.124)

2.3. Internal strong and weak points and external threats

Aldawry defined the organization's strength, weakness, opportunities and threats as follows:

Strength: means the available factors at the organization, which positively contribute to its business.

Weakness: refers to the insufficiency or lack of capabilities and/or resources in the organization and in particular when compared to those of its competitors.

Opportunities: are the circumstances, surrounding the organization at a given time and place, which the organization can exploit for realizing its strategic objectives.

Threats: are the potential incidents which, if they occur, would represent a risk or have a negative impact on the organization. (Aldawry, 2005, p.155 - 158)

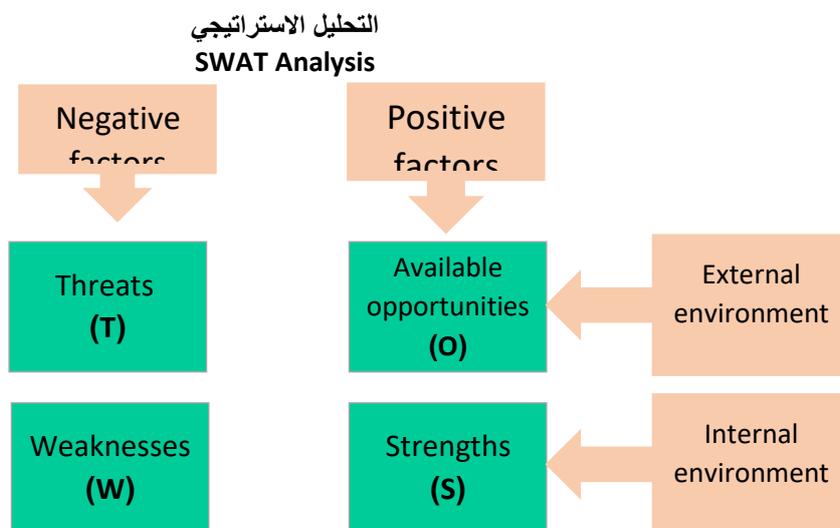


Figure 2: SWOT Analysis
Source (as adapted by the researcher)

3. The third step: The determination of the organization's orientation and future vision

3.1. Vision of the organization

The vision expresses the dreams to be realized and the desired advantage to be reached. In other words, the vision represents the purposes and hopes which the organization aims at achieving in the long run. (Khattab, 2003, p. 56)

3.2. Message of the organization

The message of the organization translates its unique characteristics which render it different from similar organizations. The message clearly and precisely reflects the essential philosophy of the organization and it also expresses the image which the organization wishes to impart to the others. The message expresses the self- conceptualization of the organization and of the goods and/or services it offers, as well as the market it deals with. Furthermore, the message aims at specifying the needs which the organization strives to satisfy through carrying out its activity.

(Alsayed, 1993, p. 4; Bin Habtour, 2004, p. 89)

A successful message must have the following characteristics:

- a) It must express the philosophy of the organization and what the organization wants to become in the future;
- b) It must identically reflect the purposes and objectives of the organization;
- c) Harmony: Strategies and policies must be in harmony with the set objectives whether at the level of the organization or its units or its programs.
- d) Adaptation: The message of the organization shall take into consideration the nature of its external and internal environments and the expected future changes in them.
- e) Effective description: A successful message provides a precise description of the methods required to achieve the desired objectives of the organization through the performance of its business and activities.

f) Integration: A successful message should be able to establish an integration relationship between the various parts and components of the organization, whether between the different departments and activities (horizontal integration) or between the administration and the various units of the organization (vertical integration).

g) The message must be able to assume the social responsibility.

h) The message must be able to implant the values and beliefs of the organization which should be compatible with the values and circumstances of the society at the given time and place.

i) The message must be able to achieve a competitive advantage for the organization. (Aldawry, 2005, p. 55)

3.3 The values of the organization

These values include the set of principles, moral values and the acceptable rules of behavior (code of conduct) devised by the organization to be followed by the organization's managers and employees. (PMEC Experts, 2006, p. 86)

4. The fourth step: Formulation of the strategic objectives

Once the vision and the message of the organization are determined, they must be translated into specific goals for each one of the organization levels. While the vision and the message clarify the general trend, the objectives put in focus the results to be achieved and express them in concrete terms so that the success of the organization in achieving these objectives can be measured and assessed. (TEAM Experts, 2000, p. 56)

The general objectives of the organization are those announced to the public and are usually formulated in general statements to explain the purpose of the existence of the organization in the society. On the other hand, strategic objectives determine the results to be achieved within a specific time span, and are expressed in measurable terms. The strategic objectives are usually devised by the higher administration in the organization; then they are

translated into more specific goals at the level of the organization's units, programs or functional departments, until they gradually reach the operational level. (Khattab, 2001, p. 189)

5. The fifth step: Determination of the strategic options (alternatives)

The strategic alternative is the result of the interaction between external factors (opportunities and threats) and internal factors (strong and weak points of the organization). According to this concept, the higher administration endeavors to compromise between the strategic alternatives based on the organization's internal and external capabilities, in order to be able to choose the best possible strategic alternative from the available alternatives. (Aldawry, 2005, p. 211)

This strategic selection process includes the following stages, as mentioned by Aldawry (2005):

- a) Composing the strategic alternative(s) which will help to bridge the strategic gap through grabbing opportunities and/or reducing environmental threats, boosting strong points and treating weaknesses, in addition to determining the aspects of the organization's competitive advantage.
- b) Assessing the strategic alternatives: The organization has to assess each one of the strategic alternatives in order to determine their suitability for the strategic position of the organization, according to the following criteria:
 - Compatibility: The strategic alternative has to be compatible with the elements of the external and internal environments;
 - Utility: The strategic alternative must be useful for the organization and its beneficiaries;
 - Acceptance: The strategic alternative must be acceptable to most of the parties dealing with the organization;
 - Conformity: The strategic alternative must exactly conform to the message of the organization and must be clearly suitable for dealing with the

opportunities and threats of the external environment and the strengths and weaknesses of the internal environment;

- The competitive advantage: Organizations exert strenuous efforts to gain a competitive advantage versus the other organizations, via implementing the strategic alternative.

c) The strategic choice: The organization chooses the best strategic alternative, or more than one strategic alternative, in view of realizing its message and achieving its strategic objectives. (Aldawry, 2005, p. 212)

6. The sixth step: Devising the strategic plans

The strategic plans indicate the way to achieve the strategic objectives. They aim at the same time at maximizing the positive factors leading to the operational efficiency of the organization and at reducing the negative factors which disrupt its activities.

Strategic plans must be formulated in the light of the strategic objectives and must be directly related to their achievement. Therefore, the time span of the plan is usually adequate for the time span of the objective which the plan is striving to achieve. Short-run plans are formulated to achieve short-run objectives, and medium-run plans are convenient for achieving medium-run objectives. (Alkattameen, 1996, p. 67)

Action plan

In this step, the strategies are turned into actions through the formulation and documentation of operational plans. In other words, the purpose of this step is to move from strategic planning to the implementation of the agreed upon strategies through the formulation of an action plan.

The action plan determines the answer to the following questions:

- What are the tasks to be performed? – How will they be performed?
- Who is responsible for achieving them?
- What is the required time span for achieving the tasks?

- What are the required resources for achieving the tasks?

(TAMI Institute, 2005, p. 10)

Second: Strategic Plan Implementation Stage

The implementation stage includes the following steps, in serial order:

(Alkattameen, 1996, p. 68)

a) Formulation of the executive plans: An executive plan is a text which determines the various activities that are required to achieve a specific job.

b) Setting a budget for each executive program.

c) Executive procedures: Sometimes called standard operational procedures, these procedures refer to a system of serially ordered steps, procedures and methods which describe in detail how to achieve each job.

Aldawry (2005) mentioned a number of procedures to realize the desired goals which were earlier determined, as follows:

a) The organizational structure: An adequate organizational structure must be set up, in conformity with the strategic alternatives.

b) Management of human resources

c) Guidance and leadership jobs: The achievement of executive programs requires the delegation of a sufficient amount of competences to the executive directors to enable them of efficiently and effectively performing their tasks.

d) Management by objectives: It refers to one of the approaches which can be applied to the whole organization to guarantee the achievement of the desired objectives through a successful implementation process. (Aldawry, 2005, page 299)

Third: Follow-up and assessment stage

The follow-up of the plan stage is of crucial importance in the planning process. The task of the planner does not end with the achievement of the plan formulation; since the planner has to make sure that the plan is being correctly implemented. The planner must watch for any deviations from the

plan in order to treat or avoid them. The importance of the follow-up process stems from the fact that such a control system can reveal the emergence of certain problems during the implementation stage which may impede or prevent the organization from the performance of its activities and thus negatively affect the achievement of its objectives. (Al-Loh, 2007, p. 42)

According to (Alkattameen, 1996, p. 150), the strategic control process can be applied to three levels:

a) Control at the strategic level: It aims at imposing a strict control on the general strategic orientation of the organization concerning its relationship to the society it is serving, and on its general strategic orientation towards the future.

b) Control at the tactical level: It aims at imposing a strict control on the implementation process of strategic plans and checking that performance results are conforming to the set objectives.

c) Control at the operational level: It aims at imposing strict control measures on the short-run plans and activities.

Section Two: Organization Performance

1. The Performance concept

The performance concept refers to the outputs and objectives to be realized by the system. This concept reflects both the means and the ends or objectives which the organization is striving to realize. In other words, it relates between the objectives of the organization and the activities performed to achieve them. (Abdel Mohsen, 1997, p.3)

The performance concept is concerned with both the behavior of individuals and of organizations. Performance is the final outcome of all the activities carried out, at the individual, the organization, and the State level.

(Al-Othman, 2003, p. 73)

2. The organization performance

The general performance of the organization is the integral outcome of the results of the organization's activities in the light of its internal and external interactions. Hence the general performance of the organization includes three dimensions: (Mekhaimar et al., 1999, p. 9)

- a) Performance of the individuals in their organizational units;
- b) Performance of the organizational units within the general frame of the organization; and
- c) Performance of the organization within the frame of the external environment (economic, social, cultural, etc.)

3. Performance measurement

Performance measurement as defined by Aldawry (2010) is an important activity including the comparison of the actual results with the expected results, the investigation of deviations from the plans, the assessment of individual performances, and assessing the achieved progress towards the realization of the set annual objectives and long-run objectives. (Aldawry, 2010, p. 334)

3.1. Importance of the organization performance assessment process

There are many purposes underlying the performance assessment process. The most important of these purposes have been summarized by (Alkhatteeb, 2003, p. 34) as follows:

- a) Shedding the light on the extent of the organization's efficiency in exploiting its available resources;
- b) The performance assessment process forms an essential part of the integral administrative process;
- c) The performance assessment process helps the organization to make administrative decisions;
- d) The performance assessment process helps the organization to check its ability to realize its objectives;

e) It helps the organization to develop and improve its performance through discovering the impediments and their underlying reasons, and suggesting solutions to overcome them; and

f) It helps to improve the outstanding efficiencies and the available energies in view of successfully performing the functions of the organization.

3.2. Performance Management and Performance Measurement

Performance management is defined as the efforts exerted by the different organizations in order to plan, organize and instruct individual and collective performances and to formulate clear and acceptable standards as a goal everyone will strive to reach. Performance management is an administrative process including the following four main elements: Performance planning, performance organization, performance guidance, and performance assessment. (Helal, 1999, p. 13)

3.3. Performance measurement problems

Performance measurement is an element of utmost importance in the administrative control process. Without quantitative performance measures, the application of the required administrative standards and criteria as control instruments becomes impossible. However, even when clear quantitative performance measures are available, they may present some negative aspects, such as the following problems: (Alkattameen, 1996, p. 156)

- The short-run nature of performance measures
- Mixing up means for objectives
- The compensatory behavior

3.4. Performance measurement steps

Strategic control aims at comparing the current performance results with the determined objectives. In this way, the administration obtains the necessary feedback information for assessing results and applying the required corrective procedures if needed. This process is carried out in five main steps, as mentioned by (Alkattameen, 1996, p. 152) and (Aldawry, 2005, p. 332), namely the following:

First step: Determining the performance results to be controlled and assessed;

Second step: Formulating specific standards and criteria for measuring performance;

Third step: Measuring the current performance, through applying the required standards and criteria formulated in the second step;

Fourth step: Comparing performance results with relevant standards and criteria: This step aims at discovering whether or not performance results are identical to the determined objectives. If they are identical, the control task is deemed achieved.

Fifth step: Applying corrective procedures.

4. Performance improvement

(Alshawamra) mentioned five steps for improving performance and achieving the organization's objectives. These steps are the following:

First step: Analyzing performance;

Second step: Investigating the roots of impediments;

Third step: Selecting the means of intervention or treatment;

Fourth step: Application of the means of intervention or treatment;

Fifth step: Performance control and assessment.

5. Performance Data Classification

There are four categories of performance data that describe the progress achieved in performing the organization's activities. (Alna'eimy et al., 2009, p. 189)

- a) Performance data acquired by observing or watching performance;
- b) Performance progress reports;
- c) Results of studies and research;
- d) Performance data acquired through using measurable data cards to collect quantitative information about finances, the number of complaints received, the number of foregone clients, and the like.

6. Performance measurement indexes

Most of the relevant literature tackles the subject of performance measurement indexes used in profit-seeking business organizations. The realized profit is indeed considered one of these indexes.

Mekhaimar et al. (1999) determined a set of indexes covering the principal business aspects, as follows:

- a) Indexes reflecting the Quality of the services provided by the organization;
- b) Indexes concerning the Efficiency of using the organization's economic resources, and including the ratio of total costs to total output (the cost of the provided service);
- c) Indexes measuring the Effectiveness of the organization in achieving of its objectives;
- d) Indexes concerning the adequacy of the services provided by the organization for the needs of the beneficiaries.

(Mekhaimar et al., 1999, p. 15, 188)

Helal (1999) suggests four indexes (QQTP) for assessing the organization's performance, as follows:

- a) Quality
- b) Quantity
- c) Time
- d) Process

McPherson (2004), on the other hand, proposed the following performance indexes:

- a) Effectiveness
- b) Efficiency
- c) Relevance
- d) Sustainability

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